

***Bank of Georgia announces its upgrade by Fitch Ratings and Standard & Poor's***

JSC Bank of Georgia (LSE: BGEO) (the “Bank”), the leading bank in Georgia, announces that Standard & Poor’s and Fitch Ratings raised their respective ratings on the Bank of Georgia on 16 December 2011. Standard & Poor’s raised its long-term rating on Bank of Georgia to ‘BB-’ from ‘B’ and affirmed ‘B’ short-term rating. The Bank remains the only financial institution in Georgia rated by Standard & Poor’s. Fitch Ratings has upgraded the Bank’s Long-term Issuer Default Rating from ‘B+’ to ‘BB-’. It also upgraded Bank’s Viability Rating (“VR”) from ‘b+’ to ‘bb-’, currently the highest VR of any Georgian bank. The rating agencies noted Bank’s business position, capitalization, liquidity, profitability and strong corporate governance and management teams as the drivers for the rating upgrades. The outlook according to both agencies is Stable.

The upgrades follow the recent sovereign rating upgrades by both Standard & Poor’s and Fitch Ratings, as announced on 24 November 2011 and 15 December 2011, respectively.

“Georgia has been delivering strong macroeconomic fundamentals over the last few years with impressive growth in both real GDP and foreign reserves together with a declining budget deficit and low debt to GDP. I am pleased that the two rating agencies have recognised the much improved macroeconomic environment in Georgia and the financial strength and business fundamentals of Bank of Georgia at a time when global macroeconomic conditions remain challenging. Bank of Georgia’s long-term rating by both rating agencies are now rated at the sovereign level”, commented ***Irakli Gilauri***, Chief Executive Officer.

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**About Bank of Georgia**

Bank of Georgia is the leading Georgian bank, based on total assets (with a 36% market share), total loans (with a 36% market share) and client deposits (with a 34% market share) as of 30 June 2011, all data based on standalone financial information filed by banks in Georgia with the National Bank of Georgia. The Bank offers a broad range of corporate banking, retail banking, wealth management, brokerage and insurance services to its clients.

Bank of Georgia has, as of the date hereof, the following credit ratings:

Standard & Poor’s	‘BB-/B’
FitchRatings	‘BB-/B’
Moody’s	‘B1/NP’ (FC) & ‘Ba3/NP’ (LC)

For further information, please visit [www.bog.ge/ir](http://www.bog.ge/ir) or contact:

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