

London, 13 September 2017

BGEO Group announces Bank of Georgia’s rating upgrade by Moody’s

BGEO Group PLC (the “Group” or “BGEO”), announces that on 13 September 2017 credit rating agency Moody’s upgraded JSC Bank of Georgia’s (“The Bank”) local-currency deposit rating to Ba2 from Ba3, and the Bank’s foreign-currency deposit rating to Ba3 from B1. The Bank’s senior unsecured foreign-currency rating was also upgraded to Ba2 from Ba3 with a stable outlook. JSC BGEO’s ratings were not affected. The Bank’s credit rating action follows the upgrade of Georgia’s sovereign local and foreign currency issuer ratings to Ba2 from Ba3 on 11 September 2017.

“Georgia’s economy has a strong track record of resilience to the various shocks the region has experienced over the last ten years. Prudent macroeconomic reforms and regulatory banking supervision have allowed both the country’s GDP to steadily grow during this period, and the banking sector to remain profitable, well-capitalised and healthy. I am pleased to see Moody’s upgrade of the Georgia’s long-term sovereign ratings, together with the credit ratings of the Bank, in light of these achievements and I believe that Bank of Georgia is very well positioned to further capitalise on Georgia’s promising macroeconomic outlook”, commented **Kaha Kiknavelidze**, CEO of Bank of Georgia.

Name of authorised official of issuer responsible for making notification: Giorgi Alpaidze, Head of Finance, Funding and Investor Relations

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 a 4x20 strategy: (1) at least 20% ROAE from its Banking Business; (2) at least 20% growth of its Banking Business retail loan book; (3) at least 20% 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: Bank of Georgia has, as of the date hereof, the following credit ratings:

Fitch Ratings	‘BB-/B’	Fitch Ratings	‘BB-/B’
Moody’s	B1/NP (FC) & B1/NP (LC)	Moody’s	‘Ba3/NP’ (FC) & ‘Ba2/NP’ (LC)

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