Bank of Georgia signs USD 90 million subordinated loan agreement with IFC

Bank of Georgia Holdings PLC ("BGH"), the holding company of JSC Bank of Georgia ("the Bank"), Georgia’s leading bank announces that the Bank has signed a USD 90 million subordinated loan agreement with the International Finance Corporation ("IFC"). IFC is providing long term financing to help increase the Bank’s role in diversifying Georgia’s economy, expand access to finance and boost sustainable growth. The loan facility, which includes USD 20 million from the European Fund for Southeast Europe ("EFSE") bears a maturity of ten years and qualifies as Tier II capital under the Basel 2 framework.

“The loan package will help Bank of Georgia finance more smaller businesses, which are a driving force for development but often lack the capital to grow,” said Jan van Bilsen, IFC Regional Manager for the South Caucasus. “This project is yet another step forward in implementing our strategy in Georgia – one pillar of which focuses on mobilizing our partners’ resources to help expand the financial sector, boost access to finance, and reduce poverty.”

“I am pleased to announce the completion of one of the largest IFI debt transactions for Bank of Georgia. This financing will help us expand our already large small business customer base. This subordinated loan facility, which qualifies as Tier II Capital, will improve the overall capitalisation of the Bank and support further growth without compromising capital ratios. I would like to thank our long-time partners IFC and EFSE for their ongoing collaboration,” said Irakli Gilauri, Chief Executive Officer.