
Aldagi BCI

Speaker: Nickoloz Gamkrelidze, CEO

Discussion topics

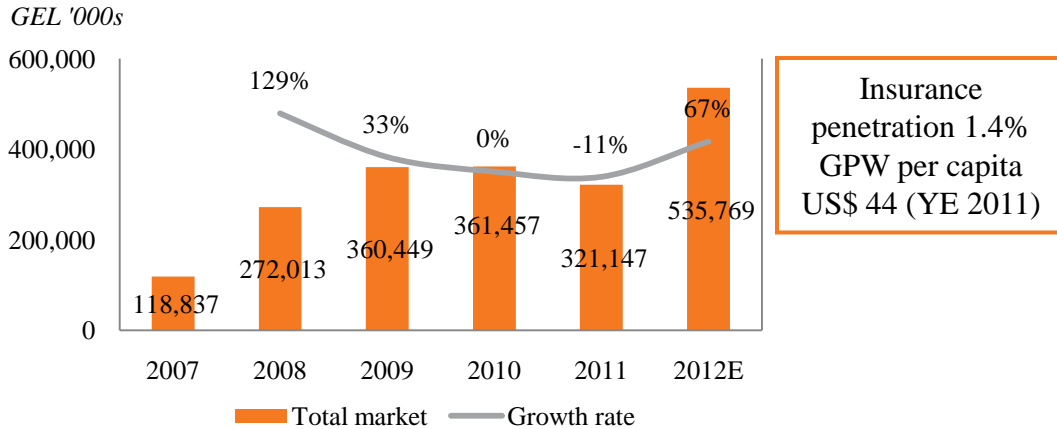
Insurance and Healthcare market overview

Aldagi BCI performance review

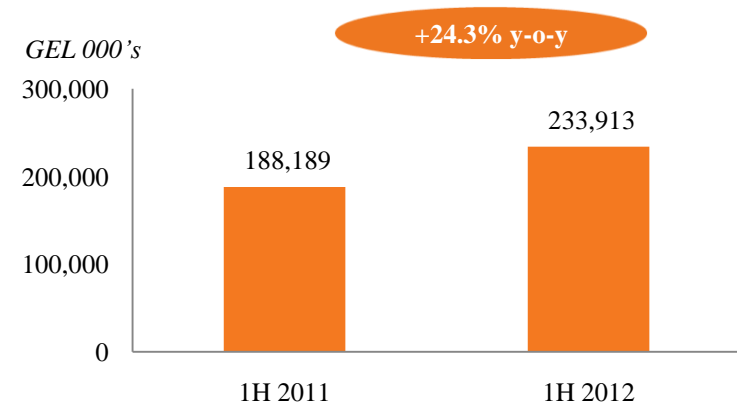
Key financial figures

Georgia's insurance market: Gross Premiums Written (GPW)

