

London, 6 April 2020

General provision relating to COVID-19

Bank of Georgia Group PLC (the “**Group**”) announces that, further to our announcement on 3 April 2020, relating to the National Bank of Georgia’s (the “**NBG**”) updated supervisory plan for Georgian banking sector, we have now agreed with the NBG that JSC Bank of Georgia (the “**Bank**”) will create a general provision of GEL 400 million under the Bank’s local accounting basis, which is used for calculation of the Bank’s capital ratios. This represents approximately 3.3% of the Bank’s lending book, and the general provision is expected to be taken in the first quarter of 2020. Our understanding is that the specific quantum of the provision reflects the NBG’s current expectation of estimated credit losses on the Bank’s lending book for the whole economic cycle, given current economic expectations.

The Group publishes its financial accounts on an International Financial Reporting Standards (IFRS) basis and, at this stage, it is too early to estimate our likely provisioning requirements on this basis. We will provide a detailed update with our first quarter of 2020 results in May.

As we announced last week, the Bank’s capital adequacy ratios, funding and liquidity positions have been strong, and remaining comfortably above of minimum regulatory requirements. At 29 February 2020, the CET1, Tier 1 and total capital adequacy ratios were 12.2%, 14.2% and 18.6%, respectively, and following recently announced measures, the Bank expects the CET1, Tier 1 and Total Capital adequacy ratio requirements at 6.9%, 8.7% and 13.3%, respectively, as of 31 March 2020. The NBG has also stated its willingness, if necessary, to fully or partially release the remaining requirements of Pillar 2 capital buffers, and, again if necessary, to introduce initiatives to reduce liquidity requirements.

The NBG considers the Bank’s capital ratios to be sufficiently in excess of the expected minimum capital requirements at 31 March 2020, to be able to absorb this upfront general provision whilst maintaining a sufficiently comfortable buffer over the required minimum capital ratios. This is supported by the Group’s recent track record of strong profitability, and capacity to generate high levels of internal capital.

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 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. 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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