



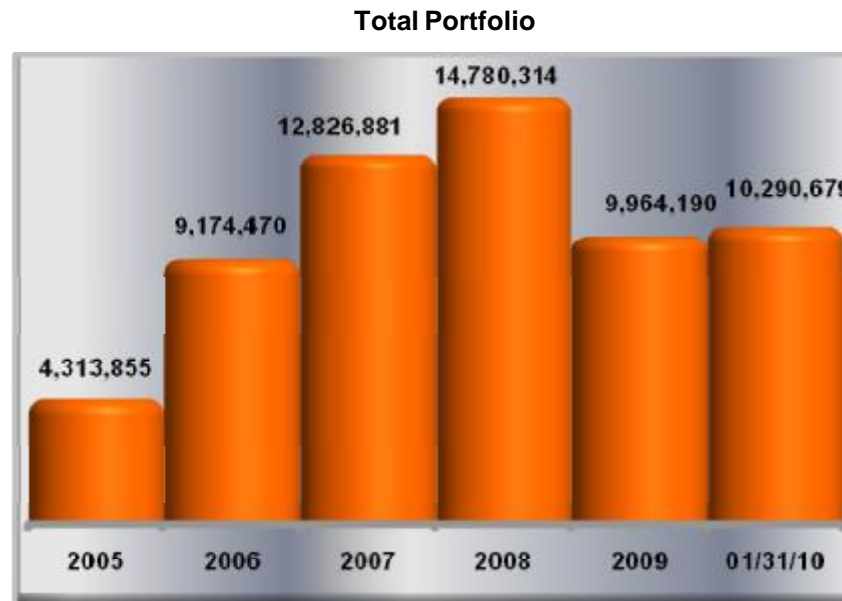
საქართველოს საბანკო
კომპანია
GEORGIAN LEASING
COMPANY

Georgian Leasing Company

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- § 2001 – Georgian Leasing Company was founded by “Tbiluniversalbank”. The company was the first mover in the Georgian Leasing market.
- § 2005 – GLC becomes an affiliate company of JSC “Bank of Georgia” as a result of a merger of BOG and Tbiluniversalbank.
- § 2007 – GLC owns the largest share of the market.
- § 2004 – Present GLC’s portfolio has grown significantly.



What is Leasing?

Leasing is one of the most worldwide spread alternative way of financing. Leasing is a commercial arrangement where:

§ **the lessee** (customer or borrower) will select an asset (construction, manufacturing and medical equipment, machine tool, vehicle, trucks and trailers, real estate etc).

§ **the lessor** (Georgian Leasing Company) will purchase that asset from local or foreign supplier.

§ **the lessee** will have use of that asset during the lease.

§ **the lessee** will pay a series of rentals or installments for the use of that asset (monthly, quarterly etc).

§ **the lessor** will finance all related expenses to purchase the asset (Asset Price, Transportation, Custom Clearance, Installation, Notary, Insurance, etc).

§ **the lessee** has the option to acquire ownership of the asset after paying the last rental.

The lessor is the legal owner of the asset during duration of the lease.

However the lessee has control over the asset providing them the benefits and risks of (economic) ownership.



The lease assets are purchased from the foreign/domestic suppliers, by GLC and then leased to the lessee.

Financial leasing is one of the most common financing products worldwide. One-third of the equipment sales all over the world are made through financial leasing.

§ Leasing Amount – Minimum USD 10,000;

§ Cofinancing – Minimum 20%;

§ Leasing Term – Maximum 7 years;

§ Implicit Rate – 6%-11%;

§ Insurance;

§ Operating Period of Company – Profitable business at least 6 months;

§ Required Documents – Financial Statements of the client and other related documents;

Automobiles are purchased by GLC from the Auto Houses or other suppliers and then leased to the lessee.

§ Leasing Amount – Minimum USD 10,000;

§ Cofinancing – Minimum 20%;

§ Leasing Term – Maximum 5 years;

§ Implicit Rate – 6%-11%; (if buying from partner Auto Houses implicit rate will be 0%-6%)

§ Insurance;

§ Operating Period of Company – Profitable business at least 6 months;

§ Required Documents – Financial Statements of the client and other related documents;

Auto Leasing without Checking

GLC gives an opportunity to the legal entities to purchase a new vehicle from partner Auto Houses without checking and presenting financial statements.