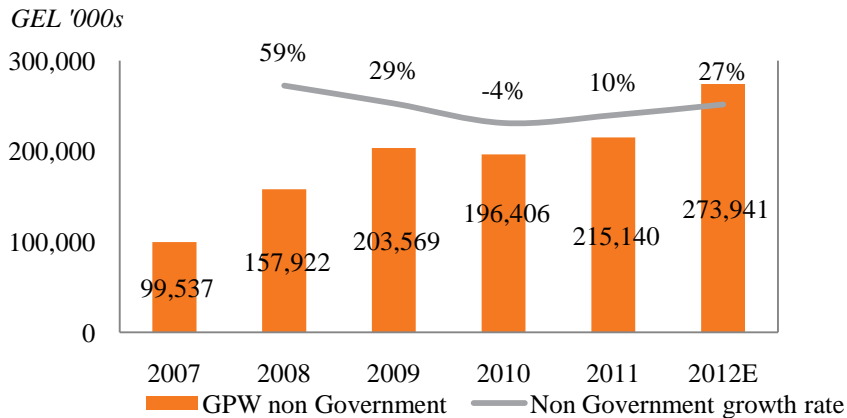
Total insurance market by GPW



Insurance market by GPW

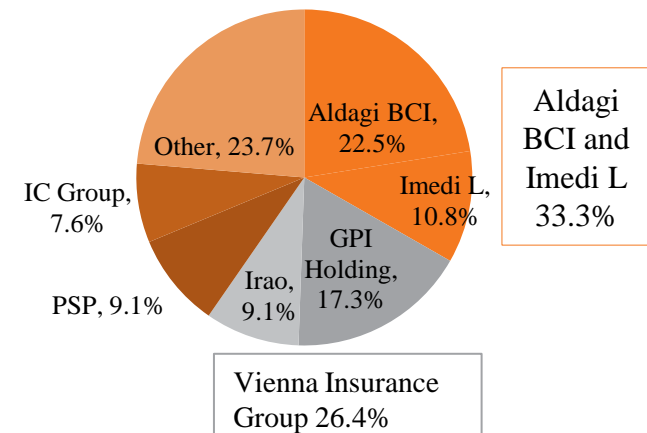


Market GPW, excluding government projects



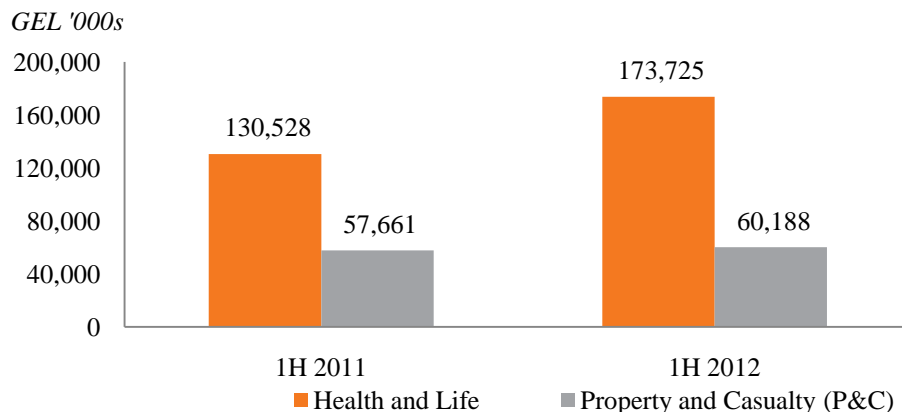
Source: National Bank of Georgia

Market share by GPW, 1H 2012

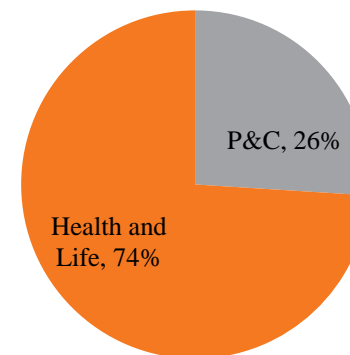


Georgia's insurance market, cont'd

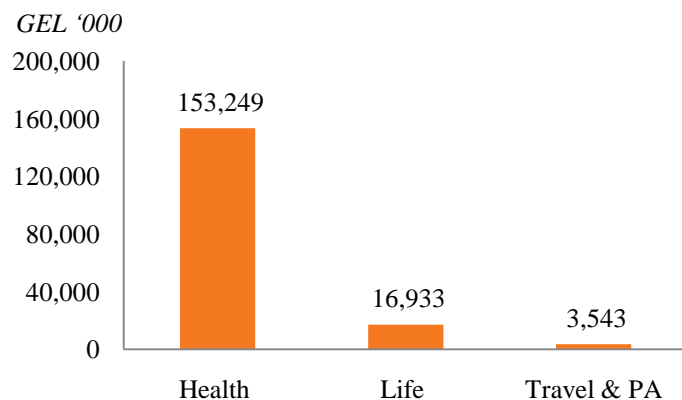
Gross Premiums Written



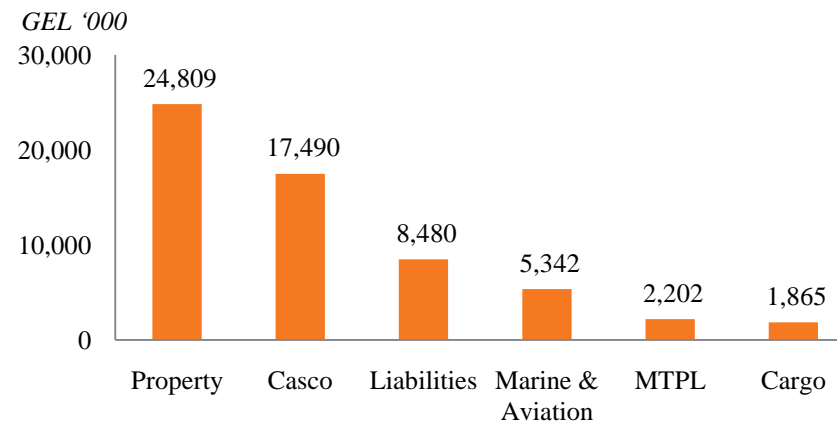
Shares by GPW, 1H 2012



Health & Life, product diversification by GPW, 1H 2012



P&C Product diversification by GPW, 1H 2012

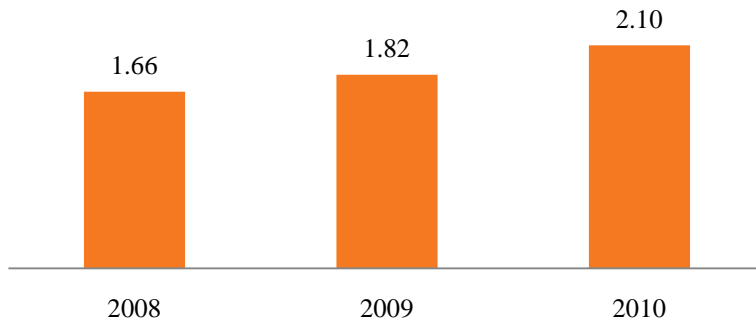


Source: National Bank of Georgia

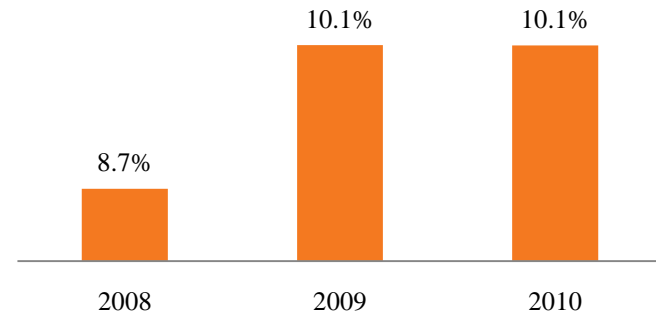
Healthcare market review

Total healthcare expenditure

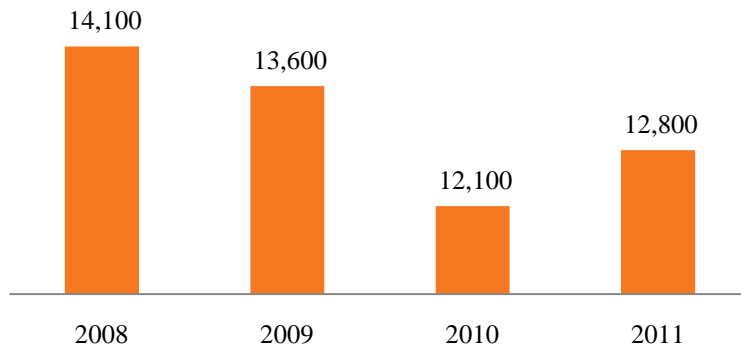
GEL bln



Total healthcare expenditure share in GDP



Number of hospital beds

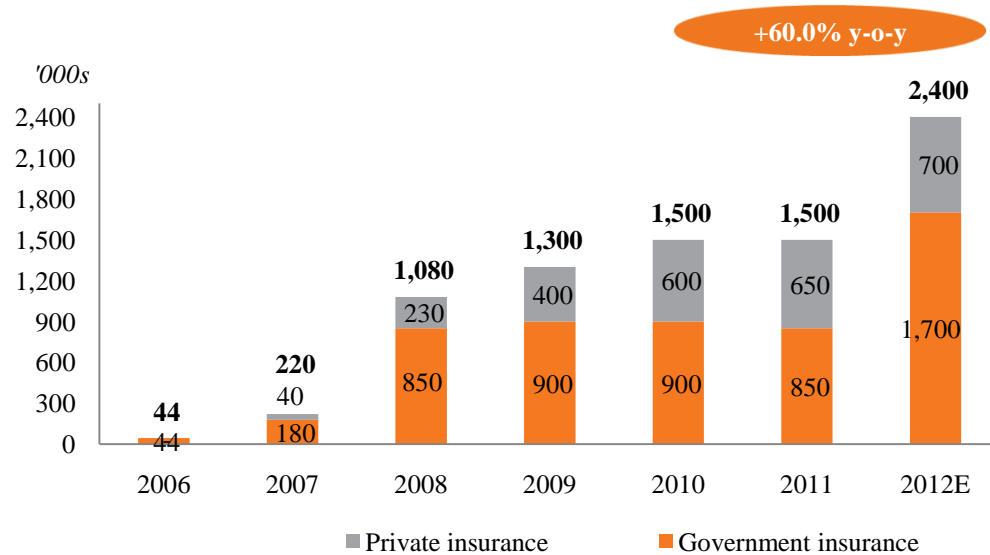


Insurance companies entered the healthcare market following healthcare reforms in 2011

In 2011 and 2012, 135 new high standard hospitals were built, 45 of which were built and operated by insurance companies

