Early Warning System

EBRD-53106

AT1 capital loan to Bank of Georgia

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Quick Facts

Countries	Georgia
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Voting Date	2022-05-25
Borrower	BANK OF GEORGIA JSC
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 35.00 million
Project Cost (USD)	$ 50.00 million

Project Description

According to the Bank's website, the project provides funding to the Bank of Georgia to finance the strengthening of its capital by bolstering Tier 1 equity, optimising capital structure in line with Basel III Pillar 2 phase-in plan and currency-diversifying the capital base.

Investment Description

- European Bank for Reconstruction and Development (EBRD)

The project consists of two parallel capital loans for the total amount of up to USD 50 million (EUR 46 million). EBRD will finance a portion of up to USD 35 million (EUR 32 million) and the Swedfund will provide the remaining up to USD 15 million (EUR 13.8 million).

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- JSC Bank of Georgia (Financial Intermediary)

Private Actors Description

The Company is the second largest and systemically important universal bank in Georgia with ~ 35%-40% market shares in sector loans and deposits. The bank is the core entity (90% of total assets) of Bank of Georgia Group PLC ("BoGG Group"), a UK incorporated holding company listed on the premium segment of the London Stock Exchange (LSE) since 2012 (listed since 2006).

Contact Information

PROJECT CONTACT INFORMATION

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ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form: https://www.ebrd.com/eform/information-request

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: pcm@ebrd.com or you can submit a complaint online using an online form at: http://www.ebrd.com/eform/pcm/complaint_form?language=en

You can learn more about the PCM and how to file a complaint at: http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html

Bank Documents

- Translation: AT1 capital loan to Bank of Georgia (Georgian)