§ Asset Acquisition – Only from partner Auto Houses;

§ No financials;

§ Leasing Amount – Minimum USD 10,000;

§ Cofinancing – Minimum 40%;

§ Leasing Term – Maximum 3 years;

§ Implicit Rate – 6%-11%; (if buying from partner Auto Houses implicit rate will be 0%-6%);

§ Insurance;

§ Operating Period of Company – Profitable business at least 6 months;

Auto Leasing with Residual Value

GLC gives an opportunity to the client through flexible payment schedule to renew the leasing and replace old car with a new one.

At the end of leasing term (minimum 2 or maximum 5 years) GLC establishes residual value of the automobile thus letting the client to redeem or renew leasing asset, otherwise leasing asset stays in the property of GLC. Auto leasing with residual value is a chance for a client to reduce monthly lease payments.

§ Leasing Amount – Minimum USD 10,000;

§ Cofinancing – Minimum 20%;

§ Leasing Term – Maximum 5 years;

§ Implicit Rate – 6%-11%; (if buying from partner Auto Houses implicit rate will be 0%-6%);

§ Insurance;

§ Operating Period of Company – Profitable business at least 6 months;

§ Required Documents – Financial Statements of the client and other related documents;

The Residual Value of an asset is calculated in a following way:

Residual Value = Leasing amount x coefficient of Residual Value.

The Residual Value is defined according to the leasing period.

Leasing Period	Residual Value
2 years	50%
3 years	25%
4 years	15%
5 years	10%

GLC exclusively offers to BOG clients to receive financing in a day and no financial statements are required.

- § No financials;
- § Financing in a day;
- § Leasing Amount – Maximum USD 70,000 (70% of a project cost);
- § Cofinancing – Minimum 30%;
- § Leasing Term – Maximum 5 years;
- § Implicit Rate – 6%-11%; (if buying from partner Auto Houses implicit rate will be 0%-6%);
- § Credit History – Client must have credit or banking guaranties for a last one year at BOG;
- § Insurance;

GLC gives an opportunity to the restaurant owners to purchase equipment without capital expenditures and thus preserve working capital for further growth. Taking into account restaurant business growth rate and effectiveness of the business, in case of down payment of minimum 50%, GLC plans to finance and promote start up business in this field.

- § Leasing Amount – Minimum USD 10,000;
- § Cofinancing – Minimum 30%, if Start Up business – 50%;
- § Leasing Term – Maximum 5 years;
- § Implicit Rate – 6%-11%;
- § Insurance;
- § Required Documents – Financial Statements of the client and other related documents;

GLC gives an opportunity to the legal entities to purchase a real estate (office, commercial area etc.) by leasing instead of renting. Through leasing, working capital is not tied up in financing the real estate and is preserved for further growth.

- § Leasing Amount – Minimum USD 50,000;
- § Cofinancing – Minimum 20%;
- § Leasing Term – Maximum 7 years;
- § Implicit Rate – 6%-11%;
- § Insurance;
- § Operating Period of Company – Profitable business at least 6 months;
- § Required Documents – Financial Statements of the client and other related documents;

The lease assets are purchased from the lessee by GLC, and then leased back to the lessee. Sale and Lease Back enables lessee to release cash blocked in the asset, for further expansion.

- § Leasing Amount – Minimum USD 10,000;
- § Cofinancing – Minimum 20%;
- § Leasing Term – Maximum 7 years;
- § Implicit Rate – 6%-11%;
- § Insurance;
- § Operating Period of Company – Profitable business at least 6 months;
- § Required Documents – Financial Statements of the client and other related documents;

Operating lease, at its core, is a business relationship - an agreement between a tenant (lessee) and a landlord (GLC).

Operating Leasing is usually a better option for most business owners than owning. Operating lease does not transfer the risk or rewards of the leased property to the lessee in any economically substantial way.

