



# Report and Recommendation of the President to the Board of Directors

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Project Numbers: 52187-002 (Credo Bank JSC), 52187-001 (TBC Bank JSC)  
November 2018

Proposed Loan and Technical Assistance  
Credo Bank JSC  
Low-Income Housing Finance  
(Georgia)

Proposed Loan  
TBC Bank JSC  
Affordable Mortgage Finance  
(Georgia)

This is the version of the document approved by ADB's Board of Directors that excludes information that is subject to exceptions to disclosure set forth in ADB's Public Communications Policy 2011.

Asian Development Bank

## CURRENCY EQUIVALENTS

(as of 19 October 2018)

Currency unit	–	lari (GEL)
GEL1.00	=	\$0.3708
\$1.00	=	GEL2.70

## ABBREVIATIONS

ADB	–	Asian Development Bank
AMH	–	Access Microfinance Holding
BOD	–	board of directors
BOM	–	board of management
CAGR	–	compound annual growth rate
CAR	–	capital adequacy ratio
CEO	–	chief executive officer
CFO	–	chief financial officer
COO	–	chief operating officer
GDP	–	gross domestic product
IFI	–	international financial institution
LSE	–	London Stock Exchange
MSMEs	–	micro, small, and medium-sized enterprises
NBG	–	National Bank of Georgia
NPL	–	nonperforming loan
PTI	–	payment to income
SMEs	–	small and medium-sized enterprises
TA	–	technical assistance
US	–	United States

## NOTES

- (i) The fiscal year (FY) of Credo Bank and TBC Bank ends on 31 December.
- (ii) In this report, “\$” refers to United States dollars.

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## PROJECT AT A GLANCE

<b>1. Basic Data</b>		<b>Project Number: 52187-002</b>	
<b>Project Name</b>	Low-Income Housing Finance	<b>Department /Division</b>	PSOD/PSFI
<b>Country</b>	Georgia		
<b>Borrower</b>	Credo Bank JSC		
<b>2. Sector</b>		<b>ADB Financing (\$ million)</b>	
✓ Finance	Banking systems and nonbank financial institutions		25.00
		<b>Total</b>	<b>25.00</b>
<b>3. Strategic Agenda</b>		<b>Climate Change Information</b>	
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project	Low
<b>4. Drivers of Change</b>		<b>Gender Equity and Mainstreaming</b>	
Private sector development (PSD)	Promotion of private sector investment	Gender equity (GEN)	✓
<b>5. Poverty and SDG Targeting</b>		<b>Location Impact</b>	
Geographic Targeting	No	Rural	High
Household Targeting	No	Urban	Medium
SDG Targeting	Yes		
SDG Goals	SDG1, SDG5, SDG8, SDG10, SDG11		
<b>6. Nonsovereign Operation Risk Rating</b>			
<b>Obligor Name</b>		<b>Obligor Risk Rating</b>	<b>Facility Risk Rating</b>
Credo Bank JSC			
<b>7. Safeguard Categorization</b>			
Environment: FI-C		Involuntary Resettlement: FI-C	Indigenous Peoples: FI-C
<b>8. Financing</b>			
<b>Modality and Sources</b>		<b>Amount (\$ million)</b>	
<b>ADB</b>		25.00	
Nonsovereign LIBOR Based Loan (Regular Loan): Ordinary capital resources		25.00	
<b>Cofinancing</b>		0.00	
<b>Others<sup>a</sup></b>		0.00	
<b>Total</b>		<b>25.00</b>	
Currency of ADB Financing: USD or its GEL equivalent			

<sup>a</sup> Derived by deducting ADB financing and Cofinancing from Total Project Cost.





## PROJECT AT A GLANCE

<b>1. Basic Data</b>		<b>Project Number: 52187-001</b>	
<b>Project Name</b>	Affordable Mortgage Finance	<b>Department /Division</b>	PSOD/PSFI
<b>Country</b>	Georgia		
<b>Borrower</b>	TBC Bank JSC		
<b>2. Sector</b>		<b>ADB Financing (\$ million)</b>	
✓ Finance	Subsector(s) Banking systems and nonbank financial institutions		100.00
		<b>Total</b>	<b>100.00</b>
<b>3. Strategic Agenda</b>		<b>Climate Change Information</b>	
Inclusive economic growth (IEG)	Subcomponents Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project	Low
<b>4. Drivers of Change</b>		<b>Gender Equity and Mainstreaming</b>	
Private sector development (PSD)	Components Promotion of private sector investment	Effective gender mainstreaming (EGM)	✓
<b>5. Poverty and SDG Targeting</b>		<b>Location Impact</b>	
Geographic Targeting	No	Rural	Low
Household Targeting	No	Urban	High
SDG Targeting	Yes		
SDG Goals	SDG1, SDG5, SDG8, SDG11		
<b>6. Nonsovereign Operation Risk Rating</b>			
<b>Obligor Name</b>		<b>Obligor Risk Rating</b>	<b>Facility Risk Rating</b>
TBC Bank JSC			
<b>7. Safeguard Categorization</b>			
Environment: FI-C	Involuntary Resettlement: FI-C	Indigenous Peoples: FI-C	
<b>8. Financing</b>			
<b>Modality and Sources</b>		<b>Amount (\$ million)</b>	
<b>ADB</b>		<b>100.00</b>	
Nonsovereign LIBOR Based Loan (Regular Loan): Ordinary capital resources		100.00	
<b>Cofinancing</b>		<b>0.00</b>	
<b>Others<sup>a</sup></b>		<b>0.00</b>	
<b>Total</b>		<b>100.00</b>	
Currency of ADB Financing: GEL			

<sup>a</sup> Derived by deducting ADB financing and Cofinancing from Total Project Cost.



## I. THE PROPOSAL

1. I submit for your approval the following report and recommendation on (i) a proposed loan of up to \$25,000,000 or its lari equivalent to Credo Bank JSC (Credo) for Low-Income Housing Finance; and (ii) a proposed loan of the lari equivalent of up to \$100,000,000 to TBC Bank JSC (TBC) for Affordable Mortgage Finance, each, in Georgia. The report also describes proposed technical assistance (TA) to Credo for Enhancing Rural Financial Inclusion for Women in Georgia, and if the Board approves the proposed loan to Credo, I, acting under the authority delegated to me by the Board, approve the TA.

