

## **BLACK SEA PRESS**

News Agency of the Countries of the Black Sea Region

### **TICEX Auction Totals – GEL 1,413\$1**

TBILISI. 8 July. According to the totals of 8 July, auction at the Tbilisi Interbank Currency Exchange, the exchange rate of GEL against US dollar remained unchanged and made GEL 1,413/\$1.

4 commercial banks and the National Bank of Georgia took part in the auction. 3 currency exchange deals to the amount of USD 1,5 million was made. The National Bank of Georgia bought USD 0,2 million at the auction. -0-

### **GEORGIA-DEPOSITS-CERTIFICATES**

**Average Weighted Interest Rate On 7-Day Deposit Certificates Made 11,81%**

TBILISI. 8 July. Regular auction on allocation of 7-day Deposit Certificates of GEL 9,45 million was held at the National Bank of Georgia (NBG). BLACK SEA PRESS was told at the NBG.

The total issue has been allocated. Three commercial banks participated in the tenders. Minimal interest rate made annual 11,75%, maximal one – 12,0% and average weighted – 11,81%. -0-

### **GEORGIA-CREDITS-INTEREST**

**As of 8 July, TIBR1 Makes 8,05%**

TBILISI. 8 July. One-day average weighted interest rate TIBR1 fixed at the Tbilisi inter-bank market makes 8,05% as of 8 July.

There were no transactions fixed on the seven-day credit resource, so the seven-day average weighed interest rate TIBR7 was not fixed either.

As BLACK SEA PRESS was told at the National Bank of Georgia (NBG), TIBR1 was decreased by 3,03 percentage points -0-

### **GEORGIA-BANK-CREDIT**

#### **EBRD Allocated Subordinated Loan Facility For Bank Republic**

TBILISI. 8 July. The European Bank for Reconstruction and Development (EBRD) allocated USD 5 million for Bank Republic for 6 years tenor. This was the first subordinated loan facility issued by EBRD for local Georgian banks.

As BLACK SEA PRESS was told at the EBRD Tbilisi Office, the new transaction was intended to assist BR to strengthen its capital base through increase of its Tier II Capital and to be utilised for transactions within the ordinary course of the bank's business.

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Let us remind that French banking group Societe Generale owns the controlling block of shares of Bank Republic. EBRD owns 10% of the shares.

According to the National Bank of Georgia, the assets of Republic Bank totaled GEL 632 121 thousand as of 1 May 2008, while the joint stock – GEL 91 236 thousand. -0-

#### GEORGIA-COMPANY-SALE

JSC Galt & Taggart Capital Announces The Acquisition Of An 11% Equity Interest In JSC Nikora

TBILISI. 8 July. JSC Galt & Taggart Capital announced today the acquisition of an 11% equity interest in JSC Nikora. BLACK SEA PRESS was told it at the Company Galt & Taggart Asset Management.

Nikora is the leading food processing company in Georgia with estimated meat products market share of 55%. In addition, Nikora produces packaged fish, half-fabricated products, dairy products, ice cream, soft beverages and wine. In-Trade, Nikora's 100% owned subsidiary, imports and distributes several brands of beer and soft beverages.

The company owns two production facilities located in Tbilisi and in Poti, as well as a retail chain comprising 61 branded small-format stores: 43 in Tbilisi (23 owned) and 18 in the regions. The chain accounts for approximately 55% of the company's total revenue. Apart from that, Nikora carries out distribution to over 2,000 third-party operated retail outlets countrywide.

"Together with other shareholders, we will seek to broaden and further diversify the non-meat product portfolio, increase production facilities and expand the retail chain", commented Eli Enoch, Chief Executive Officer of Galt & Taggart Capital.

Galt & Taggart Capital is a private equity vehicle managed by Galt & Taggart Asset Management, Georgia. The company invests in Georgian companies which are engaged in the production, wholesale and retail distribution and logistics support of consumer goods, provision of consumer services, real estate development and operations, and provision of business services to companies focused on the Georgian consumer market (excluding financial services).

As at March 31, 2008, the company's market capitalisation was GEL 65,7 million. Bank of Georgia beneficially owns approximately 59.1 million shares, or 75.1% of Galt & Taggart Capital.

Galt & Taggart Asset Management Galt & Taggart Asset Management ("GTAM") is an asset management arm of JSC Bank of Georgia. Established in 2007, GTAM acts as an investment advisor to several investment funds, Georgia's second largest pension fund and an endowment with the aggregate AUM in excess of US\$120 million. -0-

#### GEORGIA-BANKS-CENTRE

Joint Clearing Centre To Be Established In Georgia

TBILISI. 8 July. Ten Georgian commercial banks have established Joint

The main currencies cross-rates, set by the NBG, in force from July 9:

**Bulgarian lev**  
1 - 1.1307 GEL

**Danish crown**  
1 - 0.2978 GEL

**Euro**  
1 – 2,2188 GEL

**English pound sterling**  
1 – 2.7878 GEL

**Icelandic crown**  
10 – 0.1860 GEL

**Serbian dinar**  
100 – 2.8110 GEL

**Norwegian crown**  
1 - 0.2770 GEL

**Polish zloty**  
1 - 0.6725 GEL

**Romanian leu**  
1 - 0.6189 GEL

**Hungarian forint**  
100 - 0.9573 GEL

**Swedish crown**  
1 - 0.2354 GEL

**Swiss franc**  
1 - 1.3779 GEL

**Czech crown**  
1 - 0.0944 GEL

**USD**  
1 - 1.4130 GEL

**Canadian dollar**  
1 - 1.3871 GEL

**Australian dollar**  
1 - 1.3464 GEL

**Egyptian pound**  
1- 0.2649 GEL

**Turkish lire**  
1 - 1.1465 GEL

**Japanese yen**  
10 - 0.1324 GEL

**UAE dirham**

Clearing Centre with support of the National Bank of Georgia and the Association of Banks of Georgia. BLACK SEA PRESS was told it at the Association of Banks of Georgia.