Rationale behind market growth

Number of insured



-  In 2012, Government of Georgia declared that by 2015 every citizen should hold private health insurance policy
-  From September 2012, the Government subsidised private health insurance policies for students and citizens under five and more than 65 years old
-  These initiatives are expected to boost voluntary private health insurance growth and will increase financial accessibility of healthcare services

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Key financial figures








Aldagi BCI

INTEGRATED BUSINESS MODEL DELIVERS 25%+ ROAE

Insurance

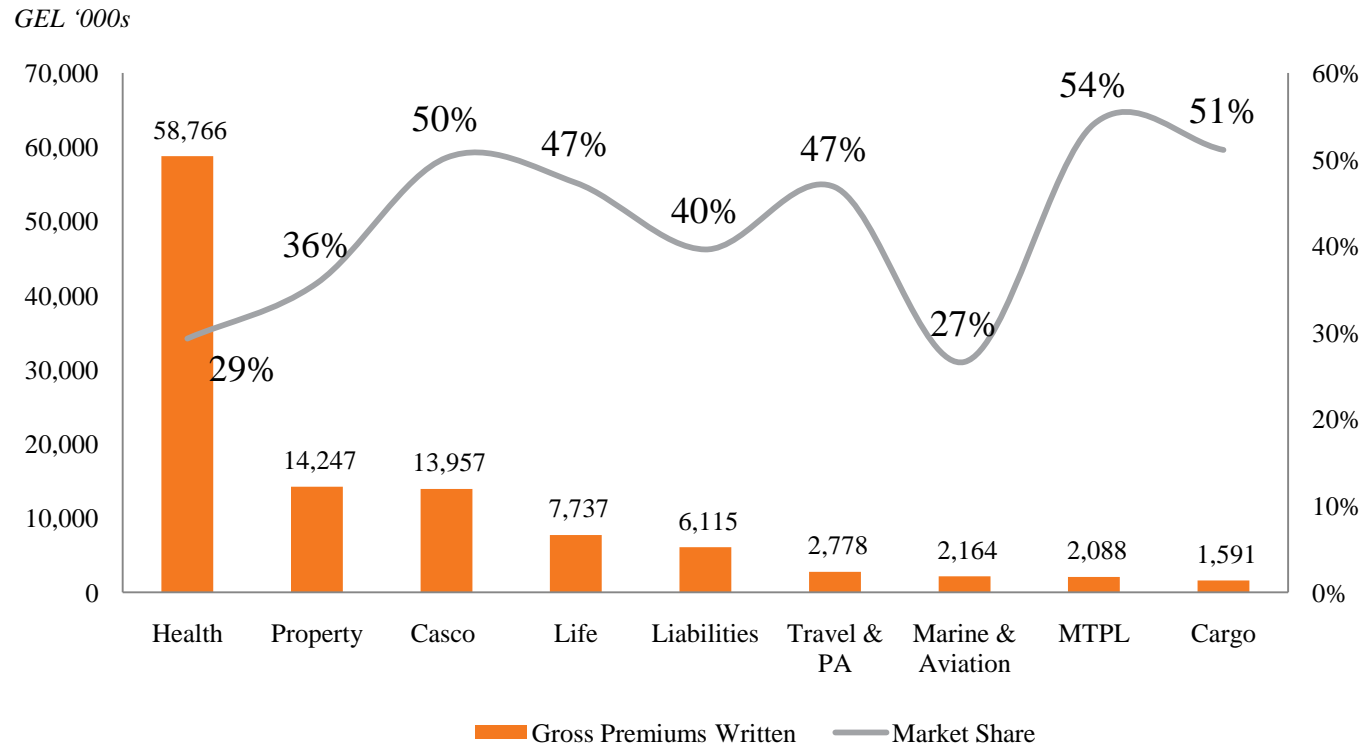
-  Market leading life and non-life insurance provider. 1H 2012 market shares of: 33.3% by Gross Premiums Written; 35.6% by Revenue
-  640,000+ retail clients; 3,900+ corporate clients
-  Widest distribution channel
-  99% of brand recognition
-  Largest insurer of property & casualty risk
-  Largest Bancassurance network in the country
-  Capable management team with strong acquisition & integration track record

