

London, 16 March 2020

Bank of Georgia Group contingency planning – COVID-19

Bank of Georgia Group PLC (the “**Group**”) announces that it has introduced a number of resilience protocols and a comprehensive business continuity plan aimed at protecting the health and safety of all of our staff and customers. These have been introduced in conjunction with the Government of Georgia and the National Bank of Georgia, our banking regulator.

Bank of Georgia (the “**Bank**”) has implemented its Business Continuity Plan (the “**BCP**”) aimed at the protection of both our employees and our customers. All of the Bank’s 93 main branches will remain fully open, but two-week shifts have been introduced for branch staff, to ensure ongoing availability of team members. Express metro and 24/7 branches will remain fully open however, with immediate effect, the Bank has initiated the temporary closure of the customer service support areas of a number of express branches, with only the self-service terminals and ATM areas remaining open.

Banking services will, where possible, be conducted exclusively via call centres, and we are also reducing the physical presence of bankers in the Bank’s service centres. Two-week shifts have also been introduced in front offices in other service areas throughout the business. In the Bank’s back office environments, the majority of staff are now being encouraged to work from home, with others working, where appropriate, from split locations. These changes have been implemented to reduce physical interaction and prevent the spread of Coronavirus, whilst maintaining the full banking capability required to support and assist our customers.

On 13 March 2020, the Government of Georgia announced a series of support measures designed to mitigate the potential economic impact of the global spread of the Coronavirus, COVID-19. These measures are expected to create additional financial resources within the economy of GEL 1 billion, and include:

- At our suggestion, a three-month grace period on principal and interest payments on all retail loans has been agreed with most banks. Interest will continue to accrue. This will significantly reduce the requirement for customers to physically visit Bank branches.
- Potential restructuring opportunities for corporate customers and all legal entities operating in the tourism industry which has already slowed significantly across the world. Specific sectors will include the hotels, as well as restaurants, travel agencies, and passenger transportation companies, amongst others. Interest will continue to accrue.
- These companies will also have their property and personal income taxes deferred by the Government for an initial four-month period. In addition, the Government will subsidise interest payments for six months, for small and medium sized hotels with less than 50 rooms.
- The Government will double the volume of VAT refunds to companies, from an expected GEL 600 million, to an anticipated GEL 1.2 billion this year.
- The Government will increase its proposed capital expenditure by GEL 300 million this year.

These initiatives are aimed at alleviating challenges created by the global COVID-19 crisis, which are expected to reduce the GDP growth rate, particularly in relation to the tourism industry which has already started to experience a high level of cancellations. Bank of Georgia’s lending exposure to the hotels and associated tourism-related sectors, such as restaurants, is currently approximately GEL 800 million, predominantly all of which is fully secured.

When the Group announced its 2019 preliminary results on 13 February 2020, it reiterated its strategic targets based on at least 20% return on average equity, and c.15% growth of its loan book. In addition, the Board of Directors announced its intention to recommend, at the 2020 Annual General Meeting, an annual dividend for 2019 of GEL 2.67 per share payable in British Pounds Sterling at the prevailing rate. Given the current level of uncertainty with regard to the global impact of COVID-19, and the potential length of time of that impact, the Board of Directors will keep these issues under review in the light of developments over the next few months. In the meantime, the Board of Directors has decided not to recommend a dividend to shareholders at the 2020 Annual General Meeting, at this stage. When the full economic impact of the COVID-19 pandemic is better understood, the Board will consider the appropriate level. We will provide a further update with the announcement of the Group's first quarter of 2020 results in May.

During the first few months of 2020, the Group's performance has been consistent with, or slightly better than, its existing guidance and strategic targets. Asset quality metrics have continued to be very robust, and the Bank's capital adequacy ratios, funding and liquidity positions have been strong, remaining comfortably ahead of our minimum regulatory requirements.

Archil Gachechiladze, the Group CEO commented: "Georgia's response to the evolving Coronavirus crisis has so far been extremely successful, but these are unprecedentedly challenging times and the country cannot be immune to the global economic impact on many businesses, but particularly in the tourism and tourism-related sectors. Our priority at Bank of Georgia is first and foremost the health and well-being of our staff and customers, and our BCP has been implemented to ensure that priority, together with sustaining the long-term stability, strength and profitability of the Group. We will monitor the impact of COVID-19 on an ongoing basis, and adapt and manage our resources according to evolving circumstances.

The Group is very well-positioned with strong capital, funding and liquidity resources, and we aim to ensure that this remains the case. We will also continue to work with the Government of Georgia and the National Bank of Georgia to take the appropriate actions to pro-actively manage this process."

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

Name of authorised official of issuer responsible for making notification: **Natia Kalandarishvili**, Head of Investor Relations and Funding

About Bank of Georgia Group PLC

Bank of Georgia Group PLC ("Bank of Georgia Group" or the "Group" - LSE: BGEO LN) is a UK incorporated holding company, which comprises: a) retail banking and payment services, b) corporate and investment banking and wealth management operations and c) banking operations in Belarus ("BNB"). JSC Bank of Georgia ("Bank of Georgia", "BOG" or the "Bank"), the leading universal bank in Georgia, is the core entity of the Group. The Group targets to benefit from superior growth of the Georgian economy through both its retail banking and corporate and investment banking services and aims to deliver on its strategy, which is based on at least 20% ROAE and c.15% growth of its loan book.

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

Fitch Ratings	'BB-/B'
Moody's	'Ba3/NP' (FC) & 'Ba2/NP' (LC)

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