2. The transactions entail the Asian Development Bank (ADB) providing long-term financing in lari or United States (US) dollars to Credo and in lari to TBC to support affordable long-term housing and mortgage finance. While Credo will focus on funding home renovation and construction in rural areas and the periphery of the capital targeting low-income clients, TBC will provide mortgage financing in urban areas benefiting mainly low- to medium-income families. The TA will support Credo's efforts to extend the reach of its banking services to rural clients, with a specific focus on improving financial literacy and access to finance for women.

## II. THE FINANCIAL INTERMEDIARIES

### A. Investment Identification and Description

3. Georgia's economy is exposed to volatility because of its small market size, high dependence on imports of goods and remittances, and fluctuating exports resulting from unstable demand from its neighbors. Recession in Georgia's South Caucasus neighbors, the Russian Federation, and Ukraine triggered a decline in gross domestic product (GDP) growth from 4.6% in 2014 to less than 2.9% in 2015 and 2016. The lari depreciated 52% during October 2014–December 2016 because of the current account deficit and reduced foreign currency inflows. The unemployment rate declined from 16.9% in 2013 to 13.9% in 2017. About 22% of Georgians live below the national poverty line and many depend on remittances. Women, who earn about 65% of the average male wage, have high representation in the low-income segment, especially in rural Georgia, where women are 56% of the labor force. About 30% of Georgian residents live in the capital, Tbilisi, which generated about 48% of GDP in 2016. Although 70% of Georgians live in rural areas and regional towns, agriculture contributed only 9% to GDP in 2017.<sup>1</sup>

4. GDP growth recovered and reached 5% in 2017, led by trade, tourism, construction, and transport. Improving hydrocarbon prices alleviated pressure on Georgia's trading partners, and exports of goods increased 24%. In addition, workers' remittances grew 21% and gross foreign direct investment inflows rose to 12.3% of GDP in 2017. Despite the economic downturn in Turkey, ADB estimates Georgia's GDP to grow by 4.9% in 2018 and 5.0% in 2019.<sup>2</sup> Although the lari stabilized in 2017, dollarization remains high, with 64% of bank liabilities denominated in foreign currency.<sup>3</sup> Reducing dollarization is critical for reducing market and credit risks, and remains a long-term challenge. Since 2017, the National Bank of Georgia (NBG) has mandated the use of lari in economic transactions, increased capital charges for foreign exchange-related banking transactions and exposures, tightened credit exposure limits for unhedged foreign

<sup>1</sup> [National Statistics Office of Georgia](#). 2018.

<sup>2</sup> ADB. 2018. *Asian Development Outlook 2018 Update: Maintaining Stability Amid Heightened Uncertainty*. Manila. The GDP growth estimate considers the adverse impact of the economic downturn in Turkey on Georgia of up to 0.5% of GDP.

<sup>3</sup> [National Bank of Georgia \(NBG\)](#). 2018.

exchange exposures, and required lari denomination for loan exposures of up to GEL100,000 to mitigate credit risk for retail borrowers.<sup>4</sup>

5. **Housing sector.**<sup>5</sup> Georgia's housing stock of 634,000 units consists of about 400,000 homes constructed before 1990. Built following the former Soviet Union's standards, about 60% of the windows and doors in such apartments in Tbilisi lack thermal insulation, resulting in energy consumption that is twice the level of Eastern European countries. Consequently, demand for new housing and improvements to existing housing are increasing. The housing stock on the market grew at a compound annual growth rate (CAGR) of 5.1% in Georgia during 2012–2017. The average US dollar price per apartment in Tbilisi dropped 1.9% during this period, reflecting a shift in new construction from medium and high cost toward the lower-cost segment.<sup>6</sup>

6. Housing finance availability has improved, as evident in the increase in mortgages and tenors offered to customers. Outstanding mortgage loans in US dollars during 2012–2017 increased at a CAGR of 21% to GEL6.5 billion, while the average contractual maturity during 2015–2017 increased by 12 months to 8.5 years for lari-denominated loans and to 9.8 years for US dollar-denominated loans (footnote 3). With respect to affordability, the shortage of long-term local currency financing and the absence of a legal and institutional framework to support such long-term capital market instruments as covered bonds limit the affordability of mortgage loans in lari for borrowers, especially for young and low-income families. The pricing differential between US dollar- and lari-denominated loans remains high, at about 5% for comparable maturities, leading many borrowers to opt for riskier mortgage funding in US dollars. June 2018 statistics from TBC, Georgia's largest mortgage lender, show that the representation of female borrowers by income group is concentrated in annual incomes up to GEL50,000 and drops sharply in higher-income groups, reflecting the lower incomes of households led by women.

7. **Finance sector.** Comprising 16 private banks and 83 nonbanks, the finance sector had assets totaling GEL36.7 billion or 71% of GDP in 2017, of which banks held 94%. Bank assets are concentrated, with TBC and Bank of Georgia accounting for 70%. During 2015–2017, bank loans to the private sector grew at a CAGR of 17%. Retail loans grew at a CAGR of 27%, representing 47% of bank loans in 2017, which improved the credit risk diversification of banks. Mortgages made up 28% of bank loans in 2017 and grew at a CAGR of 23% during 2015–2017. The steep lari–US dollar depreciation during 2014–2016 resulted in declining deposits growth, well below loan growth. In 2016, dollarization had increased to 65% for loans and 71% for liabilities before easing in 2017 to 57% for loans and 64% for liabilities (footnote 5), after the NBG measures discussed in para. 4 were implemented.

8. Banking system profitability remained solid, with a return on assets of about 3% during 2014–2017. Although net interest margins were robust, they fell from 5.3% in 2015 to 4.8% in 2017, indicating increasing competition. Bank liquidity was stable, well exceeding NBG minimum requirements. Capital adequacy ratios (CAR) declined because of the strong growth of risk-weighted assets since 2016, but remained sound at about 2% above the NBG minimum. Asset quality has been stable since 2015, with nonperforming loan (NPL) ratios (classified overdue

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<sup>4</sup> Effective 1 September 2018, the NBG tightened the loan-to-value and payment-to-income (PTI) thresholds for retail loan exposures for foreign exchange-denominated exposures to 10% below those for lari-denominated exposures.

<sup>5</sup> Sector Overview (accessible from the list of linked documents in Appendix 2).

