ALDAGI

Property & Casualty Business

Speaker: Giorgi Baratashvili, CEO

Georgia Capital Investor Day

27 June 2019

ALDAGI AT GLANCE

29-year history of Aldagi evolution and success

1990
Founding of the first private insurance company Aldagi

1998
Founding of insurance company BCI

2007
Largest merger in the Georgian insurance market - Aldagi BCI, fully owned by Bank of Georgia

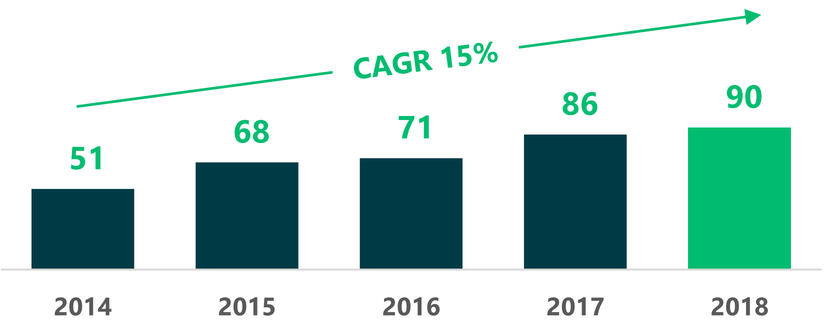
2012
Imedi L acquisition by Aldagi BCI

2014
Company split, Aldagi starts operating as a pure P&C insurer

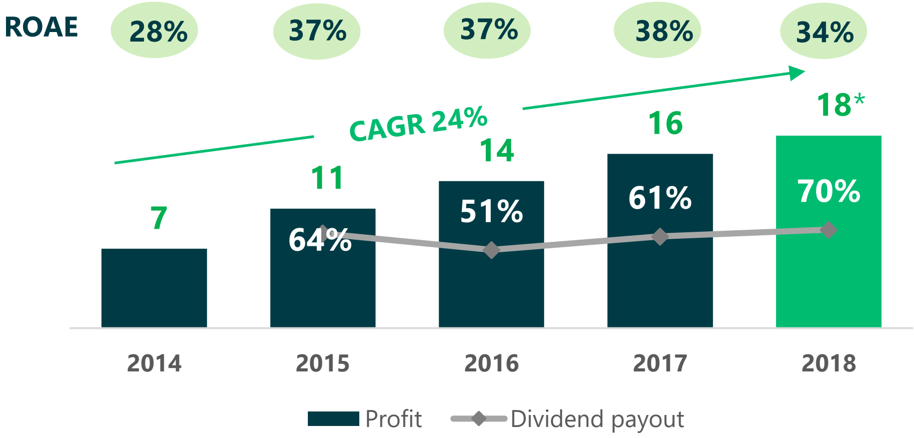
2018
Georgia Capital portfolio company

2019
Groundwork for transformation

Revenue (GEL mln)



Profit & Dividend payout ratio (GEL mln)



*Adjusted for non-recurring items

SNAPSHOT (2018)

FIRST INSURANCE COMPANY IN GEORGIA

BROAD RANGE OF PRODUCTS, INNOVATIVE, NEW OFFERINGS

29 MANY YEARS OF EXPERIENCE, BEST INSURANCE DECISIONS

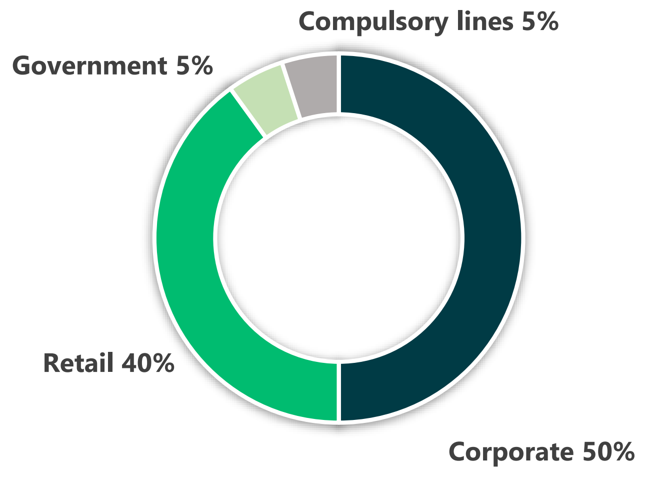
Market Position	Revenue	Net Profit	Combined Ratio
32%	GEL 90 mln	GEL 18 mln *	75%

