

London, 29 May 2018

*Demerger Update: Demerger Effective*

Bank of Georgia Group PLC ("**Bank of Georgia Group**") is pleased to announce that the demerger of its investment business (the "**Investment Business**") to Georgia Capital PLC ("**Georgia Capital**") became effective prior to 8.00 a.m. this morning.

In addition, Bank of Georgia Group has issued and allotted a further 9,784,716 Bank of Georgia Group Shares (the "**Consideration Shares**", equivalent to 19.9% of Bank of Georgia Group's issued ordinary share capital) to Georgia Capital in consideration for the transfer to Bank of Georgia Group by Georgia Capital of Georgia Capital's stake in the Banking Business. As set out in the Bank of Georgia Group prospectus dated 26 March 2018, for as long as Georgia Capital's percentage holding in Bank of Georgia Group is greater than 9.9%, Georgia Capital will exercise its voting rights at Bank of Georgia Group general meetings in accordance with the votes cast by all other Bank of Georgia Group Shareholders on Bank of Georgia Group votes at general meetings.

Admission of the Consideration Shares to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, occurred immediately prior to 8.00 a.m. on 29 May 2018. Following the admission of the Consideration Shares, Bank of Georgia Group now has 49,169,430 ordinary shares in issue, of which none are held in treasury. The total number of voting rights that should be used by shareholders of Bank of Georgia Group as the denominator for calculations in order to determine whether they are required to notify (i) their interest in, or (ii) a change in their interest in the share capital of Bank of Georgia Group under the FCA's Disclosure Guidance and Transparency Rules is therefore 49,169,430.

Admission of Georgia Capital's ordinary shares (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, occurred 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 B GEO Shareholders dated 26 March 2018 (the "**Circular**").

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 combined a **Banking Business** and an **Investment Business** before the Group demerger on 29 May 2018. The demerger resulted into Investment Business’s separation from the Group on 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:

**Kaha Kiknavelidze**  
Group CEO  
+995 322 444 126  
[k.kiknavelidze@bog.ge](mailto:k.kiknavelidze@bog.ge)

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

**David Tsiklauri**  
Group CFO  
+995 322 444 108  
[dtsiklauri@bog.ge](mailto:dtsiklauri@bog.ge)

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

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