

***Bank of Georgia Completes The First Ever Corporate Bond Public Offering In Georgia***

Bank of Georgia (GSE: GEB), a leading Georgian universal bank, announced today the successful placement of GEL 500,000 of the first tranche of its corporate bond offering - the first ever corporate bond public offering in the country. Galt and Taggart Securities, the bank's investment banking subsidiary, which acts as the Placement Agent for the bank on a best efforts basis, continues the placement of the landmark two-year Georgian Lari bonds that will be issued up to the maximum cumulative principal amount of GEL 2 million, as approved by the National Securities Commission of Georgia. The coupon rate of the bonds amounts to 11% per annum, with coupon payment date occurring twice a year. The maturity date of the first tranche of the bonds is September 2, 2007. The bonds will be admitted to the trading on the Georgian Stock Exchange.

"This is an important milestone for the bank and the Georgian capital markets. We hope that this debut bond offering will pave the way for the issuance of fixed income instruments by our corporate clients," commented **Lado Gurgenidze**, Chief Executive Officer.

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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 (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 August 31, 2005, the bank had GEL 410 million in assets and GEL 67 million in equity.

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