Healthcare

-  The first managed healthcare provider since 2006
-  The largest managed chain of clinics
-  A chain of 30 hospitals with a concentration in Western Georgia, covering approximately 40% of Georgia's population
-  40% of ABCI claims expense become revenue of its own healthcare business
-  80% of revenue is attracted outside of the Insurance Group
-  Gross Profit Margin 43%
-  EBITDA Margin 23%

Leader on the insurance market

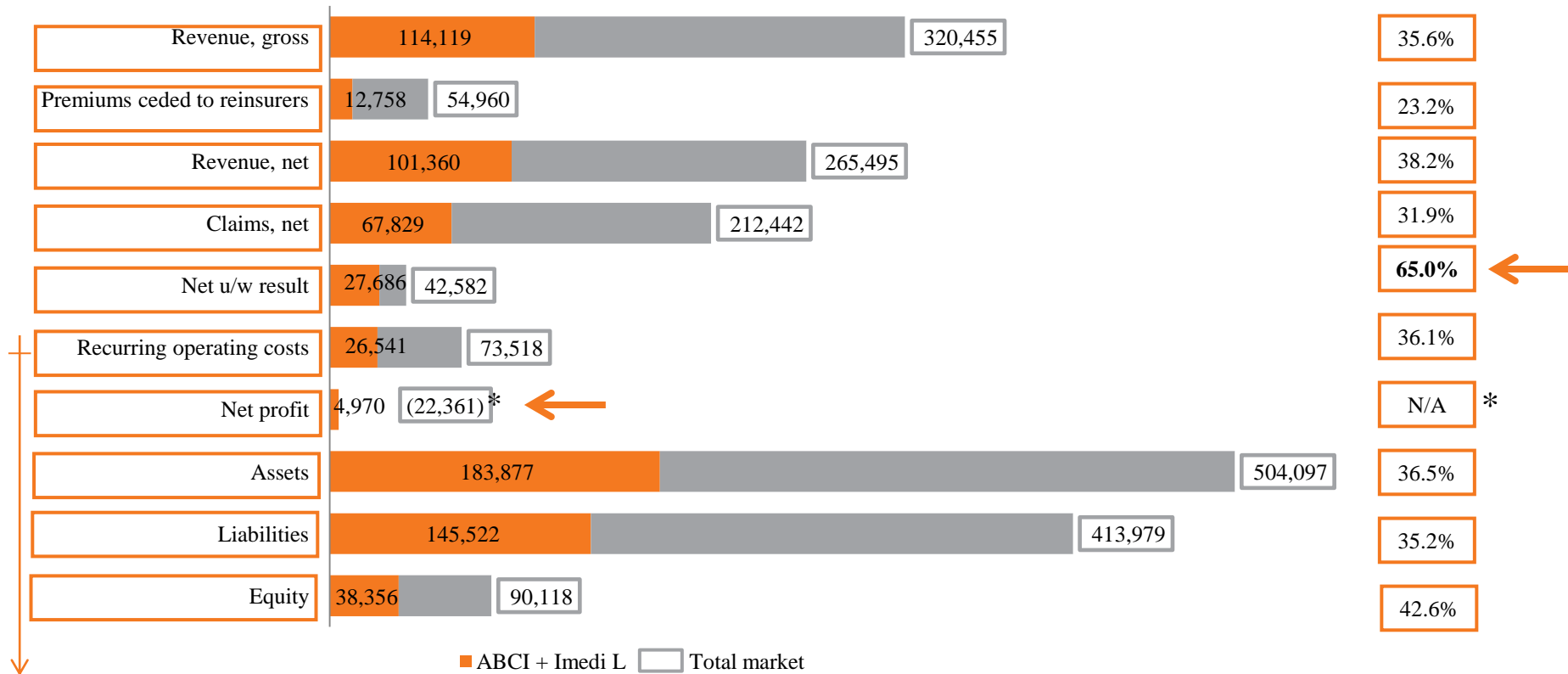
ABCI market share by gross premiums written



