

London, 1 August 2014

Bank of Georgia announces the reorganisation of Aldagi into pure play healthcare and P&C insurance businesses

Bank of Georgia Holdings PLC (“**BGH**”), the holding company of JSC Bank of Georgia (“**the Bank**”), Georgia’s leading bank, announces that JSC Insurance Company Aldagi (“**Aldagi**”), the Bank’s insurance and healthcare subsidiary, has been split into two separate business units – a pure-play healthcare business that will provide healthcare services and health insurance products in Georgia, and a pure-play property and casualty insurance business that will provide life and non-life insurance products in Georgia. The Bank will shortly establish JSC Georgia Healthcare Group (“**GHG**”) which will own the healthcare business. This reorganisation is in accordance with the Bank’s previously announced strategy to capitalise on the growth opportunities in the healthcare industry in Georgia and ultimately realise value for the Bank’s investment in its healthcare operations. The Bank’s segmental reporting, which will be disclosed in its 1H 2014 financial results, will not be altered as a consequence of this reorganisation.

Alongside the reorganisation, the two business units will undergo branding changes. The Aldagi brand will now only be used by the P&C insurance business, and the health insurance business was renamed Imedi L, reviving the brand name that Aldagi acquired in May 2012. The Imedi L brand retains a strong reputation in the Georgian health insurance sector which can now be further capitalised upon. Additionally, the healthcare services business, which consists of My Family Clinic (a 749 hospital bed company) and Unimed (a 1,143 hospital bed company), has been rebranded as Evex Medical Corporation. The rebranding exercise is in accordance with the Group’s strategy to establish independent and unified branding for its healthcare services business.

“I am pleased to announce this reorganisation, following which we have created two pure-play businesses – a healthcare business, and a P&C insurance business, both of which we believe will be able to deliver an increasingly focused customer approach and strengthen our leading position in the market. I want to congratulate both teams with the completion of the reorganisation,” commented **Irakli Gilauri**, Chief Executive Officer of Bank of Georgia.

“As a pure-play healthcare business we are now better positioned to build on our leading position in the rapidly growing Georgian healthcare market. We aim to capitalise on the growth opportunities arising from recent healthcare reform and expect to deliver greater synergies between our healthcare facilities and health insurance businesses,” commented **Murtaz Kikoria**, Chief Executive Officer of Georgia Healthcare Group.

“As a P&C insurance company, we aim to deliver a more focused customer approach across our products and services. We also plan to extract more synergies by focusing efforts on cross-selling our insurance products with the Bank’s Retail Banking, Corporate Banking and Investment Management products.” commented **Giorgi Baratashvili**, 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 32.8% market share), total loans (with a 31.6% market share) and client deposits (with a 29.0% market share) as of 30 June 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 and healthcare services to its clients. As of 31 March 2014, the Bank served approximately 1.3 million client accounts through one of the largest distribution networks in Georgia, with 203 branches, the country’s largest ATM network, comprising 497 ATMs, 1,423 Express pay (self-service) terminals and a full-service remote banking platform and a modern call center.

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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