

**BIG**  
MICROFINANCE  
ORGANIZATION



# 2017

Corporate Presentation

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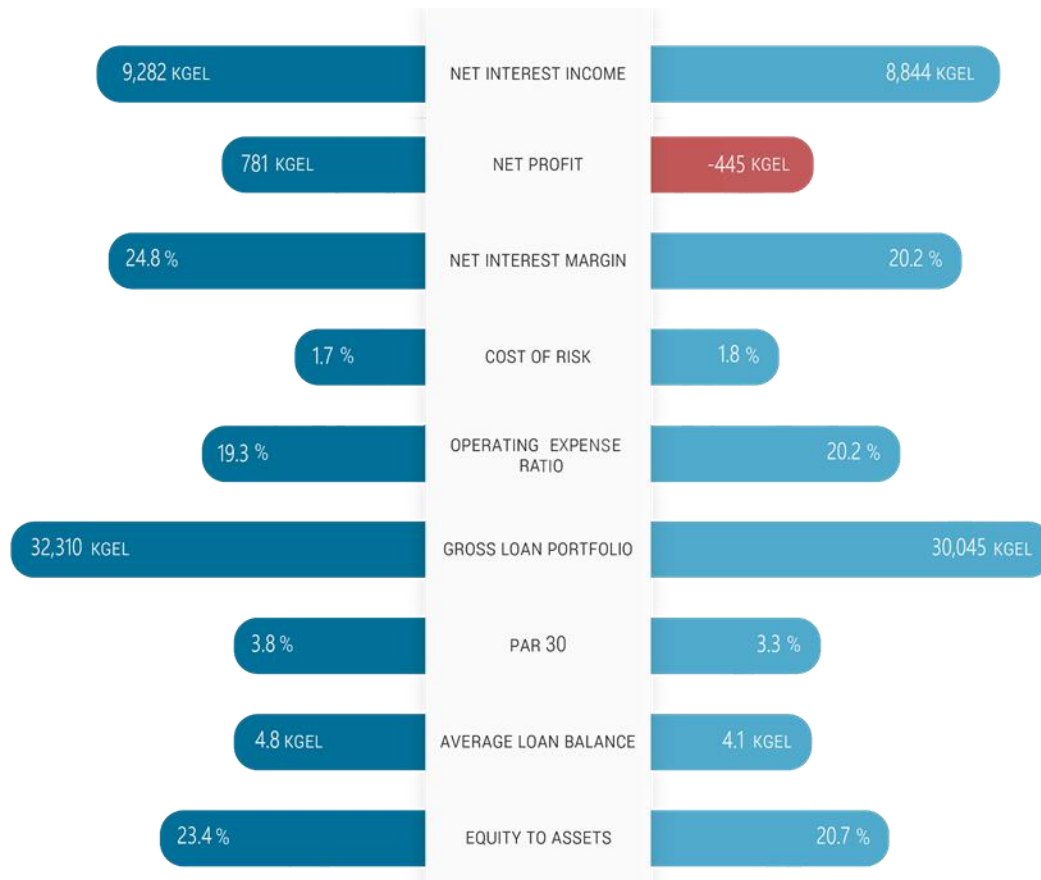
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## 1 Key Financial Results YE'2017

YE'2016



YE'2017

## 2 General overview

# Unique Story Supported by Compelling Themes

### Leading MFI with in depth local knowledge

- BIG is one of the leading MFIs in Georgia with an excellent understanding of the local market
- Unique combination of entrepreneurship and discipline

### Strong Management with Proven Track Record

- 9+ years experience in the local microfinance market both at BIG and with other established market players
- In house training program for loan officers and credit administrators

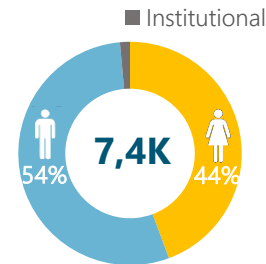
### Transparent Corporate Governance

- Institutional and Social Rating exercises
- Publicly available audited financials and quarterly results

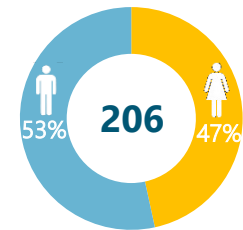
## 2 General overview

# Unique Story Supported by Compelling Themes

BIG is one of the leading microfinance institution operating on the Georgian market. Our mission is to support sustainable development of micro and small entrepreneurial activities by offering optimal financing solutions tailored to the financial position of our clients



Number of Clients  
(YE 2017)



Number of Staff  
(YE 2017)



