

JSC Bank of Georgia announces changes in the management and new senior appointments

JSC Bank of Georgia (LSE: BGEO; GSE: GEB) (the “Bank”), Georgia’s leading bank announced today certain new appointments and senior management changes to support the Bank’s business.

Mr. Archil Gachechiladze, previously Deputy Director at TBC Bank, Georgia, has been appointed as Deputy Chief Executive Officer (“Deputy CEO”) and will succeed Mr. Ramaz Kukuladze as Deputy Chief Executive Officer in charge of Corporate Banking, following Mr. Kukuladze’s resignation to take on the position of First Deputy CEO of United Telecom of Georgia. Mr. Kukuladze will continue to serve as a Chairman of the Supervisory Board of Aldagi BCI, the Bank’s wholly owned insurance company in Georgia.

Mr. Nikoloz Shurgaia, previously CEO of VTB Bank, Georgia, will assume the position of Deputy CEO for International Banking, overlooking the Bank’s international banking operations. Mr. Shurgaia will be appointed as Chairman of the Supervisory Board of Belaruskiy Narodniy Bank (BNB) and as a member of the Supervisory Board of BG Bank, Ukraine, both appointments to be approved by the next Shareholders’ Meeting of BNB and BG Bank, respectively. Mr. Tariel Gvalia will step down as a Chairman of BNB’s Supervisory Board upon the expiration of his tenure in December 2009.

“I am very pleased that we further enhanced the Bank’s management pool as we continue to attract top talent with western background from our competitors. I am also glad to report that we have management depth in place to lead our efforts in Belarus and Ukraine. Nikoloz Shurgaia, who will be based in Minsk, will oversee and coordinate the activities of the Bank’s international banking subsidiaries, with a particular focus on BNB. Nikoloz will work closely with Constantine Tsereteli, who has been appointed as CEO since June 2009 after serving as Co-Head of Retail Banking at Bank of Georgia. We have further enhanced the Belarus team by appointing Mr. Seit Devdariani as Deputy CEO of BNB to spearhead the growth of BNB in the under-banked SME sector of Belarus. The enhancement of the Belarus team is particularly important as the Bank prepares to meet the new regulatory capital requirement by the National Bank of Republic of Belarus, which will increase from EUR 10 million to EUR 25 million as of 1 January 2010.

In Ukraine, Murtaz Kikoria has been appointed as an Acting CEO of BG Bank in June 2009, following the resignation of Mr. Konstantin Poloskov. Murtaz Kikoria’s appointment is subject to the respective approval by the National Bank of Ukraine. I am pleased that under Murtaz’ leadership he managed to successfully downscale banking operations in Ukraine. Further management changes at BG Bank include the appointments of Mikheil Murtskhvaladze, CFO, who joined in July 2009 from British American Tobacco, Ukraine, where he worked as Head of Treasury (previously Mikheil worked for TBC Bank as Budgeting and Reporting Director) and Giorgi Vakhtangishvili was promoted to become Chief Risk Officer of BG Bank, (previously Head of Finance, Ukraine). Our international banking operations have been further strengthened by the appointment of Tornike Gogichaishvili as Head of International Banking to help Nikoloz, Constantine and Murtaz in executing the Bank’s international strategy. Before this promotion, Tornike served as CFO of BG Bank until July 2009 and CEO of Aldagi BCI until February 2008. Additionally, Tornike will be overlooking our insurance efforts in Georgia.

Archil and Nikoloz bring invaluable local and international experience and expertise to their important leadership roles. I am looking forward to working with each one of them and their respective talented and capable teams towards the execution of the Bank’s strategic and operational priorities.

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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In Georgia, I would also like to announce the appointment of Giorgi Keshelashvili, previously CEO of Georgian Card, card-processing company controlled by the Bank, as Group Chief Information Officer to lead the Bank's technological upgrade initiatives, including the upcoming replacement of the Bank's core banking software. I am very pleased that we have successfully strengthened and realigned the management team by both attracting high-calibre professionals and through internal promotions, which provides depth for the future development of other officers.

I would also like to thank Ramaz for his contribution in the transformation of our corporate and insurance businesses over the past few years as well as overseeing the successful turnaround of Aldagi BCI bringing it back to profitability and wish him success in his new endeavour. I am also happy to note that Ramaz will stay with our group in his capacity of Chairman of Aldagi BCI, which will ensure smooth hand over of his responsibilities, including corporate relationships, to Archil", commented **Irakli Gilauri**, Chief Executive Officer.

