

## **TO THE ATTENTION OF THE SHAREHOLDERS OF JSC BANK OF GEORGIA!**

**The Extraordinary General Meeting (the “EGM”) of the shareholders of JSC Bank of Georgia is scheduled to be held on 6 November 2006, at 16:00 o’clock. The agenda of the meeting is as follows:**

1. Report of the Management Board and Supervisory Board of JSC Bank of Georgia on the future plans and strategy of the bank;
2. On the reduction of the number of the Supervisory Board members to five and changes in the composition of the Supervisory Board;
3. Approval of compensation of the Supervisory Board members;
4. On changes in the composition of the Audit Committee of the bank and approval of compensation of Audit Committee members;
5. On increase of Authorized Capital and cancellation of pre-emptive rights to newly issued shares;
6. On changes in the Charter of JSC Bank of Georgia.

With respect to the items included in the agenda of the EGM to be held on 6 November 2006, the Management Board and the Supervisory Board of JSC Bank of Georgia recommend the following:

With respect to the first item of the agenda:

1. To take into consideration and support the report of the Supervisory Board and the Management Board of JSC Bank of Georgia on the bank’s future plans and strategy (including the planned listing of JSC Bank of Georgia shares in the form of GDRs (Global Depositary Receipts) on the London Stock Exchange).

With respect to the second item of the agenda:

1. In order to ensure the flexibility of the Supervisory Board in carrying out the plans and strategy as per first item of the agenda, and enable the Supervisory Board to make decisions in a timely manner, the Supervisory Board and the Management Board of the bank consider it appropriate to decrease the number of the Supervisory Board members to five and make the relevant changes to the bank’s Charter.
2. Approve the resignation of Messrs. Victor Gelovani and Martin Massar from the Supervisory Board membership. Consider the dismissal of Mr. Tariel Gvalia from the position of the member of the Supervisory Board.
3. To thank Messrs. Victor Gelovani, Tariel Gvalia and Martin Masar for their work in the Supervisory Board of the bank and to compensate Messrs. Tariel Gvalia and Martin Masar in the amount proposed by the Supervisory Board.
4. To elect Messrs. Nicholas Enukidze and Allan Hirst to the Supervisory Board of JSC Bank of Georgia subject to the approval of their compensation in accordance with the third item of the agenda.

With respect to the third item of the agenda:

1. To retain compensation of the newly elected member of the Supervisory Board Mr. Nicholas Enukidze on existing terms. To approve the compensation of the newly elected member of the Supervisory Board Mr. Allan Hirst according to the recommendation of the Supervisory Board.

With respect to the fourth item of the agenda:

1. Approve the resignation of Mr. Temur Khorkhomelidze and Mrs. Mariam Megvinetukhutesi from the Audit Committee of JSC Bank of Georgia.

2. Approve the election of Mr. Dimitri Kemoklidze and Ms. Victoria Shtorm to the Audit Committee of JSC Bank of Georgia.
3. To approve the compensation of the audit committee members on terms recommended by the Supervisory Board and the Management Board of JSC Bank of Georgia.

With respect to the fifth item of the agenda:

1. For further growth and development of JSC Bank of Georgia it is recommended to increase the Authorized Capital and issue new shares. The issuance of new shares is intended for raising additional capital in order to comply with the prudential ratios set by the National Bank of Georgia, further growth of the bank's loan book, further acquisitions by JSC Bank of Georgia, Employee Share Ownership Plan ("ESOP") purposes and for the objectives set out in the first item of the agenda.
2. Increase the Authorized Capital by 7,127,210 (seven million hundred twenty-seven thousand two hundred and ten) for the following purposes:
  - a. 6,627,210 (six million six hundred twenty-seven thousand two hundred and ten) common shares – for raising additional capital in order to comply with the prudential ratios set by the NBG, for further growth of the bank's loan book, for further acquisitions by JSC Bank of Georgia and for the purposes set out in the first item of the agenda;
  - b. 500,000 (five hundred thousand) common shares – for issuance of shares to Bank of Georgia employees through ESOP with the consent of the Supervisory Board of the bank.
3. To cancel the pre-emptive rights to the 7,127,210 (seven million hundred twenty-seven thousand two hundred and ten) new shares issued from the Authorized Capital.

With respect to the sixth item of the agenda:

1. In order to clarify the certain provisions in the Charter of JSC Bank of Georgia and bring the Charter in compliance with the Laws of Georgia, it is recommended to make amendments to the Charter of JSC Bank of Georgia.
2. The revised Charter of JSC Bank of Georgia with a note explaining the proposed changes is available at the bank's head office at the Investor Relations Department or at the bank's website.
3. The shareholders of the bank will be able to submit written proposals or comments (or receive clarifications) with regards to the revised version of the Charter to the Investor Relations Department at the head office of JSC Bank of Georgia until October 27, 2006. Such proposals or comments, if any, shall be discussed at the EGM.

**The EGM will be held at 127a Agmashenebeli Street**

**The registration of shareholders will start on 6 November 2006 at 15:00 o'clock.**

**The record date of the EGM is 6 October 2006.**

**The rights of the shareholders to participate in the meeting may be checked from 27 October 2006 with the share registrar of JSC Bank of Georgia – JSC Kavkasreestri, at 74a Chavchavadze Avenue, Tbilisi**