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25 May 2017

JSC BANK OF GEORGIA ANNOUNCES ISSUANCE OF GEL 500,000,000 11.00% NOTES DUE 2020

On Wednesday May 24, BGEO Group PLC's banking business subsidiary, JSC Bank of Georgia (the Bank) successfully priced an inaugural GEL 500 million offering of 11.00% notes due June 2020 (the Notes). The Notes are denominated in GEL and are expected to settle on 1 June 2017. The Reg S/ Rule 144A senior unsecured Notes are being issued and sold at an issue price of 100.00%. J.P. Morgan and Renaissance Capital are acting as Joint Bookrunners for the Notes, and Galt & Taggart is acting as a Co-Manager. Dechert LLP and Baker & McKenzie LLP are acting as legal advisors to the Joint Bookrunners and the Bank, respectively. The Notes are expected to be listed on the Irish Stock Exchange and to be rated BB- (Fitch) and Ba3 (Moody's). On closing, the issuance is expected to be the first international local currency bond offering from the wider CIS region (excluding Russia) in the past ten years and represent a landmark transaction for Georgia.

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

About BGEO Group PLC

The Group: BGEO Group PLC (“BGEO” or the “Group” – LSE: BGEO LN) is a UK incorporated holding company of a Georgia-focused investment platform. BGEO invests in the banking and non-banking sectors in Georgia (BGEO and its subsidiaries, the “Group”). BGEO aims to deliver on a 4x20 strategy: at least 20% ROAE and at least 20% growth of retail loan book in Banking Business, and at least 20% IRR and up to 20% of the Group’s profit from Investment Business.

Banking Business: Our Banking Business comprises at least 80% of the Group’s profit and consists of Retail Banking, Corporate Banking and Investment Management businesses at its core and other banking businesses such as P&C Insurance, Leasing, Payment Services and Banking operations in Belarus (“BNB”). The Group strives to benefit from the underpenetrated banking sector in Georgia especially through its Retail Banking services. JSC Bank of Georgia (“BOG” or the “Bank”) is the main entity in the Group’s Banking Business.

Investment Business: Our Investment Business comprises up to 20% of the Group’s profit and consists of Georgia Healthcare Group (Healthcare Business) – an LSE (London Stock Exchange PLC) premium listed company, m2 Real Estate (Real Estate Business), Georgia Global Utilities (Utility Business or GGU) and Teliani Valley (Beverage Business). Georgia’s fast-growing economy provides opportunities in a number of underdeveloped markets and the Group is well positioned to capture growth opportunities in the Georgian corporate sector.

JSC BGEO Group has, as of the date hereof, the following credit ratings:

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

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

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

For further information, please visit www.bgeo.com or contact:

Irakli Gilauri
Group CEO
+995 322 444 109
igilauri@bog.ge

Michael Oliver
Adviser to the CEO
+44 203 178 4034
moliver@bog.ge

Giorgi Alpaidze
Head of Investor Relations
+995 322 444 444 (ext. 3979)
g.alpaidze@bog.ge

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