ABCI vs insurance market YE2011

GEL '000s

ABCI + Imedi L
market share





W/O synergy effect

Source: National Bank of Georgia

*Total market incurred net loss of GEL 22 mln in 2011



We deliver

Insurance revenue growth up to GEL 98 mln by 2013

-  2010 insurance revenue of GEL 61.4 mln
-  1H 2012 insurance revenue of GEL 41.5 mln




On track

Healthcare revenue growth up to GEL 33 mln by 2013

-  2010 healthcare revenue of GEL 7.9 mln
-  1H 2012 healthcare revenue of GEL 29.5 mln


Ahead of target

Increase ABCI profit contribution to 10% by 2013; ROAE of 25% by 2013

-  In 2010 ABCI contributed 4.9% to group net income
-  1H 2012 ABCI contributed 7.5%, as net income grew by 171.5% y-o-y
-  1H 2012 delivered ROAE of 25.6%

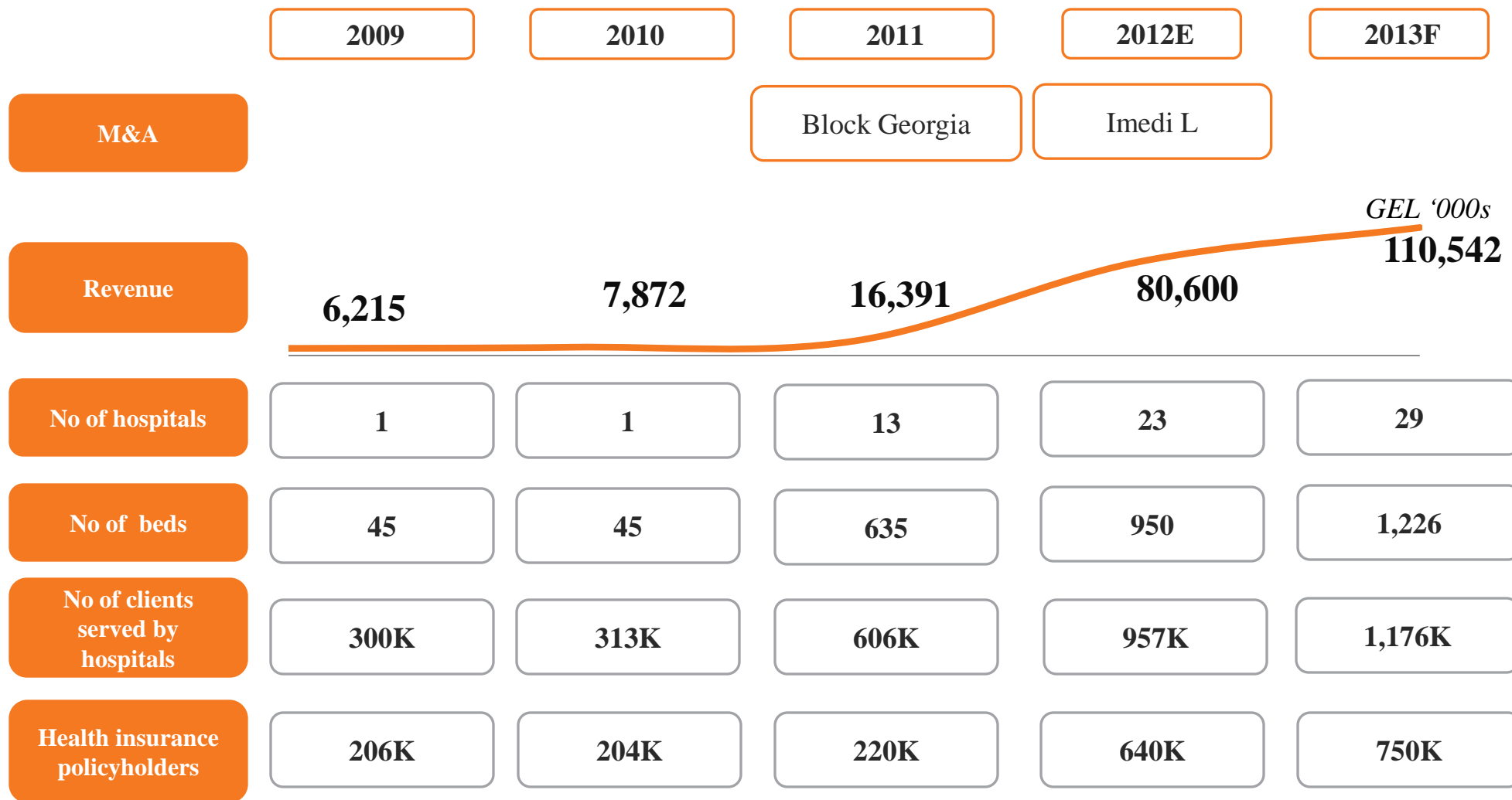
On track

Double market share

 Market shares:	2010	June 2012
	%	%
GPW	18.6	33.3
Insurance Revenue	17.6	35.6
Assets	19.6	40.2

