



**London, 15 November 2012**

***Bank of Georgia signs EUR 25 million loan agreement with KfW***

Bank of Georgia Holdings PLC (“BGH”), the holding company of JSC Bank of Georgia (“the Bank”), Georgia’s leading bank announces that the Bank and KfW, German Development Bank acting on behalf of the German Government, have signed a loan agreement totaling EUR 25 million within the framework of KfW’s Renewable Energy Programme. The facility with the maturity of 10 years will be used to finance investments in renewable energies, mainly the construction or rehabilitation of small size hydropower plants. In addition, the agreement envisages the provision of technical support from KfW with co-financing from the Austrian Development Bank, for Bank of Georgia as well as for potential investors.

“Signing of the loan agreement with KfW will allow Bank of Georgia to extend its financing to business and contribute to the growth of Georgia’s economy. Bank of Georgia is an experienced lender to the energy industry and this facility will further increase the Bank’s competitiveness in the sector. I would like to thank KfW and the Austrian Development Bank for the cooperation and our funding team for the successful completion of the transaction,” said Irakli Gilauri, Bank of Georgia CEO.

“We are delighted to launch the programme which is designed to provide long-term loans for investments in renewable energies, i.e. small hydropower plants with an installed capacity of up to 20 MW. In our opinion investing in hydropower allows Georgia to rely on its own power sources, rather than import expensive non-renewable sources. Hydropower ensures reliable and inexpensive energy for Georgians while protecting the environment and climate. We would like to highlight that the programme, co-financed by the Austrian Development Bank, contains a technical assistance component aiming to enrich the experience of Bank of Georgia in SHPP financing but also to encourage private investors willing to invest further in the sector” said Enrico Spiller, KfW Director for Energy Sector Coordination in South Caucasus.

**About KfW**

KfW is one of the leading financiers of development in Georgia and the Caucasus Region. The aim of KfW’s work, carried out on behalf of the German Government, is to assist in improving economic and social conditions in Georgia and the other countries of the South Caucasus. Accordingly, KfW finances investments in economic and social infrastructure and promotes the private sector - in particular small and medium enterprises.

KfW’s activities in Georgia started already in 1993. Since then more than EUR 240 million have been invested only in the energy sector. Additional main fields of activity are municipal infrastructure, environment and the financial sector.

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**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 36.8% market share), total loans (with a 35.9% market share) and client deposits (with a 34.4% market share) as of 30 September 2012, 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)

**For further information, please visit [www.bogh.co.uk](http://www.bogh.co.uk), [www.bog.ge/ir](http://www.bog.ge/ir) or contact:**

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