

Bank Of Georgia Announces The Sale Of 750,000 Newly Issued Shares To Existing Institutional Shareholders

Bank of Georgia (GSE: GEB), a leading Georgian universal bank, announced today the sale of 750,000 newly issued shares to several existing institutional shareholders. The new shares have been privately placed with East Capital and Firebird Funds, as well as with Bank Austria Creditanstalt, (purchasing the shares on behalf of its institutional clients). As a result of this transaction, Bank Austria Creditanstalt increased its nominal ownership (on behalf of its institutional clients) in Bank of Georgia to 24.9% of total shares outstanding. The entire new share issue has been placed at GEL 19.27 per share.

“I am very pleased that many of our key shareholders have, yet again, demonstrated their commitment to the bank’s development by subscribing to this share issue,” noted **Lado Gurgენidze**, Chairman of the Supervisory Board.

About Bank of Georgia

Bank of Georgia is a leading Georgian universal bank. The bank markets and distributes a wide spectrum of retail products through its extensive branch network, and offers a full range of commercial banking and investment banking services to corporate clients. Additionally, BCI, the wholly-owned insurance subsidiary of the bank, offers a wide range of corporate and retail insurance products (through its newly launched *Chemebi* retail brand). As at June 30, 2006, the bank had GEL 709.7 million in assets and GEL 102.8 million in equity. In 2005, the bank earned consolidated net income of GEL 13.6 million. The bank has a B-/B; Stable Outlook from FitchRatings and B3/NP foreign currency and Baa3/P-3 local currency ratings from Moody’s with Stable Outlook.

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