2008

BIG is established

2011

BIG attracts overseas investment in capital and obtains microfinance license

2013

Rated BB-/Stable by MicroFinanza institutional rating

2015

Rated <sup>S</sup>B by MicroFinanza Social Rating

Attracted first institutional funding from MIVs

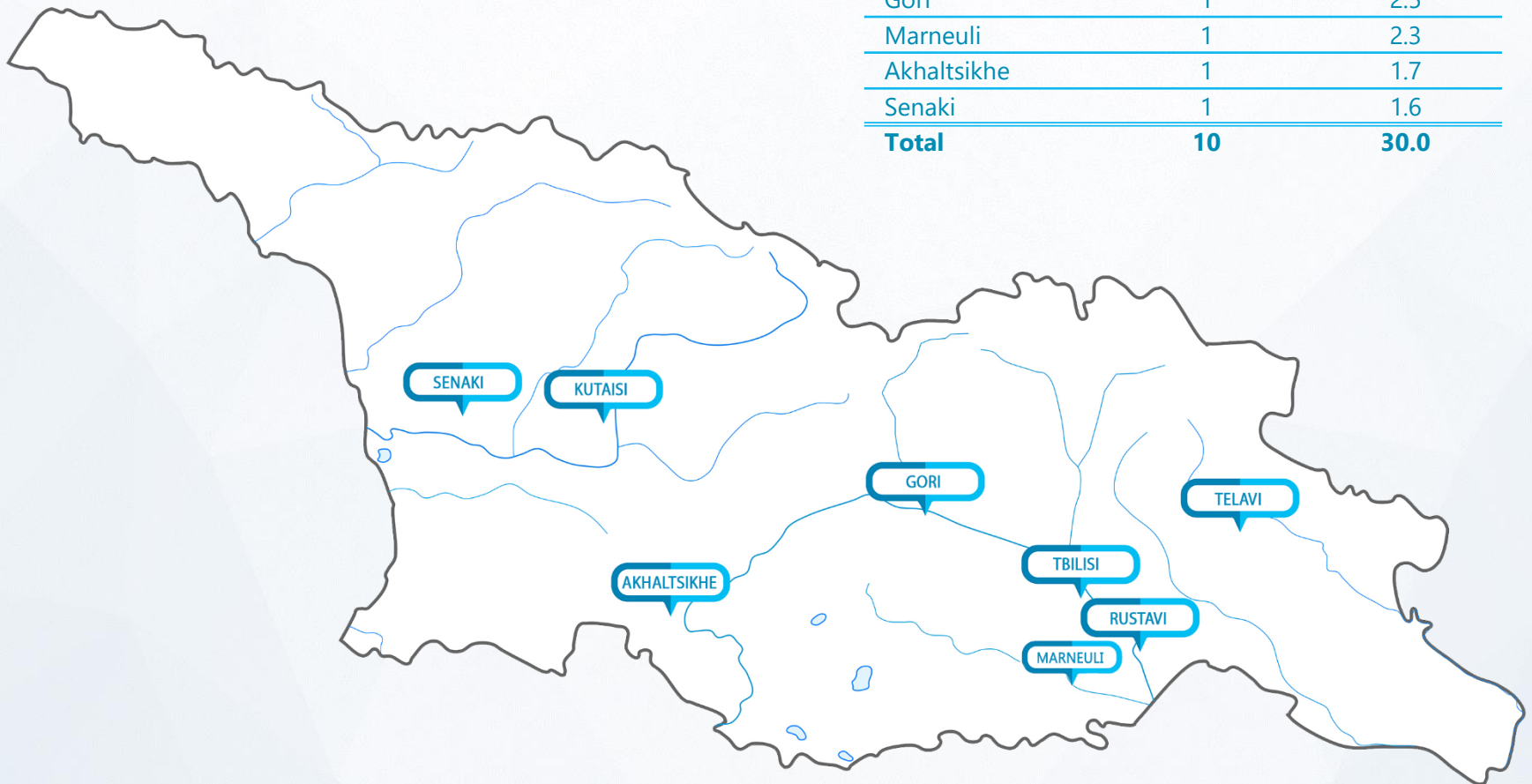
2016

Launched 3 branches in different regions of Georgia: (Gori, Senaki and Marneuli)

## 2 General overview

# Outreach

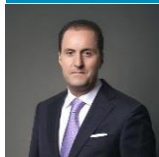
Region	# of Service Centers	GLP (mil ₾)
Tbilisi	3	12.3
Kutaisi	1	4.3
Telavi	1	2.8
Rustavi	1	2.6
Gori	1	2.5
Marneuli	1	2.3
Akhaltzikhe	1	1.7
Senaki	1	1.6
<b>Total</b>	<b>10</b>	<b>30.0</b>



## 2 General overview

# Company Leadership

### Supervisory Board



**Zurab Davlianidze**  
Chairman of Supervisory Board

Zurab Davlianidze has over 10 years experience of working in senior positions in the banking sector. Namely, Zurab has held the positions of Branch Director and Regional Director at TBC Bank. In the last years, he has successfully founded several businesses in finance, construction and manufacturing sectors. He holds a Bachelor's degree in International Economic Relations from Ivane Javakishvili Tbilisi State University and Master's degree in Business Administration from Caucasus University.



