

London, 23 May 2014

Bank of Georgia's healthcare subsidiary acquires new hospital capacity

Bank of Georgia Holdings PLC (“BGH”), the holding company of JSC Bank of Georgia (“the Bank”), Georgia’s leading bank, announces that the wholly-owned healthcare subsidiary of JSC Insurance Company Aldagi (“Aldagi”), the Bank’s wholly-owned healthcare and insurance subsidiary, has acquired a 100% equity interest in Sunstone Medical LLC, which owns a hospital in East Tbilisi with an estimated total development capacity of 300 beds. The property, which is a long-established and well-known hospital in Tbilisi that hasn’t been operational for several years, will provide Aldagi with a competitive advantage in tapping into the East Tbilisi patient segment, as well as referrals from East Georgia.

The acquisition of the hospital, as well as the acquisition in December 2013 of a 60 bed high-end, multi-specialty hospital in Tbilisi and the acquisition in March 2014 of Avante Hospital Management Group with four hospitals and 578 beds and a strong position in paediatric and maternity care, is consistent with the company’s previously announced strategy to scale up its healthcare business through targeted hospital acquisitions focusing on Tbilisi. Following the acquisition and anticipated development of the new hospital, Aldagi would have 37 healthcare facilities and 2,207 hospital beds in Georgia, representing a market share of approximately 23% in terms of hospital beds.

“I am very pleased to continue the year with this strategic acquisition which complements our current portfolio of clinics in Tbilisi and is in line with our strategic objective to further enhance our Georgian healthcare market share”, commented **Irakli Gilauri**, Chief Executive Officer of Bank of Georgia.

“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 this acquisition. Following conclusion of the transaction, we will commence the renovation of the hospital – expected in the coming weeks – with a target of developing a new 300 bed facility that will serve East Tbilisi and East Georgia”, commented **Murtaz Kikoria**, Chief Executive Officer, 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 34.1% market share), total loans (with a 31.7% market share) and client deposits (with a 30.2% market share) as of 31 March 2014, 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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