

London, 1 June 2015

Bank of Georgia's healthcare subsidiary acquires a major hospital 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 a binding Memorandum of Understanding, subject to relevant regulatory approvals, to acquire 50.0% equity interest in GNCo (the “**Company**”), with effective management and operational control over the Company. GNCo is a holding company that owns 100% of High Technology Medical Center University Clinic (“**HTMC**”), a 450-bed major and well-established referral hospital in Tbilisi, which provides a wide range of in-patient and out-patient services, including the largest department of oncology radiotherapy in Georgia. HTMC is the single largest hospital in Georgia.

The acquisition of this new hospital is consistent with the company’s announced strategy to grow its healthcare services business through targeted hospital acquisitions focusing on Tbilisi. Upon completion of the acquisition, GHG’s portfolio will include 41 healthcare facilities and 2,670 beds across Georgia, further increasing the gap with the nearest competitor and offering increasing number of patients an access to quality healthcare.

“I would like to congratulate our healthcare team on the completion of this substantial transaction, which solidifies our franchise in the capital city. With this acquisition, our healthcare business is very well positioned for its planned international stock market listing in the second half of 2015. Furthermore, our healthcare team will shift its focus from acquisition to integration and organic development mode following this transaction,” commented **Irakli Gilauri**, Chief Executive Officer of Bank of Georgia Holdings.

“With this acquisition, we have reached another major milestone on the way to realising our strategy of doubling 2015 revenues by 2018. We expect our share by hospital beds to reach 27.4% nationwide and 24.3% in Tbilisi, where average spending and utilisation is substantially higher than in other parts of Georgia. This acquisition will enable us to tap a new segment of patients and we also expect to deliver significant cost synergies over the next few months as we integrate the new hospital. Following this transaction, we will operate 2,670 beds nationwide, with capacity to develop at least an additional 400 beds in Tbilisi as a result of recent acquisitions,” commented **Nikoloz Gamkrelidze**, Chief Executive Officer, Georgia Healthcare Group.

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 36.9% market share), total loans (with a 34.7% market share) and client deposits (with a 32.5% market share) as of 31 March 2015, 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 March 2015, 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 554 ATMs, 2,245 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:

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| Standard & Poor’s | ‘BB-/B’ |
| FitchRatings | ‘BB-/B’ |
| Moody’s | ‘B1/NP’ (FC) & ‘Ba3/NP’ (LC) |

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