**Teimuraz Jashi**  
Member of Supervisory Board

Teimuraz Jashi has over 15 years of working experience in the banking field. At various times, he held managerial positions in information technology development as well as corporate banking and credit services at TBC Bank and Bank of Georgia. In recent years, he has established several successful businesses in the financial field. Teimuraz graduated from the Agricultural University in Georgia majoring in Banking and Finance.



**Giorgi Akhvlediani**  
Member of Supervisory Board

Giorgi Akhvlediani has been a BIG Supervisory Board Member since 2008. In 1998 he graduated from Ivane Javakishvili Tbilisi State University, Faculty of International Economic Relations. Over the years Giorgi has established and manages several successful companies in the finance, construction and manufacturing sectors.

### Management



**Giorgi Mariamidze**  
CEO

Giorgi Mariamidze has 9 years of experience in the fields of banking, insurance and microfinance. Giorgi started his career at the National Bank of Georgia. Within the private sector Giorgi has held leadership positions at financial institutions responsible for reporting, financial and operations management.

Giorgi holds a BA with honours in Business Administration and Economics from the American University in Bulgaria.

### 3 Path taken by BIG

## Focus on Client Satisfaction

### Rural Lending

**Agro Credit** is designed for household farmers living in rural areas. Farming is in its nascent stage in Georgia and absolute majority of the households work on their own without utilizing hired labour. BIG targets clients involved in a combination of agricultural activities such as orchards, bee-keeping, cattle and sheep breeding, greenhouses, etc. BIG offers grace periods for these product in order for the repayment schedule to match the specific cash flow pattern of the agricultural activities our clients are engaged in.

The loan can be used for financing any type of farming expenses, including:

- Purchase of fertilizers and toxics
- Purchase of farming equipment
- Renovation of industrial buildings

**Agro Instalment** is a new product at BIG launched in collaboration with LLC Agrocenter. A joint service allows individual entrepreneurs throughout Georgia to purchase products for agriculture. Product will be delivered without visiting a merchant place. The service is available in all the regions where BIG is present



Alexi lives with his family in the village of Uplistsikhe in Gori District. He is engaged in breeding and has been cooperating with microfinance organization B.I.G since 2016. As of today, Alexi has 22 cows and has used the money from BIG to reduce the cost for their feeding. He has been implementing the innovation idea for the Georgian market and plans to make food for his cattle himself.

→ Read more success stories



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### 3 Path taken by BIG

## Focus on Client Satisfaction

## Urban Lending

**Urban Credit** is designed for micro to medium size businesses that operate in urban settings – production and retail realization of primary consumption goods, cloth & bijouterie retail stores, special machinery operators. This product is intended for entrepreneurs that have previous experience running similar business and a certain level of own capital.

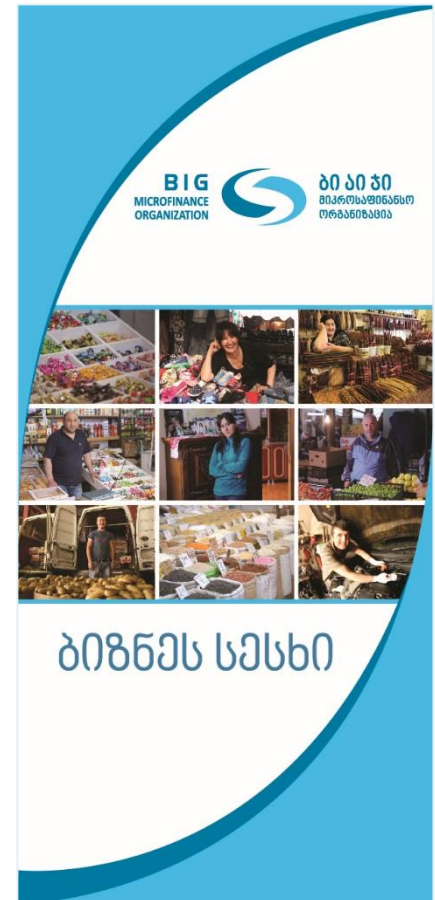
**Fast SME Credit** is a loan product similar to Urban Credit in terms of target segment, but it does not require entrepreneurs to have previous experience in the business and requirement for own capital is substituted by collateral. This product can also be used partially for improving livelihood conditions.

