

Bank of Georgia announces the execution of US dollar interest rate swap transactions with IFC

Bank of Georgia (LSE: BGEO, GSE: GEB) (the “Bank”), a leading Georgian bank, announced today that it has finalized US dollar interest rate swap transactions for the aggregate amount of US\$197.0 million with International Finance Corporation (“IFC”) thus hedging its exposure to US dollar floating interest rates for the majority of its long-term international borrowings.

IFC and the Bank have signed the International Swaps and Derivatives (ISDA) Master Agreement on 5 May 2009.

“I am pleased that Bank of Georgia has successfully completed its first interest rate swap transactions with IFC allowing the Bank to hedge interest rate risks on more than 80% of its long term variable rate liabilities. I would like to thank our team and IFC for the timely completion of these transactions”, commented **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 34.3% market share by total assets (all data according to the NBG as of 31 March 2009). The bank has 142 branches and over 870,000 retail and more than 140,000 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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