

### *JSC Bank of Georgia completes a US\$30 million subordinated loan transaction with FMO and DEG*

JSC Bank of Georgia (LSE: BGEO GSE: GEB), the leading Georgian universal bank announced, today that it has completed a US\$30 million 10-year subordinated loan transaction (the "Loan") from Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V ("FMO"), the Dutch development bank, and Deutsche Investitions- und Entwicklungsgesellschaft mbH ("DEG"), the German development bank. The Loan carries interest rate of 11.33%. According to the terms of the Loan agreement, Bank of Georgia has an option to prepay the loan after five years with the consent of the National Bank of Georgia.

"I am very pleased to announce the completion of this important transaction, which demonstrates our ability to attract longer tenor non-deposit financing the current difficult market conditions notwithstanding. This loan will strengthen our Tier II capital and support further growth of our banking business. This is the second transaction we have successfully completed with FMO over the last 18 months. I am very pleased to see our deepened cooperation with FMO and renewed cooperation with DEG," noted **Nicholas Enukidze**, Chairman of the Supervisory Board of Bank of Georgia.

"We are happy to have concluded this new facility with Bank of Georgia. We are convinced that the main business lines of Bank of Georgia, consumer credit and SME-lending, are vital parts of the country's financial infrastructure and by giving a subordinated loan we support the growth in those business lines. Furthermore we encourage the entrepreneurial spirit within Bank of Georgia by indirectly providing capital for the bank's growth strategy in Ukraine and Belarus," commented **Huub Cornelissen**, Director Europe and Central Asia, FMO.

"We are proud to support Bank of Georgia, one of our longtime partners, which is distinguished by exceptional regional knowledge and a proven track record. As one of the bank's focus activities is financing of small and medium-sized enterprises, the project renders a contribution to securing jobs in this field. Furthermore, DEG supports Bank of Georgia in its rapid business development in order to improve the availability of financing to trade and industry and the general population and thereby also enhance the growth potential of Georgia", noted **Andreas Zeisler**, Head of Financial Institutions, DEG.

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#### **About Bank of Georgia**

Bank of Georgia, the leading universal Georgian bank with operations in Georgia and Ukraine, is the largest bank by assets, loans, deposits and equity in Georgia, with 33.7% market share by total assets (all data according to the NBG as of March 31, 2008). The major component of the Galt & Taggart Index, the bank has 131 branches and over 770,000 retail and more than 120,000 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
FitchRatings	'B+/B'	Stable
Moody's	'B3/NP' (FC) & 'Ba1/NP' (LC)	

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