

## EFSE strengthens TBC Bank partnership with USD 30 mln of new financing

Investment in Georgia's largest retail and micro-lender will support entrepreneurship and family housing

**Luxembourg and Tbilisi, 28 November 2016** - The European Fund for Southeast Europe (EFSE) has announced a second investment in TBC Bank in the form of USD 30 million in loans that expand their partnership for financing Georgian micro entrepreneurs, rural enterprises and private households. The funding will enable the bank to offer longer term, favourable financing to EFSE's target group and will be on-lent through TBC Bank's nationwide branch network. The investment consists of two USD 15 million senior loans, one earmarked for micro and small businesses, and one for family housing.

TBC Bank, the leading universal banking group in Georgia, will now be able to further expand the fund's outreach, and these loans mark EFSE's second investment in as a many years in its Georgian partner.

EFSE Board Chairman Christoph Tiskens said: "The size of this funding clearly indicates the success of our first investment in TBC Bank last year, and these loans will allow our partner to finance even more of the clients the EFSE was created to serve."

"We are delighted to continue our successful partnership with EFSE. These two facilities will help the Bank to further strengthen its position in the Retail and MSME segments by expanding its portfolio in the cities as well as in the rural areas of the country. We are especially pleased to continue our very productive cooperation with EFSE," commented Vakhtang Butskhrikidze, TBC Bank's CEO.

### **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 acts as the EFSE’s Fund Manager and Finance in Motion GmbH, Germany as 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 2016, TBC's loan book comprised retail, corporate, SME and micro portfolios with 46%, 29%, 13% and 11%, respectively, of the total loan portfolio. TBC Bank is the market leader in Georgia with a loan book 37. % market share and deposit portfolio 36% market share as at September 2016. 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.



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