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*Aldagi BCI*

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*Speaker: Nickoloz Gamkrelidze, CEO*

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## *Discussion topics*

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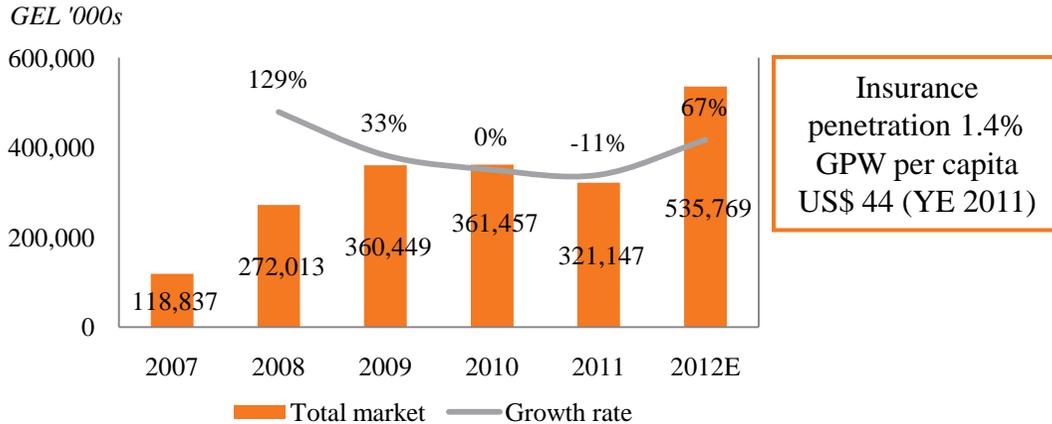
**Insurance and Healthcare market overview**

