



Bank of Georgia Announces Launch of Micro Loan +, A New Product Package Designed For Small Businesses

Bank of Georgia (GSE: GEB), a leading Georgian universal bank, launched today Micro Loan +, a product package tailored to the needs of small business owners.

For the first time in Georgia, small business owners will have access to loans up to US\$ 50,000 for up to five years, with interest rates starting from 16%, while automatically receiving VISA ELECTRON and MAESTRO debit cards with a specified overdraft limit. Overdrafts will automatically be enabled after three months, provided the loan is serviced without delays, and will be doubled in three months, provided the client maintains impeccable credit record. After six months, the client will qualify for a consumer loan, and, in a year, will be offered a credit card. Furthermore, Micro Loan + comprises of additional products and services such as mobile banking, internet banking, standing order, as well as insurance products at favorable terms.

“Micro Loan + is the first in a series of packaged products aimed at particular client segments that we intend to launch this year. The packages (or product bundles) are an extension of our retail banking philosophy of making the bank an integral part of everyday life of a wide segment of the population. The sequence of credit products envisioned in Micro Loan + is consistent with our approach of broadening the client relationships as we learn more about the client. Finally, by including a debit card, mobile and internet banking in the package, we begin to make good on our promise to clients to deliver satisfactory banking experience in a multi-channelled environment,” noted **Lado Gurgenidze**, Chief Executive Officer.

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 and offers a wide range of insurance products to a corporate & retail clients. As at December 31, 2004, the bank had GEL 322.3 million in assets.

The Micro Lending Pilot Project of JSC Bank of Georgia was launched in April 2001. Currently, the bank's MicroLending Department is present in 18 branches of the bank. As of February 2005, the number and volume of micro loans amounted to 4,087 and GEL 19,542,451, respectively. The bank employs 65 Micro Lending Officers managed by 11 Group Managers.

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