

Bank of Georgia's Proposed Loan Participation Notes Assigned 'B+' Preliminary Rating

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LONDON (Standard & Poor's) Jan. 23, 2007—Standard & Poor's Ratings Services said today it assigned its 'B+' preliminary rating to U.S. dollar-denominated loan participation notes to be issued by, but with limited recourse to, BG Finance B.V. for the sole purpose of financing a loan to Joint Stock Company Bank of Georgia (B+/Stable/B).

The rating on the loan participation notes reflects the ratings on Bank of Georgia. The ratings on the latter reflect the substantial political and operating risks prevalent in the transitional Georgian economy, systemic funding constraints, weak asset quality, and relatively high untested growth. Positive rating factors include the bank's strong domestic market position, and adequate capitalization and profitability.

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Publication Date

Jan. 23, 2007

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