**Aldagi BCI performance review**

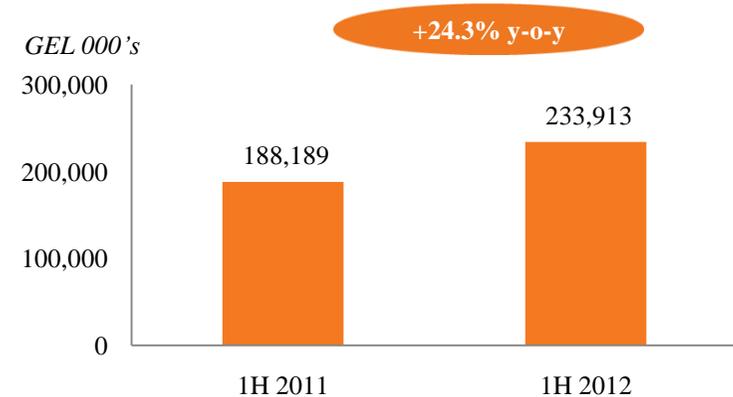
**Key financial figures**

# Georgia's insurance market: Gross Premiums Written (GPW)

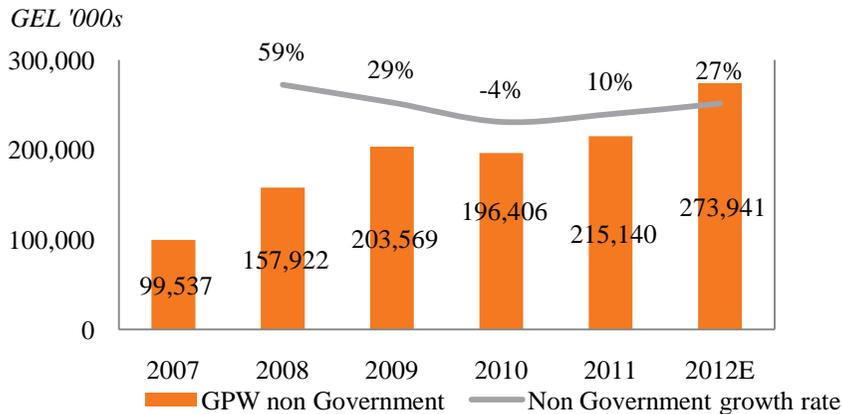
Total insurance market by GPW



Insurance market by GPW

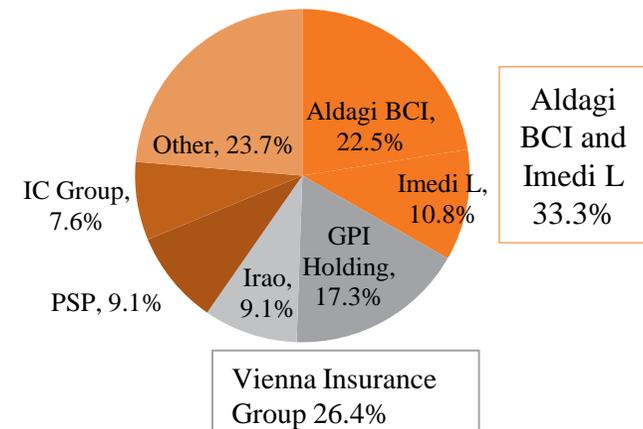


Market GPW, excluding government projects



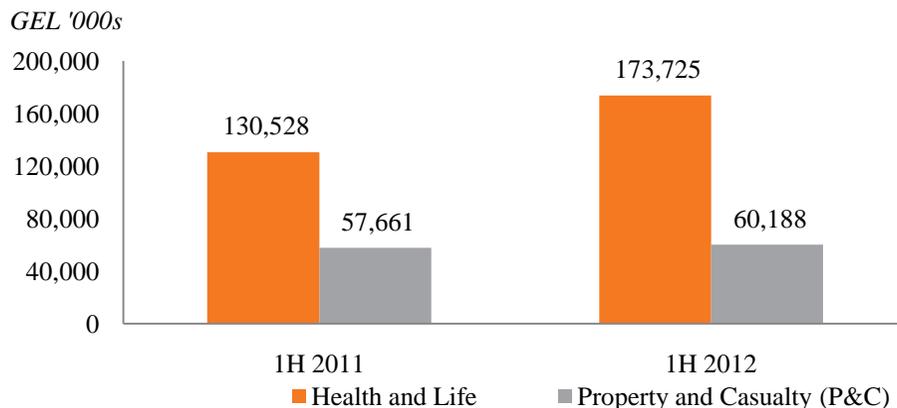
Source: National Bank of Georgia

Market share by GPW, 1H 2012

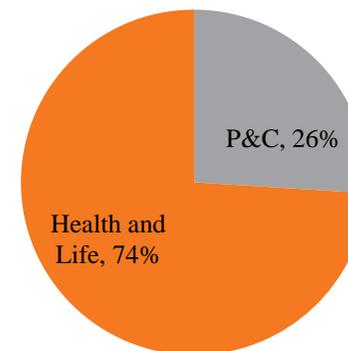


# Georgia's insurance market, cont'd

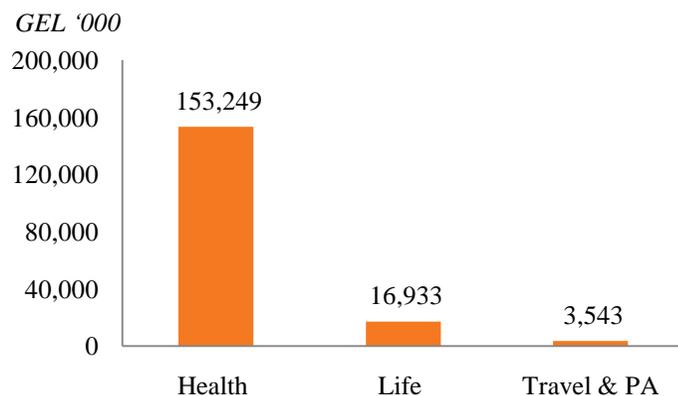
**Gross Premiums Written**



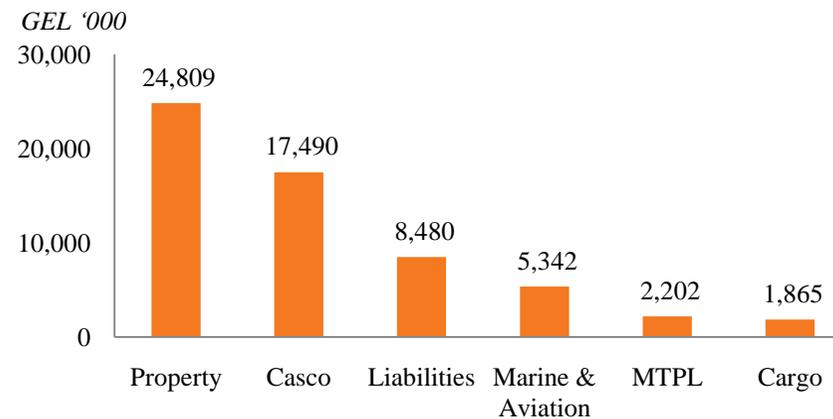
**Shares by GPW, 1H 2012**



**Health & Life, product diversification by GPW, 1H 2012**



**P&C Product diversification by GPW, 1H 2012**

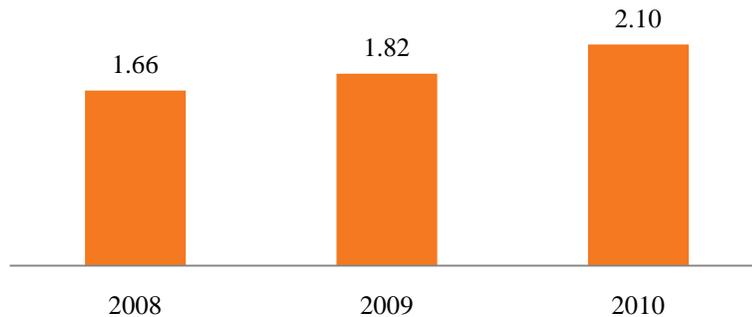


Source: National Bank of Georgia

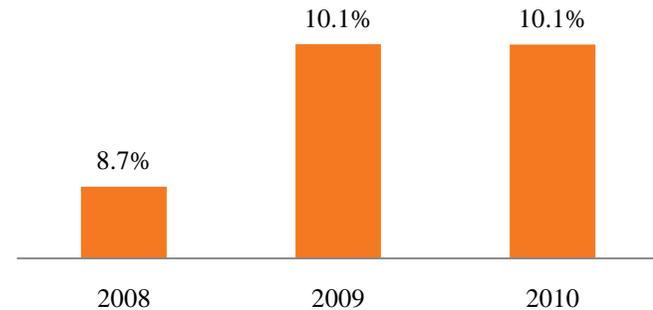
# Healthcare market review

## Total healthcare expenditure

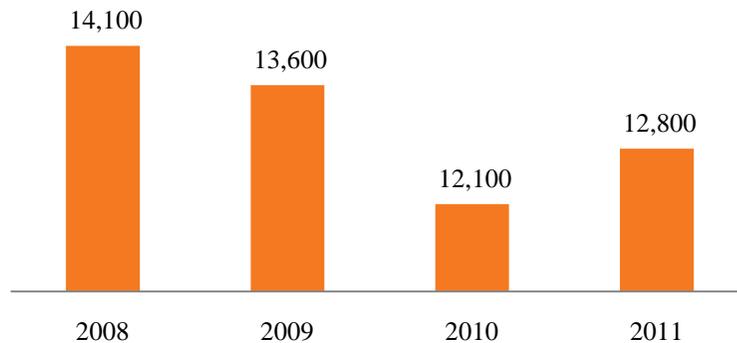
GEL bln



## Total healthcare expenditure share in GDP



## Number of hospital beds

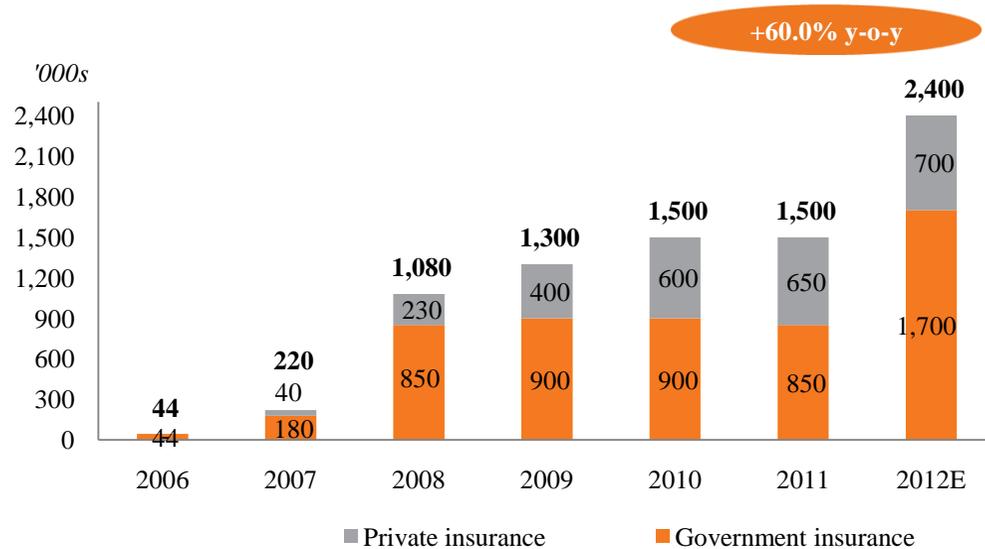


Insurance companies entered the healthcare market following healthcare reforms in 2011

In 2011 and 2012, 135 new high standard hospitals were built, 45 of which were built and operated by insurance companies