ROAE	# of Clients	Solvency Ratio**	Retail Concentration***
34% *	~ 48K	131%	45%

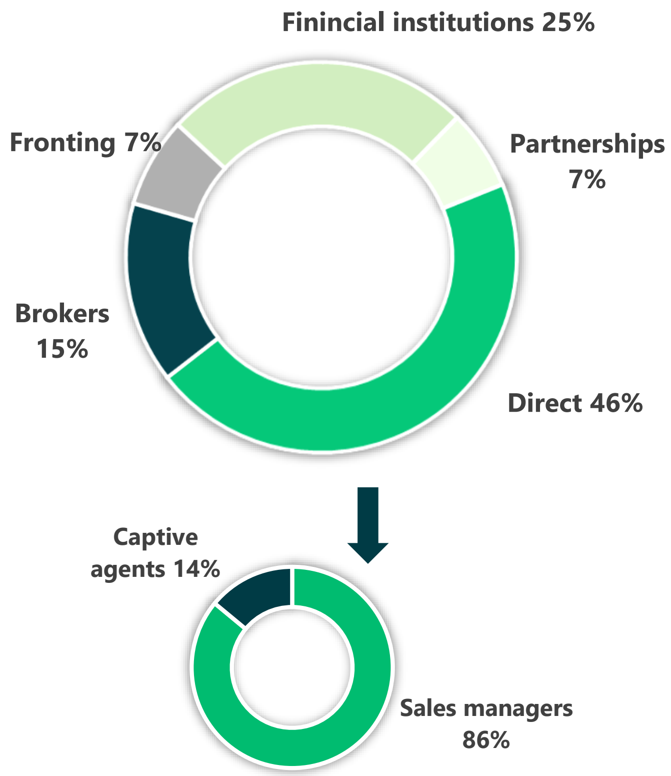
*Adjusted for non-recurring items
**Solvency ratio - regulatory capital divided by required solvency capital (greater of 18% of premium written and 26% of claims paid)
** Including compulsory lines

DIVERSIFIED PORTFOLIO (2018)

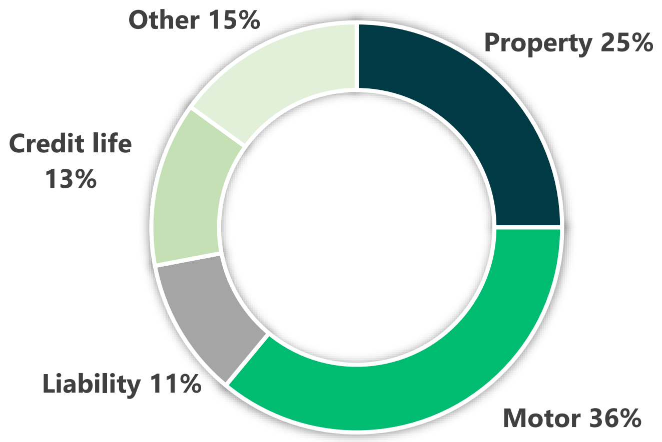
Business Units (GWP %)



Distribution Mix (GWP %)

