

Bank of Georgia's real estate subsidiary, SBRE to receive US\$20 million funding from FMO

JSC Bank of Georgia (LSE: BGEO) (the "Bank"), the leading bank in Georgia announced today that FMO will provide US\$20 million project financing for the development of a housing project by the Bank's wholly-owned real estate subsidiary SBRE. The housing project is located in Tbilisi, Georgia. With an average of 3.7 persons living in one apartment, Tbilisi has one of the highest densities of inhabitants per household in Eastern and Central Europe.

"FMO's financing will allow SBRE to construct modern, affordable apartments for middle- and lower middle class buyers in Tbilisi, a segment that up till now has had to rely completely on old existing housing stock," said **Marjolein Landheer**, Manager Housing at FMO. "SBRE is in the position to improve the standard of living of these people considerably."

"I would like to congratulate SBRE with its first internationally raised debt funding from FMO, the Bank's long-time partner. The funding provided by FMO will enable SBRE to develop its second affordable housing project in Tbilisi, in line with the Bank's affordable housing strategy that entails the development, sale and lease of flats supporting the Bank's retail mortgage lending business. I would like to thank FMO and SBRE for the timely completion of this transaction," commented **Irakli Gilauri**, Chief Executive Officer.

About SBRE

Bank of Georgia's wholly-owned real estate subsidiary SBRE is primarily engaged in developing affordable residential properties for sale and rent in Tbilisi, Georgia. As of 30 June 2011, SBRE had total assets of GEL 41.4 million.

About FMO

FMO (the Netherlands Development Finance Company) is the Dutch development bank. FMO supports sustainable private sector growth in developing and emerging markets by investing in ambitious entrepreneurs. FMO believes a strong private sector leads to economic and social development, empowering people to employ their skills and improve their quality of life. FMO focuses on four sectors that have high development impact: financial institutions, energy, housing, and agribusiness. With an investment portfolio of EUR 5 billion, FMO is one of the largest European bilateral private sector development banks. www.fmo.nl

About Bank of Georgia

Bank of Georgia is the leading Georgian bank, based on total assets (with a 36% market share), total loans (with a 36% market share) and client deposits (with a 34% market share) as of 30 June 2011, all data based on standalone financial information filed by banks in Georgia with the National Bank of Georgia. The Bank offers a broad range of corporate banking, retail banking, wealth management, brokerage and insurance services to its clients.

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

Standard & Poor's	'BB-/B'
FitchRatings	'BB-/B'
Moody's	'B1/NP' (FC) & 'Ba3/NP' (LC)

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