

***BANK OF GEORGIA ANNOUNCES THE ACQUISITION OF A CONTROLLING INTEREST IN IMEDI L,
CREATING A CLEAR LEADER IN THE GROWING GEORGIAN INSURANCE MARKET***

Bank of Georgia Holdings plc. ("BGH") (LSE: BGEO LN), the holding company of JSC Bank of Georgia (the "Bank"), Georgia's leading bank, announced today that JSC Insurance Company Aldagi BCI ("Aldagi BCI"), a wholly-owned insurance subsidiary of the Bank, has acquired Meta Limited, the holding company which owns 51% of Imedi L, the third largest insurance and healthcare business in Georgia. In addition, the European Bank for Reconstruction and Development (EBRD), a 34% shareholder of Imedi L, has also sold its stake in Imedi L to Aldagi BCI, bringing Aldagi BCI's ownership of Imedi L to 85%.

The gross assets of Imedi L, the business acquired, totalled GEL 68.0 million at 31 December 2011, with net assets estimated by Aldagi BCI amounting to approximately GEL 8.0 million as 31 March 2012. The purchase price paid in cash for 85% equity interest in Imedi L translates into the valuation of approximately one time the net asset value.

As part of the transaction, the Bank has agreed a capital injection of GEL 32.5 million into Aldagi BCI to ensure that Imedi L has sufficient capital and liquidity to meet its existing hospital construction obligations and is well capitalised for its expected future growth.

As of 30 September 2011, according to the most recently published market data by the National Bank of Georgia, Aldagi BCI had a market share of 17.1 % (Gross Written Premiums: GEL 45.0 million in the first nine months of 2011) of the Georgian insurance market and Imedi L had a market share of 16.3% (Gross Written Premiums: GEL 42.8 million in the first nine months of 2011). The combined business, with a market share of 33.4%, will be the clear leader in the Georgian insurance market, with a substantial increase in its retail client base of approximately 220,000 clients to a combined total of 420,000 retail clients. By the end of 2012, the combined Aldagi BCI and Imedi L healthcare businesses are expected to own hospitals with a total of nearly 1200 beds, an increase of approximately 400 beds during 2012.

The Bank will provide further details on the acquisition at BGH's Q1 2012 earnings call intended to be held in the first half of May 2012.

Irakli Gilauri, Chief Executive Officer of Bank of Georgia Holdings plc commented: "This is a significant acquisition in the growing, but still significantly underpenetrated, Georgian insurance market, allowing Aldagi BCI to significantly increase its market share immediately. Aldagi BCI has an excellent track record in integrating insurance and healthcare companies in Georgia. We are targeting to integrate Imedi L business with Aldagi BCI by the end of the year. The combined business puts us in great shape to achieve our strategic aim of the Insurance and Healthcare business becoming 10% of the Bank's earnings over the next few years."

Nick Gamkrelidze, Chief Executive Officer of Aldagi BCI commented: "This acquisition is in line with our strategy to increase our market share of the Georgian insurance market and to enlarge our health insurance and healthcare businesses to achieve greater synergies. We expect to deliver significant cost synergies, almost double our share of the insurance market in Georgia, and achieve a substantial enlargement of our healthcare business in both western and eastern Georgia as a result of the purchase of Imedi L."

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% market share), total loans (with a 35% market share) and client deposits (with a 34% market share) as of 31 March 2012, 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)

For further information, please visit www.bog.ge/ir or contact:

Irakli Gilauri
Chief Executive Officer
+995 322 444 109
igilauri@bog.ge

Macca Ekizashvili
Head of Investor Relations
+995 322 444 256
ir@bog.ge

David Westover/Justin Griffith
Citigate Dewe Rogerson
+44 (0) 207 638 9571
bog@citigatgdr.co.uk