

EFSE and Bank of Georgia Group expand financing for MSEs

Investment of USD 10 million to advance financial inclusion for micro and small entrepreneurs

Luxembourg and Tbilisi, 15 January 2019 – The European Fund for Southeast Europe (EFSE) has provided a senior loan of USD 10 million to the Bank of Georgia Group PLC (Bank of Georgia Group, or the Group) for on-lending to micro and small enterprises (MSEs). The funding will be distributed to MSEs through the Bank of Georgia Group’s dominant subsidiary, the Bank of Georgia – one of the country’s leading small-business lenders. This continued collaboration between the longstanding partners aims to support the Bank of Georgia in further expanding its outreach to MSEs, especially those in the tourism, trade, and agricultural sectors.

EFSE Board Chairman Christoph Tiskens said: “With its strong commitment to EFSE’s target group of MSEs and its extensive nationwide network, the Group has been a valuable partner in our joint effort to meet the financing needs of this key sector of the economy. Together, we are investing in the success of Georgian entrepreneurship.”

Kaha Kiknavelidze, Bank of Georgia Group CEO, commented: “I am pleased that we have once again co-operated with our long-term partner EFSE to create a range of products for our MSE clients. Supporting small businesses with various types of financial services and solutions has always been an important part of our business, and EFSE has been our trusted partner in this regard since 2010. I would like to thank our partner for their contribution in supporting the further development of Georgian enterprises.”

About the European Fund for Southeast Europe

The European Fund for Southeast Europe (EFSE) was initiated by KfW Development Bank (KfW) with the financial support of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission. It aims to foster economic development and prosperity in Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, former Yugoslav Republic of Macedonia, Kosovo, Georgia, Moldova, Montenegro, Romania, Serbia, Ukraine and Turkey. As access to finance is a key success factor in developing the micro, small and medium enterprise segments, EFSE focuses on assisting local financial sectors in strengthening their ability to ensure adequate and sustainable financing. The funding EFSE provides as long-term finance is channelled to loan customers – primarily micro and small enterprises (MSEs), but also private households for home improvement – through local partner lending institutions. Supporting EFSE’s investment activities is the EFSE Development Facility, which provides partner lending institutions with technical assistance, consulting and training services to build operational capacities and professional management.

Initiated by KfW Development Bank (KfW) on 15 December 2005 from four multi-donor programs under its management, EFSE is the first public-private partnership of its kind and the first privately managed fund in development finance to leverage private funding for MSE finance in the target region. Capital is provided by donor agencies, international financial institutions and private institutional investors, including the German Federal Ministry for Economic Cooperation and Development (BMZ), the European Commission (EC), the Government of Albania, Small and Medium Business Credit Support CJSC (SMBCS), a subsidiary of the Central Bank of Armenia, the Development Bank of Austria (Oesterreichische Entwicklungsbank, OeEB), the Swiss Agency for Development and Cooperation (SDC), the Danish International Development Agency (Danida), KfW as Lead Investor, the International Finance Corporation (IFC), the Netherlands Finance Company (FMO), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), and Deutsche Bank.

Hauck & Aufhäuser Fund Services S.A., Luxembourg, acts as EFSE's Fund Manager and Finance in Motion GmbH, Germany, as Advisor.

For more information about the European Fund for Southeast Europe, please visit www.efse.lu
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About the Bank of Georgia Group

The Bank of Georgia Group PLC ("the Group") is a UK-incorporated holding company, which comprises: a) retail banking and payment services, b) corporate investment banking and wealth management operations and c) banking operations in Belarus. JSC Bank of Georgia, the leading universal bank in Georgia, is the core entity of the Group. The Group aims to benefit from superior growth of the Georgian economy through both its retail banking and corporate investment banking services and aims to deliver on its strategy, which is based on at least 20% ROAE and 15%–20% growth of its loan book.

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