# Rationale behind market growth

*Number of insured*



-  In 2012, Government of Georgia declared that by 2015 every citizen should hold private health insurance policy
-  From September 2012, the Government subsidised private health insurance policies for students and citizens under five and more than 65 years old
-  These initiatives are expected to boost voluntary private health insurance growth and will increase financial accessibility of healthcare services

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## *Discussion topics*

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Insurance and Healthcare market overview

**Aldagi BCI performance review**

Key financial figures

# Aldagi BCI

## INTEGRATED BUSINESS MODEL DELIVERS 25%+ ROAE

### Insurance

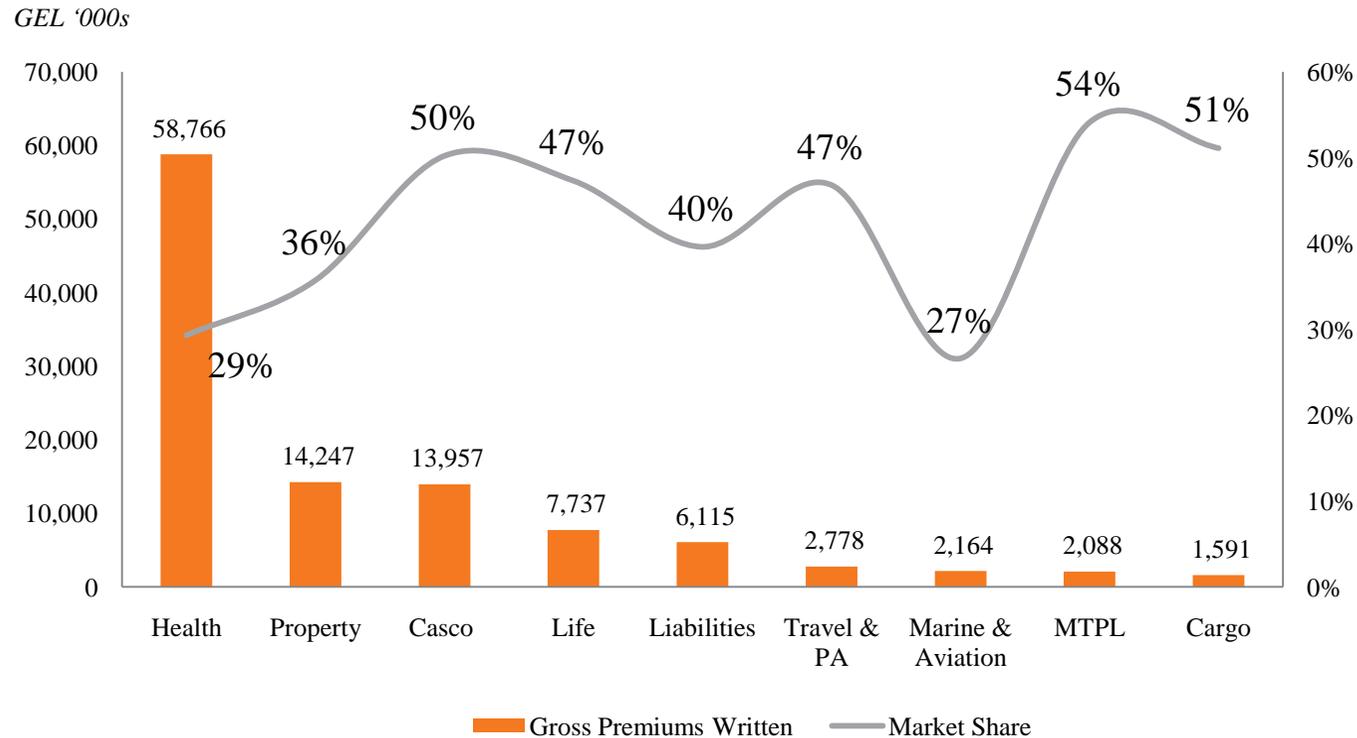
-  Market leading life and non-life insurance provider. 1H 2012 market shares of: 33.3% by Gross Premiums Written; 35.6% by Revenue
-  640,000+ retail clients; 3,900+ corporate clients
-  Widest distribution channel
-  99% of brand recognition
-  Largest insurer of property & casualty risk
-  Largest Bancassurance network in the country
-  Capable management team with strong acquisition & integration track record