<sup>6</sup> Colliers International, a global real estate services company, defines the low-cost segment in Tbilisi as having a listed price of \$400–\$800 per square meter and the medium-cost segment as having a listed price of \$800–\$1,200.

above 90 days) at 2.8% in 2017.<sup>7</sup> Deposits and loans are concentrated, with maturities of less than 12 months, and sourcing long-term funding remains challenging for banks. Georgia's financial system has deepened, with the private sector's credit–GDP ratio increasing from 40% in 2014 to 59% in 2017, exceeding that of its South Caucasus peers but still trailing the Baltic economies, Poland, and Turkey.

9. Since 2010, the NBG has carried out substantial reforms of its banking supervision including capital adequacy and liquidity management oversight of banks. Lender-of-last-resort facilities and internal capital adequacy and liquidity assessments were augmented through integrated micro- and macro-prudential supervision. A forward-looking approach guides banks on risk mitigation by adjusting underwriting standards that show an explicit impact on stress test results. The International Monetary Fund and the Bank for International Settlements recognize the NBG's high standard and consider its innovative approach to be an important benchmark for other countries.<sup>8</sup> The NBG instituted the Basel III capital adequacy framework in 2018, and three systemically important banks (Bank of Georgia, Liberty Bank, and TBC) will have to build up their capital to meet a minimum CAR of about 17% by 2022 from 13% in 2017.<sup>9</sup>

10. During 2016–2017, the average interest rate eased by 90 basis points to 17.3% for lari-denominated loans but dropped by 200 basis points to 8.5% for foreign exchange loans, widening the differential between lari and foreign exchange loan interest rates. Similarly, the average market interest rate during 2016–2017 eased by 140 basis points to 7.2% for lari-denominated deposits and by 120 basis points to 2.5% for foreign currency-denominated deposits, reducing the differential between lari and foreign exchange market interest rates (footnote 3). The high loan pricing differential reflects currency-induced credit risk as well as higher provisioning and capital requirements, and the high price of lari loans limits the affordability of lari-denominated long-term mortgages. Since March 2014, international financial institutions (IFIs), including ADB, the European Bank for Reconstruction and Development, and the International Finance Corporation, have been issuing lari-denominated bonds.

11. **Borrowers identification.** ADB's Private Sector Operations Department has been active in Georgia's finance sector since 2007 and has provided loans to banks and nonbanks that primarily support small and medium-sized enterprises (SMEs), including in areas outside Tbilisi. With the growing demand and need for better housing, coupled with the need for longer-term lari mortgage financing, ADB selected TBC and Credo based on their strategies in targeting markets to cover different income strata and their willingness to offer longer-tenor financing. Both are existing ADB clients. ADB has developed a close relationship with TBC, providing \$50 million in 2013 that was converted to lari in 2015, funded by ADB's first lari bond issue, followed by \$100 million in 2016.<sup>10</sup> TBC has demonstrated sound financial performance, an improving risk profile, and good corporate governance, which led to a premium listing of TBC Bank Group PLC, a UK based holding company (TBC UK), on the London Stock Exchange (LSE) in August 2016.

<sup>7</sup> NBG. *Financial Soundness Indicators*. 2018. The International Monetary Fund's NPL definition used here includes overdue exposures above 90 days and doubtful and loss assets. NBG's NPL definition is more conservative and includes adversely classified watch assets as well.

<sup>8</sup> Bank for International Settlements, Basel Committee on Banking Supervision. 2017. *Supervisory and bank stress testing: range of practices*. Basel; International Monetary Fund. 2015. *Georgia: Financial Sector Assessment Program—Detailed Assessment of Observance of the Basel Core Principles for Effective Banking Supervision*. *IMF Country Report*. No. 15/10. Washington, DC; and NBG. 2017. *Annual Report 2016*. Tbilisi.

<sup>9</sup> NBG defines systemically important banks based on their size and impact on the financial system and the economy in case of a bank failure. NBG requires additional capital for such banks and may support them in case of stress.

<sup>10</sup> ADB 2012. Georgia. Promoting Financial Sector Growth and Service Diversity for TBC Bank. Manila; and ADB. 2015. Georgia: Financial Inclusion for Micro and Small Business Growth for Credo Microfinance Organization, FINCA Bank Georgia, and TBC Bank. Manila.

TBC has a countrywide branch and multi-sales channel network serving 2.2 million retail customers. Its mortgage loan book reached GEL2.0 billion in June 2018, serving nearly 22,000 clients, among whom many are new homeowners in urban areas. TBC also had the largest mortgage market coverage in the low-income segment (up to GEL50,000 per annum) with an average outstanding loan size of GEL71,500 (\$27,300) or 60% of its mortgage book in June 2018 and women constituted 37% of TBC's mortgage borrowers in that segment.

12. In 2015, ADB built a strong partnership with Credo when it provided a loan of GEL49 million (footnote 10) and TA to support its transformation from a microfinance lender to a bank. Following discussions with ADB, Credo has developed two mortgage products for low-income households. The products are untested, but Credo has carried out a robust market assessment among its clients that forms the basis of its strategy to reach the underserved low-income housing finance segment. In addition to improving living conditions in rural Georgia, Credo's products will support the diversification of income generation for low-income households via homestays. The transaction with Credo will help improve outreach to rural women via digital services, support financial literacy campaigns, and build the home assets of households led by women.

13. **Lessons Learned.** ADB learned from its previous transactions with TBC and Credo in Georgia, as well as its operations in the Caucasus and Central Asia, that its provision of loans in local currency is important to reduce currency-induced credit risk for the target beneficiaries. The selection of larger financial intermediaries with a business strategy aligned to ADB's strategic objectives, as in the case of TBC, has proven to be effective not only for reaching significant target beneficiaries in the SME segment, but also clients for new areas such as affordable housing. The selection of a qualified intermediary such as Credo has been effective in developing services to beneficiaries in remote rural areas and now will cater to their growing housing finance needs. Finally, the long-standing collaboration of ADB with NBG via sovereign, non-sovereign, and treasury operations has facilitated the development of capital markets, especially the provision of local currency financing.

