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**London, 21 May 2018**

*Demerger Update: Scheme Effective*

Bank of Georgia Group PLC ("**Bank of Georgia Group**") is pleased to announce that all of the conditions to the scheme of arrangement of BGEO Group PLC ("**BGEO**"), which was announced on 26 March 2018, (the "**Scheme**") in connection with the proposed separation of BGEO's investment business (the "**Investment Business**") by demerger (the "**Demerger**") to Georgia Capital PLC ("**Georgia Capital**") have been satisfied and the Scheme has now become effective.

It is anticipated that, subject to the completion of the steps summarised below, holders of BGEO Shares as of 6.00 p.m. on 18 May 2018 (the "**Scheme Record Time**") who are also holders of Bank of Georgia Group Shares as at 6.00 p.m. on 25 May 2018 (the "**Demerger Record Time**") will hold one Bank of Georgia Group Share and one Georgia Capital Share for each BGEO Share held at the Scheme Record Time following the completion of the Demerger, which is expected to become effective prior to 8.00 a.m. on 29 May 2018.

In accordance with the terms of the Scheme, the BGEO Shares have been cancelled and BGEO has become a wholly-owned subsidiary of Bank of Georgia Group. Bank of Georgia Group has issued and allotted 39,384,712 Bank of Georgia Group Shares, representing one Bank of Georgia Group Share for each BGEO Share held by Scheme Shareholders on the BGEO register at the Scheme Record Time.

The listing of BGEO's Shares on the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities is expected to be cancelled with effect from 8.00 a.m. on 21 May 2018.

Bank of Georgia Group Admission is expected to commence at 8.00 a.m. on 21 May 2018. CREST accounts will be credited with Bank of Georgia Group Shares on 21 May 2018.

Prior to the Demerger Effective Time, Bank of Georgia Group will be the holding company of the entire BGEO Group, including the Investment Business. Bank of Georgia Group will continue trade with the BGEO ticker.

The Demerger, which is subject to the satisfaction of further conditions (including Court confirmation of the Bank of Georgia Group Capital Reduction), is expected to become effective prior to 8.00 a.m. on 29 May 2018. If the Demerger becomes effective, each Bank of Georgia Group Shareholder on the register at the Demerger Record Time will receive one Georgia Capital Share in addition to each Bank of Georgia Group Share they already hold (resulting in a total issuance of 39,384,712 Georgia Capital Shares by Georgia Capital PLC).

Immediately following the Demerger Effective Time but prior to the admission of the Georgia Capital Shares, Bank of Georgia Group is expected to issue and allot a further 9,784,716 Bank of Georgia Group Shares (equivalent to 19.9% of Bank of Georgia Group's then issued ordinary share capital) to Georgia Capital PLC in consideration for the transfer to Bank of Georgia Group by Georgia Capital PLC of Georgia Capital PLC's stake in the Banking Business.

Admission of the Georgia Capital Shares to the premium listing segment of the Official list and to trading on the London Stock Exchange's main market for listed securities, under the ticker CGEO, is expected to occur at 8.00 a.m. on 29 May 2018. CREST accounts will be credited with Georgia Capital Shares on 29 May 2018.

A detailed timetable of events is set out in the circular sent to BGEO Shareholders dated 26 March 2018 (the "**Circular**"). Copies of the Circular are available for inspection during normal business hours on any business day at the offices of Baker McKenzie, 100 New Bridge Street, London EC4V 6JA, up to and including the Demerger Effective Time.

Capitalised terms used in this announcement have the meanings given to them in the Circular unless otherwise defined herein.

## Forward-looking statements

Certain statements in this announcement are forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial consequences of the plans and events described herein. No one undertakes any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Readers should not place any undue reliance on forward looking statements which speak only as of the date of this announcement. Statements contained in this announcement regarding past trends or events should not be taken as representation that such trends or events will continue in the future. The statements contained herein are accurate as at the date of this announcement. Nothing contained in this announcement shall be deemed to be a forecast, projection or estimate of future performance. Except as required by the rules of the UK Listing Authority and the London Stock Exchange (and applicable law), Bank of Georgia Group PLC undertakes no obligation to update publicly or revise the content of this announcement, whether as a result of new information, future events or otherwise.

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

### About Bank of Georgia Group PLC

**The Group:** Bank of Georgia Group PLC (“Bank of Georgia Group” or the “Group” – LSE: BGEO LN) is a UK incorporated holding company, the new parent company of BGEO Group PLC which combines a **Banking Business** and an **Investment Business** ahead of the imminent demerger on 29 May 2018. The demerger, which will result into Investment Business’s separation from the Group, was approved at the 2018 Annual General Meeting on 30 April 2018. Bank of Georgia Group PLC will be the holding company of the Banking Business following the demerger completion and effective from 29 May 2018.

**Banking Business** comprises: 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 (“Bank of Georgia”, “BOG” or the “Bank”) is the core entity of the Group’s Banking Business. The Banking Business targets to benefit from the underpenetrated banking sector in Georgia through both its retail banking and corporate investment banking services and aims to deliver on its strategy: (1) at least 20% ROAE, and (2) 15%-20% growth of its loan book.

**Investment Business** or Georgia Capital comprise stakes in Georgia Global Utilities (“Utility and Energy Business” or “GGU”), m<sup>2</sup> Real Estate (“Real Estate Business” or “m<sup>2</sup>”), Teliani Valley (“Beverage Business” or “Teliani”), Aldagi (“Property and Casualty Insurance Business” or “Aldagi”), Georgia Healthcare Group PLC (“Healthcare Business” or “GHG”) – an LSE (London Stock Exchange) premium-listed company and has a 19.9% interest in the **Banking Business**. Georgia’s fast-growing economy provides opportunities in a number of underdeveloped local sectors and Georgia Capital targets to capture these significant growth opportunities in the Georgian corporate sector.

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)

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

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