**Auto Credit** is a short-term consumer loan product disbursed both on the basis of vehicle appraisal and assessment of client's repayment capacity. It utilizes a declining-balance repayment schedule.



Giorgi has one-year-cooperation with the B.I.G. His business is fruit-vegetable trade. With the loans taken from the organization, he filled the supplies and expanded the business. In particular, he opened another fruit - vegetable store in the city of Gori. Giorgi plans to continue cooperation with the B.I.G and to add milk products to his shops.

→☰ Read more success stories



### 3 Path taken by BIG

## Focus on Client Satisfaction

### Innovative Lending & Housing Finance

**Express Loans** is an innovative loan product derived from Active Credit Loan which was introduced to the market in 2014. The main comfort is that loan application for this product is filled out on the spot via tablet and is sent to the centralized system, where analysts study the application and take credit decisions. Loan approval process takes short time, ensuring maximum comfort for the client.

**SMS Loan** is a complementary product specially launched to offer a value to the guarantor for Agro or Business Loans in our institution. SMS Loan has a maximum amount of 1,000 Gel and a duration of up to a year. Guarantor can claim the pre-approved loan via SMS.

**Address loans** is a new housing product that was introduced to the market at the end of 2016 and is designed for homeowners that want to finance their house repair and maintenance projects. Address loan helps families and their communities improve their living conditions through providing tailored financing options.



Asmat Kakiashvili has been working in Gori for many years as a stylist. She applied to the microfinance organization B.I.G to finance the cost of redecorating of the business object, and after the funding the mentioned area became much more comfortable and pleasant to the customers. As a result, Asmat improved the quality of service and increased customers' satisfaction

→ Read more success stories

### ADDRESS სესხი

ბი აი ჯი მზად არის დააფინანსოს თქვენი  
სარემონტო ხარჯი და გთავაზობთ სესხს  
შემდეგი პირობებით:

თანხა	ვადა
300 - 50 000 ლარამდე	4 - 84 თვის ვადით
საშუალოდ პერიოდში 11 თვემდე	ზღრუვალყოფის გარეშე 20 000 ლარამდე
ფიქსირებული საპროცენტო განაკვეთი 24.83% - ღან	საპროცენტო განაკვეთი 22% - ღან



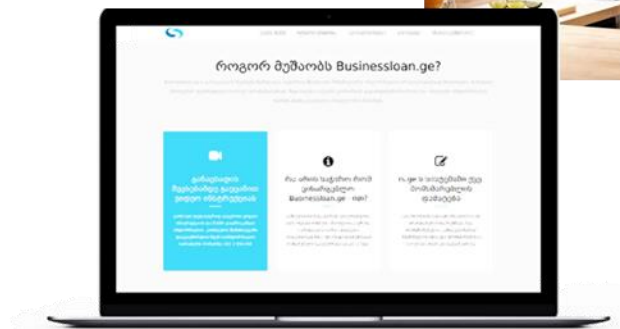
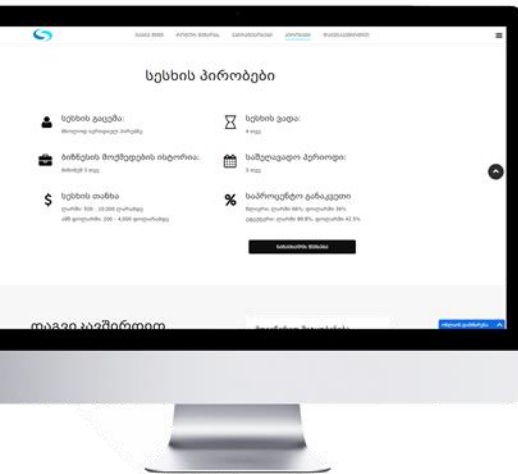
### 3 Path taken by BIG

## Focus on Client Satisfaction

**BUSINESSLOAN.GE** IS AN INNOVATIVE PRODUCT OFFERING OPPORTUNITY FOR SMALL AND MICRO ENTREPRENEURS TO APPLY FOR A LOAN ONLINE.



