

JSC Bank of Georgia Received A US\$15 Million Subordinated Facility From A Fund Affiliated with HBK Capital Management

Bank of Georgia (LSE: BGEO, GSE: GEB), the leading Georgian universal bank, announced today that it has received a US\$15 million, 10-year, subordinated loan facility (the “Facility”) from Semper Augustus B.V., a fund affiliated with HBK Capital Management (“HBK”), one of the leading hedge fund managers in the world.

HBK has an option to convert the Facility into any publicly placed subordinated debt transaction executed by Bank of Georgia within two years from the date of the disbursement of the Facility. Bank of Georgia has an option to prepay the Facility after five years from the signing date.

“I am delighted to have completed the second transaction with HBK, who is also a shareholder of the bank, having converted recently the first convertible subordinated loan facility of US\$25 million they extended to Bank of Georgia in September 2006. I would also like to congratulate our funding team on executing this transaction in a timely fashion, the current market environment notwithstanding”, commented **Lado Gurgenzidze**, 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 a 34% market share by total assets (all data according to the NBS as of 30 September 2007). The major component of Galt & Taggart Index, the bank has 109 branches, over 595,000 retail and over 60,000 corporate current accounts as at 30 September 2007. 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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