

London, 25 January 2018

*BGEO Group’s P&C insurance subsidiary signs a long-term partnership agreement*

BGEO Group PLC (the “Group” or “BGEO”), announces that the Group’s property and casualty insurance subsidiary, JSC Aldagi (“Aldagi” or the “Company”), has signed a three-year partnership agreement with JSC Credo Bank (“Credo Bank” or the “Bank”). Credo Bank was originally established as a microfinance organisation in 2007 and obtained a banking license in March 2017. Credo Bank has a wide network of branches across Georgia and provides financial services to micro, small and medium-sized businesses, with specific expertise in providing financial services to rural customers. As part of the partnership agreement, Aldagi will have rights to offer its retail insurance products to the Bank’s clients, in exchange for a commission fee based on the premium of each underwritten insurance policy. The partnership agreement marks a continuation of an already established successful relationship between Aldagi and Credo Bank.

*Giorgi Baratashvili*, Aldagi CEO commented: “I am pleased to extend this partnership with one of our strategic partners, Credo Bank, which will enable us to continue offering a wide range of retail insurance products through a diversified multi-channel distribution network and strengthen our presence in the fast-emerging retail insurance segment.”

*Irakli Gilauri*, BGEO CEO commented: “I am delighted to see Aldagi sign yet another partnership agreement with a financial institution and successfully capture opportunities offered by the proposed demerger of the Group. The Company is aggressively implementing its strategy to tap Georgia’s underpenetrated retail insurance segment.”

Name of authorised official of issuer responsible for making notification: Giorgi Alpaidze, Group CFO

**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 its strategy of: (1) at least 20% ROAE from its Banking Business; (2) 15%-20% growth of its Banking Business loan book; (3) at least 25% 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”), m<sup>2</sup> Real Estate (“Real Estate Business” or “m<sup>2</sup>”), 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:

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 ‘Ba3/NP’ (FC) & ‘Ba2/NP’ (LC)

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

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