

JSC Bank of Georgia announces the sale of its equity interest in GTAM

JSC Bank of Georgia (LSE: BGEO, GSE: GEB) (the “Bank”), Georgia’s leading universal bank, announced today that it has completed the first stage of the restructuring of its asset management business in line with the Bank’s strategy of reducing its exposure to the asset management segment, which the Bank considers as non-core. The Bank acquired controlling equity stake in GTAM for the cash consideration of GEL 374,981 in Q4 2007 and has sold its entire stake in GTAM for the cash consideration of GEL 652,430.

The first stage of the restructuring included the following:

- The Bank sold its majority equity interest in GTAM Limited (“GTAM”), the Bank’s main vehicle for asset management business line, to Bidzina Bejuashvili, the CEO and minority shareholder of GTAM.
- GTAM’s investment advisory agreement with JSC Liberty Consumer (“LC”) has been terminated, while its investment advisory agreement with JSC SB Real Estate (“SBRE”) will be terminated from 1 October 2009 subject to fulfillment of certain outstanding obligations. LC and SBRE are investment companies focused on consumer-themed and real estate investments in Georgia. The Bank currently owns 65.2% equity interest in LC, which in turn owns 52.1% equity interest in SBRE.

“We have made good progress in refocusing Bank of Georgia on its core businesses and the sale of our stake in GTAM was an important step in this direction. We will also continue to explore our options in respect of both Liberty Consumer and SBRE, with an aim to further reduce the Bank’s exposure to these non-core assets”, noted *Nicholas E nukidze*, Chairman of the Supervisory Board.

About Bank of Georgia

Bank of Georgia is the leading Georgian bank offering a broad range of corporate and investment banking, retail banking, wealth management and insurance services to its customers in Georgia, Ukraine and Belarus. Bank of Georgia is the largest bank in Georgia by assets, loans, deposits and equity, with 33.7% market share by total assets (all data according to the NBG as of 31 July 2009). The bank has 140 branches and over 880,000 retail and more than 146,000 corporate current accounts.

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

Standard & Poor’s	‘B/B’
FitchRatings	‘B/B’
Moody’s	‘B3/NP’ (FC) & ‘Ba3/NP’ (LC)

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