## **B. Credo Bank**

### **1. Business Overview and Strategy**

14. Credo serves 230,000 borrowers via 66 branches and 1,872 staff as of 2017. Its loan book of GEL532 million is well-diversified. With Credo's large client base and small average loan size of GEL2,300, the loan book is highly granular and provides a favorable risk profile. With 46% of loans in agriculture, Credo has a strong rural footprint. In March 2017, Credo obtained a banking license to provide comprehensive payment, deposit, and lending services to its clients. These clients are predominantly low-income individuals and farm households—51% of which are led by women—that generate income from farming and business, including agritourism. As a result of the NBG policy of imposing lari for small loans (para. 4), dollarization of Credo's loan book dropped substantially from 60% in 2014 to 17% in 2017, while that of its liabilities and equity was limited to 27% in 2017, thereby improving Credo's and its clients' currency risk profile.

15. Credo now plans to launch a product that facilitates the purchase of low-cost housing for lower-income clients in rural towns and the periphery of the capital as well as home renovation loans focused on rural areas. It will use its existing staff and cash flow-based credit methodology, which is well adapted to low-income clients.<sup>11</sup> Credo plans to grow its housing loan book to 15%

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<sup>11</sup> Household income cash flows are suitable to determine debt service capacity of low-income borrowers. The estimated net income is used to determine the loan size for the borrower.

of total loans by 2023. In addition, Credo has identified and trained staff to implement its deposit mobilization strategy across Georgia. The strategy is spearheaded by the head of retail, an experienced banker from Bank Republic with in-depth retail marketing and product experience.

## 2. Ownership, Management, and Governance

16. Established in 1997 by World Vision as a microfinance organization, Credo was purchased in October 2014 by a consortium led by Access Microfinance Holding AG (AMH), with a 60.2% share; two microfinance investment funds managed by Triodos Investment Management BV, with a 19.8% share; and investment funds managed by responsAbility Participation AG and responsAbility Investments AG, with a 20.0% share. Supported by its founder and shareholders, Credo has built a sound credit culture, high integrity standards, responsible finance policies, and quality lending services to low-income households in Georgia.

17. Integrity and enhanced tax due diligence were conducted.<sup>12</sup> No significant or potentially significant integrity risks were identified. After reviewing the transaction, ADB does not believe that Credo has been established or is being used for money laundering, terrorism financing, or cross-border tax evasion. Credo's majority shareholder, AMH, is owned by reputable IFIs and well-established philanthropic investors. While AMH recently suffered losses in its AccessBank subsidiaries in Tajikistan and Azerbaijan, reflecting severe adverse economic conditions, its integrity remains sound; its governance and management were enhanced in January 2018 by streamlining its supervisory and management boards and legally separating the advisory and asset management business of LFS Financial Systems GmbH, AMH's original sponsor.

18. Credo is governed by the meeting of shareholders and a two-tier board comprising the board of directors (BOD) and the board of management (BOM). The BOD oversees Credo's strategy and operations. All current BOD members are bankers with extensive international emerging market banking and BOD experience. Since obtaining its banking license, Credo has streamlined its BOM, which is composed of Zaal Pirtskelava, the chief executive officer (CEO) who has a 20-year record with Credo; the chief financial officer (CFO); and the chief operating officer (COO). The BOM is supported by an experienced management team whose members have mostly moved up from being loan officers. In 2016, Credo recruited Irakli Zatiashvili, an experienced Georgian commercial banker with a bank supervision background, as CFO.

## 3. Financial Performance

19. **Capital adequacy.** Profitable operations resulted in strong retained earnings supporting the buildup of capital, which reached GEL120 million at a CAGR of 17% during 2015–2017. As Credo only became a bank in March 2017, it has a short capital adequacy history. In June 2018, Credo reported a total CAR of 16.4%, providing a comfortable 3.2% buffer in line with the NBG's new capital adequacy measurement. Credo's well-diversified exposure and small size are reflected in the NBG's capital adequacy requirement for Credo.

20. **Loan portfolio and asset quality.** Credo's loan book of \$205 million equivalent in 2017 is well-diversified and quickly liquidating, with an average tenor below 2 years. The loan book has a strong focus on agriculture (46%), followed by services and trade (31%), retail (21%), and manufacturing (2%). So far, retail does not include housing loans. Although the agriculture loan

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<sup>12</sup> ADB. 2003. *Enhancing the Asian Development Bank's Role in Combating Money Laundering and the Financing of Terrorism*. Manila; and ADB. 2016. *Anticorruption Policy: Enhancing the Role of the Asian Development Bank in Relation to Tax Integrity*. Manila.

book growth was modest at a CAGR of 5% during 2015–2017, Credo’s support of the rural economy remains strong. Loans to households grew strongly since their introduction in 2014 at a CAGR of 28% during 2015–2017, while services and trade reflect a more mature segment and grew at a CAGR of 14% in the same period. Credo’s credit policy and underwriting practices are prudent, supported by rigorous client selection and monitoring. Credo’s asset quality remains sound, with a 0.9% share of net impaired loans to gross loans in 2017, according to ADB’s NPL definition.<sup>13</sup> Provisioning is conservative, with loan loss reserves representing 169.8% of classified loans in 2017.

21. **Earnings and profitability.** Declining market interest rates because of rising competition and the doubling of nonearning assets associated with NBG minimum liquidity reserve requirements led to a decline of net interest income by GEL6.5 million in 2017, which was only partly offset by the increased fee income of GEL3.3 million. As a result, net income dropped to GEL20.1 million. A 3.3% return on average assets was still achieved in 2017 and the return on average equity reached 18.4% in the same year.

22. **Funding and liquidity.** With the banking license in place, Credo started to mobilize deposits in June 2018 as described in para.14. Since 2015, Credo has been gradually replacing foreign currency through lari funding, which represented 73% of its funding in 2017. Credo plans to boost long-term lari funding via term deposits, which are still at very modest levels, as well as IFI loans. Credo’s liquidity profile is adequate, with liquid assets accounting for 20% of short-term liabilities.

## C. TBC Bank

### 1. Business Overview and Strategy

23. With the acquisition of Bank Republic, TBC is now Georgia’s largest bank with market shares of 38% for loans and 39% for deposits in 2017. TBC is a systemically important bank. Its assets reached GEL12.6 billion in 2017, increasing at a CAGR of 27% since 2011. In the same period, TBC achieved strong loan growth at a CAGR of 26%, reaching GEL8.6 billion. At the end of 2017, micro, SME, retail, and corporate segments made up 68% of its assets, representing a strong franchise. TBC’s unique strength lies in its business sophistication via cost-effective electronic distribution channels. With the full integration of Bank Constanta, a rural-focused microfinance bank, and Bank Republic, TBC improved its rural presence and maximized synergies for small business lending, while deepening its urban service outreach. TBC’s deposits reached GEL7.9 billion and its capital was GEL2.2 billion in 2017. Since 2014, Fitch Ratings has kept TBC’s long-term issuer default rating on par with the sovereign rating at BB–, with a positive outlook. In 2018, Moody’s Investors Service upgraded TBC’s foreign currency rating to Ba3 and its local currency rating to Ba2, both with a stable outlook. With increased competition and depth of financial services in Georgia, TBC is preparing to diversify to other regional markets.

