
Bank of Georgia and Georgian Card Announce Major Infrastructure Upgrade Initiatives

Bank of Georgia (GSE:GEB), a leading Georgian universal bank, announced today a major infrastructure upgrade initiative entailing an overhaul of its card processing platform, operated by Georgian Card and shared with Bank Republic, and its ATM network upgrade and expansion.

Georgian Card has signed an agreement with TietoEnator for the supply of its Transmaster™ card processing system, which is intended to replace the system currently used by Georgian Card. The migration to the new platform is expected to take place in May 2005.

“We are delighted that TietoEnator has been selected by Georgian Card. We strongly believe that Transmaster™, which comprises software solutions for the issuance, acquiring, switching and clearing of plastic cards with magnetic stripes and EVM systems, will enable Georgian Card to attain its goal of delivering the highest quality service to its clients”, commented **Dmitry Lenshin**, General Director of TietoEnator Russian subsidiary.

“The migration to Transmaster™ presents an opportunity to offer our processing services to other parties, while enabling us to deliver the highest quality service to bank of Georgia and Bank Republic”, commented **Giorgi Keshelashvili**, General Director of Georgian Card.

Bank of Georgia has purchased 40 ATMs from Wincor Nixdorf, which are intended to replace all of its 17 ATMs of the previous generation. The replacement is expected to take place in the summer 2005. The remainder of the ATMs will be deployed by the bank in Tbilisi and other major cities in an effort to expand its ATM network, already the largest in Georgia.

“We are very pleased that Wincor Nixdorf became the chosen partner of Bank of Georgia for its ATM network upgrade and expansion. We are confident that the new Pro-Cash-xe series multifunctional ATMs, which are also equipped with a video security system, will further strengthen the bank’s leading position in the Georgian retail banking market”, noted **Mr. Joerg Brinkmoeller**, Director of Indirect Sales of Banking Division at Wincor Nixdorf International GmbH.

“These significant IT upgrades represent a major step towards our goal of creating a unified, highly secured and scalable technological platform for the further development of the bank’s retail banking franchise. Plastic cards are a key component of our retail banking strategy, and it is logical that we have commenced the IT platform upgrades by enhancing our leadership in the Georgian plastic cards market. We are hard at work on upgrading our online banking and telephone banking capabilities and branch network modernization, moving closer to our stated goal of delivering a high-quality client experience harmonized across all delivery channels”, noted **Lado Gurgenidze**, Chief Executive Officer of Bank of Georgia.

About Bank of Georgia

Bank of Georgia is a leading Georgian universal bank, with an approximately 16.5 % market share in loans and 21.9 % market share in 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 in Georgia. As at March 31, 2005, the bank had GEL 337 million in assets.

About JSC Georgian Card

One of the three card processing platforms in Georgia. JSC Georgian Card serves approximately 50,000 cards issued by Bank of Georgia and Bank Republic. During 2004, JSC Georgian card generated GEL 831,000 in revenues and its Net Income amounted to GEL 181,000. As at December 31, 2004, the book value of the company’s equity stood at GEL 2 million. As of today, Bank of Georgia and Bank Republic own 51.6% and 39.0% of Georgian Card, respectively.

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