

EFSE and BasisBank partner to provide sustainable housing finance in Georgia

Luxembourg and Tbilisi, 11 October 2019 – The European Fund for Southeast Europe (EFSE) has provided a local currency loan equivalent to EUR 10 million to BasisBank, Georgia for on-lending to Georgian households for home purchase and improvement. Through the local currency investment, the partners aim to contribute to greater access to sustainable finance and increased living standards across the country. The collaboration was confirmed at an EFSE signing ceremony celebrating “The Power of Local Currency Financing” in Chişinău, Moldova, on 10 October.

BasisBank specialises in housing and home renovation loans and is the fifth largest bank in Georgia. EFSE, an international impact investment fund, pursues its mission of economic development and prosperity by promoting responsible financing practices for micro and small enterprises and private households. By joining forces, BasisBank and EFSE expect to expand the availability of long-term local currency financing for more than 600 homeowners throughout Georgia.

EFSE Board Chairman Christoph Tiskens said: “We are proud to welcome BasisBank to the EFSE family of partner institutions. For nearly 15 years, EFSE has been providing the resources for people to invest in their future in Southeast Europe and the Eastern Neighbourhood Region, including Georgia. This impact is made possible through cooperation with on-the-ground partners like BasisBank, whose local market expertise and responsible business approach allow us to channel funding to those who need it.”



David Tsaava, General Director of BasisBank, commented: “We are happy to partner with EFSE and support sustainable housing finance in Georgia. EFSE’s assistance and expertise will enable BasisBank to enhance its contribution to sustainable housing funding and development. It is especially remarkable for us, as it is a first joint project with our new partner EFSE that aims to encourage our retail clients to improve their living conditions through home purchase and improvement. Another advantage of our partnership with EFSE is that the facility will be offered in local currency, proving to be beneficial for both our customers and the country’s economy. We believe that our cooperation with EFSE will be successful and long-lasting.”

EFSE is ramping up its local currency lending activities in the European Eastern Neighbourhood Region thanks to a new capital layer in the fund’s structure designed to absorb exchange rate risk. This

financing instrument was made possible by contributions from the European Union’s “EU4Business” initiative, as well as from the German Federal Ministry for Economic Cooperation and Development.

About EFSE

An impact investment fund established in 2005, the European Fund for Southeast Europe (EFSE) aims to foster economic development and prosperity in Southeast Europe and the Eastern Neighbourhood Region by investing in the success of micro and small enterprises as well as improved living conditions for private households. As access to financial services is key to developing this segment, EFSE focuses on helping local financial sectors strengthen their ability to provide responsible financing for this target group. Alongside its investment activities through local partners, EFSE multiplies its impact through the EFSE Development Facility, which provides technical assistance, training, and other nonfinancial support to entrepreneurs and institutions.

EFSE was initiated by KfW Development Bank with the financial support of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission. As the first public-private partnership of its kind, EFSE draws its capital from donor agencies, international financial institutions, and private institutional investors.

Finance in Motion GmbH, Germany, serves as EFSE’s advisor and Hauck & Aufhäuser Fund Services S.A., Luxembourg, acts as manager.

For more information on the European Fund for Southeast Europe, please visit: www.efse.lu
For more information on Finance in Motion, please visit: www.finance-in-motion.com

About JSC BasisBank Georgia

Established in 1993 and with GEL 1.6 billion in assets, BasisBank is the 5th largest commercial bank on the market. Headquartered in Tbilisi, BasisBank operates in all economically active regions of Georgia through a network of 24 branches. BasisBank is majority-owned by Hualing Group, a Chinese conglomerate active in the commodities wholesale market, logistics, construction, hotel and tourism sectors in Georgia. The bank has recorded a solid track record of profitable growth for the last couple of years through the strong contribution of its main shareholder, Hualing Group, and through continuous support from its best-in-class international partner organizations.

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