### 2. Ownership, Management, and Governance

24. Established in 1992, TBC created in May 2016 TBC UK, which owns 99.9% of TBC shares, representing 97.26% of TBC UK’s assets and 100% of TBC Insurance JSC, representing 0.34% of TBC UK’s assets. TBC currently owns 100% of TBC Kredit LLC (TBC Kredit), Azerbaijan, representing 0.26% of TBC UK’s assets as well as eight very small Georgia based

<sup>13</sup> ADB’s NPL definition includes loans (i) past due more than 90 days; (ii) classified substandard, doubtful, and loss; and (iii) restructured within 12 months of the reporting date.



subsidiaries representing 2.14% of TBC UK's assets. TBC UK was listed on the LSE premium segment on 4 August 2016. More than 50% of TBC UK's shares are traded as free float, meeting LSE's minimum requirement. The two Georgian founders, Badri Japaridze and Mamuka Khazaradze, own 20.5%; IFIs reduced their shareholding from 54.0% in 2014 to 11.2% in June 2018. Institutional investors include Schroder Investment Management Limited (8.8%), J.P. Morgan Asset Management (8.8%), Dunross and Co. AB (5.6%), and other undisclosed investors whose combined holdings represent 45.1% of share capital. With the LSE listing, TBC's governance and management sophistication and systems improved substantially. To ensure that transactions and relationships are kept on an arm's length basis, on 31 May 2016 TBC UK entered into a relationship agreement with the TBC founders and their affiliates.

25. Integrity and enhanced tax due diligence were conducted. After reviewing the transaction, ADB does not believe that TBC is being used for money laundering, terrorism financing, or cross-border tax evasion. As TBC UK is listed on the LSE and is subject to the enhanced regulatory environment the United Kingdom requires, the risks associated with TBC are not considered significant.

26. CONFIDENTIAL INFORMATION DELETED

27. CONFIDENTIAL INFORMATION DELETED

28. CONFIDENTIAL INFORMATION DELETED

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30. **Governance structure.** The meeting of the shareholders is TBC UK's supreme governing body. It elects the BOD; sets policy, strategy, and business targets, and appoints and supervises the BOM. TBC UK has nine directors, including the two founders, with Mamuka Khazaradze as TBC chair since 1992. Five TBC UK directors are nonexecutive independent directors (all senior professionals with international banking experience, of which two are female) and two, the CEO and the CFO, are TBC executives. TBC has seven directors, which are identical to TBC UK except for the CEO, Vakhtang Butskrikidze, and the CFO, Giorgi Shagidze, who as executives, do not qualify as directors under NBG regulations.

31. In line with the United Kingdom's Code of Corporate Governance, listing rules, and NBG regulations, the BOD is supported by dedicated committees for (i) remuneration, which is responsible for BOM remuneration; (ii) corporate governance and nomination, which develops corporate governance policies and handles BOM appointments; (iii) audit; and (iv) risks, ethics, and compliance, which oversees risk management, including large exposures. TBC executives are not represented on BOD committees.

32. **Management.** TBC's BOM is composed of eight executives: the CEO, the first deputy CEO, the COO, the CFO, the chief risk officer, and the heads for retail, SME, and corporate business. All are professional bankers who are qualified to lead the bank; four have been with TBC for more than 8 years and four have international experience. The BOM sets and reviews TBC's strategy and business targets and prepares TBC policies. The BOM is supported by asset-liability management, credit, and operational risk management committees. Business functions are separated into corporate, retail, and micro and SME segments. The chief risk officer leads risk management, and legal; the CFO oversees finance, treasury, accounting, and strategy; and the COO heads operations and information technology. Corporate business and risk are centralized at the head office, while SME, micro, and retail relationships are managed at the branch level. TBC's organization reflects an adequate separation of business generation and risk control.

### 3. Financial Performance

33. **Capital adequacy.** TBC increased its capital at a CAGR of 23% during 2015–2017, but this was exceeded by the growth of risk-weighted assets (36%) mainly because of the acquisition of Bank Republic. The CAR weakened from 16.0% in 2015 to 13.5% in 2017, but is still above the 10.5% limit. Beginning in 2018, Georgian banks must comply with the NBG's new capital adequacy framework. As a systemically important bank, TBC will have to gradually meet a minimum total CAR increase from 16.5% in 2018 to an estimated 17.6% in 2022. The required CAR is updated periodically based on TBC's risk profile set by the NBG. TBC projects that it will exceed a CAR of 18% in 2022, well above the required NBG minimum.

34. **Loan portfolio and asset quality.** TBC improved its risk profile by reducing the share of corporate loans from 46% in 2011 to 29% in 2017, while increasing retail loans from 39% to 49% and MSME loans from 15% to 22%. Retail loans grew at a CAGR of 31%. Within retail, TBC's mortgage loan book represented 24% of total loans in 2017. Top 20 group exposures made up 94% of corporate loans in 2017. While significant, large exposures are diversified in different areas, including energy and utilities, hospitality, food, telecommunications, real estate, and trade. Related party exposures have been negligible since 2014.

35. TBC's asset quality has improved, with the gross NPL ratio using ADB's definition falling from 6.2% in 2015 to 4.5% in 2017. Following TBC's NPL definition, NPLs are adequately provisioned; loan loss reserves made up 81% of NPLs and, in addition to conservative loan collateralization, covered 209% of NPLs in 2017. TBC's retail segment has good asset quality, with reported NPL ratios not exceeding 2.7%. Within retail, the mortgage loan book has the best asset quality with an NPL ratio of 2.0% in 2017. As for corporate loans, the NPL ratio is traditionally higher, declining from 7.9% in 2015 to 4.8% in 2017, partly because of corporate loan growth. The MSME NPL ratio increased moderately from 4.4% in 2015 to 4.6% in 2017. Overall, TBC has maintained acceptable asset quality.

