
ProCredit Bank receives credit line in the amount of USD 47.5 million from the German Development Bank KfW and the Development Bank of Austria OeEB to finance small and medium enterprises in Georgia

On December 19, 2008 ProCredit Bank Georgia and the German Development Bank KfW entered into a loan agreement in the amount of USD 47.5 million. Today, in "Tbilisi Marriott" hotel the contract was signed by Mr. Philipp Pott, General Director of ProCredit Bank Georgia and Mr. Roland Siller, First Vice President for Europe and Caucasus, KfW. Half of the loan amount to ProCredit Bank Georgia will be guaranteed by the Development Bank of Austria OeEB, represented by the two Management Board members Ms. Andrea Hagmann and Mr. Michael Wancata, who also took part in the official signing ceremony. OeEB is a new partner in financial cooperation with Georgia and plans to establish itself as a reliable partner in difficult times alongside KfW and other international finance institutions.

The loan has a five year maturity and will be disbursed in the beginning of 2009. It is the single largest loan ever disbursed to ProCredit Bank, Georgia, and will be used to grow the loan portfolio to very small, small and medium size enterprises in Georgia in 2009.

Philipp Pott, General Manager of ProCredit Bank: "The credit line, which we signed today with KfW and OeEB is a serious contribution to the additional funding, which we need to grow our loan portfolio to very small, small and medium size businesses in the coming year. The large size of the loan shows the confidence our partners have in our bank, in our customers and in the Georgian economy as a whole."

Roland Siller, First Vice President for Europe and Caucasus, KfW: "KfW is pleased to contribute to the stability of and trust in the Georgian financial sector – especially in these difficult times, Georgia and the world are facing. With ProCredit Bank Georgia, KfW has cooperated already for many years and values the bank as an extraordinary reliable and trustworthy partner in the joint promotion of micro, small and medium enterprises in Georgia's urban and rural areas. Furthermore we regard the cooperation with OeEB as an excellent starting point for future collaboration for the benefit of Georgia and other transformation countries."

Andrea Hagmann and Michael Wancata, Members of the Board, OeEB: "This credit line to ProCredit Bank in Georgia in cooperation with KfW represents our kick-off project in this region and we are confident that many more will follow. Despite the current tensions that can be witnessed in the financial sectors all over the world and in Georgia, we trust in the capability of the Georgian financial sector to stabilize itself and – with our contribution to this sizeable loan – want to actively promote the reconstruction of the Georgian economy after August's conflict."

**About ProCredit Bank
Georgia**

ProCredit Bank is one of the leading banks in Georgia, focused on lending to very small, small and medium size enterprises and offering a full scale of banking services to private individuals and legal entities. The bank was established in 1999 and as of today comprises 57 branches throughout the country. All branches are equipped with ATMs and serve customers six days a week.

The bank is a member of the international ProCredit group, based in Frankfurt-am-Main, Germany, successfully operating in 11 countries in Eastern Europe, 7 countries in Latin America and 4 countries in Africa.

As of the third quarter of 2008 ProCredit Bank's assets totalled USD 432 million. Currently more than 220,000 clients enjoy the services of ProCredit Bank.

PRESS RELEASE

December 19, 2008

Hotel "Tbilisi Marriott"

15:00 pm



პროკრედიტ ბანკი
ProCredit Bank

Georgia

**About KfW, the German
Development Bank**

On behalf of the German federal government, KfW Entwicklungsbank (KfW Development Bank) finances investments and accompanying advisory services in developing and transition countries. Its aim is to build up and expand the social and economic infrastructure of the respective countries, and to advance sound financial systems while protecting resources and ensuring a healthy environment. KfW Entwicklungsbank is a leader in the field of microfinance and is involved in target group-oriented financial institutions around the world. It is part of KfW Bankengruppe (KfW Banking Group), which has a balance sheet total of approximately EUR 375 billion (as of December 31, 2007). KfW Bankengruppe is one of the ten biggest banks in Germany and is AAA-rated.

**About OeEB, the
Development Bank of
Austria**

OeEB, the official Development Bank of Austria, acts on behalf of the Federal Government. It is specialised in realising private-sector projects that require long-term financing and that can service their borrowings out of their own cash flow and have a sustainable impact on the regional economic development. As a wholly-owned subsidiary of Oesterreichische Kontrollbank AG (OeKB), it is a private financial entity with a public mandate. At the same time, it benefits from the network and international know-how of OeKB Group.

For more information please contact

Philipp Pott, General Manager
Lali Svimonია, PR Manager

202222 (2055)

p.pott@procreditbank.ge

l.svimonია@procreditbank.ge