



TBC Bank extends energy efficiency lending programme to households

Press Release

Tbilisi, 21 October, 2009 - Today, at an event held at their head office in Tbilisi, TBC Bank announced a new lending product that will help Georgian households reduce energy bills and benefit from higher levels of comfort.

The new residential energy efficiency loans promote the use of higher efficiency products and for a limited time, eligible customers taking the new loans will benefit from a 15% rebate on the cost of their purchase.

TBC is the first bank in Georgia to extend this loan to its residential customers, as part of its Energy Efficiency programme, financed by the European Bank for Reconstruction and Development (EBRD). TBC Bank has been issuing these loans since 2007, however, until now the loans were only available to corporate clients. "We are happy to announce another innovation in a Georgian banking sector - from now on, energy efficiency loans will be available to individuals, as well as for corporate clients of TBC Bank. These loans will help customers purchase products that will make their homes more energy efficient" - says Director of Retail and SME sector of TBC Bank, Nino Masurashvili.

The rebate will be given if the loans are used to purchase specific energy saving equipment and materials that offer greater technical performance. Technical experts, selected by the EBRD, have endorsed a list of eligible products which currently includes certain types of double-glazed windows, building insulation materials (for walls, roofs or floors), boilers for central heating systems and solar panels for water heating. The list will be expanded as further eligible products are identified and should include high efficiency biomass stoves and biodigesters. Full details are available at the project website www.energocredit.ge

Loans will be provided to all eligible applicants wishing to improve the energy efficiency of their premises, including micro and small businesses. However, the subsidy will be made available only to private individuals taking loans for energy efficiency measures in their permanent place of residence.

The Georgian Energy Efficiency Programme (Energocredit), financed by the EBRD, was launched in December 2007 and aims to help industrial and residential clients reduce their energy intensity and make greater use of renewable energy sources. Energocredit provides technical advice for energy saving investments facilitating home

owners to make the transition from underperforming, low quality equipment and materials, towards investing in better performing, more efficient products that will deliver greater benefits throughout their lifetime. The advice, together with details of how to apply for the loan, is on their website www.energocredit.ge.

"Changing to these more effective technologies helps to reduce waste, so that even with rising energy prices, homes cost far less to heat, and properties gain in value", says Helene Ryding, EnergoCredit Team Leader.

The EBRD has made available a USD 35 million credit line to help Georgian business and individuals benefit from energy efficiency and renewable energy investments.

Ian Smith, from the EBRD's energy efficiency team in London said "Investing in energy efficiency is a key component for maintaining the economic competitiveness of businesses, but the benefits of saving energy at home are often overlooked. I am therefore very pleased that BP and its Oil & Gas Co-venturers, through their Regional Development Initiative, are supporting this programme in Georgia. Four years ago, we started a similar EBRD programme in Bulgaria which has now financed almost 28,000 small-scale residential energy efficiency projects, saving the equivalent of 200,000 MWh per year - that's comparable to the energy required to drive a passenger car 300 million kilometres, or to put it another way, from Sofia to the sun and back."

BP and its Oil & Gas Co-venturers (SOCAR, StatoilHydro, INPEX, Chevron, TPAO, ExxonMobil, Devon Energy, ITOCHU, AzBTC Ltd., Total, Amerada Hess, Lukoil, NICO, ENI and ConocoPhillips) are providing additional USD 1 Million grant in subsidy of a new loan product. The subsidy scheme makes the loan more accessible to the households, who will get back 15% of the total cost of the purchased energy efficient products and devices. Both the Subsidy Scheme and the 'Energy Bus', a visual tool that brings practical demonstrations and information to Georgian communities promoting 'energy efficiency' across Georgia, was launched in April this year by BP and its 'Energy Efficiency Program' partners.

The program has two main goals - to raise awareness of energy efficiency among Georgian communities and also to help households purchase energy efficient products and devices.

Neil Dunn, General Manager for BP in Georgia said, 'This innovative project is a good example of a partnership between private sector, international organizations, local Georgian experts and banks. It links to existing efforts to promote energy efficiency in Georgia and other countries'.

Additional information:

Terms of EnergoCredit loans:

Residential customers will receive EnergoCredit loans in any branches of TBC Bank. Loans are available as both mortgage and consumer loans with the following interest rates:

- Consumer loan - fixed 20%
- Mortgage - standard loan interest less 1%

Loan purpose:

The loan is envisaged to finance the following products:

- Double glazed windows
- Insulation of buildings - walls, roofs and floors
- Boilers for central heating systems
- Solar panels for water heating/central heating systems
- High efficiency biomass stoves
- Bio digesters for single family use

What is the advantage of residential energy loans?

Any borrower, who purchases renewable energy appliance with energy loan will receive a subsidy, set by BP and its Oil and Gas Co-venturers, and get back 15% of the total cost of the appliance.

Which products are eligible for loans and subsidies?

The current list is published on the Energocredit website www.energocredit.ge, but other suppliers are welcome to register to be included.

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