36. **Earnings and profitability.** TBC registered strong net income growth from GEL218.7 million in 2015 to GEL359.9 million in 2017, although increasing competition in the MSME and retail segments resulted in a decline of its net interest margin by 199 basis points to 5.9%. Despite the cost related to the acquisition of Bank Republic, TBC's streamlined business processes improved the cost–income ratio by 162 basis points and maintained strong profitability. As a result, the return on average assets of not less than 4.1% and the return on average equity of not less than 19.6% were recorded during 2015–2017.

37. **Funding and liquidity.** TBC largely funds itself through deposits with a contractual maturity of less than 12 months, which covered 71.8% of funding in 2017. Borrowings constituted the remainder of funding. TBC manages its liquidity risk to meet cash flow needs using the liquidity coverage ratio within 12 months. TBC stress tests liquidity coverage weekly and has consistently met NBG minimum liquidity requirements. TBC's balance sheet is highly dollarized (66% in loans and 69% in liabilities in 2017).

### III. THE PROPOSED ADB ASSISTANCE

#### A. The Assistance

38. The transactions will support affordable mortgage and home renovation financing for urban and rural dwellers with lower and medium incomes.<sup>14</sup> The proposed ADB assistance comprises senior loans of (i) up to \$25 million or its lari equivalent to Credo with a tenor of up to 5 years, and (ii) up to the lari equivalent of \$100 million to TBC with a tenor of up to 6 years. ADB's assistance also includes a \$0.5 million TA to Credo.

#### B. Implementation Arrangements

39. The proposed loans will be governed by agreements that contain terms customary for loans of this nature and amount. ADB will monitor the transactions, providing annual monitoring reports no later than 12 months after the first disbursement. The banks will provide ADB with financial and other reports at predetermined regular intervals and as requested, including annual audited financial statements, quarterly compliance certificates, periodic reports on the sub-loans financed by the ADB loans, development indicator reports, and TA implementation and impact reports from Credo.

#### C. Value Added and Rationale of ADB Assistance

40. **Broadening access to finance.** The mortgage market is still nascent in Georgia and long-term funding is needed for home renovation and mortgages. The transactions will considerably improve financing for housing loans and enable access to housing and mortgage funding on a broader scale for lower- and middle-income segments. ADB's long-tenor funding will enable Credo and TBC to provide long-term housing loans to their customers.<sup>15</sup> ADB's Private Sector Operations Department is also working closely with ADB's Treasury Department to secure long-term lari funding through ADB bonds (depending on market conditions) to help reduce the banks' and sub-borrowers' exposure to currency risk.

41. **Supporting the buildup of a new bank.** Credo has just converted to a bank and is expanding its product offerings to serve excluded or underbanked segments better. The proposed loan will support Credo's new initiative—a result of ADB's intensive dialogue with Credo during the preparation of the transaction—to serve lower-income homeowners, thereby helping to reduce rural poverty and improve living conditions.

42. **Improving financial inclusion for women in rural Georgia.** Low rates of land ownership and lower incomes impede women from fully benefiting from Georgia's improving banking services industry, especially in rural areas. As a bank, Credo plans to expand coverage from lending to full banking services and make special efforts to improve the financial literacy of women—moving from a credit-only approach to services that include savings and insurance, which can mitigate the volatility of women's incomes, especially in rural areas. The attached TA (para. 51) will support this effort. TBC also has gender-specific targets to facilitate mortgage lending outreach to low-income households led by women.

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<sup>14</sup> Under the transactions, sub-loan exposures up to GEL100,000 are eligible for Credo financing and sub-loan exposures up to GEL250,000 are eligible for TBC financing.

<sup>15</sup> As noted in para. 32, deposits constitute 71.8% of TBC's funding with a contractual maturity of less than 12 months.

**D. CONFIDENTIAL INFORMATION DELETED**

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**E. Technical Assistance**

51. The TA will support Credo’s efforts to expand cost-effective services to its rural clients, especially women, and broaden its service offerings beyond lending. The TA is estimated to cost up to \$1.3 million, of which up to \$0.5 million is expected to be financed on a grant basis by ADB’s Technical Assistance Special Fund (TASF-other sources). Credo will cover the remaining cost of the TA, estimated at \$0.8 million. To ensure adequate management, accountability, ownership of Credo over the execution of services and timely response to local needs identified during implementation, the administration (selection and execution) will, as successfully executed in an ongoing project, be delegated to Credo to be carried out following ADB policies and established commercial practices acceptable to ADB. The role of ADB will be to monitor the compliance of consultant selection, procurement, and the use of funds with ADB policies, and to track outputs for development effectiveness. Credo will carry out reporting and periodical impact assessments of the TA measures, with a special focus on its female beneficiaries.

**IV. DEVELOPMENT IMPACT AND STRATEGIC ALIGNMENT**

**A. Development Impact, Outcome, and Outputs**

52. **Impact.** The transactions will support the government’s strategy to achieve inclusive economic growth, via improved financial intermediation, broader access to finance and provision of mortgage-based instruments. Affordable housing is seen as a key pillar of social security.

53. **Outcome.** The outcomes for the transactions will be that (i) the availability of Credo’s housing finance lending to low-income families is sustainably improved; and (ii) the availability of TBC’s affordable mortgage lending to low and middle-income families is improved.

54. **Outputs.** For the transaction with Credo, the outputs are that (i) Credo’s outreach to rural female customers is improved; (ii) Credo’s capacity for financing mortgages and home renovation is expanded; and (iii) Credo’s operations, marketing, and tracking systems are more gender equitable. For the transaction with TBC, the outputs are that (i) TBC’s capacity for financing mortgages is expanded; and (ii) TBC’s marketing and tracking systems are more gender equitable.