LOAN APPLICATION  
[www.businessloan.ge](http://www.businessloan.ge)



Loan application process is straightforward and requires filling out a short application form. For each loan application financial data of the business is evaluated via scoring algorithm developed by a partner company QuickCash and decisions are sent to clients via e-mail within 15 minutes after application. Only legal entities and micro entrepreneurs registered with the Revenue Service of Georgia are eligible for an online business loan



### 3 Path taken by BIG

## Focus on Client Satisfaction

### Operational products

With the recent equipment of all branches with **cash desks**, our customers are now able to use operational products such as **currency exchange** and **money transfers** in our service centres alongside with credit products. BIG's local system of quick money transfers, **BIG Express**, allows clients to receive or transfer money within our branch network at a competitive price. Together with potential for operating income, this leads to increased recognizability of our organization

Cash desk at Varketili (Tbilisi) Branch



Marneuli Branch



### 3 Path taken by BIG

## Focus on Social Responsibility



### Agricultural Literacy

- Together with development of its agricultural lending, BIG has been focused on supporting household farms and providing them with farming education. BIG regularly issues “**Agroman**” brochure and distributes it to population in rural areas where we operate. The brochure is prepared by an in-house agronomist and contains tips and guidance on how to ensure healthy harvest of various popular crops.
- To further promote necessary farming knowledge, BIG organizes annual **trainings** on setting up and managing greenhouses for our. The training is led by BIG’s in-house agronomist, who discusses latest developments in the area. Such trainings will help our clients to increase effectiveness of managing their farming activities. Farmers also have the opportunity to benefit from recommendations made by BIG’s invited agriculture sector specialist anytime.
- BIG has been an associate member of **Georgian Farmers' Association** since 2016. The Association integrates more than 1800 farmers throughout Georgia. It actively works with governmental, donor and educational institutions and represents a powerful collaboration between farmers and parties concerned with the agricultural sector. BIG participates in the projects implemented for the members of the Association.

### Responsible Corporate Citizenship

- BIG requires its loan officers to attend responsible **sales trainings**. The trainings are organized with the support of **Savings Bank Foundation** and led by seasoned trainers with extensive international experience in the microfinance field. The trainings emphasize the role of responsible financing both in the context of our organization and sustainable economic development in general.
- BIG is a member of **Pro Bono Network**, which integrates organizations wishing to share their appraisals with civic organizations, which work on social and environmental matters and encourage their employees for participation in this initiative. BIG participates in provision of consultations and trainings held for the beneficiaries of the network in various viewpoints: business strategic planning and management, finances, marketing, human resources management and other directions.
- BIG pays special attention to supporting development of Social Entrepreneurship in Georgia, BIG sponsors “**Students for Social Entrepreneurship**” project held annually by Europe Foundation and CSR Development Georgia. Project supports competitors with grants and provides periodical consultations to the winner organizations in financial, marketing and legislative issues.

### 3 Path taken by BIG

## Focus on Social Responsibility Environmental Policy

Microfinance institution BIG is aware of its responsibility toward environment and therefore developed its triple bottom line approach and intends to contribute its modest part to environmental protection. Social Performance Committee is in charge of monitoring implementation of environmental projects and measuring our impact on the environment.

#### 1 Reducing the internal ecological footprint

BIG is willing to improve its environmental performance by taking actions internally, at the institutional level. We seek to improve our waste management. We set objectives and closely monitoring our levels of energy and water consumption, paper use. BIG raises employees' awareness of good practices in paper, water, and energy consumption, waste management.

#### 2 Managing portfolio environmental risks

BIG focuses on the environmental impact at the clients' level. It consists of screening and monitoring all loans according to environmental criteria. BIG uses an exclusion list, which defines the types of activities that our institution will never finance.



#### 3 Providing environmental non-financial services

Our non-financial services include environmental awareness-raising campaigns by organizing specific training sessions for micro entrepreneurs engaged in environmentally-sensitive activities. We also raise community awareness through poster and T-shirt distribution.



