

London, 20 February 2014

Bank of Georgia's healthcare subsidiary acquires new hospitals

Bank of Georgia Holdings PLC (“BGH”), the holding company of JSC Bank of Georgia (“the Bank”), Georgia’s leading bank announces that Unimed Kakheti LLC, the wholly-owned healthcare subsidiary of JSC Insurance Company Aldagi (“Aldagi”), the Bank’s healthcare and insurance subsidiary, has acquired an 80% equity interest in Avante Hospital Management Group (“Avante”) that owns four hospitals, with a total of 578 beds, located in Tbilisi and Batumi. Avante is the second largest healthcare provider in Georgia by number of beds, following Aldagi. Generating an estimated revenue of GEL 35.0 million in 2013, this portfolio of hospitals provides Aldagi with leading positions in both pediatric and maternity care.

The acquisition of the new hospitals, as well as the acquisition in December 2013 of a 60 bed high-end, multi-specialty hospital in Tbilisi, is consistent with the company’s previously announced strategy to scale up its healthcare business through targeted hospital acquisitions focusing in Tbilisi. Following the acquisition, Aldagi has 36 healthcare facilities and 1,907 hospital beds in Georgia. Aldagi is currently in negotiations to acquire the residual 20% holding in Avante.

“I am very pleased that we continue the year with this strategic acquisition, which considerably strengthens our healthcare franchise in the country as we expand our healthcare services in Tbilisi. The addition of the second largest healthcare provider with the strongest position in pediatric and maternity care offers material synergy opportunities, the majority of which I believe our experienced team will be able to deliver in the near term. I would like to congratulate our Aldagi team with the completion of this important transaction and look forward to an interesting year ahead”, commented **Irakli Gilauri**, Chief Executive Officer of Bank of Georgia.

“This acquisition is in line with our strategy to increase our market share of the Georgian healthcare market. In addition to increasing synergies, we believe Avante’s facilities gives us an opportunity to increase the number of beds at Avante’s hospitals from 578 beds to over 600 beds with moderate investments. We expect to deliver significant synergies, increase our share of the healthcare market in Georgia, and enlarge our healthcare business in the capital city of Georgia as a result of these acquisitions”, commented **Murtaz Kikoria**, Chief Executive Officer of Aldagi.

About Bank of Georgia Holdings PLC

Bank of Georgia Holdings PLC is a UK-incorporated holding company of Bank of Georgia. Bank of Georgia is the leading Georgian bank, based on total assets (with a 33.8% market share), total loans (with a 32.5% market share) and total deposits (with a 30.4% market share) as of 31 December 2013, all data based on standalone financial information filed by banks in Georgia with the National Bank of Georgia. The Bank offers a broad range of corporate banking, retail banking, wealth management, brokerage and insurance services to its clients.

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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