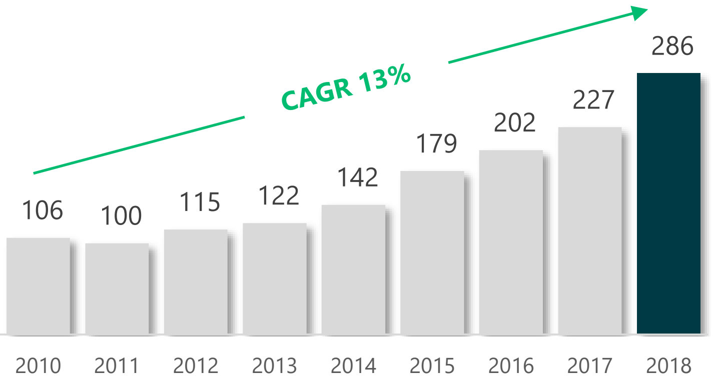


Lines of Business (GWP %)

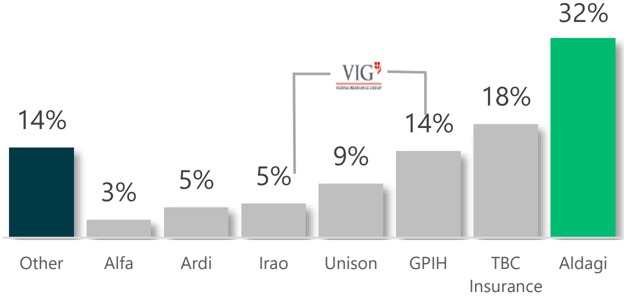


P&C INSURANCE MARKET OVERVIEW

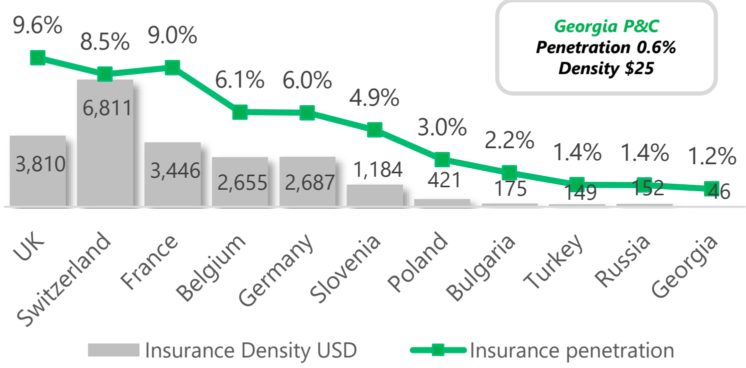
Market Revenue *(GEL mln)*



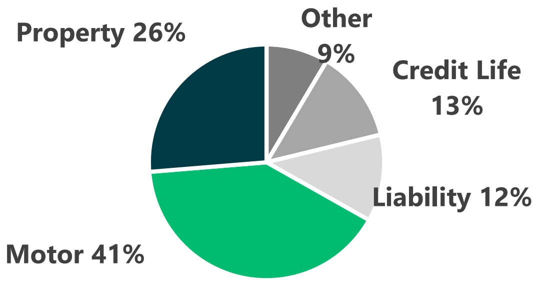
Market Share YE18 *(earned premium, gross)*



Insurance Penetration & Density*



Market Composition by product lines



Highlights

- 17 insurance companies operating in Georgia
- Very low penetration of 0.6% - awaiting compulsory local third party liability launching
- Regulatory and insurance body– Insurance State Supervision Service of Georgia

