London, 3 April 2020

National Bank of Georgia supervisory plan - COVID-19

The National Bank of Georgia (the "**NBG**"), our banking regulator, has announced that it has introduced an updated supervisory plan for the Georgian banking sector. The initiatives under the revised supervisory plan are aimed at alleviating the negative financial and economic challenges created by the global COVID-19 pandemic in Georgia. The measures, which have been introduced with immediate effect, are mainly focused on capital adequacy and liquidity initiatives that allow banks to use existing buffers to support customers in the current financially stressed circumstances, to continue normal business activities as far as possible, and to support the economy through ongoing lending operations.

Capital adequacy initiatives:

- Combined buffer - the conservation buffer requirement of 2.5% of risk-weighted assets reduced to 0% indefinitely;
- Pillar 2 requirements:
  - Currency induced credit risk buffer (CICR) requirement reduced by 2/3rds indefinitely;
  - The phase-in of additional credit portfolio concentration risk buffer (HHI) and net GRAPE buffer requirements on Common Equity Tier 1 (CET1) and Tier 1 capital, planned at the end of March, 2020, has been postponed indefinitely;
  - The possibility of fully or partially releasing the remaining requirements of Pillar 2 buffers (HHI, CICR, net GRAPE), if necessary, remains open.

Liquidity initiatives:

- Liquidity coverage ratio (LCR) requirements (for local and foreign currency, as well as total requirement) may be revisited and reduced, if necessary;
- Mandatory reserve requirements may be revisited and reduced, if necessary;
- Eligibility criteria for repo-eligible securities may be revisited, if necessary, to support GEL liquidity.

Other initiatives:

- The deadline for submitting previously planned stress testing results to NBG has been postponed until the end of May, 2020;
- NBG will not impose any monetary sanctions in case of breach of economic normatives and limits driven by external factors (e.g. reserves, exchange rate deprecation);
- NBG on-site audits, except for ongoing anti-money laundering reviews, postponed indefinitely;
- All new regulatory changes and requirements postponed till September, 2020, or until further communicated by NBG. This does not apply to regulations with regard to open banking, XBRL reporting and resolution framework.

During the period the banks are allowed to partially or fully use the Pillar 2 and conservation buffers, the banks must not make capital distribution in any form.

Bank of Georgia's (the "**Bank**") capital adequacy ratios, funding and liquidity positions have been strong, and remain comfortably above the Bank's minimum regulatory requirements. As of 29 February 2020, the Bank's liquidity coverage ratio stood at 133.9% and net stable funding ratio at 130.9%, compared to the 100% minimum required level. The CET1, Tier 1 and total capital adequacy ratios were 12.2%, 14.2% and 18.6%, respectively, comfortably in excess of the respective minimum required levels of 10.2%, 12.2% and 17.1%. Following the just announced measures, the Bank expects CET1, Tier 1 and Total Capital adequacy minimum ratio requirements of 6.9%, 8.7% and 13.3%, respectively, as of 31 March 2020.

In addition, on 2 April 2020, the Bank drew-down the second tranche of the US$107 million subordinated syndicated loan facility signed in December, 2019, in the amount of US$55 million. This is expected to be treated as a Bank Tier 2 capital instrument under the Basel III regulation upon approval of the NBG and will further improve the overall capitalisation of the Bank.

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)

For further information, please visit www.bankofgeorgiagroup.com or contact:

Archil Gachechiladze
CEO
+995 322 444 144
agachechiladze@bog.ge

Michael Oliver
Adviser to the CEO
+44 203 178 4034
moliver@bgeo.com

Sulkhan Gvalia
CFO
+995 322 444 108
sgvalia@bog.ge

Natia Kalandarishvili
Head of Investor Relations
+995 322 444 444 (9282)
ir@bog.ge