### Healthcare

-  The first managed healthcare provider since 2006
-  The largest managed chain of clinics
-  A chain of 30 hospitals with a concentration in Western Georgia, covering approximately 40% of Georgia's population
-  40% of ABCI claims expense become revenue of its own healthcare business
-  80% of revenue is attracted outside of the Insurance Group
-  Gross Profit Margin 43%
-  EBITDA Margin 23%

# Leader on the insurance market

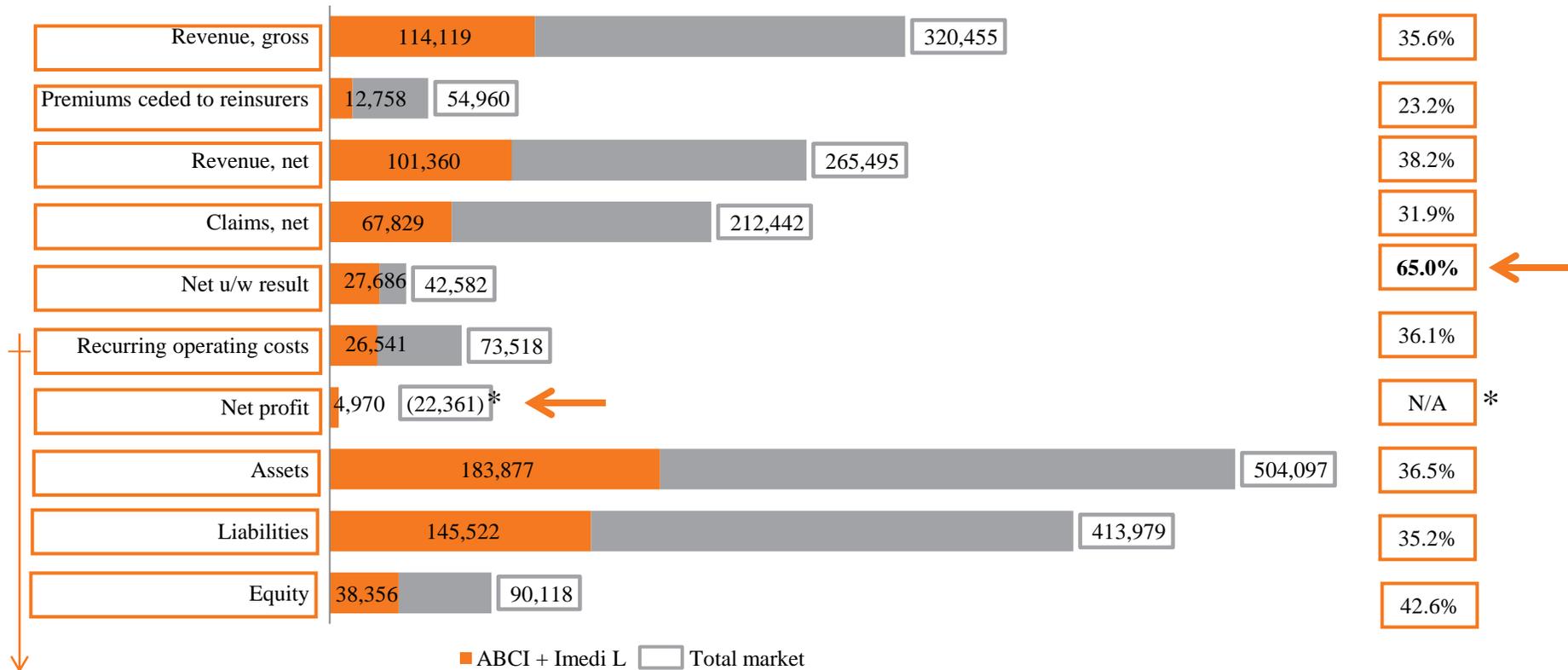
ABCI market share by gross premiums written



