



### Project Summary Information

May 20, 2021

<b>Project Name</b>	TBC Bank COVID-19 Credit Line Project (Under the COVID-19 Crisis Recovery Facility)
<b>Document Code</b>	GEO-000394
<b>Country</b>	Georgia
<b>Sector/Subsector</b>	Finance / Financial Intermediary
<b>Status of Financing</b>	Approved
<b>Project Description</b>	TBC Bank COVID-19 Credit Line Project will be supported by a Non-sovereign-backed Loan to JSC TBC Bank (“TBC”), the largest commercial bank in Georgia. Proceeds from the facility will be used to provide funding for liquidity-constrained small and medium enterprises (“SMEs”). This project forms part of AIIB’s COVID-19 Crisis Recovery Facility (“CRF”), a facility designed to help members respond to the pandemic.
<b>Objective</b>	To provide liquidity support to TBC and assist COVID-19 affected SMEs in Georgia.
<b>Expected Results</b>	The project expects to dampen the macroeconomic and financial shocks stemming from the COVID-19 pandemic. It assists SMEs to prevent long-term damage to the productive capacity of the economy. The expected results may be measured by the quantum of financing made available to beneficiaries, the number of eligible sub-borrowers reached, and the stability of TBC Bank’s funding.
<b>Environmental &amp; Social Category</b>	FI
<b>Environmental and Social Information</b>	<p>AIIB’s Environmental and Social Policy (“ESP”) and Environmental and Social Exclusion List (“ESEL”) apply to this Project. The Project has been placed in Category FI, because the financing structure involves the provision of funds through a Financial Intermediary (FI), whereby the Bank delegates to the Borrower the decision-making on the use of AIIB’s funds for sub-loans in so far as the sub-loans meet the conditions of the Investment Guidelines (“IG”) agreed with TBC for the Project. The IG comprise eligibility criteria for the use of proceeds of AIIB’s funds and define AIIB environmental and social (“ES”) requirements applicable to the Project. TBC’s Environmental and Social Policy has been assessed to be materially consistent with the relevant provisions of the AIIB’s ESP and, together with the IGs, will govern the selection, implementation and monitoring of sub-projects.</p> <p>Project Capex, all Category A sub-projects and Category B sub-projects inducing higher environmental and social (“ES”) risks, such as those involving a) involuntary resettlement, b) risk of adverse impacts</p>

	<p>on Indigenous Peoples, c) significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage or d) significant occupational health and safety risks, will be excluded from the project. Coal-related activities including coal mining, coal transportation or coal-fired power plants, as well as infrastructure services exclusively dedicated to support any of these activities and large dams will also be excluded. ES requirements applicable to sub-projects will include the AIIB's ESEL and national ES laws.</p> <p>TBC's Environmental and Social Policy governs its Environment and Social Management System ("ESMS"), which was established under the guidance of EBRD and IFC. The ESMS includes an ES exclusion list and procedures to assess and manage ES risks across both project finance, corporate finance and SME loans.</p> <p>TBC is required under its ESMS to: (a) screen loan proposals against its exclusion list; (b) categorize them as per its ES internal processes; (c) conduct an ES assessment of contextual risks and current ES compliance status and performance; (d) contractually bind sub-borrowers to remain in compliance with all applicable ES regulatory requirements and TBC's Environmental and Social Policy through covenants in sub-loan agreements and, where required, in an Environmental and Social Action Plan ("ESAP") annexed to these agreements; and (e) conduct monitoring of sub-loans and accordingly report to creditors, such as AIIB. Under the ESMS, TBC representatives undertake routine site visits for higher risk profile sub-loans (based on such considerations as sub-borrower's industry sector, and financing terms and instrument) and may conduct site visits for selected medium and low risk sub-loans. A summary of the ESMS is disclosed on TBC's website in <a href="#">English</a> and <a href="#">Georgian</a> and links to this summary will be disclosed on AIIB's site.</p> <p>As part of its ESMS, TBC has set up an External Communication Mechanism (ECM) for its general operations, including the proposed Project, to address third-party views, enquiries or concerns regarding its own ES processes and outcomes, as well as ES impacts and performance of its portfolio loans.</p> <p>TBC will be required to: (a) build a database allowing the tracking of the use of AIIB funds; (b) monitor the sub-borrowers' progress in fulfilling their ES commitments; and (c) report to AIIB on an annual basis. AIIB will supervise the Project on a regular basis, including detailed post-reviews of selected sub-projects.</p>
<b>Cost and Financing Plan</b>	AIIB Loan: USD100 million
<b>Borrowers</b>	JSC TBC Bank

<b>Guarantor</b>	N/A
<b>Estimated date of loan closing</b>	February 2021

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<b>Date of Final Decision</b>	March 2021	
<b>Date of Financing Approval</b>	May 20, 2021	

<b>Independent Accountability Mechanism</b>	AIIB's Policy on the Project-affected Peoples Mechanism (PPM) applies to this Project. The PPM has been established by AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through the Project-level ECM or the processes of AIIB's Management. Information on AIIB's PPM is available at: <a href="https://www.aiib.org/en/policies-strategies/operational-policies/policyon-the-project-affected-mechanism.html">https://www.aiib.org/en/policies-strategies/operational-policies/policyon-the-project-affected-mechanism.html</a>
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