

*This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018*

**London, 13 September 2021**

### ***Bank of Georgia Group updates dividend and capital distribution policy***

Bank of Georgia Group PLC (the “**Group**”) announces that its Board has updated its dividend and capital distribution policy. The Group’s previous dividend policy targeted a payout of 25-40% of profits on an annual basis. In the light of the evolving macroeconomic situation and expected levels of medium-term growth, the Board has formally reviewed the Group’s capital distribution policy and decided to increase the targeted payout ratio range to 30-50% of annual profits.

The Group’s updated dividend and capital distribution policy is as follows:

#### **Dividend and capital distribution policy**

*Bank of Georgia Group PLC’s capital distribution policy incorporates a progressive ordinary cash dividend, supplemented by additional share repurchases as and when appropriate. It is the Board’s overall capital distribution policy to target a payout ratio in the range of 30-50% of annual profits. The Board expects to ensure healthy capital ratios, above minimum regulatory requirements, and take into consideration expected future capital requirements, including the full loading of Basel III requirements on our minimum capital ratios, ongoing regulatory capital developments and the growth opportunities available to Bank of Georgia.*

*Dividends will be paid on a semi-annual basis, with the interim dividend expected to be paid in cash and represent, under normal circumstances, around 40% of the total dividend for the year.*

On 17<sup>th</sup> August 2021, the Group announced that the Board declared an interim dividend of GEL 1.48 per ordinary share in respect of the period ended 30 June 2021, payable to ordinary shareholders of Bank of Georgia Group PLC on 5 November 2021.

**Archil Gachechiladze**, the Group CEO commented: “Throughout the pandemic and despite significant volatility in economic activity, Bank of Georgia Group has delivered excellent operating performance, with good top-line growth, well-managed costs, and robust asset quality and risk management. This has led to consistently delivering strong profitability and high levels of internal capital generation, while maintaining capital adequacy ratios comfortably above our minimum regulatory requirements.

Our medium- to long-term customer lending growth guidance is c.10% per annum, and the updated dividend and capital distribution policy reflects these expectations. However, the strength of the Georgian macro-economic environment has been such that there has been a strong pick-up in demand within the consumer, micro and small and medium-sized enterprises sectors and we therefore expect higher levels of lending growth in the near term. As a result, the Board currently expects the payout ratio to be approximately 35-40% over the next two years.”

Name of authorised official of issuer responsible for making notification: Natia Kalendarishvili, 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 banking, wealth management and investment banking operations in Georgia; and c) banking operations in Belarus ("**BNB**"). **JSC Bank of Georgia** ("**Bank of Georgia**", "**BOG**" or the "**Bank**"), the systemically important and leading universal bank in Georgia, is the core entity of the Group. The Bank is a leader in payments business and financial mobile application, with the strong retail and corporate banking franchise in Georgia. With a continued focus on increasing digitalisation and expanding technological and data analytics capabilities, the Group aims to offer more personalised solutions and seamless experiences to its customers to enable them to achieve more of their potential. The Group aims to benefit from growth of the Georgian economy, and through both its Retail Banking and Corporate and Investment Banking services targets to deliver on its strategy, which is based on at least 20% ROAE and c.10% growth of its loan book in the medium-term.

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

Fitch Ratings	'BB-/B'
Moody's	'Ba2/NP'

For further information, please visit [www.bankofgeorgiagroup.com](http://www.bankofgeorgiagroup.com) or contact:

**Archil Gachechiladze**  
CEO  
+995 322 444 144  
[agachechiladze@bog.ge](mailto:agachechiladze@bog.ge)

**Michael Oliver**  
Adviser to the CEO  
+44 203 178 4034  
[moliver@bgeo.com](mailto:moliver@bgeo.com)

**Sulkhan Gvalia**  
CFO  
+995 322 444 108  
[sgvalia@bog.ge](mailto:sgvalia@bog.ge)

**Natia Kalendarishvili**  
Head of Investor Relations  
+995 322 444 444 (9282)  
[ir@bog.ge](mailto:ir@bog.ge)

---

*This report is presented for general informational purposes only and should not be construed as an offer to sell or the solicitation of an offer to buy any securities*