



**Bank of Georgia Announces Its February 2005 Results,
Reports Monthly Net Income In Excess of GEL 1 Million**

- Total revenues of GEL 3.3 million, up GEL 0.6 million, or 21% over January 2005 (10.3% y-o-y)
- Normalized Net Operating Income of GEL 1.7, up GEL 0.5 million, or 46.6% over January 2005 (64.6% y-o-y)
- Net Income of GEL 1.0 million, up GEL 0.6 million, or 146% over January 2005 (72.9% y-o-y)

March 3, 2005: JSC Bank of Georgia ("BoG", GSE: GEB), a leading Georgian universal bank, reported today the growth of its profitability for the second consecutive month of 2005.

Normalized Net Operating Income (NNOI), according to the preliminary unaudited financial statements, reached GEL 1,660,870 in February 2005, a 21.4% increase over the January 2005 NNOI of GEL 1,132,722 and a 64% increase compared to February 2004. Net Income for February 2005, which includes the contribution of GEL 217,376 from TbilUniversalBank ("TUB"), the bank wholly-owned by BoG, amounted to GEL 1,073,376, an increase of 145.5% compared to January 2005 and an increase of 72.9% year-on-year. The merger between the two banks is expected to close on April 11, 2005.

Irakli Gilauri, Chief Financial Officer, noted: "The aggressive growth strategy that we have adopted is illustrated in both January and February results, as the effects of the ongoing restructuring of the bank is reflected in the increased profitability across the bank's principal business lines. The significant increase in the bank's revenues in February 2005, compared to the previous month, is mostly attributed to the growth of net interest income, which reached GEL 2,047,217, a 22.0% growth month-on-month. As the operating costs grew by a mere 3.7%, compared to January 2005, the (normalized) cost/income ratio in February 2005 was 50.0%, down from 58.6% in January 2005. It is noteworthy that cost reduction measures, as well as the effects of the synergies arising from the TUB acquisition, have resulted in a (normalized) cost/income ratio of 53.9% for the first two months of 2005 compared to the 63.3% (normalized) cost/income ratio during the same period in 2004."

"The increasing profitability during the first two months of this year, combined with the near completion of the loan book cleanup process, has paved the way for the aggressive implementation of the bank's ambitious growth plan, as reflected in the bank's 2005 budget. The budget envisages significant investments in our card processing platform, expansion and upgrade of our ATM network, modernization of the branch network and enhancements of our multi-channel delivery capabilities, as well as other strategic initiatives, which are aimed at strengthening the bank's leading position as a leader in the Georgian financial services market," added **Lado Gurgenidze**, Chief Executive Officer.

	February 2005	January 2005	February 2004	Year to Date Feb.28.05	Year to Date Feb.28.04
<i>GEL '000 unless otherwise noted</i>					
Total income	3,324	2,737	3,014	6,061	6,624
Net income	1,073	437	621	1,511	1,813
Net interest income	2,047	1,677	2,037	3,725	4,481
Non interest income	1,277	1,059	376	2,336	2,142

About Bank of Georgia

Bank of Georgia is a leading Georgian universal bank, with an approximately 16.5 % market share in loans and 21.9 % market share in deposits. The bank markets and distributes a wide spectrum of retail products through its extensive branch network, and offers a full range of commercial banking and investment banking (through its affiliate, Galt & Taggart Securities) services to corporate clients. Additionally, BCI, the wholly-owned insurance subsidiary of the bank, has an approximately 12% market share. As at December 31, 2004, the bank had GEL 322.3 million in assets.

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