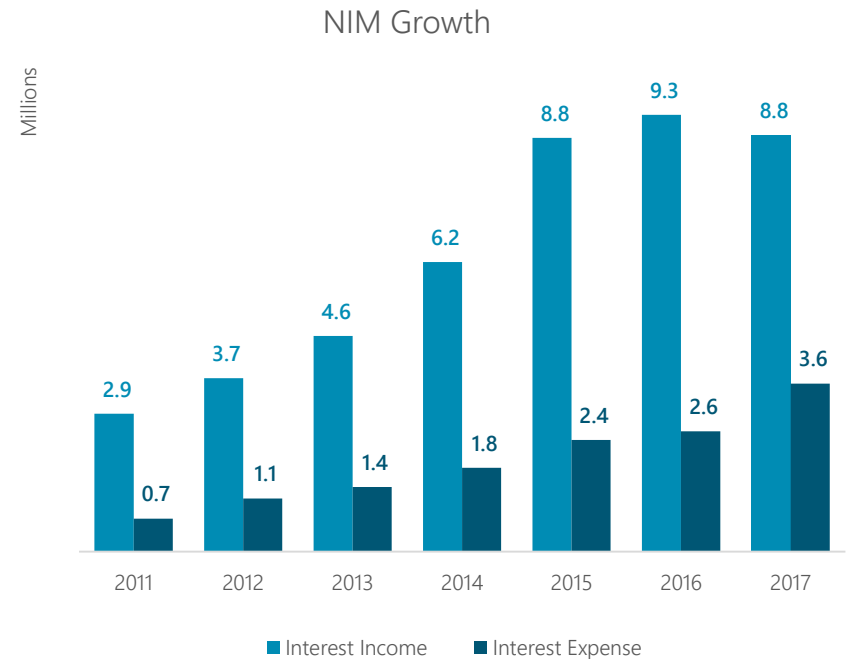
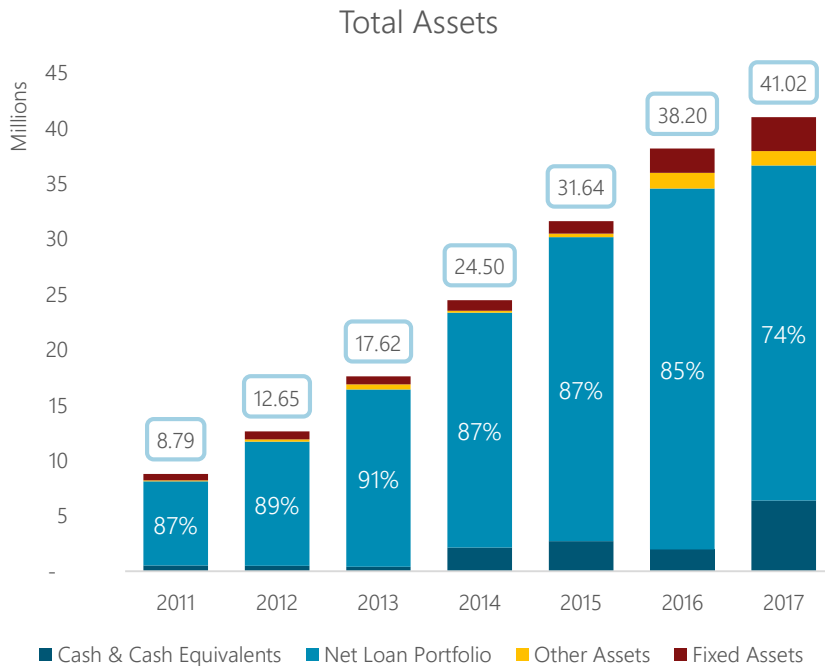
As part of its social responsibility practices BIG is involved in paper waste recycling project with Coop. Coop is a non-profit social enterprise that aims to develop a sustainable waste and recycling model and raise awareness for the environment.

