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***Bank of Georgia Announces the Sale of 512,248 Treasury Shares  
To Firebird Republics Fund***

JSC Bank of Georgia (GSE: GEB), a leading Georgian bank, announced today the sale of 512,248 treasury shares to the Firebird Republics Fund. The trade was executed today on the Georgian Stock Exchange, where Bank of Georgia remains the most liquid and sole listed stock. All of the shares were sold at GEL 6.0 per share. The bank's book value, as of October 31, 2004, was GEL 5.65 per share. As a result of this transaction, Bank of Georgia has increased its equity capital to GEL 55.9 million, becoming the largest bank in Georgia by equity capital.

**Lado Gurgenzidze**, Chief Executive Officer of Bank of Georgia, commented, "I am very pleased that this transaction completes the sale of our treasury shares and delighted to welcome Firebird Republics Fund as BoG's shareholder. Every new institutional shareholder of BoG is very much appreciated, as the ongoing upgrading of our shareholder base raises the bank's profile internationally".

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**About Bank of Georgia**

Bank of Georgia is a leading Georgian universal bank, with an approximately 20.7 % market share in loans and 20.2 % 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 September 30, 2004, the bank had GEL 279.2 million in assets. In 2003, the bank earned net income of GEL 9.2 million.

**About Firebird Republics Fund and Firebird Management LLC**

Firebird Republics Fund is a portfolio equity fund that invests primarily in publicly traded equities of companies operating in former Soviet republics. Firebird Republics Fund is one of the six funds managed by Firebird Management LLC, a portfolio investment fund manager with approximately \$700 million in portfolio funds dedicated to equity investments in Russia, Eastern Europe and Central Asia. Firebird Management LLC has vast experience in investing in financial institutions across the CIS countries.

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