

London, 23 November 2015

BGEO Group hosts Investor Day in London

BGEO Group PLC (“**BGEO**” or the “**Group**”), the holding company of JSC Bank of Georgia (“**the Bank**”), Georgia’s leading bank, announces that the Bank is today hosting an Investor Day for analysts and investors in London.

As part of the presentation the Bank will update investors on its medium term strategic goals which are summarised below:

- The Bank will continue to focus on capturing growth opportunities in the rapidly growing Georgian economy
- Our '4x20' strategy has been updated and will continue to be targeted over the medium term to deliver:
 - A return on average equity in the Banking Business of at least 20%
 - Retail Banking customer lending growth of at least 20% per annum
 - A minimum targeted Internal Rate of Return of 20% on investments in non-banking businesses, and
 - A maximum 20% profit contribution, of the Group’s profits, from our investments in non-banking businesses
- The Group will continue to aim to maintain a dividend payout ratio from the Banking Business profits in the 25%-40% range; in addition at least 3 capital returns over the next 5 years will be targeted in the light of potential divestments, with the objective of ensuring that these 3 capital returns total at least 50% of the regular dividends from the banking business. These capital returns could take the form of either special dividends, share buybacks and/or stock dividends
- In addition, the Group has today instructed the administrators of the Group Employee Benefits Trust to purchase shares in the market totaling approximately US\$10 million.

Within the banking business:

- Over the next 2-3 years, Bank of Georgia aims to shift the mix of its customer lending to become 65% retail and 35% corporate with the product per client ratio in the retail bank targeted to increase to 3.0 products, from a current 1.7 products
- The Bank will continue to reduce concentration risk in the corporate lending portfolio, with the support of the Investment Management business, to target the top ten borrowers to represent less than 10% of the total loan portfolio
- The net interest margin is expected to be c.7.25% - 7.75%
- The Bank aims to manage to a cost/income ratio of around 35% over the medium-term
- The loan-to-deposit and Development Financial Institutions funding ratio is expected to be maintained in the 110% area over the next 3 years

About BGEO Group PLC

Bank of Georgia Holdings PLC is a UK incorporated holding company of a Georgia-based banking group with an investment arm. It’s primary business is the leading Georgian bank JSC Bank of Georgia, which has a market share of 36.0% (based on total assets), 33.4% (based on total loans) and 31.6% (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 June 2015, the bank served approximately 1.9 million client accounts through one of the largest distribution networks in Georgia, with 246 branches, the country’s largest ATM network, comprising 685 ATMs, 2,284 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).

JSC 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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- The Bank will continue to enhance its already prudent risk management practice, and the Bank's cost of risk ratio is expected to be in the 1.5% -2.0% range

Within the Investment Businesses:

- In the healthcare business, Georgia Healthcare Group (“**GHG**”), we expect to:
 - At least double 2015 revenues in 2018
 - Achieve a 20% return on average equity and start paying dividends by 2019
 - Launch two hospitals with a total of 700 hospital beds by 2017, and achieve a market share of hospital revenue in excess of 30% in the medium-to-long term
 - Roll-out a network of ambulatory clinics to achieve a 17% market share by revenues in the medium-to-long term
- In m² Real Estate to target an internal rate of return of c. 40%+, whilst delivering a capital return to the Group of US\$ 20-25 million over the next 5 years
- In the utility business, GGU, to achieve EBITDA of GEL 80 million in 2018, from GEL 51 million in 2014
- Establish a renewable energy platform, targeting 100MW+ in 4 medium sized hydro power plants by 2019, whilst targeting an IRR in excess of 25%
- The planned capital allocations in the Investment Businesses during the 2015-2018 period are expected to total approximately US\$ 35 million

A full set of the presentation slides can be viewed on the BGEO website at www.BGEO.com