Delivered

Aldagi BCI healthcare business growth



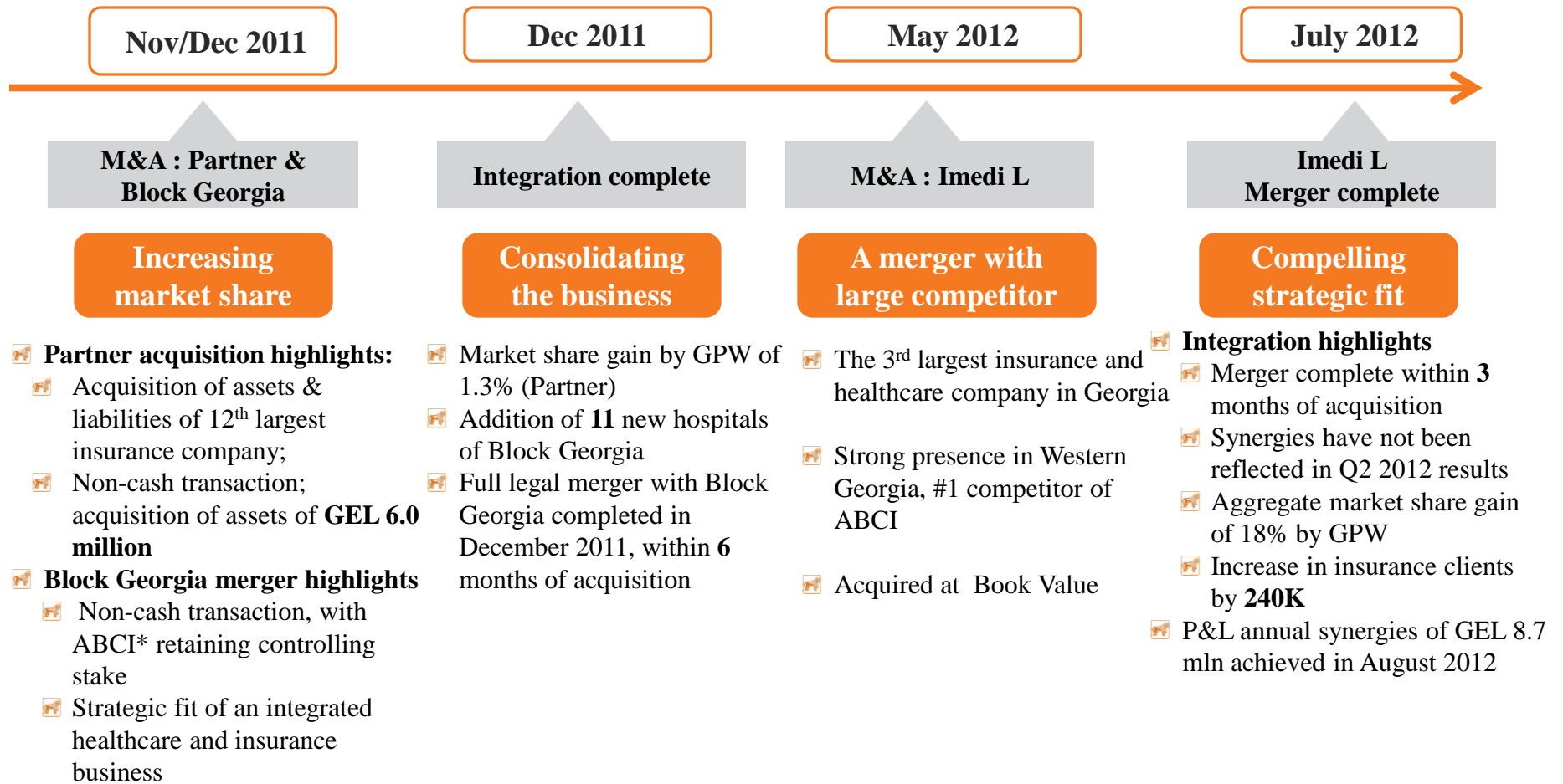
ABCI healthcare

Aldagi BCI Hospitals by Regions

1226 bed hospitals owned by Aldagi BCI of which **269** to be launched by YE 2012



