

FOR IMMEDIATE RELEASE

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EBRD has sold stake in Bank of Georgia

The EBRD has sold its 11.8 per cent stake in Bank of Georgia, the country's second largest universal bank. The stake was originally bought in June 2000. Bank of Georgia has since built up a significant presence in retail banking, corporate and investment banking as well as in insurance and asset and wealth management.

The bank's shares are listed on the Georgian Stock Exchange (www.gse.ge) and the 1,797,509 shares sold by the EBRD were purchased on behalf of institutional investors by CA IB, the investment bank of Bank Austria Creditanstalt. The exit price represented a premium to Friday's closing price of GEL 10.20, reflecting the positive market sentiment towards the banking sector in Georgia.

Since its original investment, the EBRD has worked closely with the Bank of Georgia's management team to help develop the bank's strategy and to broaden further the shareholder base with new portfolio investors.

The EBRD's role in supporting the transition of this bank is now complete, said Kurt Geiger, the EBRD's Business Group Director for Financial Institutions. The EBRD is confident that private sector institutions will now fully participate in the future of the bank and support the next stage of its development, he added.

Lado Gurgenidze, Bank of Georgia's Chief Executive Officer, said: "We appreciate the support the bank has received from the EBRD over the last six years. We are especially gratified that existing investors have increased their stakes and that we are also attracting new institutional shareholders."

The EBRD remains committed to helping foster investment in Georgia, and in particular to supporting the development of the country's financial sector.

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