Early Warning System

# IFC-38541

## BGEO Bonds

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### Quick Facts

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|---|---|
| **Countries** | Georgia |
| **Financial Institutions** | International Finance Corporation (IFC) |
| **Status** | Active |
| **Bank Risk Rating** | B |
| **Voting Date** | 2016-06-14 |
| **Borrower** | JSC BGEO GROUP |
| **Sectors** | Finance |
| **Investment Type(s)** | Loan |
| **Investment Amount (USD)** | $ 25.00 million |
| **Project Cost (USD)** | $ 350.00 million |

## Project Description

This project invests in a tradable Eurobond issued by Joint Stock Company BGEO Group. This issuance is New Notes offered by the company in the amount of US$350 million, with a 7-year maturity. IFC is playing the role of anchor investor in this issuance.

The proceeds from the issuance of these New Notes will be used to provide funding to the JSC Bank of Georgia to redeem its outstanding notes. The New Notes are listed on the Irish Stock Exchange under 144A/Reg S and were offered to qualified institutional buyers in the United States and to non-US persons elsewhere.

## Investment Description

- International Finance Corporation (IFC)

Joint Stock Company BGEO Group is a Georgia-based wholly owned subsidiary of BGEO Group PLC Formerly Bank of Georgia Holdings PLC, incorporated in the United Kingdom. The banking business consists of corporate investment banking, retail banking, as well as advisory and brokerage, insurance and leasing services. The Group primarily conducts its banking business through BOG and banking operations in Belarus through Belarusky Narodny Bank, both existing IFC clients.

## Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- JSC BGEO Group (Financial Intermediary)

### Private Actors Description

JSC BGEO is one of the largest banking and industrial groups in Georgia which successfully explores investment opportunities in (among others) the financial, healthcare and real sectors in the country. JSC BGEO is a fully owned subsidiary of the UK incorporated BGEO Group PLC. BGEO Group PLC is listed on the premium segment of the London Stock Exchange (LSE) and has a current market capitalization of approximately U$1.4 billion. Its top 10 institutional shareholders which, in aggregate, own about 40% of the Group's shares include Schroeder Investment Management PLC, Harding Loevner LP and Westwood International Advisors Inc.

JSC BGEO was established in August 2015 as a result of a corporate reorganization of the Group to address the requirements of the National Bank of Georgia (NBG) to regulate banks in the country on a standalone basis and limit investments in non-banking subsidiaries by locally regulated banking entities. JSC BGEO subsidiaries are grouped into banking and investment businesses, which represent an optimal fit to manage JSC BGEO's operations as a Georgia-focused banking group with an investment arm. There are three principal subsidiaries under JSC BGEO: JSC BGEO Investments, JSC BG Financial and BOG; where BOG constitutes the majority of the Group's core business.

## Contact Information

No contact information provided at the time of disclosure.

**ACCOUNTABILITY MECHANISM OF IFC**

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/