Acquisition and integration track record



* Through healthcare subsidiary My Family Clinic

Discussion topics

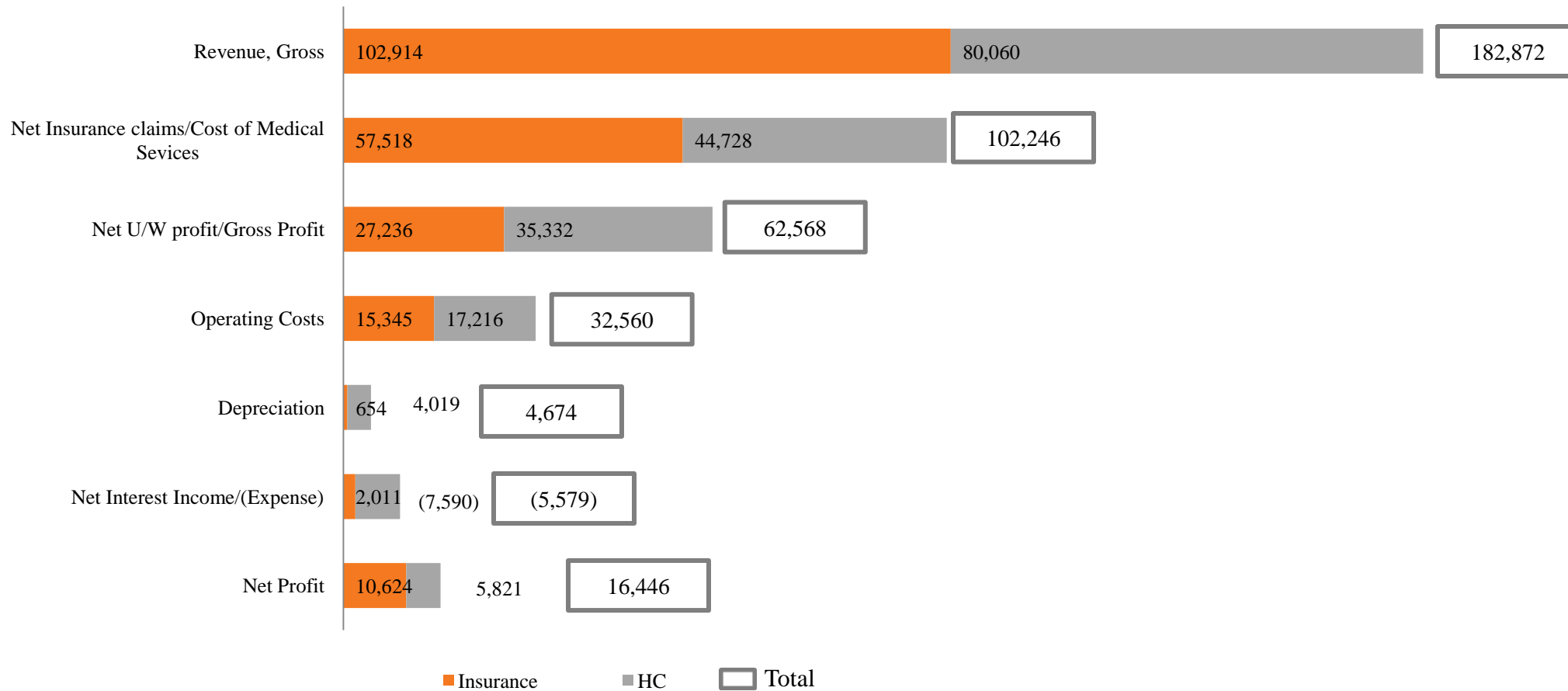
Insurance and Healthcare market overview

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Key financial figures

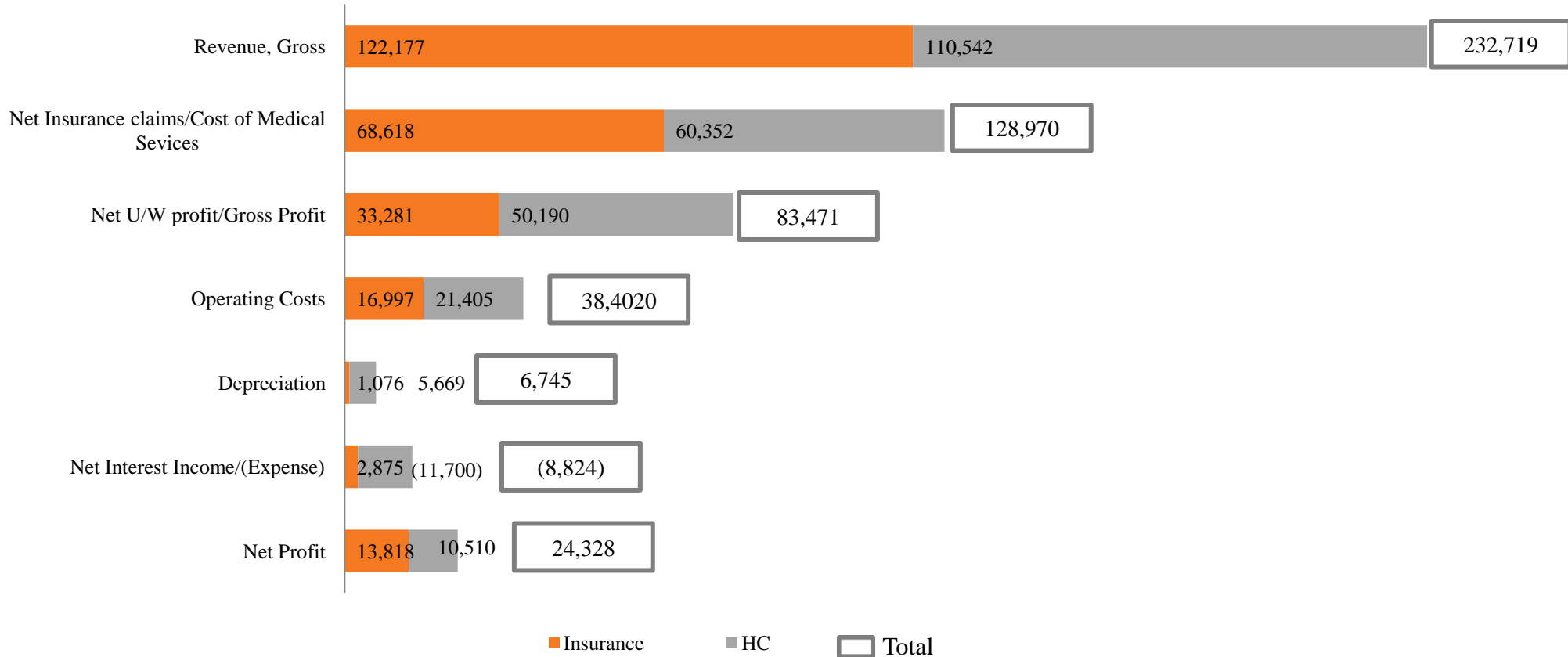
YE 2012 ABCI P&L (estimate)

