



# GEORGIA

## TECHNICAL ASSISTANCE REPORT—STRENGTHEN REGULATION, SUPERVISION, AND OVERSIGHT OF MICRO LENDING INSTITUTIONS

September 2020

This Technical Assistance report on Georgia was prepared by a staff team of the International Monetary Fund. It is based on the information available at the time it was completed in November 2019.

**Disclaimer:**

This document was prepared before COVID-19 became a global pandemic and resulted in unprecedented economic strains. It, therefore, does not reflect the implications of these developments and related policy priorities. We direct you to the [IMF Covid-19 page](#) that includes staff recommendations with regard to the COVID-19 global outbreak.

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# **INTERNATIONAL MONETARY FUND**

Monetary and Capital Markets Department



## **GEORGIA**

### **NATIONAL BANK OF GEORGIA: STRENGTHEN REGULATION, SUPERVISION, AND OVERSIGHT OF MICRO LENDING INSTITUTIONS**

**Ellen Gaston (Mission Chief, MCM),  
Ross Henderson, and Andrew Poprawa (MCM Experts)**

**August 2020**

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## Glossary

BCP	Basel Committee's Core Principles
FX	Foreign Exchange
GEL	Georgian GEL (local currency)
GRAPE	General Risk Assessment Program
ICAAP	Internal Capital Adequacy Assessment Process
IT	Information Technology
LIE	Loan Issuing Entity
LTV	Loan-to-Value Ratio
MCM	IMF's Monetary and Capital Markets Department
MFI	Microfinance Institutions
NBG	National Bank of Georgia
PTI	Payment to Income
SME	Small and Medium Sized Enterprises
TA	Technical Assistance

## **PREFACE**

At the request of the National Bank of Georgia (NBG), a technical assistance (TA) mission visited Tbilisi, Georgia, during November 4–13, 2019. The mission was led by Ms. Ellen Gaston, Monetary and Capital Markets Department (MCM), and included Messrs. Ross Henderson and Andrew Poprawa (MCM external experts specializing in bank and nonbank regulation and supervision).

This is a follow-up mission to the one conducted in May 2017. The mission met with the NBG Governor Mr. Koba Gvenetadze; Deputy Governor Mr. Papuna Lezhava; Ms. Irma Bokuchava, Head of Nonbanking Institutions Supervision Department; Ms. Natia Tsotsonava, Head of the First Division of Nonbanking Supervision Department; Ms. Natia Gvazava, Head of Legal Department; and Ms. Teona Kontridze, Head of Supervisory Policy Department, as well as other staff from the NBG. Meetings were also held with Board members of the Micro Financial Institutions (MFIs) Association, and representatives from MFIs.

The mission wishes to express its gratitude and appreciation to the NBG Governor, Deputy Governor, and staff of the NBG for their hospitality, excellent cooperation, and arrangements made to facilitate the work of the mission, as well as for the constructive and open discussions held during the visit. The mission would also like to thank industry participants who generously shared their time and insights.