

London, 12 May 2015

Bank of Georgia completes integration of Privatbank ahead of schedule

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 completed the integration of Privatbank Georgia (“**Privatbank**”), significantly ahead of schedule.

Following the acquisition of the business in January 2015, the full integration of Privatbank has been completed in under 5 months, compared to our initial estimate of 9-12 months. The information systems of Privatbank have been fully integrated with Bank of Georgia’s core banking software. All the data associated with the customers and transaction histories, including the data of c.800,000 customers of which c.400,000 are active customers, over 1.1 million cards with respective transaction histories, c.150,000 loans and c.75,000 deposits, has been successfully migrated. Privatbank customers continue to use Privatbank cards, which are now serviced by the Bank’s card processing platform, without the need to change them into Bank of Georgia cards. As a result, with only 24 hour downtime for Privatbank clients, the Bank now services all Privatbank customers on its core banking platform on business-as-usual basis.

Privatbank, the 9th largest bank in Georgia by total assets with a focus on retail banking, was a strong strategic fit for the Bank and was acquired in line with BGH’s strategy to strengthen its focus on retail banking. Privatbank’s branch format represented a strong fit for the Bank’s Express branch (self-service) format, and this has enabled the Bank to further expand its Express banking business, which has delivered strong retail growth over the last few years. As a result, 35 Privatbank branches have been rebranded, most of them into Express Banking branches. In order to increase the utilisation of Privatbank’s franchise and realise substantial cost synergies, 58 out of 93 Privatbank branches have been closed, more than initially expected, as the Bank’s Express Terminals have proved attractive for Privatbank customers for their routine banking transactions. The acquisition has added c.400,000, predominantly emerging mass market, customers.

“We are very pleased to have completed the integration of Privatbank well ahead of schedule. I would like to thank and congratulate our integration team for this outstanding result and particularly our first class IT team for their tireless work to execute the integration flawlessly. We are 6 months ahead of capturing our previously announced pre-tax administrative and funding cost synergies of GEL 25 million. Additionally, Privatbank was focused on a mono-product of an all-in-one debit and credit card, which we further developed in-house and added contactless transport and payment capabilities of our Express Card. We are aiming to leverage the enhanced capabilities of Express Banking, to capture increased revenue from cross-selling banking products to the c.400,000 newly acquired customers,” 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 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)

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

Irakli Gilauri
Chief Executive Officer
+995 322 444 109
igilauri@bog.ge

Murtaz Kikoria
Deputy CEO, Finance
+995 322 444 126
mkikoria@bog.ge

Ekaterina Shavgulidze
Head of Investor Relations
+995 322 444 205
ir@bog.ge