Consolidated,
GEL '000



YE 2013 ABCI P&L (forecast)

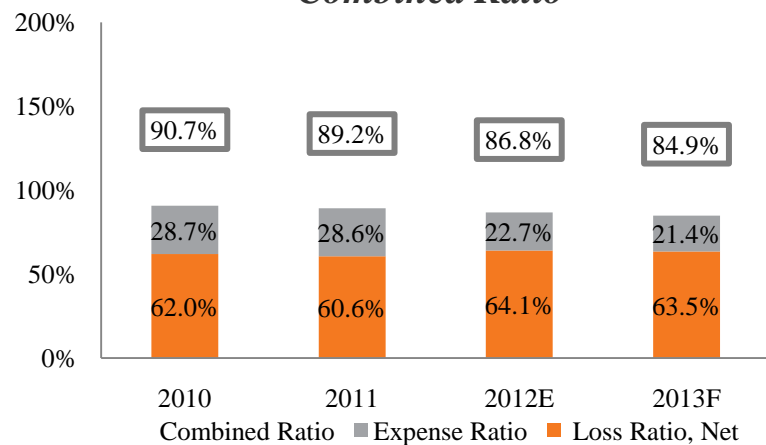
Consolidated,
GEL '000s



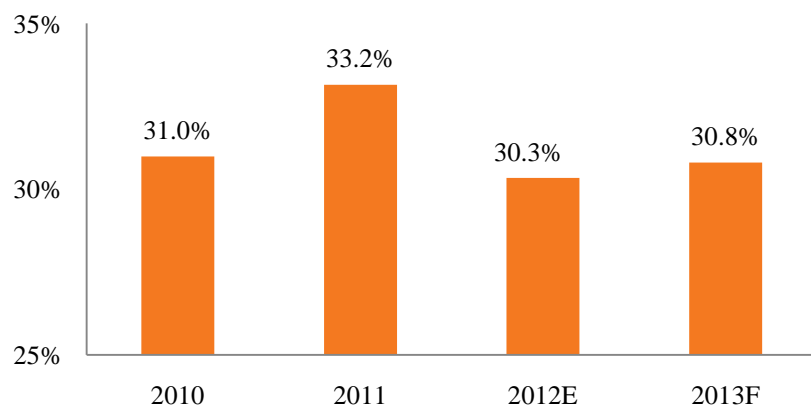
Insurance and Healthcare

Insurance, standalone

Combined Ratio

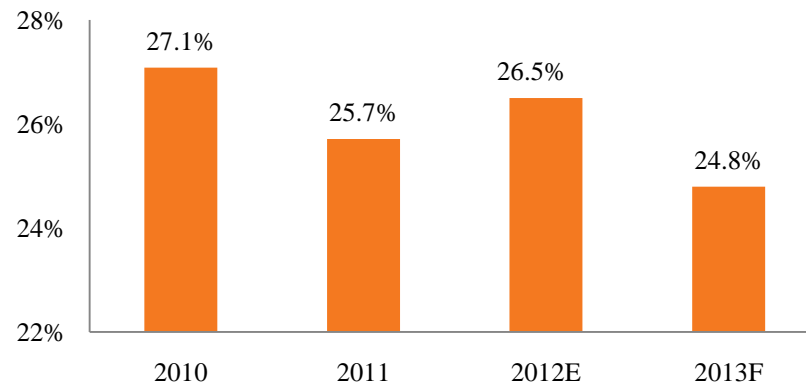


U/W margin

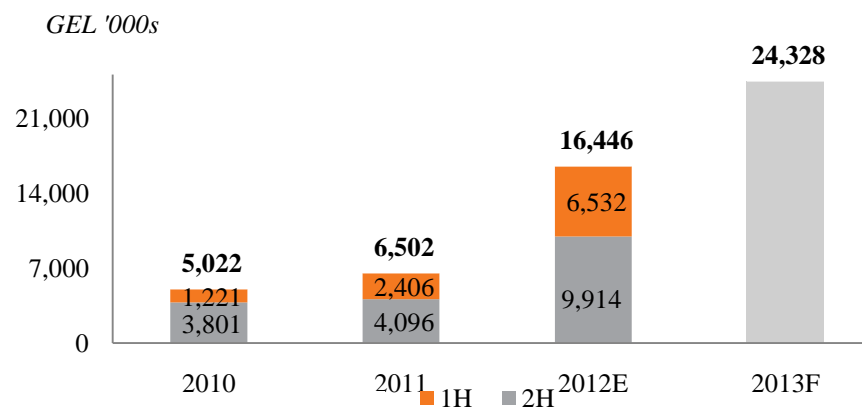


Aldagi BCI, consolidated

ROAE



Net profit



Q&A

Forward Looking Statements

This presentation contains forward-looking statements that are based on current beliefs or expectations, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could or other words of similar meaning. Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and Aldagi BCI and/or the Bank of Georgia group of companies' plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

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