Bank of Georgia’s healthcare subsidiary acquires a hospital in a prime location in Tbilisi

Bank of Georgia Holdings PLC ("BGH"), the holding company of JSC Bank of Georgia ("the Bank"), Georgia’s leading bank, announces that Georgia Healthcare Group ("GHG"), the Bank’s healthcare subsidiary, has signed binding contract to acquire a 95% equity interest, subject to relevant regulatory approvals, in Deka LLC ("Deka"). Deka owns a hospital with a 350 bed capacity and is located on 2.4 ha. land in a prime location in Tbilisi. Currently c.80 beds are operational and the rest require refurbishment. The acquisition was financed from the proceeds of the BGH capital raise in December 2014. The renovation and development of the acquired hospital capacity is expected to take approximately 12 months and is anticipated to be financed through proceeds from the stock exchange listing of GHG which is planned for later this year.

The acquisition of this new hospital facility is consistent with the company’s previously announced strategy to scale up its healthcare business through targeted acquisitions in Tbilisi. Following this transaction, and planned development of the hospital, GHG’s portfolio will include 40 healthcare facilities and 2,490 hospital beds across Georgia, further widening the gap with the next largest player, by number of beds.

“I would like to congratulate our healthcare team on the completion of the transaction, which is expected to increase our national market share by hospital beds to 25.0% from 22.0% before the acquisition or 14.3% at the beginning of 2014. I am pleased on the continuation of our expansion strategy whilst our healthcare team is also staying focused on integrating our previously acquired healthcare facilities to extract remaining synergies in preparation for the planned stock exchange listing later this year,” commented Irakli Gilauri, Chief Executive Officer of Bank of Georgia Holdings.

“With this acquisition we have completed another milestone towards realising our strategy of doubling 2015 revenue by 2018. Deka is a well-established general hospital that enjoys a historically strong reputation among patients, as it used to service Soviet-elite in Georgia – although the building is currently in need of refurbishment, it attracts strong patient traffic. As a result of this acquisition, we expect to significantly increase our share of the healthcare market nationwide and particularly in Tbilisi, where average spending and utilisation is substantially higher than in other parts of Georgia. Following the acquisition, and once the development works are completed, our market share by hospital beds in Tbilisi will increase from 14.1% to 20.0%. This acquisition will enable us to tap a new geographic segment of patients and offers significant opportunities for cost synergies that our experienced team will work to deliver over the next few months,” commented Nikoloz Gamkrelidze, Chief Executive Officer, Georgia Healthcare Group.


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 35.5% market share), total loans (with a 34.9% market share) and client deposits (with a 31.5% market share) as of 31 December 2014, all data based on standalone financial information filed by banks in Georgia with the National Bank of Georgia and includes Privatbank’s market shares. 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 December 2014, the Bank served approximately 1.5 million client accounts through one of the largest distribution networks in Georgia, with 219 branches, the country’s largest ATM network, comprising 523 ATMs, 2,239 Express pay (self-service) terminals and a full-service remote banking platform and a modern call center.

About Bank of Georgia Holdings PLC

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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