

London, 8 January 2018

JSC Bank of Georgia draws down the remaining tranche of EBRD’s local currency facility

BGEO Group PLC (the “**Group**” or “**BGEO**”), announces that its banking business subsidiary, JSC Bank of Georgia (the “**Bank**”) has recently drawn-down GEL 135 million - the second tranche of the local currency facility signed with European Bank for Reconstruction and Development (“**EBRD**”) in May 2016. Similar to the first tranche disbursed upon signing the loan agreement, the second tranche has a maturity of five years and aims to further support micro, small and medium sized enterprises in their alignment with the European Union’s Deep and Comprehensive Free Trade Agreement requirements, as well as women-led companies. EBRD raised the local currency funds through a private placement of GEL-denominated bonds arranged by Galt & Taggart, the Group’s wholly owned brokerage subsidiary. As a result, total funds attracted by the Bank through this EBRD local currency facility now total GEL 242 million.

Kaha Kiknavelidze, Bank CEO commented: “I am pleased to see that EBRD, Bank of Georgia and Galt & Taggart have once again joined forces to provide Georgian micro, small and medium sized enterprises with long-term local currency funding. We are currently achieving strong levels of local currency lending growth, and this GEL-denominated funding and its accompanying incentives offered by EBRD will continue to successfully serve the on-going de-dollarisation of the Georgian economy and benefit local businesses in gaining further access to tailor-made financial products.”

Name of authorised official of issuer responsible for making notification: Giorgi Alpaidze, Group CFO

About BGEO Group PLC

The Group: BGEO Group PLC (“BGEO” – LSE: BGEO LN) is a UK incorporated holding company of a Georgia-focused investment platform. BGEO invests, via its subsidiaries, in the banking and non-banking sectors in Georgia (BGEO and its subsidiaries, together the “Group”). BGEO aims to deliver on its strategy of: (1) at least 20% ROAE from its Banking Business; (2) 15%-20% growth of its Banking Business loan book; (3) at least 25% IRR; and (4) up to 20% of the Group’s profit from its Investment Business. On 3 July 2017 BGEO announced its intention to demerge BGEO Group PLC into a London-listed banking business (the “Banking Business”) and a London-listed investment business (the “Investment Business”) by the end of the first half of 2018.

Banking Business: Currently representing at least 80% of the Group’s profit, will comprise: a) retail banking and payment services, b) corporate investment banking and wealth management operations and c) banking operations in Belarus (“BNB”). JSC Bank of Georgia (“BOG” or the “Bank”) is the core entity of the Group’s Banking Business. The Banking Business will continue to target to benefit from the underpenetrated banking sector in Georgia primarily through its retail banking services.

Investment Business: Currently representing up to 20% of the Group’s profit, will comprise the Group’s stakes in Georgia Healthcare Group PLC (“Healthcare Business” or “GHG”) – an LSE (London Stock Exchange PLC) premium-listed company, Georgia Global Utilities (“Utility and Energy Business” or “GGU”), m² Real Estate (“Real Estate Business” or “m²”), Teliani Valley (“Beverage Business” or “Teliani”) and Aldagi (“Property and Casualty Insurance Business” or Aldagi”). Georgia’s fast-growing economy provides opportunities in a number of underdeveloped local markets and the Investment Business will target to capture growth opportunities in the Georgian corporate sector.

JSC BGEO Group has, as of the date hereof, the following credit ratings:

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Fitch Ratings
Moody’s

‘BB-/B’
B1/NP (FC) & B1/NP (LC)

Fitch Ratings
Moody’s

‘BB-/B’
‘Ba3/NP’ (FC) & ‘Ba2/NP’ (LC)

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