# ABCI vs insurance market YE2011

GEL '000s

ABCI + Imedi L  
market share



W/O synergy effect

Source: National Bank of Georgia

\*Total market incurred net loss of GEL 22 mln in 2011

# We deliver

Insurance revenue growth up to GEL 98 mln by 2013

-  2010 insurance revenue of GEL 61.4 mln
-  1H 2012 insurance revenue of GEL 41.5 mln

On track

Healthcare revenue growth up to GEL 33 mln by 2013

-  2010 healthcare revenue of GEL 7.9 mln
-  1H 2012 healthcare revenue of GEL 29.5 mln

Ahead of target

Increase ABCI profit contribution to 10% by 2013; ROAE of 25% by 2013

-  In 2010 ABCI contributed 4.9% to group net income
-  1H 2012 ABCI contributed 7.5%, as net income grew by 171.5% y-o-y
-  1H 2012 delivered ROAE of 25.6%

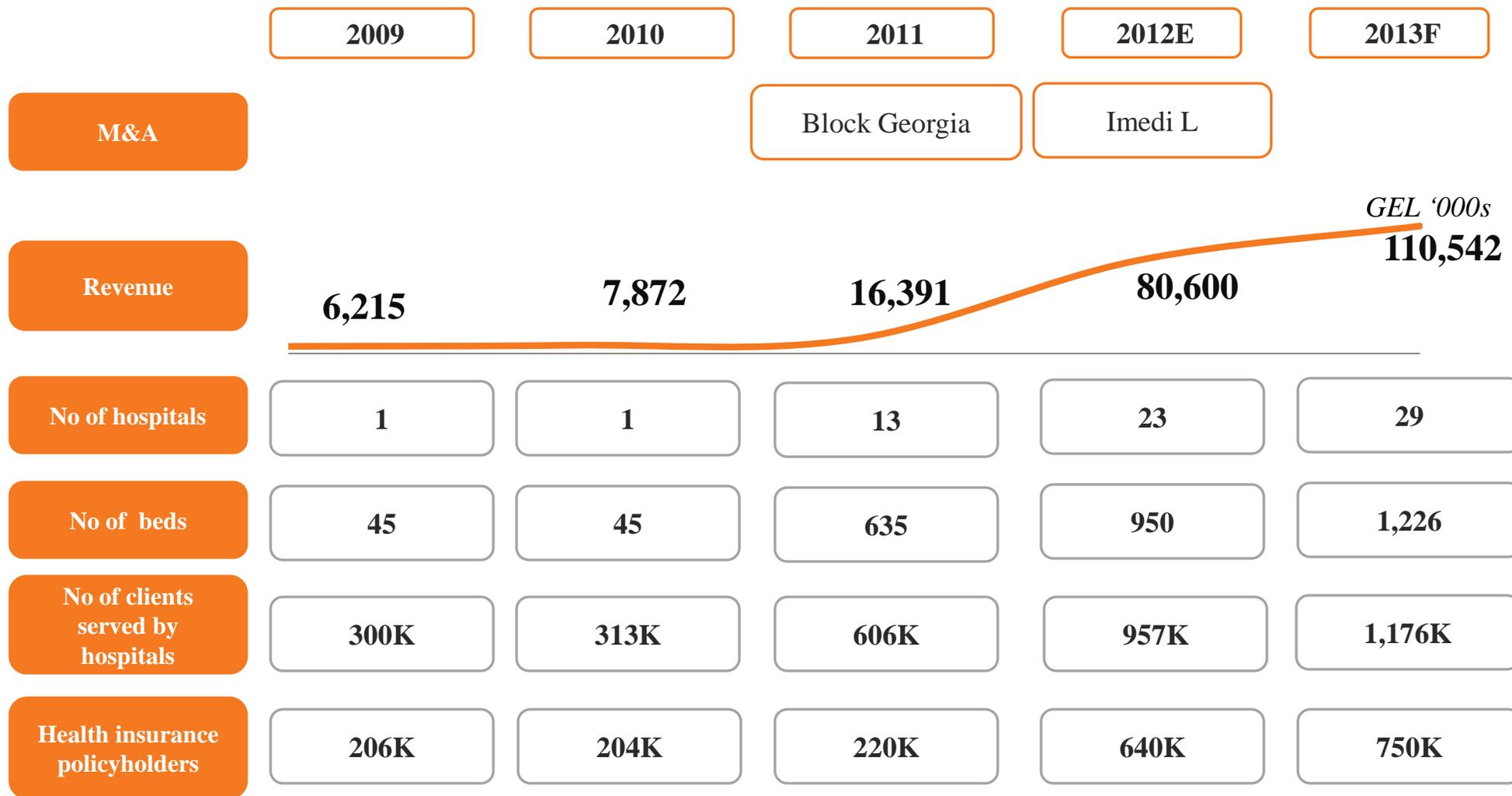
On track

Double market share

 Market shares:	2010	June 2012
	%	%
GPW	18.6	33.3
Insurance Revenue	17.6	35.6
Assets	19.6	40.2

