

***JSC Bank Of Georgia Receives A US\$5 Million Subordinated Loan From Thames River Capital***

Bank of Georgia (GSE: GEB), a leading Georgian universal bank, announced today that it has received a US\$5 million 10-year subordinated loan from Thames River Capital's Hillside Apex Fund Limited. Hillside Apex Fund Limited, launched on 31 July 1998, is a sub fund of Thames River Global Funds Limited, an open-ended investment company listed on the Irish Stock Exchange and managed by Thames River Capital (UK) Limited.

“I am delighted that Bank of Georgia has successfully completed its first subordinated debt transaction. The boost this fund gives to our Tier II capital is timely, given the rapid growth phase the bank is currently going through. We look forward to doing more Tier II transactions in the future“, commented **Lado Gurgendidze**, Chairman of the Supervisory Board.

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**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 July 31, 2006, the bank had GEL 756.1 million in assets and GEL 118.8 million in equity. In 1H 2006, the bank earned consolidated net income of GEL 9.4 million. The bank has a B-/B with Stable outlook from FitchRatings, B3/NP (FC), Baa3/P-3 (LC) ratings with Stable outlook from Moody's and B+/B with Stable outlook from Standard & Poor's.

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