**B. Alignment with ADB Strategy and Operations**

55. **Consistency with ADB strategy and country strategy.** The proposed transactions support the following key operational priorities of ADB’s Strategy 2030: (i) addressing remaining poverty and reducing inequalities; (ii) promoting rural development; and (iii) improving progress

in gender equality through the gender action plans.<sup>16</sup> The two transactions are consistent with government efforts to promote the well-being of its citizens and ADB's country partnership strategy, 2014–2018 for Georgia.<sup>17</sup>

56. **Consistency with sector strategy and relevant ADB operations.** ADB plays a tangible role in deepening the finance sector in Georgia. Since 2007, it has provided nonsovereign loans amounting to \$255 million and TA to banks (Bank of Georgia, Credo, Finca Bank, and TBC) and the NBG. Bank of Georgia, Basis Bank, and TBC also benefit from ADB's Trade Finance Program. The loans to Credo and TBC will strengthen the relationship with ADB further. ADB's nonsovereign efforts align with a sovereign program approved in 2016 and a new program anticipated for 2019 to develop the capital markets, including the issuance of lari bonds and covered bond legislation, among other banking policy reforms.<sup>18</sup>

57. **Support for base of the income pyramid.** ADB's funding to Credo will help at least 5,000 borrowers, predominantly from the base of the income pyramid (lowest income quantities), to access term loans for micro housing and related investments in water and sanitation, thereby improving their household living conditions. As ADB's financing helps enable access to such finance, the transaction is classified *inclusive business*. In addition, ADB's funding to TBC, which in June 2018 had 45% of its mortgage loans outstanding and 59% of its mortgage customers in a low-income segment up to GEL30,000, has high development impact and contributes to the achievement of Sustainable Development Goal 10 (reduce inequality within and among countries).

## V. POLICY COMPLIANCE

### A. Safeguards and Social Dimensions

58. **Category FI (treated as C).** ADB has categorized the investment in compliance with ADB's Safeguard Policy Statement (2009). TBC's mortgage and Credo's housing loan and home renovation activities to be funded under the transactions have minimal or no adverse environmental impacts and are unlikely to entail impacts on involuntary resettlement and indigenous peoples. The borrowers will (i) apply ADB's prohibited investment activities list, (ii) exclude funding by ADB of activities with *category A and B* environment and social safeguard impacts; (iii) ensure that investments using ADB funds comply with ADB's Safeguard Policy Statement and abide by applicable national laws and regulations, including labor laws, pursuant to ADB's Social Protection Strategy; and (iv) take measures to comply with internationally recognized core labor standards. The borrowers will confirm this in their periodic reports to ADB and need not apply any other specific safeguard or social requirements.

59. The transaction with Credo is classified as having gender mainstreaming as a theme whereas the transaction with TBC is classified as effective gender mainstreaming. Following ADB's Policy on Gender and Development (1998), Credo and TBC incorporate measures to promote gender equality and/or women's empowerment under the proposed transactions in its business activities. Key features of the gender action plans include the targeting of housing loans

<sup>16</sup> ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

<sup>17</sup> ADB. 2014. *Country Partnership Strategy: Georgia, 2014–2018*. Manila.

<sup>18</sup> ADB. 2016. *Report and Recommendation of the President to the Board of Directors: Proposed Policy-Based Loans for Subprogram 3 to Georgia for the Improving Domestic Resource Mobilization for Inclusive Growth Program*. Manila.

to low-income female customers and in addition, in the case of Credo, improving financial service outreach, literacy, and business skills to women in rural areas.

#### **B. Anticorruption Policy**

60. Credo and TBC were advised of ADB's policy of implementing best international practice relating to combating corruption, money laundering, and the financing of terrorism. ADB will ensure that the investment documentation includes appropriate provisions prohibiting corruption, money laundering, and the financing of terrorism; and remedies for ADB in the event of noncompliance.

#### **C. Investment Limitations**

61. The proposed loans are within the medium-term, country, industry, group, and single exposure limits for nonsovereign investments.

#### **D. Assurances**

62. Consistent with the Agreement Establishing the Asian Development Bank (the Charter),<sup>19</sup> ADB will proceed with the proposed assistance upon establishing that the Government of Georgia has no objection to the proposed assistance to Credo and TBC. ADB will enter into suitable finance documentation, in form and substance satisfactory to ADB, following approval of the proposed assistance by the ADB Board of Directors.

### **VI. RECOMMENDATION**

63. I am satisfied that the (i) proposed loan for Low-Income Housing Finance; and (ii) proposed loan for Affordable Mortgage Finance, each, in Georgia, would comply with the Articles of Agreement of the Asian Development Bank (ADB). The recommendations described in paras. 64 and 65 are several and each should be separately considered by the Board. Each proposed loan would be from ADB's ordinary capital resources and incorporate such terms and conditions as are substantially in accordance with those set forth in this report, and as may be reported to the Board.

64. I recommend that the Board approve the loan of up to \$25,000,000 or its lari equivalent to Credo Bank JSC.

65. I recommend that the Board approve the loan of the lari equivalent of up to \$100,000,000 to TBC Bank JSC.

Takehiko Nakao  
President

8 November 2018

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<sup>19</sup> ADB. 1966. *Agreement Establishing the Asian Development Bank*. Manila.

**DESIGN AND MONITORING FRAMEWORK**  
(Credo Bank JSC)

<b>Impacts the Transaction is Aligned with</b>			
Georgian Government Platform 2016-2020 where inclusive economic growth is a priority of government policy to enhance the well-being of its citizens and reduce poverty and unemployment. The government policy will improve, among others, financial intermediation, access to credit, especially for SMEs and the development of mortgage-based instruments and affordable housing is seen as a key pillar of social security. <sup>a</sup>			
<b>Results Chain</b>	<b>Performance Indicators with Targets and Baselines</b>	<b>Data Sources and Reporting Mechanisms</b>	<b>Risks</b>
<p><b>Outcomes</b></p> <p>The availability of Credo's housing finance lending to low-income families is sustainably improved</p>	<p>By 2023</p> <p>a. Annual mortgage and home renovation loan disbursements reached GEL180 million (June 2018 baseline: 0)</p> <p>b. Annual mortgage and home renovation loan disbursements outside Tbilisi reached GEL130 million (June 2018 baseline: 0)</p> <p>c. Annual mortgage and home renovation loan disbursements to women reached GEL90 million (June 2018 baseline: 0)</p> <p>d. Number of active mortgage and home renovation borrowers reached 26,000 (June 2018 baseline: 0)</p> <p>e. Number of active female mortgage and home renovation borrowers reached 13,000 (June 2018 baseline: 0)</p>	<p>a-e. Credo's semi-annual progress reports and quarterly financial statements</p>	<p>Macroeconomic and currency instability, which constrain income of low-income households</p>
<p><b>Outputs</b></p> <p>1. Credo's outreach to rural female customers is improved</p> <p>2. Credo's capacity for financing mortgages and</p>	<p>By 2022</p> <p>1a. Credo established a branchless service system targeting service outreach in 1,300 villages (June 2018 baseline: NA)</p> <p>1b. Full branchless banking services reached 30,000 women deposit and borrower clients in rural areas (June 2018 baseline: 0)</p> <p>1c. Financial literacy skills of 70% of women customers trained and surveyed are improved (June 2018 baseline: NA)</p> <p>2a. Housing loan program established by 2019 (June 2018 baseline: NA)</p>	<p>1-3. Credo's semi-annual progress reports and quarterly financials</p>	<p>Insufficient demand for lending to homeowners</p>