Delivered

# Aldagi BCI healthcare business growth



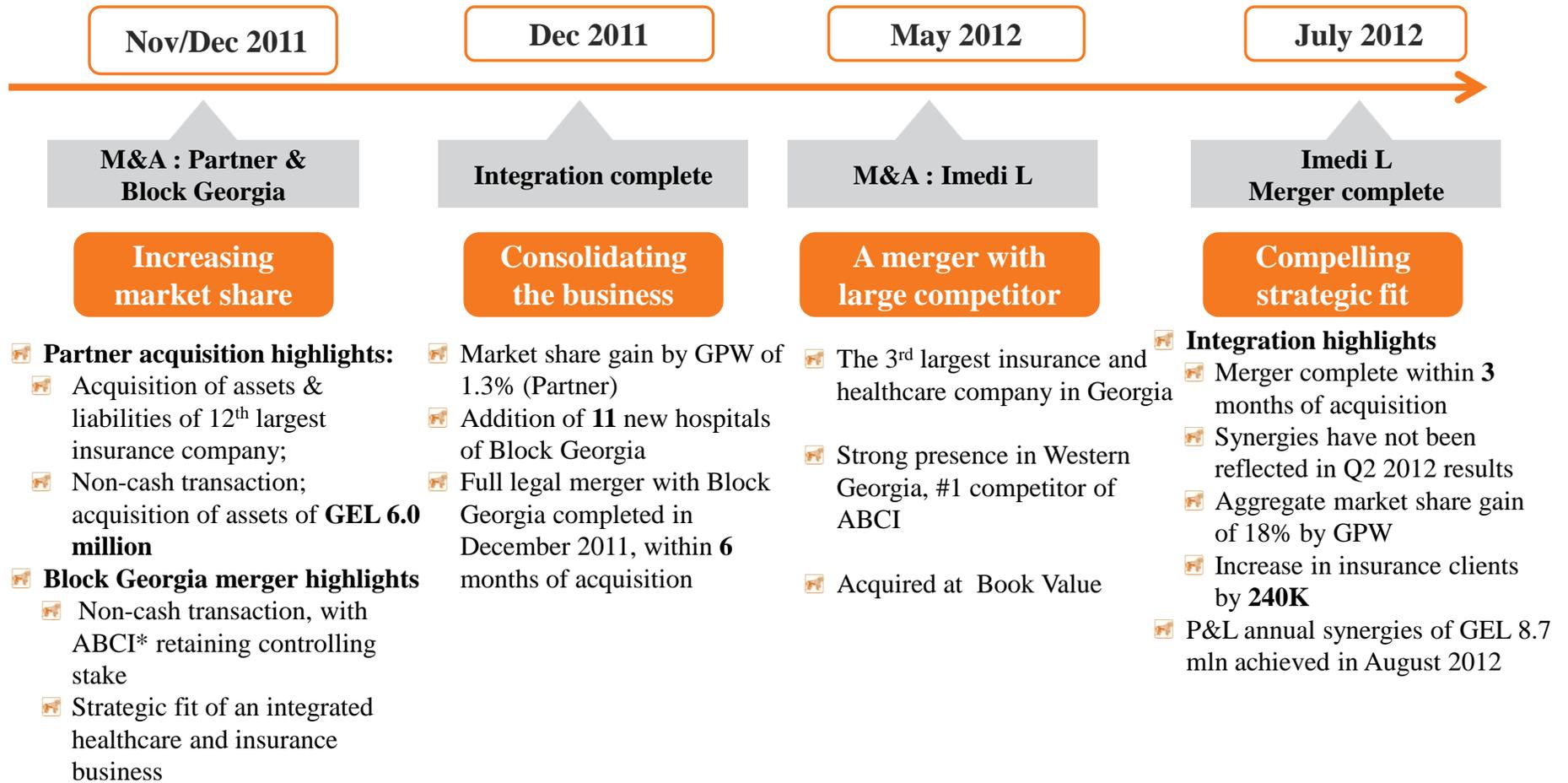
# ABCI healthcare

## Aldagi BCI Hospitals by Regions

1226 bed hospitals owned by Aldagi BCI of which **269** to be launched by YE 2012



