
Bank of Georgia Announces the Appointment of Lado Gurgenidze as Chief Executive Officer

JSC Bank of Georgia (GSE: GEB), a leading Georgian commercial bank, announced today the appointment of Lado Gurgenidze as Chief Executive Officer. Lado, a career banker who resides in London with his family, will relocate to Tbilisi and take up his appointment in early October, after serving out the notice period with his current employer.

Lado Gurgenidze commented, “I am honored to lead Bank of Georgia at this important stage of its development. Our top priority for the next several years is to ensure that the bank’s growth, led by our core retail banking franchise, combined with disciplined cost and capital management, delivers maximum value to our shareholders.”

Vladimer Pateishvili, Chairman of the Supervisory Board, commented, “I am pleased that our search for the Chief Executive Officer is over and the bank, under Lado’s leadership, can now concentrate on implementing its strategic plan.

“Our strategy aims to build Bank of Georgia into a modern universal bank with recurring, diversified revenue streams and multi-channel delivery of our broad range of products to our clients”, added **Henry Potter**, Vice Chairman of the Supervisory Board.

Commenting on the medium-term outlook for the bank and the Georgian banking sector in general, **Lado Gurgenidze** stated “given the dramatic improvement in Georgia’s political and economic outlook in 2004 and the banking sector stability, thanks to the prudent regulatory approach by the National Bank, we believe that in two or three years established international banks may well wish to add Georgia to their Eastern European and CIS footprint. The interest of Russian banks in the Georgian market is well documented. As to our southern neighbours, the revival of the Turkish economy positions well its leading banks, such as Garanti, Yapi Kredi, Isbank and Akbank, for regional expansion. Looking further West, names such as OTP, Raiffeisen Bank, BNP Paribas (which has recently acquired 50% in Russian Standard Bank) and UniCredit (which is already present in Turkey through its joint venture with Koç Financial Services) come to mind. In the meantime, I believe that portfolio investors will continue to embrace Bank of Georgia as a leveraged play on the country’s economic growth and the only investable public stock in Georgia.”

About Lado Gurgenidze

Lado, 33, brings 10 years of investment banking experience to the bank, having originated and executed over 25 transactions in a variety of sectors in Europe, the United States and emerging European markets. Most recently, Lado, served as Managing Director and Regional Manager, Europe at Putnam Lovell NBF, a leading investment banking firm focusing on the financial services sector. Both at Putnam Lovell NBF and previously, as Managing Director and Global Head of Technology Corporate Finance at ABN AMRO in 2001-2003, Lado has focused on the Financial Technology sector, and is widely recognized by market participants as a leading authority on the sector. Lado has advised leading vendors of software, solutions and services to the financial services industry such as, for instance, SWIFT, Radianz, Reuters and Telerate.

In 1995-2001, Lado focused on emerging European markets and was responsible for ABN AMRO’s corporate finance franchise in Russia & the CIS (in 1997-1998) and subsequently (in 1998-2000) for ABN AMRO’s M&A advisory franchise in Central and Eastern Europe and the CIS. During this period, Lado originated and executed transactions for a variety of clients, including Marconi, Global One (now part of Equant), Golden Telecom, UPC, Wirtualna Polska, Merloni Elettrodomestici, SNAM, News Corp and Andrew Corporation. In recognition of ABN AMRO’s leading market share in mergers & acquisitions in Russia in 2000 – a direct result of the pipeline of transactions originated and executed under Lado’s leadership – ABN AMRO was awarded *The Best M&A House in Russia* Euromoney Award for Excellence. Lado conducted undergraduate studies at the Tbilisi State University and Middlebury College and has an MBA degree from the Goizueta Business School of Emory University.

About Bank of Georgia

Bank of Georgia is a leading Georgian universal bank, with an approximately 19.4 % market share in loans and 17.2 % 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. As at 30 June 2004, the bank had GEL 270.3 million in assets. In 2003, the bank earned net income of GEL 9.2 million.

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