

Bank of Georgia Receives A US\$35 Million Subordinated Loan

JSC Bank of Georgia (LSE: BGEO, GSE: GEB) the leading Georgian universal bank, announced today that it has placed a US\$35 million 10-year subordinated loan. Merrill Lynch structured the facility. Bank of Georgia has an option to prepay the facility after the fifth anniversary of the disbursement date with permission of the National Bank of Georgia.

“We continue to build our capital base to maintain our conservative capital adequacy standards. I would like to congratulate our funding team on successfully completing this transaction in the current market environment,” commented **Lado Gurgenidze**, Chairman of the Supervisory Board.

About Bank of Georgia

Bank of Georgia, a leading universal Georgian bank with operations in Georgia and Ukraine, is the largest bank by assets, loans, deposits and equity in Georgia, with 32% market share by total assets (all data according to the NBG as of 30 June 2007). The major component of the Galt & Taggart Index, the bank has 105 branches and over 530,000 retail and more than 55,000 corporate current accounts. The bank offers a full range of retail banking and corporate and investment banking services to its customers across Georgia. The bank also provides a wide range of corporate and retail insurance products through its wholly-owned subsidiary, Aldagi BCI, as well as asset & wealth management services.

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

Standard & Poor's	'B+/B'	Stable
Moody's	'B3/NP' (FC) & 'Ba1/P-3' (LC)	Stable
Fitch Ratings	'B+/B'	Stable

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