

JSC Bank of Georgia announces the start of proceeding to exit BG Capital, Ukraine

JSC Bank of Georgia (LSE: BGEO) (the “Bank”), the leading bank in Georgia announced that it began proceedings to voluntarily close down BG Capital, Ukraine, in line with the Bank’s new strategy focusing on Georgian market. The Bank’s Georgian brokerage subsidiary, JSC BG Capital, remains to be the largest brokerage in Georgia. The Bank maintains its trading, clearing and custody infrastructure and intends to grow this business in Georgia. Bank of Georgia is the only bank in Georgia that has an account at Euroclear Bank and the only Bank to offer sub-custody services to global custodians in Georgia.

“We considered various options to exit our brokerage business in Ukraine, but declining trading volumes in Ukraine and difficult conditions on capital markets elsewhere prompted the decision to liquidate the loss-making Ukrainian brokerage operation, which we believe to be the fastest way to cut costs”, commented **Irakli Gilauri**, Chief Executive Officer.

About Bank of Georgia

Bank of Georgia is the leading Georgian bank, based on total assets (with a 36% market share), total loans (with a 36% market share) and client deposits (with a 34% market share) as of 30 June 2011, all data based on standalone financial information filed by banks in Georgia with the National Bank of Georgia. The Bank offers a broad range of corporate banking, retail banking, wealth management, brokerage and insurance services to its clients.

Bank of Georgia has, as of the date hereof, the following credit ratings:

Standard & Poor’s	‘B/B’
FitchRatings	‘B+/B’
Moody’s	‘B1/NP’ (FC) & ‘Ba3/NP’ (LC)

For further information, please visit www.bog.ge/ir or contact:

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