

London, 31 May 2013

Bank of Georgia Holdings PLC announces a US\$14 million financing for JSC m2 Real Estate from IFC with support from the Government of Canada

Bank of Georgia Holdings PLC (“BGH”), the holding company of JSC Bank of Georgia (“the Bank”), Georgia’s leading bank announces that IFC, a member of the World Bank Group, with the support of the Government of Canada, will provide JSC m2 Real Estate, the wholly-owned subsidiary of Bank of Georgia with a revolving loan to support green housing construction and job creation in Georgia. The facility will help m2 Real Estate develop energy efficient, affordable and quality housing projects in Georgia addressing housing deficit.

IFC will provide m2 Real Estate with up to \$14 million revolving loan, including up to \$4 million from the IFC-Canada Climate Change Program. The financing is expected to meet the working capital requirements of the company and contribute to expansion of urban infrastructure in Georgia by building high-quality affordable housing in the form of green, resource efficient, multi-resident apartment buildings.

“We are very pleased that m2 Real Estate is the first Georgian real estate company to cooperate with IFC to develop a housing project in Tbilisi. Having successfully worked together with the Development Finance Institutions to finance our existing projects, m2 Real Estate is committed to provide its customers in Georgia with affordable, quality and modern housing. The US\$14 million funding will help m2 Real Estate to realise three new projects in the heart of Tbilisi,” commented *Irakli Burdiladze*, Deputy CEO of Bank of Georgia, Affordable Housing.

The project envisages construction of green building designed to increase efficient use of energy, water, and materials, while reducing negative impact on health and environment. These improvements will be made possible thanks to the government of Canada's instrumental contribution, which will help make the financing package viable.

Thomas Lubeck, IFC Regional Manager for the South Caucasus, said: “This is IFC’s first investment in housing development in Georgia, increasing the supply of quality housing and improving standards of living for local families. Through this investment, we also support the efficient use of resources, help create jobs, and increase investor confidence in the sector.”

About Bank of Georgia Holdings plc

Bank of Georgia Holdings plc is a UK-incorporated holding company of JSC Bank of Georgia. JSC Bank of Georgia is the leading Georgian bank, based on total assets (with a 36.1% market share), total loans (with a 34.1% market share) and total deposits (with a 32.9% market share) as of 31 March 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.

About m2 Real Estate

JSC m2 Real Estate, a wholly-owned subsidiary of JSC Bank of Georgia is a real estate company focusing on the real estate development, property management, project management and brokerage services. To this date, m2 Real Estate has attracted equity and debt financing in the aggregate amount of US\$ 20 million. m2 Real Estate has successfully completed one housing project located in a central district in Tbilisi, Georgia with the second similar project underway planned to be finished in 2014. For more information, visit www.m2.ge

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)

For further information, please visit www.bgh.co.uk, www.bog.ge or contact:

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About the IFC-Canada Climate Change Program

The IFC-Canada Climate Change Program promotes private sector financing for clean energy projects. Canada's financing to IFC for this program is part of its overall fast-start financing contribution for 2010–2011. Under the Copenhagen Accord, developed countries committed to provide fast-start financing of almost \$30 billion for 2010–2012 to support climate-change mitigation and adaptation in developing countries. As part of Canada's commitment to support climate change action in developing countries, Canada is contributing \$1.2 billion Canadian dollars in new and additional climate-change financing over three years (fiscals 2010–2013).

About IFC

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector. IFC helps developing countries achieve sustainable growth by financing investment, mobilizing capital in international financial markets, and providing advisory services to businesses and governments. In FY12, IFC's investments reached an all-time high of more than \$20 billion, leveraging the power of the private sector to create jobs, spark innovation, and tackle the world's most pressing development challenges. For more information, visit www.ifc.org.