

EFSE and BasisBank to provide crucial financing to Georgia's small businesses

EUR 4.2 million to help sustain micro and small enterprises during difficult environment of COVID-19 crisis

Luxembourg and Tbilisi, 3 November 2020 – The European Fund for Southeast Europe (EFSE) and JSC BasisBank, Georgia (BasisBank) are expanding their partnership to provide much-needed financing to micro and small enterprises (MSEs). A new senior loan from the fund of EUR 4.2 million will be on-lent through the bank to help Georgian MSEs tackle the turbulent environment posed by the ongoing COVID-19 crisis.

As an important financier of local businesses and households, BasisBank has been a strategic partner in enabling EFSE to pursue its mission of expanding access to finance for underserved clients in the region as a means to foster prosperity and growth. The new investment particularly aims to address a major challenge confronting MSEs during this turbulent period: cash flow. By providing much-needed long-term business funding that is tailored to the needs of MSEs, the partners aim to help this important segment of the Georgian economy to preserve their operations and sustain employment both during and after the global pandemic.

EFSE Board Chairman Christoph Tiskens said: “Our partnership with BasisBank has shown that the bank is well-positioned to provide crucial liquidity to local businesses to help them overcome this challenging environment created by the coronavirus. The bolstered access to finance for micro and small enterprises is particularly important as they are confronting unprecedented uncertainties. Together, we will continue in our joint mission to serve as a reliable partner to entrepreneurs, especially during difficult times.”

David Tsaava, General Director of JSC BasisBank: “I would like to extend my sincere gratitude to our partner EFSE for this new initiative. This is our second joint project since the launch of our partnership in 2019. Our first loan with EFSE supported sustainable housing finance development in Georgia which was directed to encourage our retail clients in their endeavours to improve their living conditions through home purchases and improvements. We are happy to continue strengthening cooperation with our valuable partner EFSE, and are confident that our collaboration will remain successful in the future.”

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 BasisBank

Basisbank counts more than 26 years of successful operations in Georgia. Ranking among top 5 financial institutions in the country since 2018, Basisbank is one of the leading and fast growing commercial banks on the market. Together with its new subsidiaries, Hualing Insurance and BHL Leasing, the Bank offers entire spectrum of financial services and industry expertise to various customer segments covering large and mid-corporates, MSME, and retail businesses. The Bank has a targeted footprint of 24 branches, 510 employees and integrated digital platform serving more than 131,000 clients countrywide.

Equipped with a strong loyal customer base, reinforced by a long-term partnership with international financial institutions and strong shareholder - Hualing Group, Basisbank creates a real economic value and perspectives for development to its customers, partners, employees and stakeholders.

As of June 30, 2020, Basisbank has 1.7 billion Gel in assets and 247 million Gel in equity with market share of 3.4% and 4.4% respectively.

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