

London, 19 March 2014

Bank of Georgia's brokerage subsidiary places EBRD bonds

Bank of Georgia Holdings PLC (“BGH”), the holding company of JSC Bank of Georgia (“the Bank”), Georgia’s leading bank, announces that BG Capital, the Bank’s the wholly-owned brokerage subsidiary, jointly with TBC Bank, the second largest Bank in Georgia, has lead-managed and underwritten a Georgian Lari (“GEL”) denominated bond issued by the European Bank for Reconstruction and Development (“EBRD”). The two-year bond totalling GEL 50 million (EUR 20.7 million) is the first-ever issue by an international financial institution in GEL. The transaction is also the first bond placed by the foreign issuer in Georgia and represents the first floating rate note on the domestic market.

The coupon on the EBRD’s inaugural GEL bond is flat to the 3-month rate on certificates of deposit issued by the National Bank of Georgia). The bonds are eligible for sale and repurchase operations carried out by the National Bank of Georgia (the “NBG”).

“This is a very significant step for the Georgian local capital market that brings a new instrument for investors and, at the same time, allows the EBRD to diversify its source of GEL and to continue lending to companies in need of long term financing in local currency” commented **Bruno Balvanera**, EBRD Director for Caucasus, Moldova & Belarus.

“With developed local bond and currency markets come improved efficiency of financial intermediation, diversification and reduction of the currency risks in the banking sector lessening important risks connected with exchange rates and overall strengthening the stability of the local financial systems in Georgian economy as a whole. I am confident, that the first ever GEL denominated bond issuance by the EBRD will clear the way for such issuances by other International Financial Institutions and further development of Georgian capital markets.” said **Giorgi Kadagidze**, President of the National Bank of Georgia.

“I am pleased that BG Capital, our brokerage subsidiary, and TBC Bank have joined forces with EBRD in this landmark transaction for Georgia. Having successfully placed Georgia’s debut GEL denominated corporate bonds in 2005, I am particularly pleased that with BG Capital acting as a lead manager and underwriter, Bank of Georgia is part of the first-ever GEL-denominated securities issuance by an international financial institution” said **Irakli Gilauri** CEO of Bank of Georgia.

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 33.8% market share), total loans (with a 32.5% market share) and total deposits (with a 30.4% market share) as of 31 December 2013, 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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