

Bank of Georgia selects TEMENOS T24 as its new core banking system

JSC Bank of Georgia (LSE: BGEO; GSE: GEB) (the “Bank”), Georgia’s leading bank announced today that it has selected TEMENOS (SIX: TEMN) T24 (T24) as its new core banking software. The system includes built-in CRM, retail and corporate banking, cash management, treasury, trade finance, risk (Basel II standard), MIS and intermediary banking for international wealth management business. The deal, signed in September 2009, is in line with the Bank’s strategic objectives of increasing operational efficiency through technological enhancements and improving service for its clients. Additionally, the system will enable to capture cross-border synergies, as the Bank aims to centralize its IT functionalities in Georgia for its operations in Belarus and Ukraine.

The Bank opted for T24 Model Bank for Universal Banking over international competitors to integrate its operations on a single platform and to address all requirements across its three business domain areas from one central point. As a fully integrated platform, T24’s functional breadth will enable the Bank to simplify and streamline its infrastructure and lower maintenance costs. The high levels of straight through processing incorporated in T24 will automate a wide range of processes, including Nostro reconciliation and treasury operations confirmation, whilst eliminating data entry for BOG’s wealth management CRM system. This will lessen the need for resources and further drive down costs, as well as reduce development time for new products across all business areas, including cash management services for its corporate client base. T24’s open architecture will provide the Bank with the freedom to implement the system on a hardware platform that best matches its strategic technical preferences.

Irakli Gilauri, CEO of Bank of Georgia comments, “I am delighted that the Bank continues to capitalize on its strong capital and liquidity position, which enabled us to seize this milestone transaction. I strongly believe that T24 will improve our competitiveness and take our business to the next level as the Bank moves from a local platform to an internationally acclaimed system. We felt Temenos best met our complete spectrum of operational requirements. The pre-configured nature of the T24 platform will dramatically reduce the level of coding in configuring new products, generating an estimated 60% reduction in time to market. Furthermore, we have estimated that the single customer view delivered through T24 will generate approximately 20% increase in call rate per call centre employee, giving a faster, more efficient service. Accurate, holistic information will enable our staff to seize more cross selling opportunities and we anticipate approximately 30% improvement in telesales performance.

Timing of the acquisition of the system is also important. Firstly, the agreement in the midst of the global banking crisis has enabled us to capture an estimated project IRR of 20%. Secondly, we will be implementing the system in comparatively slower growth environment and will be well positioned for expansion in the future. We will report on our progress with the project implementation, which will take from 16 to 20 months, to our shareholders.”

About Bank of Georgia

Bank of Georgia is the leading Georgian bank offering a broad range of corporate and investment banking, retail banking, wealth management and insurance services to its customers in Georgia, Ukraine and Belarus. Bank of Georgia is the largest bank in Georgia by assets, loans, deposits and equity, with 33.7% market share by total assets (all data according to the NBG as of 31 July 2009). The bank has 140 branches and over 880,000 retail and more than 146,000 corporate current accounts.

Bank of Georgia has, as of the date hereof, the following credit ratings:

Standard & Poor’s	‘B/B’
FitchRatings	‘B/B’
Moody’s	‘B3/NP’ (FC) & ‘Ba3/NP’ (LC)

For further information, please visit www.bog.ge/ir or contact:

Nicholas Enukidze

Chairman of the Supervisory Board
+995 32 444 800
nenukidze@bog.ge

Irakli Gilauri

Chief Executive Officer, Supervisory Board Member
+995 32 444 109
igilauri@bog.ge

Macca Ekizashvili

Head of Investor Relations
+995 32 444 256
ir@bog.ge

Keith Stonell, Regional Director, Northern Europe and CIS region, Temenos comments, “This win reinforces the increasing trend among leading domestic banks to invest in globally recognised core banking platforms to cement their competitive positions with agile, customer focused strategies. We are delighted to be providing Bank of Georgia with a highly flexible, advanced system that will enable it to differentiate the business through rapid execution of new, market driven offerings across its entire business.”