



FOR IMMEDIATE RELEASE

17 November 2006

**BANK OF GEORGIA ANNOUNCES PRICE RANGE
FOR INITIAL PUBLIC OFFERING, EGM RESULTS &
SUPERVISORY BOARD APPOINTMENTS**

Tbilisi, Georgia – 17 November 2006 – Bank of Georgia (the “Bank”), a leading Georgian universal bank, announced today the preliminary price range for its initial public offering (the “Offering”) of up to 8,880,207 shares in the form of Global Depositary Receipts (“GDRs”). The price range has been set at between US\$ 15.00 and US\$ 17.50 per GDR. The size of the Offering is expected to be up to US\$ 155 million, subject to the over-allotment option being exercised in full. Based upon the price range, the market capitalization of the Bank at the commencement of dealings is expected to be between US\$ 350 million and US\$ 425 million.

The Offering is a combination of new share issuance by Bank of Georgia to fund acquisitions and growth in operations as well as sale of existing shares by certain selling shareholders. The GDRs will be offered outside the United States to international institutional investors. The Bank will seek admission of the GDRs to the UK Listing Authority’s Official List and to trading on the regulated market of the London Stock Exchange. The Bank will be the first Georgian company ever and the second bank from the CIS since 1999 to be listed on the London Stock Exchange.

Lado Gurgenidze, Chairman of the Supervisory Board of Bank of Georgia, commented: “The Offering on the London Stock Exchange will help us strengthen our position as a leading universal bank in Georgia, broaden our access to the international capital markets and diversify our shareholder base. We have a clear strategy and we see the Offering as a means of actively developing our operations in the region and abroad”.

The Bank also announced today the results of its Extraordinary General Meeting of Shareholders (the “EGM”) held on November 6, 2006. The EGM approved the recommended increase of the Bank’s authorized capital by 5,552,210 shares in connection with the contemplated Offering. As of November 14, 2006, the Bank had authorized share capital of 25,335,619 ordinary shares and issued share capital of 16,890,413.

The EGM elected Mr. Allan Hirst and Mr. Nicholas Enukidze as members of the Supervisory Board. Subsequently, the Supervisory Board has elected Mr. Enukidze as Vice-Chairman and Mr. Hirst as a Member of the Compensation Committee. Mr. Hirst, who joined the Bank as a Non-Executive Director, has over 24 years’ experience in the banking sector in senior

NOT FOR RELEASE, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA OR JAPAN

positions at Citibank N.A., including as President of ZAO Citibank Russia, and currently serves as Non-Executive Director of JSC RosBank. Mr. Enukidze has served as a special adviser to the Supervisory Board of Bank of Georgia since May 2006. Before joining the Bank, Mr. Enukidze has worked in various senior positions at Concorde Capital, a leading Ukrainian investment banking firm, ABN AMRO in Moscow and London, as well as Global One Communications LLC, a U.S. - based telecommunications company.

ING Bank N.V., London Branch has been appointed as Lead Manager and Sole Bookrunner of the Offering, Bank Austria Creditanstalt AG has been appointed as Co-Lead Manager of the Offering and JSC Galt & Taggart Securities, a wholly-owned investment banking subsidiary of the Bank, has been appointed as Selling Agent.

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

Bank of Georgia
Macca Ekizashvili
Head of Investor Relations
Tel: +995 32 444 256
ir@bog.ge

Shared Value Limited
Larisa Kogut-Millings
Tel. +44 (0) 20 7321 5037
bog@sharedvalue.net

Bank of Georgia, a leading universal Georgian bank, is the largest bank by total equity and the second largest bank by total assets in the country. The Bank has the second largest branch network in Georgia, with 98 branches and over 380,000 retail clients. The Bank offers a full range of retail banking and corporate and investment banking services to its customers across Georgia. The Bank also provides a wide range of corporate and retail insurance products through its wholly-owned subsidiary, BCI, as well as asset & wealth management services.

Recent Financial Performance

The financial information in the following paragraph is unaudited and reflects the best estimates the management. The Bank's results may differ from the amounts reflected herein as a result of various factors. The Bank's results for an interim period are not necessarily indicative of what its results will be for the full year.

Based on the Bank's IFRS management accounts for the nine months ended 30 September 2006, the Bank's total assets as at 30 September 2006 were GEL 854.7 million and its total liabilities as at such date were GEL 717.7 million, representing an increase of 85.6% and 94.4%, respectively, as compared to 31 December 2005. The Bank's net income for the nine months ended 30 September 2006 was GEL 17.3 million, representing a 96.0% increase year on year.

NOT FOR RELEASE, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF
AMERICA, AUSTRALIA, CANADA OR JAPAN

Bank of Georgia has 'B+/B' rating with a stable outlook from Standard & Poor's; 'B3/NP' (FC) and 'Baa3/P-3' (LC) ratings with a stable outlook from Moody's; and a 'B-/B' credit rating with a positive outlook from FitchRatings.

The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States or to US persons unless the securities are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available. No public offering of the securities will be made in the United States. Other selling restrictions are applicable.