

London, 7 July 2020

Bank of Georgia signs EUR 60 million loan guarantee agreement with EIB Group

Bank of Georgia Group PLC announces that its subsidiary, JSC Bank of Georgia (the “**Bank**” or “**Bank of Georgia**”) has signed an up to EUR 60 million loan guarantee agreement under the InnovFin SME Guarantee Facility (the “**InnovFin Guarantee**” or the “**Guarantee**”) with European Investment Bank Group (“**EIB Group**”). The InnovFin Guarantee covers 50% of every loan disbursed by the Bank under the Guarantee and targets small and medium-sized enterprises (“SME”) and mid-caps that require investment and working capital to finance research, development and innovation activities. Further, as a response to the COVID-19 pandemic, the Guarantee also covers 80% of loans provided by the Bank to SMEs and mid-caps impacted by the crisis for their working capital needs.

Archil Gachechiladze, Bank of Georgia CEO commented: “I am delighted to see that Bank of Georgia and EIB Group have successfully cooperated under the InnovFin Guarantee Facility, which will increase the Bank’s capacity to offer financial services to Georgian MSMEs and mid-caps that invest in research and development and digitalisation, and are innovation-oriented. Instruments like the InnovFin Guarantee are crucial for the modernisation of the country’s businesses and the approximation of their standards to best practices in Europe. As a financial intermediary, we are happy to be able to extend credit to forward-looking enterprises in Georgia, especially considering recent developments vis-à-vis the global COVID-19 pandemic, and to maintain a healthy portfolio at the same time. I wish to thank the EIB Group for this support and hope to have further successful transactions with them in the future.”

Lilyana Pavlova, EIB Vice-President responsible for the EU bank's operations in Georgia commented: “The EU bank’s financing aims to increase the quality of life of Georgian people and to build a more innovative and greener economy that is strongly connected to the EU. Addressing the economic well-being of smaller innovative businesses is a key element of the EIB Group's response to the COVID-19 crisis. This operation is enabled jointly by the EIB Group and a well-established partner – Bank of Georgia. It is facilitated by new features of the InnovFin SME Guarantee, which make it possible for the EIF to provide enhanced terms and conditions for guarantees and counter-guarantees to incentivise financial intermediaries to provide working capital financing to SMEs and mid-caps hit by the economic impact of the coronavirus pandemic.”

Carl Hartzell, EU Ambassador to Georgia stated: “Small and medium-sized businesses are key to Georgia’s economic development, and many of them have been hit hard by the COVID-19 crisis. We are very happy that the European Union, via our bank the EIB, has been able to facilitate further access to finance to help them overcome current challenges and to innovate and develop for the future.”

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 in Georgia; 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. In the medium to long-term, 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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