

Bank Of Georgia Announces the Acquisition of Assets and Liabilities of IntellectBank, Adds Significant Retail Client Base

Bank of Georgia (GSE: GEB), a leading Georgian universal bank, announced today that it has entered into a binding agreement with the National Bank of Georgia (NBG) with regard to the acquisition of the assets and liabilities of IntellectBank, the ninth largest Georgian bank by assets. The NBG had placed IntellectBank under temporary administration on Friday, February 10, 2006, and solicited, jointly with the government, proposals from several interested parties. Bank of Georgia's proposal was deemed the most appealing and credible in terms of the certainty of execution. IntellectBank will remain under the administration by the NBG until its liquidation.

As of February 1, 2006, IntellectBank held an approximately 3% market share in retail deposits, with GEL 27.4 million worth of funds of approximately 23,058 individuals. IntellectBank, which has operated one of the most successful plastic card franchises in Georgia, has approximately 7,000 active card accounts, has been the sole distributor of American Express cards in Georgia, and beneficially owned a 49% equity interest in UFC, the only multi-bank card processing platform competing with Georgian Card, in which Bank of Georgia owns a majority equity interest. Additionally, IntellectBank has been an active partner of Anelik, one of the leading money transfer businesses in the CIS, as well as MoneyGram, Caucasus Express and others. Net Fee and Commission Income of IntellectBank amounted to approximately GEL 3.5 million in 2005. IntellectBank has also been active in corporate banking.

“The acquisition of IntellectBank is in line with our strategy of becoming a leading universal bank in the country and further enhances our leading position in the retail banking sector. We look forward to welcoming some 24,000 clients of Intellectbank to our bank. Very soon these clients will avail themselves of our recently modernized retail banking and insurance products. Based on our highly successful track record of integrating acquisitions (including the integration in less than four months of TUB, a bank similar in size to IntellectBank), I am confident of our team's ability to ensure a smooth handover. We are grateful to the NBG and the government of Georgia for highly efficient and effective work on this transaction. The NBG, which has been reviewing the operations of IntellectBank since last September, has been very open and forthcoming with the relevant information to us and other bidders. As a result, we are comfortable with the quality of due diligence we have been able to conduct despite the rapid pace at which this transaction proceeded”, commented **Lado Gurgenidze**, Chief Executive Officer of Bank of Georgia.

“We are pleased with the fact that the clients of IntellectBank are now in safe and capable hands and will continue to support Bank of Georgia until the transition is complete”, stated **Eka Galdava**, Vice President of the NBG.

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. As at January 31, 2006, the bank had GEL 479.7 million in assets and GEL 94.5 million in equity. Net Income amounted to GEL 12.8 million in 2005.

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