

**Bank of Georgia Announces Results Of The Annual General Meeting Of Shareholders,
Enhancements Of The Group Management Team**

Bank of Georgia (GSE: GEB), a leading Georgian universal bank, announced today that it held on May 3, 2006 its Annual General Meeting of Shareholders (the “AGM”). The AGM approved all the items of the agenda, which, among others, included the approval of the consolidated IFRS financial statements for 2005, audited by Ernst & Young, annual dividend of GEL 0.05 per common share, and changes in its charter following the exit of the EBRD.

Significant changes have taken place in the composition of the bank’s Supervisory Board. Jyrki Talvitie has replaced Kestutis Sasnauskas as the representative of East Capital. Martin Masar replaced Yuri Mostovoy. The AGM accepted the resignation of Andrew Ostaszewski, who had represented the EBRD. Victor Gelovani, while remaining a Supervisory Board member, stepped down as the Chairman. Lado Gurgenidze has been elected to the Supervisory Board and subsequently elected the Chairman of the Supervisory Board. Irakli Gilauri has been appointed Chief Executive Officer.

The bank also announced today that it has agreed terms with Nick Enukidze, a prominent investment banker of Georgian descent, who will serve as group Financial Director, based in the UK.

“This AGM was a significant milestone for the bank and its shareholders. We have resumed the dividend payouts, interrupted last year, although the payout ratio will remain quite low for as long as the bank is in the high growth phase. My election as Chairman of the Supervisory Board will allow me to focus, together with Nick Enukidze and the bank’s management team, on our planned listing in London, international expansion, debt funding and merchant banking activities in Georgia, while providing hands-on oversight of the operational matters of the bank. Irakli Gilauri and the rest of the management team, who have been together since the beginning of our turnaround in 2004, share the same vision and strategic approach, thereby ensuring full continuity of the bank’s development. Nick Enukidze is a very valuable addition to our top management team, and I am particularly pleased with his decision to join, as this is our third opportunity to work together, following two spells at MeesPierson (1996-1997) and ABN AMRO (1997-1999) in Moscow and again at ABN AMRO (2001-2003) in London”, stated **Lado Gurgenidze**, Chairman of the Supervisory Board.

About Bank of Georgia

Bank of Georgia is a leading Georgian universal bank. 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 services to corporate clients. Additionally, BCI, the wholly-owned insurance subsidiary of the bank, offers a wide range of corporate and retail insurance products (through its newly launched *Chemebi* retail brand). As at April 30, 2006, the bank had GEL 624.7 million in assets and GEL 100.7 million in equity. In 2005, the bank earned net income of GEL 13.6 million. The bank has a B-/Stable outlook from FitchRatings and B3/NP and Baa3/P-3 local currency ratings from Moody’s with Sable outlook.

For more information, please contact:

Lado Gurgenidze, Chairman of the Supervisory Board

Irakli Gilauri, Chief Executive Officer

Macca Ektzashvili, Head of Investor Relations

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

+995 32 444 103

+995 32 444 109

+995 32 444 256

lgurgenidze@bog.ge

igilauri@bog.ge

ir@bog.ge

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