The Centre has been established for simplification of payment for communal services through commercial banks. The service at 18 commercial banks will be available owing to the Joint Clearing Centre.

The Centre has been established with consideration of positive experience of similar companies in developing countries. Operations at the Centre will start already in 2008. -0-

#### GEORGIA-BANK-BRANCHES

##### ProCredit Bank Opened Three New Offices In Tbilisi

TBILISI. 8 July. ProCredit Bank will enlarge its network in both Tbilisi and the regions. The bank opened three new offices in Tbilisi during last month as well as the first branch in Ozurgeti and one extra branch - in Zugdidi. BLACK SEA PRESS was told it at ProCredit Bank.

ProCredit Bank has 49 offices throughout Georgia. The number of the offices will be increased to up to 57 till the end of 2008. Five branches are planned to be opened in Tbilisi as well in Borjomi, Zestaponi and Akhaltsikhe.

The bank plans to increase the number of ATMs throughout the country. 83 ATMs are operating now; the number will be increased to up to 100 till the end of 2008.

Let us remind that net profit of ProCredit Bank Georgia totaled \$6,4 million in 2007, by 57% more than in 2006.

The total credit portfolio of the bank was increased by 31% and totaled \$240 million. Over 90% of the credits totaled at least \$10,000. The total deposits of clients of the bank were increased by 34% in 2007 and totaled \$173 million.

ProCredit Bank Georgia started operations in 1999. The operations are oriented for crediting of small and medium business. ProCredit Holdings – 92,6% and IPC - 7,4% are shareholders of ProCredit Bank Georgia. -0-

#### GEORGIA-TAXES-REFUND

##### Extra GEL 7 Thousand Refunded To Businessmen By Finance Ministry In January-June

TBILISI. 8 July. Council for Tax Disputes at the Finance Ministry of Georgia received 245 claims of taxpayers in January-June 2008. The claims concerned GEL 76 804 253. BLACK SEA PRESS was told it at the Finance Ministry of Georgia.

Under resolution of the Council, demands under 64 claims were met with some of them - partially. The amount to be refunded to businessmen makes GEL 7 178 389. 92 claims referring to GEL 31 434 517 were rejected.

39 claims referring to GEL 4 237 583 thousand have not been discussed, because the plaintiffs have violated the claim procedure.

1 - 0.3847 GEL

Iranian real  
1 000 - 0.1534 GEL

Israeli shekel  
1 - 0.4333 GEL

Singaporean dollar  
1 - 1.0375 GEL

Kuwaiti dinar  
1 – 5.3363 GEL

Chinese yuan  
1 - 0.2061 GEL

Hong Kong dollar  
1 - 0.1811 GEL

Indian Rupee  
1 - 0.0326 GEL

New Zealand dollar  
1 - 0.0605 GEL

Russian rouble  
1 - 0.0601 GEL

Azeri Manat  
1 - 1.7466 GEL

Belarusian rouble  
1 000 - 0.6656 GEL

Estonian kroon  
10 - 1.4130 GEL

Turkmen manat  
1000- 0.0994  
GEL

Latvian lat  
1- 3.1470 GEL

Lithuanian litas  
10 - 6.4265 GEL

Moldavian leu  
10 - 1.4313 GEL

Armenian dram  
100 - 0.4649 GEL

Tajik somon  
1 - 0.4123 GEL

Uzbek sum  
1 000 – 1.0779 GEL

Ukrainian hryvnia

Nine claims referring to GEL 58 420 were returned to the Revenue Service for discussion. -0-

10 - 3.0464 GEL

### **GEORGIA-EU-BUSINESS**

**Kazakh tenge**  
10 - 0.1172 GEL

**The EU-Georgia Business Council Issued The First Of 3 Publications For Georgian Exporters**

**Kyrgyz som**  
10 - 0.3967 GEL

TBILISI. 8 July. The EU-Georgia Business Council (EUGBC) with the support of the Delegation of the European Commission (EC) to Georgia has issued the first of 3 publications aimed at raising business sector's awareness of internationally recognized trade practices, rules and conditions for access to the European Union (EU) market. BLACK SEA PRESS was told it at EUGBC.

The publications are part of an EUGBC-led project aimed at providing the Georgian business community (mainly, small and medium entrepreneurs) with practical information on the complex EU trade legislation, regulations, procedures, rules and standards. A series of roundtables/seminars will also be organized to provide interested parties, in different regions of Georgia, with an opportunity to better understand the requirements for trade with the EU.

The publications intended for potential exporters will all be in Georgian with an English summary.

In his comments Hugh McDowell, Chairman of the EUGBC Board of Directors, said: "we consider that the brochures will provide valuable information and serve as a practical guide to all Georgian businesses oriented towards export to the European market".

While explaining objectives of the project, Ambassador Kote Zaldastanishvili, EUGBC Secretary General said: "These publications, written in a simple and reader-friendly way as well as the workshops to explain different aspects of trade with the EU to potential exporters, will help promoting export of Georgian products to the EU market." -0-

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