

London, 13 December 2016

*JSC Bank of Georgia purchases a micro and small business loan portfolio from JSC ProCredit Bank*

BGEO Group PLC (the “Group” or “BGEO”), a Georgia focused investment platform, announces that its banking subsidiary, JSC Bank of Georgia (the “Bank” or “BOG”) has agreed to acquire, for cash, a micro and small business portfolio from JSC ProCredit Bank Georgia (“ProCredit Bank”) – currently the third largest bank in Georgia by total assets and market share of gross loans. The transaction will add c.2,400 micro and small business clients and a net value of c.GEL 120 million loans to the BOG’s retail banking loan portfolio. This transaction, which largely reflects individual loans of less than US\$ 100,000 value, further strengthens BOG’s position in the small business and micro segments. The transaction directly serves the Bank’s strategic target to enhance its retail business by growing the micro, small and medium sized enterprise loan portfolios within the next three years.

Name of authorised official of issuer responsible for making notification: Ekaterina Shavgulidze, Head of Investor Relations and Funding.

**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:

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

Fitch Ratings  
Moody’s

‘BB-/B’  
B1/NP (FC) & B1/NP (LC)

Fitch Ratings  
Moody’s

‘BB-/B’  
‘B1/NP’ (FC) & ‘Ba3/NP’ (LC)

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

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