### 3 Path taken by BIG

## Financial Sustainability



### CONTINUOUS YEAR-OVER-YEAR GROWTH

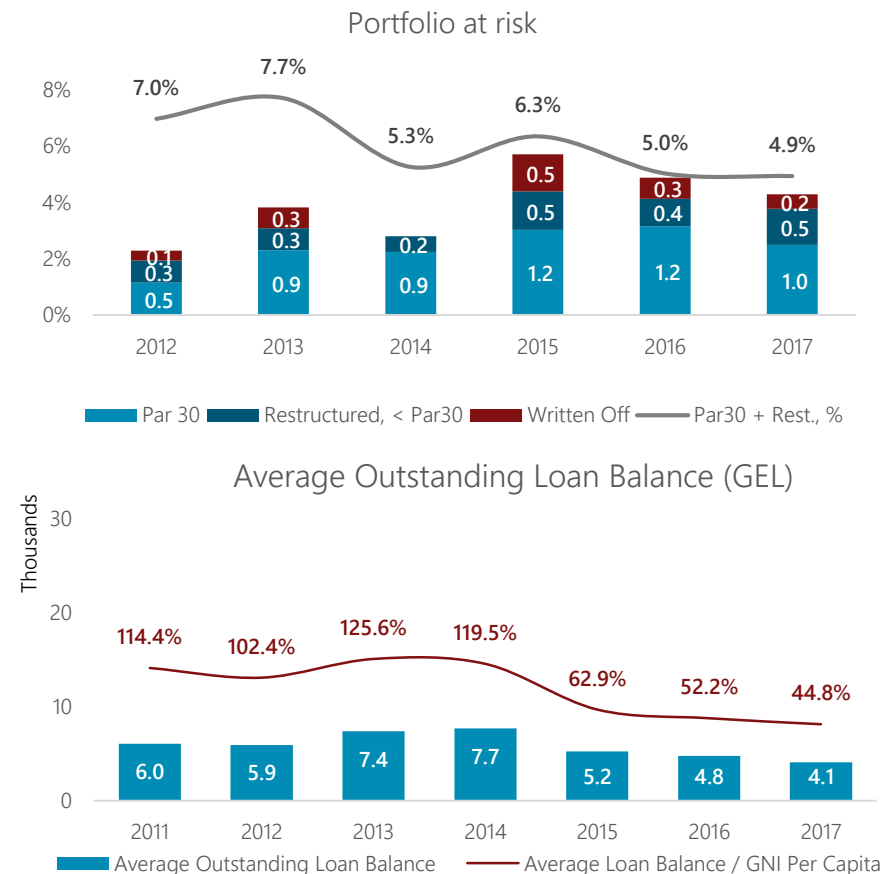
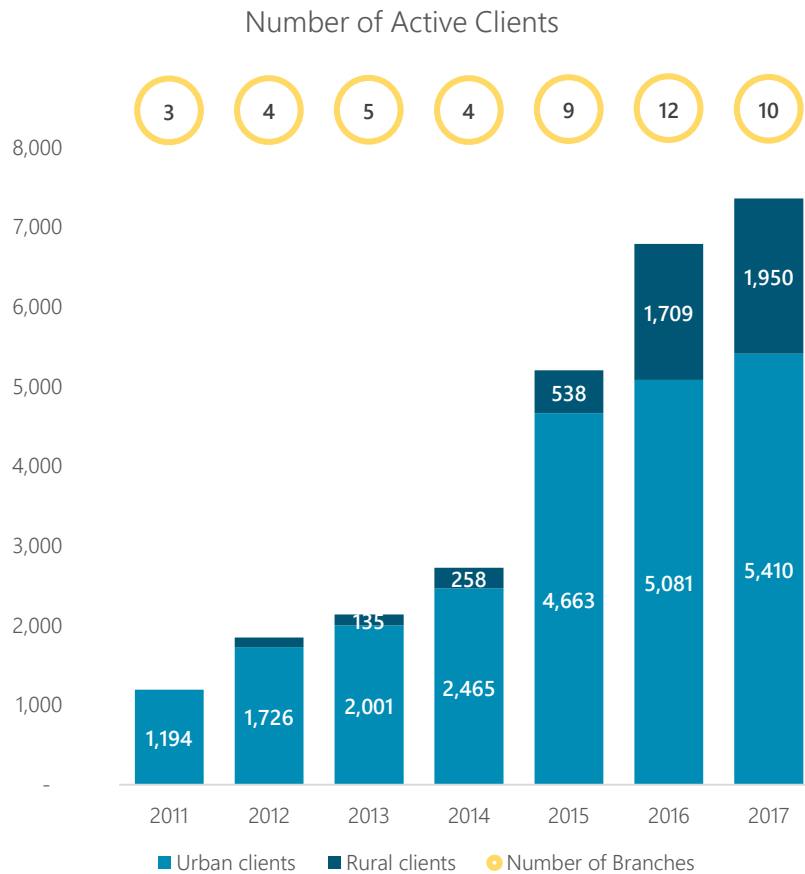


### 3 Path taken by BIG

## Financial Sustainability



### DOWNWARD TREND OF AVERAGE LOAN BALANCE WHILE MAINTAINING PORTFOLIO QUALITY





### 3 Path taken by BIG

## Recent Developments

BIG implemented new online loan application management system developed specifically for us. Software solution reduces the time and risks involved in the process of reviewing loan applications. This enabled us to improve customer service and significantly streamline the lending process.

In addition to offering wide range of services with the help of recent equipment of branches with cash desks BIG also branded its service centers to increase recognizability and loyalty across its business.



