

London, 2 February 2016

BGEO Group PLC announces merger of BOG's Corporate Banking and Investment Management businesses

BGEO Group PLC (“**BGEO**” or the “**Group**”), the holding company of JSC Bank of Georgia (“**BOG**” or “**the Bank**”), announces the combination of its Corporate Banking and Investment Management businesses into a Corporate Investment Banking business (“**CIB**”). The merged business will leverage our superior knowledge and capital markets capabilities in the Georgian and neighbouring markets both in terms of reach and the expertise that we have accumulated during the past several years through our corporate advisory, research and brokerage practices united under Galt&Taggart – a wholly owned subsidiary of Bank of Georgia at the forefront of capital markets development in the country. As a result, we expect to grow our fee income, improve the Bank’s ROAE and reduce concentration risk in the corporate lending portfolio. Reflecting this change, the Group will report CIB business results separately starting in the first quarter 2016.

Archil Gachechiladze, currently Group CFO and Deputy CEO, Investment Management at the Bank is to lead the merged business, replacing Sul Khan Gvalia, currently Deputy CEO, Corporate Banking, who is leaving the Bank with immediate effect. Archil will step down from his present position of Group CFO and Levan Kulijanishvili, a long-standing professional, and currently Deputy CEO, Finance at the Bank will also undertake the responsibilities of Group CFO. BGEO Group also announces the appointment of Tornike Gogichaishvili, currently Chief Operating Officer at the Bank, as Deputy CEO Operations at the Bank, joined by Alexander (Sasha) Katsman as Deputy CEO Human Resources and Brand management at the Bank. The new appointments are effective immediately, following regulatory approval from the National Bank of Georgia. The service contracts of both Tornike Gogichaishvili and Alexander Katsman have been set until 1 May 2019. Service contracts for Archil and Levan remain unchanged.

“I am confident that Archil, who has effectively led both the Corporate Banking and Investment Management businesses in recent years, is best suited to successfully integrate these businesses to facilitate our continued commitment to growing Bank of Georgia’s strong corporate banking and advisory franchise. I want to take this opportunity to thank Sul Khan for his remarkable contribution to the success of the Bank. He spent 11 years with the Bank and Sul Khan is one of the key people responsible for the recent success of Bank of Georgia. I wish him all the best for the future. At the Bank of Georgia level we have further strengthened the management and I would like to congratulate Levan, Tornike and Sasha on their enhanced roles. Finally, I am particularly pleased that all these positions were filled with internal promotions from the long bench of strong management we have established over the last few years,” commented **Irakli Gilauri**, the Group CEO.

About BGEO Group PLC

BGEO Group PLC is a UK incorporated holding company of a Georgia-based banking group with an investment arm. Its primary business is the leading Georgian bank JSC Bank of Georgia, which has a market share of 34.7% (based on total assets), 32.7% (based on total loans) and 31.9% (based on client deposits). The banking business offers a broad range of retail banking, corporate banking, investment management and P&C insurance services. As of 30 September 2015, the bank served approximately 1.9 million client accounts through one of the largest distribution networks in Georgia, with 260 branches, the country’s largest ATM network, comprising 703 ATMs, 2,354 Express pay (self-service) terminals and a full-service remote banking platform and a modern call center. The investment business primarily consists of the largest healthcare group in Georgia (Georgia Healthcare Group), real estate business (m2) and utility business (Georgia Global Utilities).

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

Standard & Poor’s	‘BB-/B’
FitchRatings	‘BB-/B’
Moody’s	‘B1/NP’ (FC) & ‘Ba3/NP’ (LC)

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