

Bank of Georgia signs US\$ 50 million 7-year Financing Package agreement with EFSE

JSC Bank of Georgia (LSE: BGEO) (the “Bank”), Georgia’s leading universal bank and the European Fund for Southeast Europe (“EFSE”) have signed today a loan agreement for US\$ 50 million seven-year financing package that will contribute to expanding the housing and micro and small enterprise (MSE) lending of the Bank.

Bank of Georgia is a leading provider of mortgage and MSE lending in Georgia. The extended tenor of the EFSE’s financing package will help the Bank address the need of micro and small enterprises and households for long-term financing. The funding from EFSE is expected to create financial opportunities for approximately 2,000 MSEs and more than 600 households.

“I am delighted to welcome EFSE to the group of our lenders. This partnership with an experienced lender within Europe and CIS countries such as EFSE, will allow us continue expanding our mortgage and MSE lending, thereby serving these rapidly-growing segments and will further increase our competitiveness. I look forward to doing more with EFSE in the future.” noted **Irakli Gilauri**, Chief Executive Officer.

About the European Fund for Southeast Europe (EFSE)

The development finance fund European Fund for Southeast Europe (EFSE) is aimed at fostering economic development and prosperity in Southeast Europe, including: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, FYR Macedonia, Georgia, Kosovo, Moldova, Montenegro, Romania, Serbia and Ukraine. It offers long-term funding instruments to local financial institutions for on-lending business loans to micro and small enterprises (MSEs) as well as housing loans to low-income private households. The investment activities of EFSE are supported by the EFSE Development Facility, which provides funding for technical assistance, consulting and training to partner lending institutions as well as awareness raising and market enabling activities.

For further information about EFSE, please visit: <http://www.efse.lu>

About Bank of Georgia

Bank of Georgia is the leading Georgian bank offering a broad range of corporate banking, retail banking, wealth management, brokerage and insurance services to its clients in Georgia, Ukraine and Belarus. Bank of Georgia is the largest bank in Georgia by assets, loans, deposits and equity, with 34.2% market share by total assets (all data according to the NBG as of 30 September 2010). The bank has 137 branches and more than one million retail and 171,052 corporate current accounts.

Bank of Georgia has, as of the date hereof, the following credit ratings:

Standard & Poor’s	‘B/B’
FitchRatings	‘B+/B’
Moody’s	‘B3/NP’ (FC) & ‘Ba3/NP’ (LC)

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