# Acquisition and integration track record



\* Through healthcare subsidiary My Family Clinic

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## *Discussion topics*

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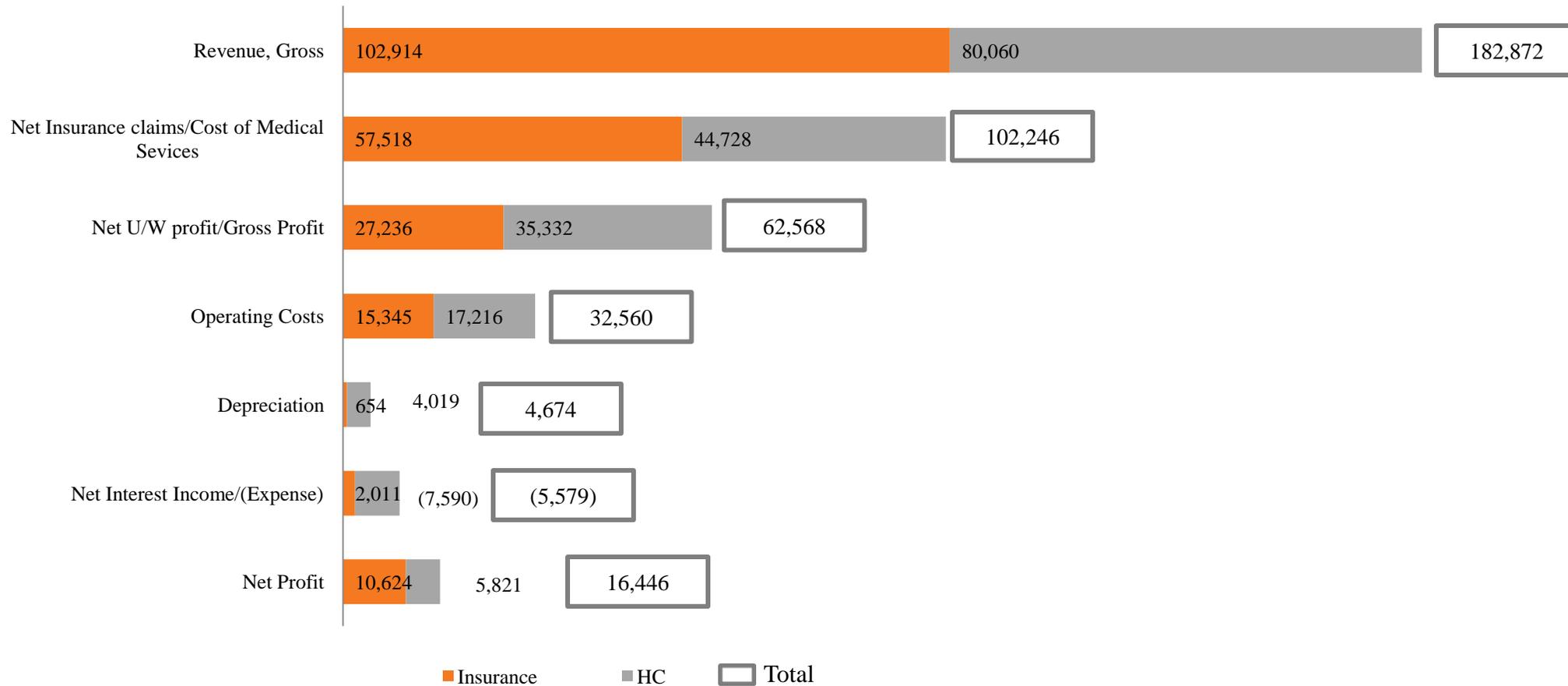
Insurance and Healthcare market overview

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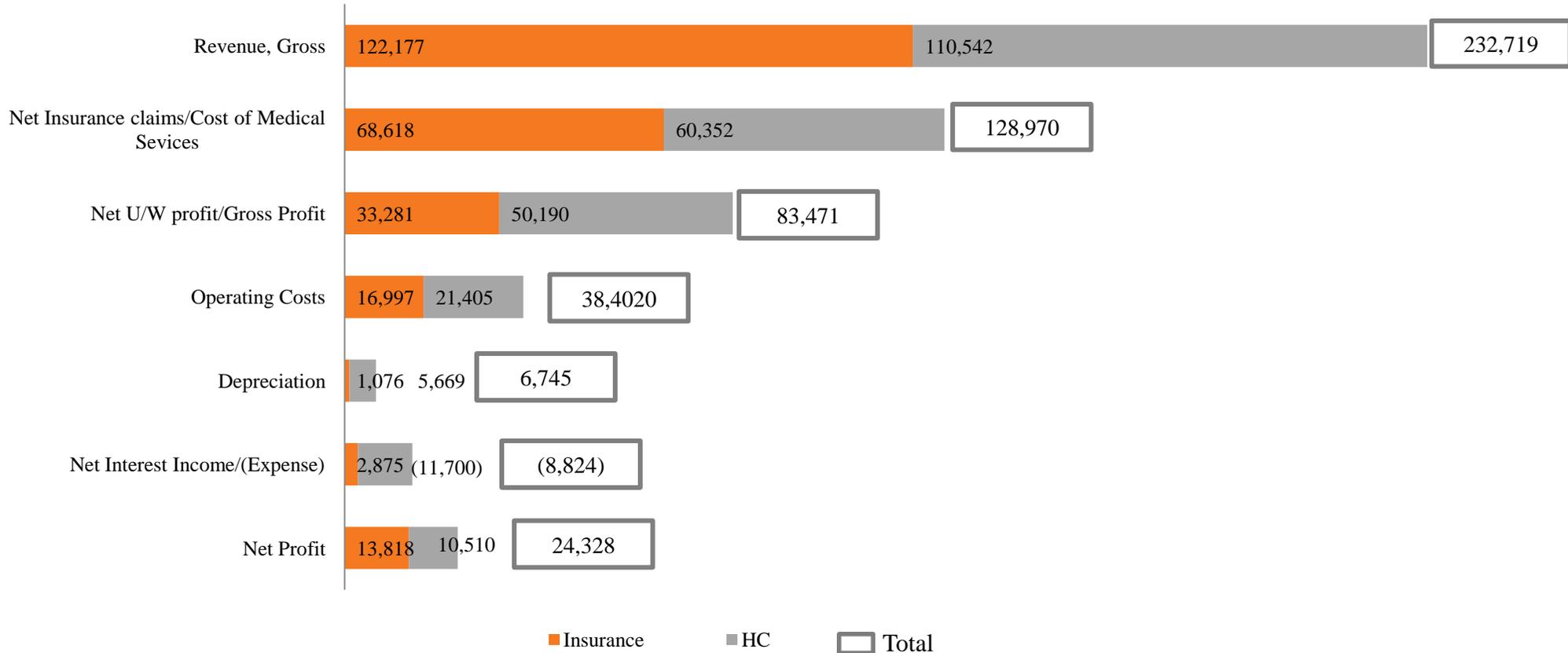
## YE 2012 ABCI P&L (estimate)

