



Bank of Georgia Signs Loan and Participation Agreements with the EBRD

Bank of Georgia (GSE: GEB), a leading Georgian universal bank, and the European Bank of Reconstruction and Development (the “EBRD”) have signed today a Loan Agreement and Participation Agreement in the aggregate amount of US\$10 million. Under the terms and conditions of the agreements, the EBRD will have a direct exposure to the bank’s borrowers in the amount of up to US\$ 5 million, enabling the bank to arrange loan facilities for its large corporate clients beyond bank’s single borrower exposure limits.

“I am pleased that our shareholder, as well as the key lender, continues supporting the bank at the pivotal stage of the bank’s development. Our Corporate and Investment Banking department has been offering our corporate clients the product range of unparalleled breadth, including insurance, investment banking, leasing and trade finance. Our enhanced lending capability will further enhance our competitiveness in the market. The limited recourse nature of the facility is a testament of the EBRD’s confidence in the bank’s credit process, which has improved dramatically in the last few months,” commented **Lado Gurgenidze**, Chief Executive Officer.

About Bank of Georgia

Bank of Georgia is a leading Georgian universal bank, with an approximately 20.0 % market share in loans and 22.2 % market share in client deposits. 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, has an approximately 12% market share. As at May 31, 2005, the bank had GEL 356.0 million in assets.

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