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EBRD AND IFC LOAN CONVERSION

On 20 December 2011, Bank of Georgia Holdings plc ("BGH") announced the launch of its tender offer (the "Tender Offer") to acquire the entire issued and to be issued share capital, including those shares represented by GDRs, of JSC Bank of Georgia (the "Bank"), the leading bank in Georgia.

Today, BGH announces that the EBRD and IFC have converted part of their respective loans to the Bank into Bank shares and accepted the Tender Offer with respect to such Bank shares (the "Loan Conversion").

The Tender Offer for the Bank's shares will remain open until 5:00pm London time today.

Application has been made for all of the shares in BGH ("BGH Shares") to be admitted to the premium segment of the Official List of the UK Listing Authority ("UKLA") and for all BGH Shares to be admitted to trading on the Main Market of the London Stock Exchange ("Admission").

BGH Shares are expected to begin trading on the London Stock Exchange on Tuesday, 28 February 2012. Following Admission, the Bank will become a subsidiary of BGH.

ING Bank N.V., London Branch, acted as sole financial adviser and sponsor to BGH in connection with the proposed listing. In connection with the Tender Offer, DF King Worldwide acted as Information Agent, The Bank of New York Mellon acted as Exchange Agent for the GDRs and Joint Stock Company BG Capital acted as Georgian Exchange Agent for the Bank's shares.

The EBRD, owned by 63 countries and two intergovernmental institutions, is an international financial institution that supports projects from central Europe to central Asia and beyond. Investing primarily in private sector clients whose needs cannot be fully met by the market, the Bank fosters transition towards market economies. Follow us on the web, Facebook and Twitter.

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector. IFC helps developing countries achieve sustainable growth by financing investment, providing advisory services to businesses and governments, and mobilizing capital in the international financial markets. In fiscal 2011, amid economic uncertainty across the globe, IFC helped its clients create jobs, strengthen environmental performance, and contribute to their local communities—all while driving investments to an all-time high of nearly \$19 billion. For more information, visit www.ifc.org

About Bank of Georgia

Bank of Georgia is the leading Georgian bank, based on total assets (with a 35.6% market share), total loans (with a 34.5% market share) and client deposits (with a 35.6% market share) as of 31 December 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	'BB-/B'
FitchRatings	'BB-/B'
Moody's	'B1/NP' (FC) & 'Ba3/NP' (LC)

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

Irakli Gilauri
Chief Executive Officer
+995 322 444 109
igilauri@bog.ge

Macca Ekizashvili
Head of Investor Relations
+995 322 444 256
ir@bog.ge

David Westover/Justin Griffiths
Citigate Dewe Rogerson
+44 (0) 207 638 9571
bog@citigatedr.co.uk

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This announcement is an advertisement and not a prospectus and investors should not subscribe for or purchase any transferable securities referred to in this announcement except solely on the basis of information contained in the prospectus dated 20 December 2011 and the supplementary prospectus dated 5 January 2012 (together, the "Prospectus") and any Tender Offer documentation published or proposed to be published by BGH in connection with the Tender Offer and the proposed admission of BGH Shares to the premium segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange's Main Market for listed securities (the "Admission"). Copies of the Prospectus are available from BGH's registered office.

The information contained in this announcement is for background purposes only and does not purport to be full or complete. The information in this announcement is subject to change.

ING, which is authorised and regulated in the United Kingdom by the Financial Services Authority (the "FSA"), is acting exclusively for the Bank and BGH and no-one else in connection with the Admission and the Tender Offer. ING will not regard any other person (whether or not a recipient of this announcement) as a client in relation to the Admission or the Tender Offer and will not be responsible to anyone other than the Bank and BGH for providing the protections afforded to clients of ING, or for providing advice in relation to the Admission, the Tender Offer or any other matters described in this announcement.

The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or under the securities law of any state or other jurisdiction of the United States and may not be offered, sold or delivered, directly or indirectly, in or into the United States or to U.S. persons, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. No public offering of the securities has been or will be made in the United States.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Bank's and BGH's control and all of which are based on its directors' current beliefs and expectations about future events. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Bank's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Bank's business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward-looking statements speak only as of the date of this announcement and cannot be relied upon as a guide to future performance.

Each of the Bank, BGH and ING and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement whether as a result of new information, future developments or otherwise, unless required to do so by applicable law, the Prospectus Rules, the Listing Rules or the Disclosure and Transparency Rules of the FSA.

The Tender Offer was made in the United Kingdom only pursuant to the Prospectus.

The date of the Admission may be influenced by things such as market conditions. There is no guarantee that the Admission will occur and you should not base your financial decisions on the Bank's intentions at this stage in relation to the Admission.

This announcement is not a tender offer announcement for the purposes of Georgian law. The Tender Offer was made in accordance with the requirements of Georgian law.

This announcement is not an advertisement of any securities for the purposes of Georgian law.

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