



ProCredit Bank



ProCredit
HOLDING

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EUR 50 million to benefit SMEs in Georgia as EIF and ProCredit Bank Georgia sign first InnovFin transaction

The European Investment Fund (EIF) and ProCredit Bank Georgia signed an InnovFin agreement in Luxembourg today that will benefit innovative Georgian small and medium-sized enterprises (SMEs) and small mid-caps.

The InnovFin agreement, the first of its kind in Georgia, will enable ProCredit Bank Georgia to provide loans to innovative companies over the next two years with the support of a guarantee provided by the EIF and backed by Horizon 2020, the EU Framework Programme for Research and Innovation. The InnovFin guarantee covers 50% of each loan disbursed by ProCredit Bank Georgia and is expected to generate a total loan portfolio of EUR 50 million.

Carlos Moedas, European Commissioner for Research, Science and Innovation, said: *“Horizon 2020, our research and innovation programme, is open to the world, and a productive relationship with Eastern Partnership countries such as Georgia is an important part of our strategy. This deal takes our cooperation with Georgia one step further. It will support Georgia’s economy, as Georgian companies can now benefit from EU-guaranteed loans to boost their research and innovation potential”.*

Commenting on the signature, the EIF’s Chief Executive, **Pier Luigi Gilibert**, said: *“I welcome the signature of this first InnovFin agreement in Georgia. Today’s agreement will enable ProCredit Bank Georgia to expand its financing activities, which will allow innovative Georgian companies to benefit from more attractive loans.”*

Alex Matua, Director of ProCredit Bank Georgia, said: *“The InnovFin programme is very important for ProCredit Bank Georgia, as it gives us the possibility to develop further and finance the businesses that we believe are the core of the economy. We focus on small and medium enterprises that have innovative vision and embrace modern European standards. They are planning their future development and we are the financial institution that always supports them.”*

Borislav Kostadinov, member of the Management Board of ProCredit Holding, added: *“We are very pleased to announce that the InnovFin guarantee agreement, which has already been successfully implemented in eight of our banks in South Eastern and Eastern Europe, will now be introduced in Georgia, thereby easing access to financing for innovative Georgian SMEs. Of the amount allocated to the ProCredit group in 2016, one third has already been utilised to support innovative companies over the course of the year.”*

The aim of the InnovFin SME Guarantee is to encourage banks or other financial institutions to lend to SMEs and small mid-caps (up to 499 employees) in need of investment and/or operating capital to finance research, development and innovation activities, with EU financial support. Financial institutions are being selected by the EIF following a call for expression of interest for financial intermediaries across Europe.

About the EIF

The European Investment Fund (EIF) is part of the European Investment Bank group. Its central mission is to support Europe’s micro, small and medium-sized businesses (SMEs) by helping them to access finance. The EIF designs and develops venture and growth capital,

guarantees and microfinance instruments which specifically target this market segment. In this role, the EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment.

About ProCredit Bank Georgia

ProCredit Bank Georgia, as a part of the ProCredit group, has been engaged in the banking business for more than 17 years. The bank's main goal is to finance small and medium businesses with long-term development plans. By offering simple and accessible deposit facilities and other banking services, and by investing substantial resources in financial education, ProCredit Bank Georgia aims to promote a culture of saving and financial responsibility.

ProCredit Bank Georgia carries the highest possible rating in Georgia issued by Fitch Ratings, BB/Stable, which is one notch above the sovereign rating (BB-/Stable). It offers its customers innovative, modern, convenient banking services and strives to be a reliable business partner for them.

About the ProCredit group

ProCredit Holding AG & Co. KGaA, headquartered in Frankfurt am Main, Germany, is the parent company of the international ProCredit group, comprising banks with a focus on South Eastern and Eastern Europe that have specialised in serving SMEs. In addition to this strong regional presence, the group also operates in Germany and South America. The core shareholders of ProCredit Holding AG & Co. KGaA are the strategic investors Zeitinger Invest and ProCredit Staff Invest (comprising investment vehicles for ProCredit staff members), the Dutch DOEN Participaties B.V., KfW and the IFC (World Bank Group). ProCredit Holding AG & Co. KGaA is supervised, on a consolidated basis, as the superordinated company of the ProCredit group pursuant to the German Banking Act by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and by the Deutsche Bundesbank. For additional information, visit: www.procredit-holding.com.

About InnovFin

The [InnovFin SME Guarantee Facility](#) is established under the “EU InnovFin Finance for Innovators” initiative developed under [Horizon 2020](#), the EU Framework Programme for Research and Innovation. It provides guarantees and counter-guarantees on debt financing of between EUR 25,000 and EUR 7.5 million in order to improve access to loan finance for innovative SMEs and small mid-caps (up to 499 employees). The facility is managed by the EIF, and is rolled out through financial intermediaries – banks and other financial institutions – in EU Member States and Associated Countries. Under this facility, financial intermediaries are guaranteed by the EU and the EIF against a proportion of their losses incurred on the debt financing covered under the facility.

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