



**FOR IMMEDIATE RELEASE**  
**Tbilisi, March 21, 2005**

***JSC Bank of Georgia and AXIS Announce Launch of a Groundbreaking Joint Project***

Bank of Georgia (GSE:GEB), a leading Georgian universal bank, announced today the launch of a groundbreaking joint project with Axis, a leading real estate developer in the country. The bank will operate a service desk staffed by a credit officer at AXIS's sales premises, offering clients a seamless service including an innovative mortgage product. In addition to regular mortgages, secured by pledging the clients' existing real estate, the bank and AXIS have developed an innovative mortgage structure, whereby a tri-partite agreement between the bank, AXIS and the client allow the bank to extend a mortgage secured by the condominium title/fractional ownership while the building is still under construction. As the building is completed, full title to the apartment in question will be pledged as mortgage collateral.

"Through this innovative structure, we offer access to the booming residential real estate market to the average middle-class consumer with no existing real estate assets, thereby opening up an entirely new market segment for our partners at AXIS. In addition to making mortgages more affordable, the clients benefit from the one-stop shopping experience thanks to the Service Desk we will operate at AXIS's sales premises", noted **Vasil Dzotsenidze**, Deputy General Director of Bank of Georgia

"I am delighted that Bank of Georgia is further strengthening its already strong franchise of real estate lending through bringing a new product to the market in cooperation with AXIS, one of the best real estate developers in Georgia. In line with our philosophy of offering packaged products to our retail banking clients, the AXIS mortgage loans will be enhanced by simplified access to additional consumer lending products to help clients renovate and equip their new homes. This cooperation is also significant for us as it pioneers the sales outlet distribution model which we intend to replicate in several segments of consumer finance", commented **Lado Gurgenidze**, Chief Executive Officer of Bank of Georgia.

"We applaud Bank of Georgia for its ability to think outside the box. The bank's willingness to apply an integrated approach towards evaluating business and customer risk has unlocked the additional potential of mutually beneficial cooperation of real estate developers and financial institutions. We believe that our joint product will put home ownership within reach of a significant number of people" added **Alexandre Mezhevidze**, President of AXIS.

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**About Bank of Georgia**

Bank of Georgia is a leading Georgian universal bank, with an approximately 18.6 % market share in loans and 23.7 % market share in client deposits. The bank markets and distributes a wide spectrum of retail products through its extensive branch network, and offers a full range of commercial banking and investment banking (through its affiliate, Galt & Taggart Securities) services to corporate clients. Additionally, BCI, the wholly-owned insurance subsidiary of the bank, has an approximately 12% market share. As at December 31, 2004, the bank had GEL 322.3 million in assets.

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**About AXIS Ltd**

AXIS Ltd is a leading residential and commercial real estate developer in Georgia, with several high-end residential projects completed in 2003-2004. Please visit [www.axis.ge](http://www.axis.ge) for more information.

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