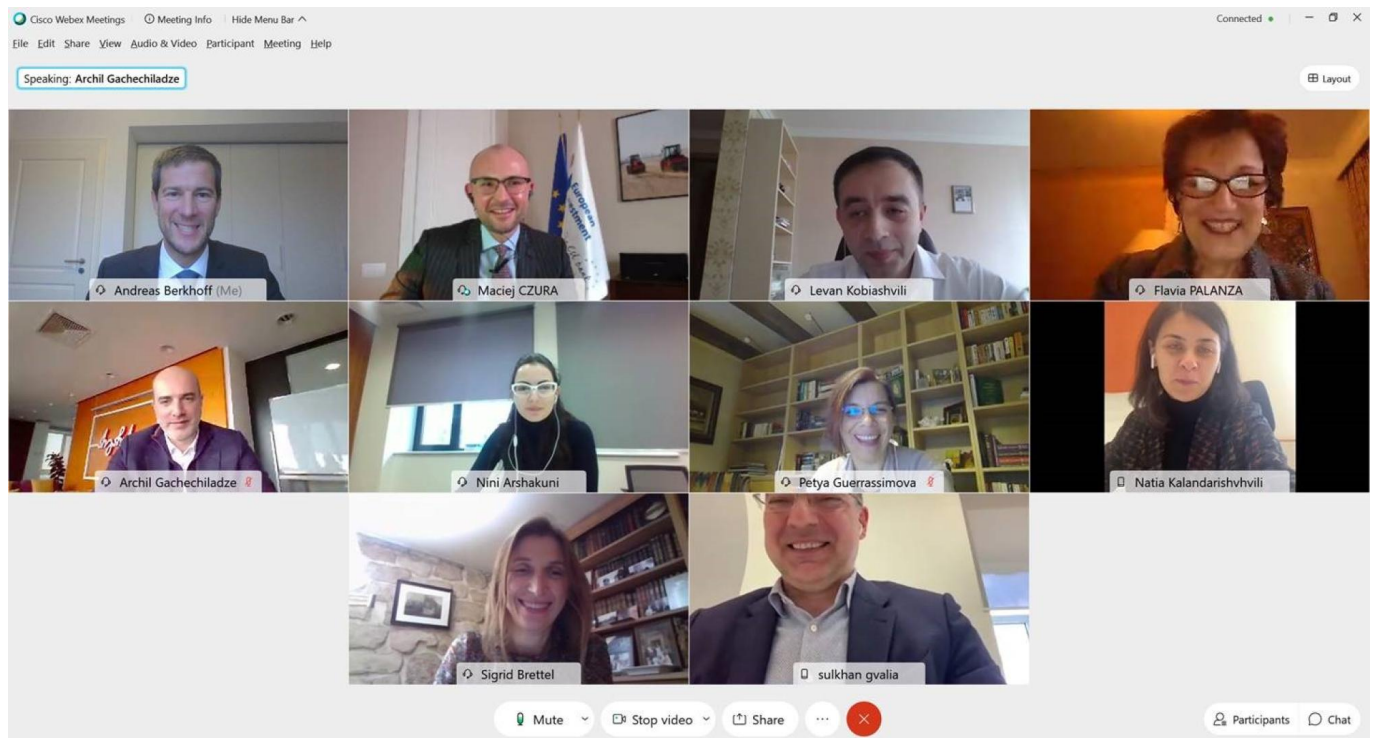


Georgia: Team Europe – EIB and Bank of Georgia expand credit line for SMEs and mid-caps with €25 million to aid recovery from COVID-19 pandemic



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- The EIB will top up its existing credit line at the Bank of Georgia €25 million to a total of €75 million to support the recovery of Georgian SMEs from the pandemic, extending coverage to include mid-caps.
- The operation is part of the Team Europe's COVID-19 emergency response to help sustain jobs, maintain liquidity and operations, and fuel the economic recovery of Georgia.
- Since 2007, the EU bank has invested close to €2 billion in all key sectors of the Georgian economy, including connectivity, healthcare and SMEs.

The European Investment Bank (EIB), the lending arm of the European Union, will invest €25 million to expand a credit line for Georgian small and medium-sized enterprises (SMEs) and mid-caps available at the Bank of Georgia, helping to accelerate the recovery of the national economy from the COVID-19 pandemic. The credit line can be disbursed in multiple currencies, including in lari, Georgia's national currency.

The EIB loan will inject fresh capital into the national economy at a time when the COVID-19 pandemic is burdening SMEs with liquidity issues and restricting their ability to access finance and maintain daily operations or fund expansion plans.

The investment from the EU bank will reinforce SMEs and mid-caps, which are the backbone of the Georgian economy and major employers in the country, and the country's financial sector, boosting their ability to drive the economic recovery from the pandemic.

EIB Vice-President Teresa Czerwińska, who is in charge of operations in Georgia, said: "As the bank of the European Union, we are proud to be bolstering Georgia and its economy in this hour of need, no matter how difficult the situation is. The EIB financing will support both Georgian SMEs and the country's financial sector so that they can continue to operate despite the pandemic and drive the Georgian economy forward. This means we will save jobs, incomes and revenues. Together with our partners in the country's public and private sector, we look forward to building a prosperous and sustainable future for Georgia."

EU Ambassador to Georgia Carl Hartzell said: The EU stands by Georgia during the pandemic. The EU has mobilised an unprecedented GEL 1.5 billion COVID-19 support package for Georgia, of which economic recovery of businesses is a fundamental part. This top-up by the EU bank strengthens this component by providing more assistance via local Georgian banks. Thanks to this agreement, an additional number of Georgian small and medium businesses will be able to access finance to get them through these challenging times.

Bank of Georgia CEO Archil Gachechiladze commented: "I am very glad to see that our very successful partnership with the EIB is continuing. The multi-currency long-term facility gives us flexibility to utilise the funds according to the currency and maturity needs of our SME and mid-cap clients. Such facilities are key for the private sector, especially during these challenging times, and this further strengthens our position as a leading provider of long-term financial resources on the market. I would like to thank the EIB for its cooperation with us and look forward to many more successful deals in the future."

Team Europe adds value for Georgian companies

Covered by a guarantee from the European Union, the loan from the EU bank will enable the Bank of Georgia to increase its lending activities without jeopardising the long-term stability of the country's financial sector or its ability to support the economic recovery from the pandemic in the long term.

The credit line is even more attractive due to the more flexible terms enabled by the EIB's COVID-19 emergency measures, extended as part of the Team Europe's efforts to support partner countries such as Georgia during the pandemic.

This is the third operation between the EIB and the Bank of Georgia supporting the country's SMEs and mid-caps. To date, the EU bank has invested more than €330 million in credit lines for Georgian SMEs and mid-caps, sustaining more than 54 000 jobs in the country.

The EIB in Georgia:

Since the beginning of operations in Georgia in 2007, the EIB has invested close to €2 billion in 23 projects in infrastructure, the private sector and climate action. The EIB stepped up its support for the country with the 2014 Association Agreement and the Deep and Comprehensive Free Trade Area between Georgia and the European Union, making it the main EIB lending beneficiary per capita in the EU Eastern Neighbourhood.

The EIB finances most projects in Georgia under the EU External Lending Mandate. This provides the EIB with a guarantee covered by the EU budget for projects in the fields of social and economic infrastructure, local private sector development and climate action. For more information on the EIB's activities in Georgia please follow [this link](#).