Background Information:

Archil Gachechiladze (CFA) previously served as Deputy Director in charge of Corporate Recovery at TBC Bank, Georgia since August 2008. Prior to returning to Georgia in 2008, Mr. Gachechiladze worked as an Associate at Merchant Banking Fund of Lehman Brothers in London. From 1998 through 2004, Mr. Gachechiladze has worked as Senior Associate at Salford Equity Partners (US\$350 million fund with offices in London, Moscow, Belgrade and Tbilisi), Senior Analyst at the EBRD in Tbilisi and London, Senior Financial Analyst at KPMG Barents, Privatization Support Project in Tbilisi and Team Leader for the World Bank's CERMA Project in Tbilisi. Mr. Gachechiladze received an MBA with distinctions from Cornell University and undergraduate degrees in economics and law from Tbilisi State University.

Nikoloz Shurgaia joins Bank of Georgia from VTB Bank, where he served as CEO since 2008. Before returning to Georgia, Mr. Shurgaia worked as Principal Banker in Financial Institutions Group at the EBRD in London from 2005 until 2008. Prior to the EBRD, Mr. Shurgaia was Assistant Vice President at ABN AMRO Bank Integrated Energy Group in Moscow in 2004 and 2005. Mr. Shurgaia started his career at United Georgian Bank (currently VTB Bank Georgia), where he worked as Director for Corporate and Retail Banking and International Relations until 2004. Mr. Shurgaia, British citizen of Georgian origin, holds an MBA from London Business School and BA in Finance and Credit from Tbilisi State University.

Murtaz Kikoria joined Bank of Georgia's as Deputy Chief Executive Officer for Compliance in August 2008 and has been acting as CEO of BG Bank (subject to the approval by the National Bank of Ukraine) since June 2008. From 2005 to 2007, Mr. Kikoria served as a Senior Banker at the European Bank for Reconstruction and Development ("EBRD"). Before joining the EBRD, Mr. Kikoria served as Head of Banking Supervision and Regulation at the National Bank of Georgia from 2001 to 2005. Prior to joining the National Bank of Georgia, Mr. Kikoria held various senior positions at United Georgian Bank (now VTB Bank, Georgia) and SilkRoad Bank (now JSC BTA Bank (Georgia)). Murtaz Kikoria has also served as the Chairman of the Bank's Audit Committee since February 2008. Mr. Kikoria received an undergraduate degree from Tbilisi State University in economics, specializing in finance and credit.

Tornike Gogichaishvili previously served as CFO of BG Bank since February 2008. Prior to BG Bank, Mr. Gogichaishvili served as CEO of BCI (currently Aldagi BCI) since January 2006. Mr. Gogichaishvili worked as CFO at PA Consulting Group/United Energy Distribution Company ("UEDC") of Georgia from 2004 to 2006. Prior to joining UEDC in 2004, Mr. Gogichaishvili served in various positions at BCI, including as CFO in 2004, Operations Director in 2003 and as a legal counsel in 2002 and 2003. Mr. Gogichaishvili holds an MBA from Caucasus Business School and an LLM from Tbilisi State University, Faculty of Law and International Relations.

Constantine Tsereteli previously served as Co-Head of Retail Banking at Bank of Georgia from March 2006 to 2009. Before joining the Bank, Mr. Tsereteli worked as Deputy Director/Head of Marketing and PR Department at Constanta Foundation (currently JSC Constanta Bank) from December 2001 until March 2006. Prior to joining Constanta foundation Mr. Tsereteli served as Program Officer and Child Centred Program Coordinator at World Vision Georgia (2000-2001). Prior to that, Mr. Tsereteli worked as Project Manager at International Foundation Multiple Assistance Georgia (1997-1998). Mr. Tsereteli received an undergraduate degree from Tbilisi State University in literature, a Master's degree from Oxford University in Patristics/Byzantine studies and Master's degree from Central European University, Hungary in Medieval Studies.

Seit Devdariani previously served as Chief Executive Officer at Belarusian Bank of Small Business (December 2007-June 2009). Before that Mr. Devdariani worked as Chief Executive Officer at SOAKredit in Azerbaijan. Prior to joining SAOKredit, Mr. Devdariani served as Bank Downscaling Manager at ShoreBank Advisory Services in Karachi, Pakistan. Before that Mr. Devdariani worked as MFI TA Manager at the Georgian office of ShoreBank Advisory Services in Tbilisi, Georgia. Prior to that, Mr. Devdariani served as the Senior Credit/Risk Manager at ShoreBank Advisory Services office in Baku, Azerbaijan. Before moving to Baku, Azerbaijan, Mr. Devdariani worked as Country Manager of Shore Overseas Georgia/ShoreBank Advisory Services in Tbilisi, Georgia. Prior to that Mr. Devdariani served as Head of Financial Program at European School of Management (ESM) in Tbilisi, Georgia. Mr. Devdariani holds Master of Science degree in Strategic Management from Kelley Business School, Indiana University Bloomington, graduate diploma from Stonier Graduate School of Banking, Georgetown University and diploma of Bank Financial Management from American Institute of Banking.