Source: Insurance State Supervision Service of Georgia, Swiss Re Institute

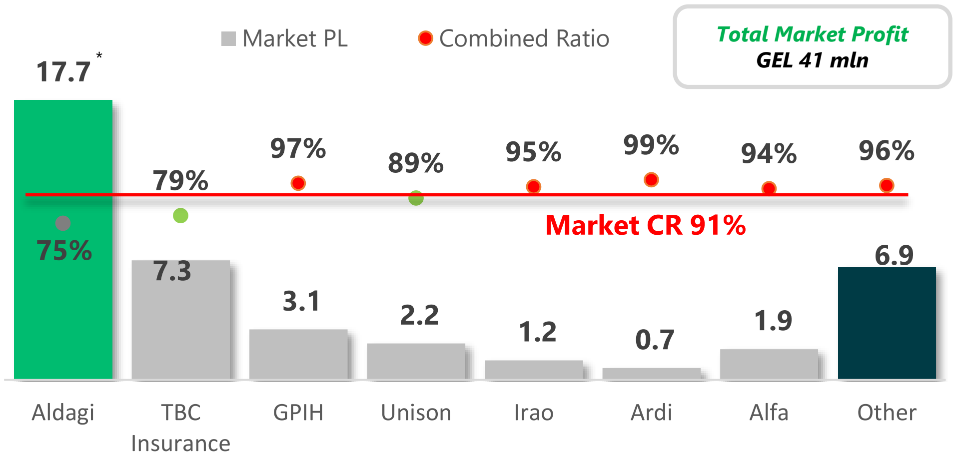
** Insurance penetration – Gross premiums written to gross domestic product; Insurance density – Gross premiums written per capita*

UNDERWRITING & ACTUARIAL ROLE

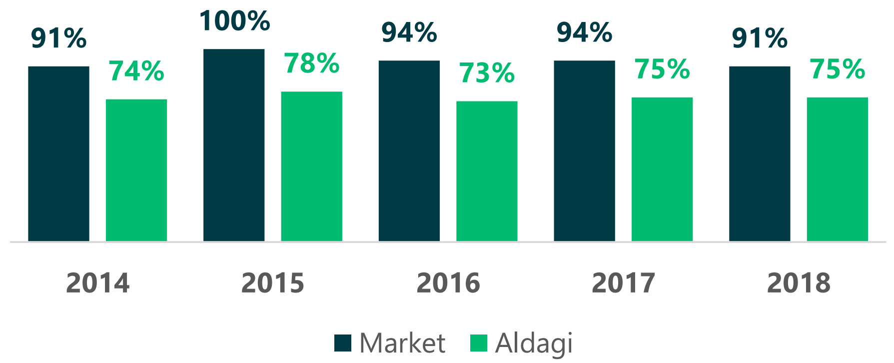
Aldagi is undisputed leader on P&C market with share in total market profit of 43%

Disciplined underwriting and increased actuarial role is reflected on track record of healthy combined ratio

Market PL & Combined Ratio YE18



Aldagi VS Market combined ratio



** Aldagi and TBC Insurance net profits and combined ratios are based on IFRS amounts (Aldagi adjusted for non-recurring items)*

ALDAGI

STRATEGIC FOCUS

Love Brand

Customer centricity

Big Data

Personalized offerings

Synergies with Auto Service Business

Benefiting from car ecosystem

Balanced Portfolio

Sustainable business lines

Process simplification

Digital first approach

People & Culture

Strengthened employee engagement

TAPPING NEW CUSTOMER SEGMENTS

MTPL

Awaiting local compulsory MTPL launch

Premium Line

Unique customer experience through exclusive services

MSME

Buying deals in bulk to give exclusive access to MSME sector

ALDAGI

FIVE-YEAR VIEW

	2018	Growth Drivers	Five year target
Combined Ratio	75%	▪ Compulsory lines	<80%
Market share	32%	▪ Synergies with auto service business	30%+
ROAE	34%*	▪ Improved perception of insurance	30%+
Dividend payout	70%	▪ Simplicity through digital approaches	60%+
Retail concentration	45%		60%+

**Adjusted for non-recurring items*

KEY TAKE-AWAYS

- Attractive underpenetrated market, awaiting compulsory lines
- Market leader with 32% market share in revenue and 43% share in profit
- Track record of 30%+ ROAE and 60%+ dividend payout
- Exceptional and disciplined underwriting expertise, best platform through diverse distribution channels
- Embracing digitalization & increased focus on Big data and CRM
- Redesigning customer experience in line with client centricity policy, product and process simplification

Questions?

ALDAGI

Forward looking statements

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