

New Institutional Shareholders Introduced To Populi, The Leading Georgian Supermarket Chain And Bank Of Georgia Partner

Bank of Georgia (GSE: GEB), a leading Georgian universal bank, announced today the completion of the third round of equity financing for JSC Populi by East Capital Bering Russia Fund and Ostinvestor, both shareholders of Bank of Georgia. East Capital and Ostinvestor join Firebird Avrora Fund and the bank itself as Populi's shareholders. Galt & Taggart Securities, the wholly-owned investment banking subsidiary of the bank, acted as executing broker. The transaction entails the acquisition of 333,713 newly issued shares of JSC Populi by each fund.

"I am pleased that Populi has established itself as a reliable and efficient company and continues attracting reputable international institutional investors. Populi has become the second Georgian company after Bank of Georgia with majority institutional ownership (55%). This is good news for the local stock market and I have a feeling we're observing a future blue chip in the making. I would like to welcome East Capital and Ostinvestor who have joined forces together with the bank and Firebird in supporting the expansion of the Populi network," commented **Lado Gurgenidze**, Chairman of the Supervisory Board.

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 services to corporate clients. Additionally, BCI, the wholly-owned insurance subsidiary of the bank, offers a wide range of corporate and retail insurance products (through its newly launched *Chemebi* retail brand). As at April 30, 2006, the bank had GEL 624.7 million in assets and GEL 100.7 million in equity. In 2005, the bank earned net income of GEL 13.6 million. The bank has a B-/Stable outlook from FitchRatings and B3/NP and Baa3/P-3 local currency ratings from Moody's with Stable outlook.

About Populi

JSC Populi, the leading grocery store chain in Tbilisi, Georgia, was established in 2001, and as of April 2006 operates 15 supermarkets and discounters throughout Tbilisi.

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