

## Public Information Summary

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| <b>Host Country</b>                      | Georgia   |
| <b>Name of Borrower</b>                  | JSC Bank of Georgia   |
| <b>Project Description</b>               | Corporate loan facility to JSC Bank of Georgia to fund its micro, small and medium enterprise (MSME) clients impacted by the economic crisis resulting from the COVID-19 pandemic in Georgia.   |
| <b>Proposed DFC Loan</b>                 | \$100,000,000, 11.75-year Maturity  |
| <b>All-Source Funding Total</b>          | \$125,000,000   |
| <b>Policy Review</b>                     |   |
| <b>Developmental Objectives</b>          | <p>The Project is expected to have a highly developmental impact in Georgia through support for the Bank’s on-lending to MSMEs to help these firms withstand COVID-19 pandemic impacts on the economy. The economic shock of the pandemic has had a significant impact on Georgia, and in 2020 the country is projected to witness its largest contraction since the early 1990s. The impact of the pandemic has interrupted cash flows and increased liquidity demands among borrowers and lenders, driving loan losses and constraining lenders ability to restructure loans and reduce eventual losses. The Project loan relieves substantial pressure on Bank funding and extends the average maturity to better match the extended repayment timeframes that may result from the pandemic effects.</p>   |
| <b>Environment and Social Assessment</b> | <p>The Project has been reviewed against DFC’s categorical prohibitions and has been determined to be categorically eligible. Projects involving investments in microfinance are screened as Category C projects under DFC’s environmental and social guidelines. Environmental, health, safety, and social impacts are minimal. In order to ensure that the Borrower’s investments are consistent with DFC’s statutory and policy requirements, the Project will be subject to conditions regarding the use of the DFC proceeds.</p> <p>The primary environmental and social issue associated with the Project is the need for a strong Environmental and Social Management System to ensure that downstream investments are developed in accordance with DFCs Environmental and Social Policies and Procedures (ESPP) Under DFC’s ESPP, the Borrower is required to comply with applicable local and national laws and regulations related to environmental and social performance and applicable provisions of the 2012 International Finance Corporation’s Performance Standard (“PS”) 1 and 2.</p> |

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|  | <p>A desktop due diligence assessment indicates that because the Project involves an investment in a financial intermediary, significant adverse impacts with respect to community health and safety, biodiversity, land acquisition and resettlement, indigenous peoples and cultural heritage are not anticipated. Therefore, PS 3, 4, 5, 6, 7, and 8 are not triggered at this time.</p> <p>The Borrower has multiple policies and procedures that when taken as a whole, make up their Environmental and Social Assessment Management System (ESMS). The Borrower has an ESMS, due diligence procedures aligned with the applicable IFC Performance Standards, and monitoring procedures to ensure sound social and sustainable environmental investment decisions. The Borrower has Human Resources Policies that adhere to international best practices and local laws and provides employees with employment contracts that explain the terms of work and internal grievance mechanisms designed to encourage dialogue and continuous improvement in the workplace.</p> |
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