

EFSE and TBC Bank enter partnership to support MSEs in Georgia

USD 15 million loan to refinance close to 25,000 loans

Luxembourg and Tbilisi, 7 December 2015 -

The European Fund for Southeast Europe (EFSE) and TBC Bank Georgia will be partners in supporting access to finance for micro and small enterprises (MSEs) and agricultural producers in the rural areas of Georgia, thus significantly contributing towards the development of this key sector of the country's economy. The EFSE is providing the Bank with a USD 15 million subordinated loan, which will strengthen TBC's capitalisation and support further growth in line with the bank's strong focus on MSE lending.



TBC Bank, the EFSE's fifth partner lending institution in Georgia, will expand the Fund's outreach to its target group of micro and small businesses in the country. Through the recent full integration of its micro-lending arm Bank Constanta, TBC also has a strong presence in the rural areas of Georgia with the capacity to offer a wide range of products tailored for the specific needs of MSEs.

"With its excellent outreach to the EFSE's final target group of MSEs, TBC Bank ideally complements our network of partner lending institutions," says Monika Beck, Chairperson of the Board of EFSE. "We are confident, that TBC Bank, especially with its strong rural presence, will make an important contribution to providing additional financing to MSEs in Georgia."

Vakhtang Butskhrikidze, TBC Bank CEO, commented: "I am pleased to announce the completion of this transaction. This facility will further strengthen TBC Bank's tier two capital and help to enhance our position in the market by expanding lending activities throughout the entire country. I would like to thank our new partner EFSE for their collaboration and excellent work and I look forward to many more years of successful partnership."

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, the EFSE focuses on assisting local financial sectors in strengthening their ability to ensure adequate and sustainable financing. The funding the EFSE provides as long-term finance primarily for micro and small enterprises (MSEs) – but also for private households in the form of home improvement loans – is channelled to these loan customers through local partner lending institutions. Supporting the 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, the 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), Sal. Oppenheim and Deutsche Bank.

Oppenheim Asset Management Services S.à r.l., Luxembourg, and Finance in Motion GmbH, Germany, are, respectively, the EFSE’s Fund Manager and Fund Advisor.

For more information about the European Fund for Southeast Europe, please visit: <http://www.efse.lu/>

About TBC Bank

JSC TBC Bank (TBCB: LI) is a leading universal bank in Georgia, offering a broad range of products and services through its extensively developed retail, corporate, SME and micro banking business lines. TBC Bank has been listed on the Main Market of the London Stock Exchange since June 2014. As at 30 September 2015, TBC's loan book comprised retail, corporate, SME and micro portfolios with 42%, 34%, 13% and 11%, respectively, of the total loan portfolio. TBC Bank is the market leader in Georgia in retail deposits with a 35% market



share. In terms of total assets and total loans TBC retains a leading position with market shares of 27% and 28% respectively as at 30 September 2015. TBC Bank is assigned BB- (Long-Term IDR) / B (Short-Term IDR) rating from Fitch and B1 (Fgn Curr) / Ba3 (Dom Curr) from Moody's.

Media contact EFSE

Merle Römer
Manager Communications and Events
e-mail: press@efse.lu
Tel: +49 (0)69 9778 7650-171

Media contact TBC Bank

Tamar Kirvalidze
Director for External Relations & Media Communications
e-mail: TKirvalidze@tbcbank.com.ge
Tel: +995 (32) 2 27 27 27 (*1012)