Loan Application Management System (Grizzly)



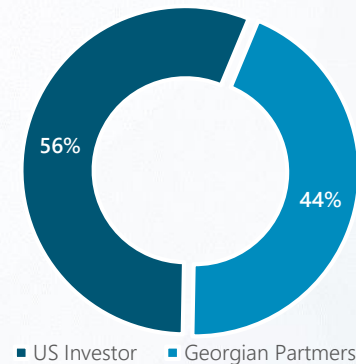
Gori Branch

## 4 Ownership & Funding



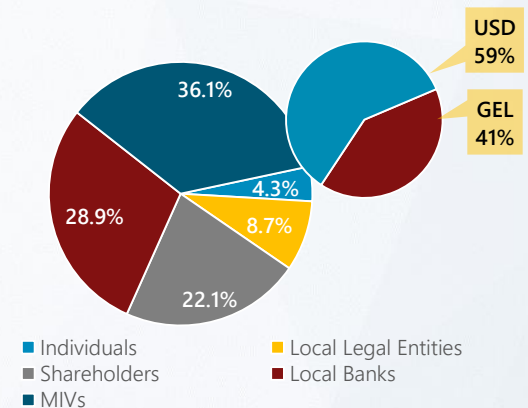
As of Dec 31, 2017, the company's share capital amounted to 1,135,714 GEL, out of which 56% is held by US investor and 44% is held by Georgian partners.

Shareholder Structure



BIG has a well diversified funding structure. Approximately 22.1% of funds come from shareholders, whereas 28.9%, 36.1% and 8.7% of the total funds come from local banks, international Microfinance Investment Vehicles and individual investors respectively.

Funding Structure - YE2017



## 4 Ownership & Funding

### Partners

#### Local Banks



#### International MIVs



#### Other



*(Amounts in GEL)*

Income Statement	2015 Year	2016 Year	2017 Year
	Audited	Audited	Audited
Interest & Fee Income	9,411,057	9,970,482	9,596,867
Interest Expense	-2,370,308	-2,554,603	-3,571,738
<b>Net Interest &amp; Fee Income</b>	<b>7,040,749</b>	<b>7,415,879</b>	<b>6,025,130</b>
Other Operating Income	294,134	332,545	470,835
Loan Impairment Charge	-733,428	-494,129	-536,933
<b>Net Operating Income</b>	<b>6,601,455</b>	<b>7,254,295</b>	<b>5,959,032</b>
Personnel Expenses	-2,499,066	-3,781,228	-4,087,594
Rent Expense	-330,089	-509,709	-599,913
Depreciation & Amortization	-200,561	-282,841	-384,539
Other Administrative & Operating Expenses	-911,817	-1,182,634	-1,334,165
<b>Total Operating Expenses</b>	<b>-3,941,533</b>	<b>-5,756,412</b>	<b>-6,406,211</b>
Gain (Loss) from Exchange Rate Difference	1,032,447	-449,462	14,631
<b>Profit before Income Tax</b>	<b>3,692,369</b>	<b>1,048,421</b>	<b>-432,548</b>
Income tax expenses	-587,879	-266,610	-131,24
<b>Net Profit</b>	<b>3,104,490</b>	<b>781,811</b>	<b>-445,672</b>

(Amounts in GEL)

Balance Sheet	YE2015 Audited	YE2016 Audited	YE2017 Audited
<b>Assets</b>			
Cash and Cash Equivalents	2,727,709	1,963,217	6,396,924
Financial instruments at fair value through profit or loss	65,212	360,437	-
Gross Loan Portfolio	27,220,643	32,310,065	30,044,801
Loan loss allowance	-406,290	-435,118	-514,565
<b>Net Loan Portfolio</b>	<b>26,814,353</b>	<b>31,874,947</b>	<b>29,530,236</b>
Accrued Interest Receivable	656,976	738,797	744,291
Other Assets	147,234	548,791	1,033,638
Property, Plant, Equipment	972,093	1,990,029	2,772,689
Intangible Assets	148,330	210,380	286,879
Tax Assets	105,710	513,874	256,137
<b>Total Assets:</b>	<b>31,637,617</b>	<b>38,200,472</b>	<b>41,020,793</b>
<b>Liabilities and Equity</b>			
Borrowed Funds	21,986,358	27,817,877	31,121,225
Accrued Interest Payable	88,409	253,651	300,898
Advance payments & Deferred commissions	782,151	851,327	798,565
Other Liabilities	124,183	339,631	322,465
Tax Liabilities	279,745	14,674	-
<b>Total Liabilities</b>	<b>23,260,846</b>	<b>29,277,160</b>	<b>32,543,153</b>
<b>Equity</b>			
Charter Capital	1,135,714	1,135,714	1,135,714
Retained earnings	4,136,567	7,005,787	7,787,598
Net profit / (loss) for the period	3,104,490	781,811	-445,672
<b>Total Equity</b>	<b>8,376,771</b>	<b>8,923,312</b>	<b>8,477,640</b>
<b>Total Liabilities &amp; Equity:</b>	<b>31,637,617</b>	<b>38,200,472</b>	<b>41,020,793</b>

## CONTACTS

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