



JSC Bank of Georgia Announces Its April 2005 Results, Completion of Merger with TbilUniversalBank

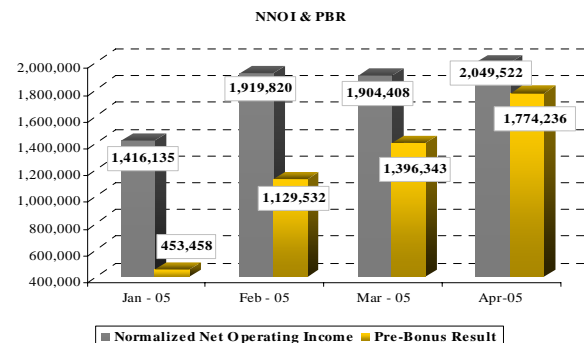
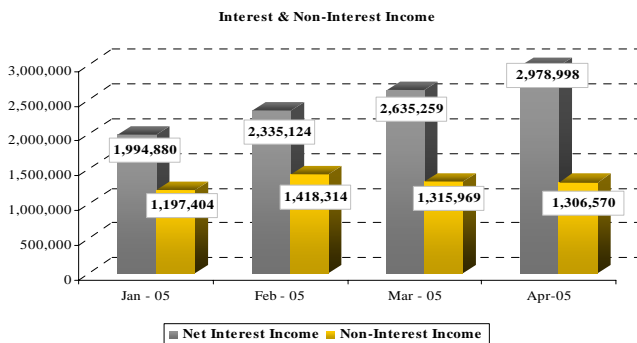
- Total revenue of GEL 4.3 million, up GEL 0.3 million, or 8.5 % over March '05
- Normalized Net Operating Income (NNOI) of GEL 2.0 million, up GEL 0.1 million, or 7.6 % over March '05
- Pre-Bonus Result (PBR) of GEL 1.8 million, up GEL 0.4 million, or 27% over March '05
- Net Income of GEL 1.1 million, up GEL 0.4 million, or 49.6 % over March '05

Bank of Georgia (GSE: GEB), a leading Georgian universal bank, announced today that it was highly profitable in April '05, with Net Income exceeding GEL 1 million, and the successful completion of the merger with TbilUniversalBank (“TUB”), the ninth largest bank in Georgia at the time of acquisition by Bank of Georgia in November '04.

The 7.6% increase m-o-m in NNOI to GEL 2.0 million in April '05 was mostly driven by a 13% increase m-o-m in Net Interest Income, which more than offset a slight decrease of 0.7% m-o-m in Non-Interest Income in April '05.

“I am delighted to report a 27% increase m-o-m in PBR to GEL 1.8 million in April '05. The increase in PBR was mainly caused by a 8.5% increase m-o-m in total revenue to GEL 4.3 million, a low provision charge of less than GEL 0.2 million, a 77.9% decrease m-o-m in net provisions and a 37% decrease m-o-m in non-recurring costs. As a result of these positive developments, Net Income of the bank grew by 50% m-o-m to GEL 1.1 million, the highest monthly result YTD. We are particularly pleased with the bank’s good performance in April given that the full integration of the bank and TUB was completed last month. I can proudly announce that TUB is now fully integrated and is running smoothly on the same core banking platform as Bank of Georgia”, commented **Irakli Gilauri**, Chief Financial Officer of Bank of Georgia.

“I am pleased that we have started Q2 with such strong monthly results. The increase in Interest Income and low provision charges prove our ability to grow the loan portfolio while adhering to a disciplined credit risk assessment process. We expect the continued popularity and success of our new retail product lineup to drive our results in the coming months, but need to do more work in growing and diversifying our Non-Interest Income stream, which has remained essentially flat year to date. May will be especially challenging in this regard, given that there are four public holidays this month, during which only few of our branches remain open”, added **Lado Gurgenidze**, Chief Executive Officer of Bank of Georgia



About Bank of Georgia

Bank of Georgia is a leading Georgian universal bank, with an approximately 16.5 % market share in loans and 21.9 % market share in client deposits. 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 (through its affiliate, Galt & Taggart Securities) services to corporate clients. Additionally, BCI, the wholly-owned insurance subsidiary of the bank, has an approximately 12% market share. As at April 30, 2005, the bank had GEL 351.4 million in assets.

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