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
<p>home renovation is expanded</p> <p>3. Credo's operations, marketing, and tracking systems are more gender equitable</p>	<p>2b. ADB-funded GEL60 million deployed in Credo's mortgage and home renovation loans by 2021 (June 2018 baseline: 0)</p> <p>3a. Comprehensive women-focused financial literacy and marketing program established by 2019 (June 2018 baseline: NA)</p> <p>3b. Women-focused rural income generating training program established by 2019 (June 2018 baseline: NA)</p> <p>3c. Tracking system for sex-disaggregated data (borrowers and disbursement) established by 2018 (June 2018 baseline: NA)</p>		
<b>Key Activities with Milestones</b>			
<ol style="list-style-type: none"> <li>1. Loan agreement is signed by June 2019.</li> <li>2. First disbursement is made by July 2019.</li> <li>3. TA agreement is executed by March 2019.</li> <li>4. Approximately GEL60 million in housing and home renovation loans, funded by ADB, is deployed by Credo by 2021.</li> <li>5. Credo's branchless banking services targeting low-income clients in rural areas start operations by December 2020.</li> <li>6. Credo's women-focused financial skills training becomes fully operational in rural areas by December 2019.</li> </ol>			
<b>Inputs</b>			
<p>ADB</p> <p>Senior loan: Approximately GEL60 million or up to \$25 million equivalent</p> <p>Technical assistance: \$500,000 (TASF-other sources)</p> <p>Credo Bank</p> <p>Technical assistance: \$800,000 equivalent in lari</p>			
<b>Assumptions for Partner Financing</b>			
NA			

ADB = Asian Development Bank, Credo = Credo Bank, GEL = Georgian lari, NA = not applicable, TASF = Technical Assistance Special Fund.

<sup>a</sup> Government of Georgia. 2016. *Freedom, Rapid Development, Prosperity: Government Platform, 2016–2020*. Tbilisi. Sources: Asian Development Bank and Credo Bank.



**DESIGN AND MONITORING FRAMEWORK**  
(TBC Bank JSC)

<b>Impacts the Transaction is Aligned with</b>			
Georgian Government Platform 2016-2020 where inclusive economic growth is a priority of government policy to enhance the well-being of its citizens, and reduce poverty and unemployment. The government policy shall improve, among others, financial intermediation, access to credit, especially for SMEs and the development of asset-based instruments and affordable housing is seen as a key pillar of social security. <sup>a</sup>			
<b>Results Chain</b>	<b>Performance Indicators with Targets and Baselines</b>	<b>Data Sources and Reporting Mechanisms</b>	<b>Risks</b>
<p><b>Outcome</b> The availability of TBC's affordable mortgage lending to low and middle-income families is improved</p>	<p>By 2023</p> <p>a. Amount of mortgage loans outstanding reached GEL3,200 million (June 2018 baseline: GEL2,000 million)</p> <p>b. Amount of mortgage loans outstanding to borrowers with an annual income of up to GEL50,000 reached GEL2,400 million (June 2018 baseline: GEL1,172 million)</p> <p>c. Number of mortgage borrowers reached 31,000 (June 2018 baseline: 21,793)</p> <p>d. Number of female mortgage borrowers reached 11,500 (baseline June 2018: 8,022)</p> <p>e. Number of mortgage borrowers with an annual income of up to GEL50,000 reached 26,500 (June 2018 baseline: 16,389)</p> <p>f. Number of female mortgage borrowers with an annual income of up to GEL50,000 reached 10,500 (June 2018 baseline: 6,434)</p>	<p>a-f. TBC's semi-annual progress reports and quarterly financial statements</p>	<p>Macroeconomic and currency instability, constrain demand for mortgage loans and adversely impact borrowers' debt service capacity</p>
<p><b>Output</b> 1. TBC's capacity for financing mortgages is expanded</p> <p>2. TBC's marketing and tracking systems are more gender equitable</p>	<p>By 2022</p> <p>1a. ADB-funded \$100 million equivalent in GEL deployed in TBCs mortgage and home renovation loans (baseline: 0)</p> <p>1b. Annual amount of mortgage loans disbursed reached GEL1,500 million (2017 baseline: GEL895 million)</p> <p>2a. Annual amount of mortgage loans outstanding to female borrowers with an annual income of up to GEL50,000 reached GEL900</p>	<p>1-2. TBC's semi-annual progress reports and quarterly financial statements</p>	<p>Insufficient demand for mortgage lending</p>

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	million (June 2018 baseline: 430 million)  2b. Tracking system disaggregated by sex and income segment (borrowers and disbursement) established by 2018 (June 2018 baseline: NA)		
<b>Key Activities with Milestones</b> 1. Loan agreement is signed by March 2019. 2. First disbursement is made by June 2019. 3. Loan is fully disbursed by June 2020.			
<b>Inputs</b> ADB: \$100 million in GEL equivalent (senior loan)			
<b>Assumptions for Partner Financing</b> NA			

ADB = Asian Development Bank, GEL = Georgian lari, NA = not applicable, TBC = TBC Bank.

<sup>a</sup> Government of Georgia. 2016. *Freedom, Rapid Development, Prosperity: Government Platform, 2016–2020*. Tbilisi. Sources: Asian Development Bank and TBC Bank.

## LIST OF LINKED DOCUMENTS

### **Low-Income Housing Finance**

<http://www.adb.org/Documents/RRPs/?id=52187-002-4>

1. Contribution to the ADB Results Framework
2. Country Economic Indicators
3. Attached Technical Assistance Report

### **Affordable Mortgage Finance**

<http://www.adb.org/Documents/RRPs/?id=52187-001-4>

1. Contribution to the ADB Results Framework
2. Country Economic Indicators