



***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".

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.

For more information, please contact:

Lado Gurgenzidze, Chief Executive Officer

+995 32 444 103

lgurgenzidze@bog.ge

Macca Ektzashvili, Head of Investor Relations

+995 32 444 256

ir@bog.ge

Or visit our investor relations page at www.bog.ge/ir

This news report is presented for general informational purposes only and should not be construed either as an offer to sell or the solicitation of an offer to buy any securities. Certain statements in this news report are forward-looking statements and, as such, are based on the management's current expectations and are subject to uncertainty and change in circumstances. Actual results may differ materially from those included in these statements due to a variety of factors.