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Bank of Georgia Announces the Successful Bond Placement of Over GEL 1 Million Following The Sale Of The Second Tranche Of Its Debut Corporate Bonds

Bank of Georgia (GSE: GEB), a leading Georgian universal bank, announced today the successful placement of GEL 501,000 of the second tranche of its corporate bond offering. The aggregate value of the bonds issued since September 2, 2005 exceeds GEL 1 million. The coupon rate of the bonds amounts to 11% per annum, with coupon payment date occurring twice a year. The maturity date of the bonds is September 2, 2007. Galt and Taggart Securities, the bank's investment banking subsidiary, acting as the Placement Agent for the bank on a best efforts basis, continues to trade and quote bonds on the Georgian Stock Exchange (GSE: GEBON; ISIN: GE2700600275). Galt and Taggart Securities makes markets in certain other securities as well, such as ProCredit Bank's newly issued corporate bonds (ISIN: GE2800503072).

"I am happy to see the diversity of our new bondholders as 38% of the second tranche has been purchased by individuals and would like to welcome the first non-resident investors in our bonds, whose investments accounted for more than one third of the second tranche," commented **Lado Gurgenidze**, Chief Executive Officer.

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 (through its affiliate, Galt & Taggart Securities) services to corporate clients. Additionally, BCI, the wholly-owned insurance subsidiary of the bank, offers a wide range of corporate and retail insurance products. As at October 31, 2005, the bank had GEL 440.7 million in assets and GEL 75.5 million in equity.

For more information, please contact:

Lado Gurgenidze, Chief Executive Officer

+995 32 444 103

lgurgenidze@bog.ge

Irakli Gilauri, Chief Financial Officer

+995 32 444 109

igilauri@bog.ge

Maecca Ekizashvili, Head of Investor Relations

+995 32 444 256

ir@bog.ge

Or visit our investor relations page at www.bog.ge/ir

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