

London, 30 April 2015

Bank of Georgia signs EUR 40 million loan agreement with EIB

Bank of Georgia Holdings PLC (“**BGH**”), the holding company of JSC Bank of Georgia (“**the Bank**”), Georgia’s leading bank announces that the Bank has signed a EUR 40 million agreement with the European Investment Bank (“**the EIB**”). The loan will be used to finance investment projects promoted by Micro & SME companies in Georgia. The loan will support the implementation of projects important for the development of the private sector, as well as undertakings in the areas of social and economic infrastructure, climate change mitigation and adaptation. As a result, the operation is expected to contribute to job creation and maintenance.

The EIB Vice-President **Wilhelm Molterer** stated: “SMEs are the backbone of the economy and a major focus for the EIB. The EIB loan will contribute to the diversification of the Georgian economy through strengthening the SME sector and helping to develop it into the engine for growth and creation of new employment opportunities with positive impacts on the increase of living standard of Georgia’s citizens and trade and other economic activities”; adding “we appreciate the professionalism of Bank of Georgia, which makes it an excellent partner for the EIB in Georgia”.

“We are very pleased to start cooperation with the European Investment Bank, especially in light of Georgia’s increasing economic and political ties with the EU, which has become the country’s largest trading partner. The Euro’s influence on the Lari has significantly increased in recent years with Lari effectively becoming a Euro proxy, as a result of which we are now focused on raising Euro funding and trying to shift US Dollar loans into Euros. The EUR 40 million loan, earmarked for financing our micro & SME customers, will enable us to further increase our competitiveness in the sector and support growth and job creation” said **Irakli Gilauri**, CEO of Bank of Georgia

Background information:

The EIB – the European Union’s bank – finances projects in Georgia on the basis of an EU Council and European Parliament mandate for the countries of the Eastern Neighbourhood. The 2014-2020 Mandate provides for a total amount of Bank financing in the Eastern Neighbourhood of EUR 4.8 billion to support projects of significant interest to both the EU and its Eastern Neighbours in the areas of local private sector development, social and economic infrastructure and climate change. In addition, the Bank has set up a EUR 3 billion Neighbourhood Finance Facility to enhance its support for the Neighbourhood Countries.

The EIB is committed to stepping up its support to Georgia following the signature in June 2014 of the EU and Georgia Association Agreement, which includes a Deep and Comprehensive Free Trade Agreement (AA/DCFTA). This Agreement significantly deepens political and economic ties with the EU in the framework of the Eastern Partnership.

About Bank of Georgia Holdings PLC

Bank of Georgia Holdings PLC is a UK-incorporated holding company of Bank of Georgia. Bank of Georgia is the leading Georgian bank, based on total assets (with a 35.5% market share), total loans (with a 34.9% market share) and client deposits (with a 31.5% market share) as of 31 December 2014, all data based on standalone financial information filed by banks in Georgia with the National Bank of Georgia and includes Privatbank’s market shares. The Bank offers a broad range of corporate banking, retail banking, wealth management, brokerage and insurance and healthcare services to its clients. As of 31 December 2014, the Bank served approximately 1.5 million client accounts through one of the largest distribution networks in Georgia, with 219 branches, the country’s largest ATM network, comprising 523 ATMs, 2,239 Express pay (self-service) terminals and a full-service remote banking platform and a modern call center.

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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