Consolidated,  
GEL '000



## YE 2013 ABCI P&L (forecast)

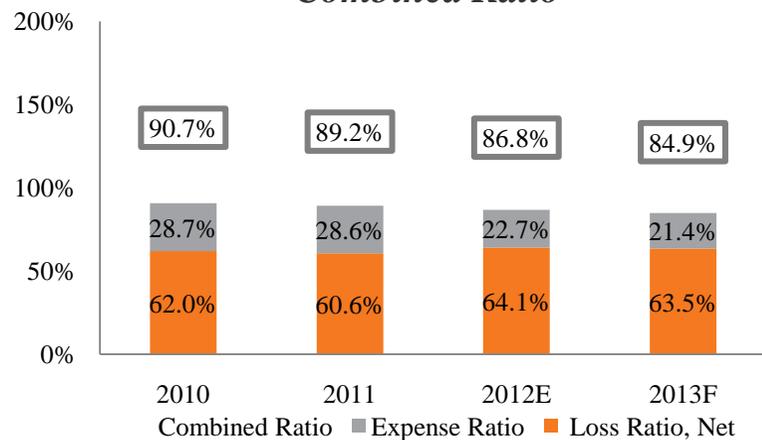
Consolidated,  
GEL '000s



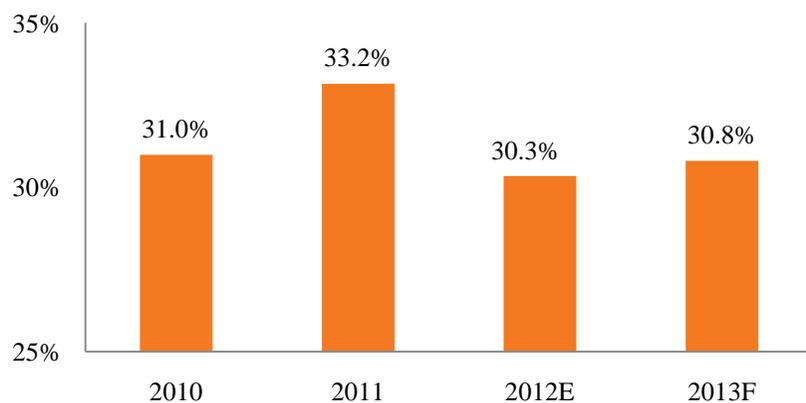
# Insurance and Healthcare

## Insurance, standalone

### Combined Ratio

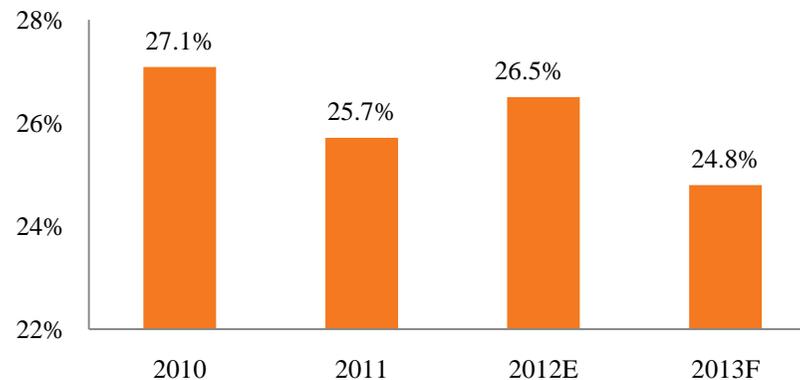


### U/W margin

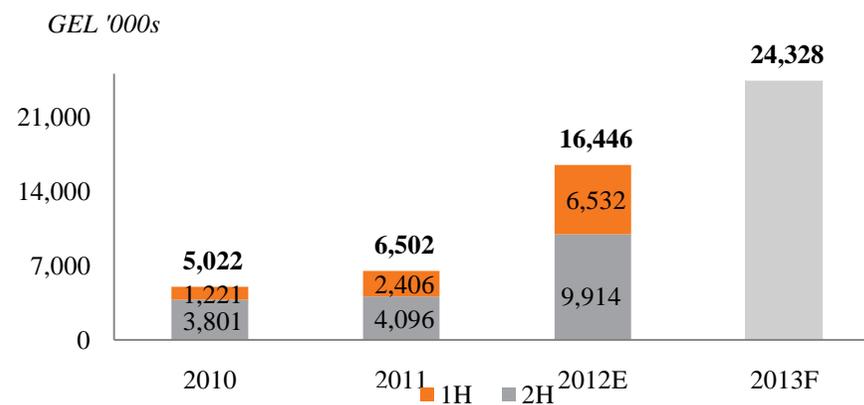


## Aldagi BCI, consolidated

### ROAE



### Net profit



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# Q&A

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## *Forward Looking Statements*

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This presentation contains forward-looking statements that are based on current beliefs or expectations, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could or other words of similar meaning. Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and Aldagi BCI and/or the Bank of Georgia group of companies' plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

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