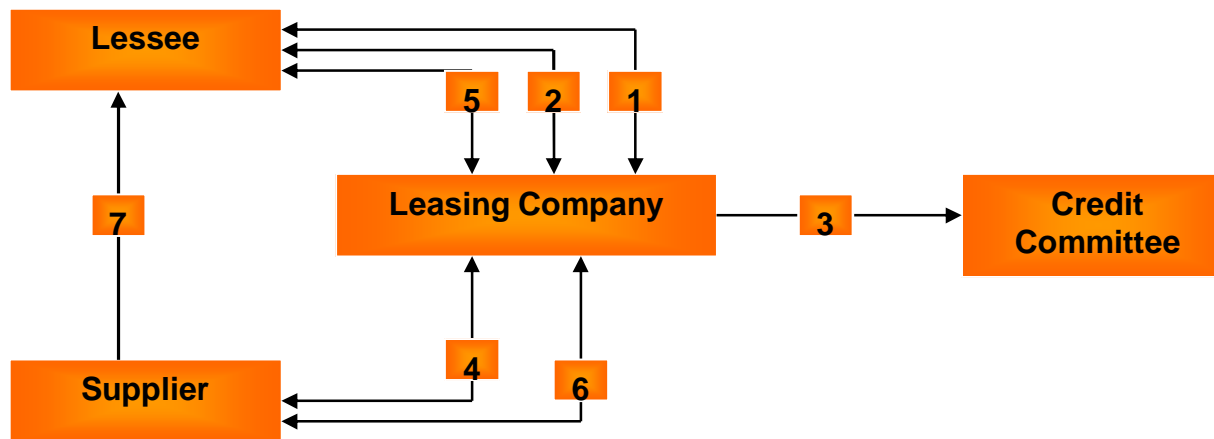
In an operating lease, the lessor (or owner) transfers only the right to use the property to the lessee.

At the end of the lease period, the lessee returns the property to the lessor. In accounting of the lessee operating leases are treated as an operating expense, and no asset or liability is recorded as part of the lessee's balance sheet.

- § Acquisition of an asset without any collateral;
- § Leasing frees working capital for more productive use;
- § Opportunity to finance all related expenditures of the asset;
- § Flexible payment schedule;
- § Monthly lease payment is recorded as operating expense;
- § Simple procedures, no additional expenses required to draw up leasing agreement;
- § Support in the process of negotiations, purchase and documentation (with supplier, transportation company, customs clearance office and insurance company);
- § Reserving the bank credit line;
- § Differed VAT, paid proportionally along with the lease payments;

- § Option to purchase the lease asset at the end of the lease project;
- § Purchasing of an asset in return of monthly rentals;
- § Flexible payment schedule;
- § Reserving the bank credit line;
- § Frees up lessee's capital for other investments;

1. Request form lessee to leasing company for financing;
2. Receiving required information from lessee;
3. Financial analysis of the lessee and approval of the project by the Credit Committee;
4. Contacting the supplier and negotiating;
5. Signing leasing agreement and receiving down payment from lessee ;
6. Signing agreement between leasing company and supplier;
7. Receiving leasing assent from the supplier and transferring it to the lessee;



Documents to be Submitted

<i>I Stage: List requested documents before project approval</i>	
1. Leasing Application Form	
2. Historical balance (last year)	
3. Current balance, with comments on each item	
4. Cash flow (last 6 months)	
5. Income statement (last 6 months)	
6. Agreement or invoice received from supplier of leasing asset	
<i>II Stage: List of documents (upon request) during the project execution</i>	
1. Accounts statements (including loan accounts) from the banks	
2. Reference about the indebtedness in other banks	
3. Credit agreements	
4. Reference from Tax Department regarding opened accounts	
5. Reference from Tax Department regarding indebtedness	
<i>III Stage: List of requested documents after project approval</i>	
1. Copy of the Company's Charter	
2. Extract from Entrepreneurs Register	
3. Notarized Minutes of shareholders meeting	
4. Extract from Shares Register or Certificate on Ownership of the Shares	

GLC's Partner Organizations, Suppliers

Partner Organizations



Suppliers



Contact Information

- For additional information please visit our web site www.glc.ge
- For general enquiries on how to receive financing from the Georgian Leasing Company please call + 995 32 444 926, write to glc@glc.ge or contact any of our leasing managers:

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Thank You for Attention