



Tbilisi, 22 September 2017

A ground-breaking international award for microfinance group Crystal

Leading Georgian microfinance company JSC MFO CRYSTAL has been awarded a ground-breaking rating by international credit assessment agency Fitch Ratings. Praising Crystal's performance the agency comments on the strength of its business and its solid asset quality, which have won it the first international rating in Georgia's microfinance industry. This will bring Crystal to the attention of international investors and helps raise the investment profile of the country and the development of the corporate bond market.

Fitch comments that its "B" Stable Outlook rating factors in "Crystal's sound performance to date, reflected in the company's solid asset quality, profitability and capitalisation metrics."

Crystal, which was started nineteen years ago, now has over 12 per cent of the microfinance market and services over 70,000 customers from 50 branches spread across the country.

In the press-release published by Reuters news agency Fitch Ratings said: "The ratings reflect the business focus of Crystal on microfinance (MFO) lending in a high-risk operating environment in Georgia, its rapid recent growth, and market and refinancing risks resulting from the predominance of foreign-currency wholesale funding."

Archil Bakuradze, the company's Executive Chairman said: "This is quite a high assessment for a non-banking financial institution and will position Crystal under the radars of international investors, strengthen country's investment appeal, allowing the company to make its contribution towards the development of Georgia's corporate bond market."

He added: "Further increases in the credit rating will depend on the enhancement of the legal environment, successful completion of the reforms in microfinance regulation, availability of Georgian Lari refinancing instruments and the continued strengthening in the company."

One of the limiting factors in ratings for Crystal has been the competition in the Georgian microfinance market, where Crystal is competing with other microfinance groups and the banking sector. However, Fitch observes the "significant" growth performance that Crystal has been generating – on average 53% annually in 2013-16 – shows the potential for future rises in the rating.

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ADDITIONAL INFORMATION

Useful Links:

- [Fitch Rates JSC MFO Crystal 'B'; Stable Outlook](#)

- [Reuters about JSC MFO Crystal Fitch Rating](#)
- [JSC MFO Crystal – The first Fitch Rated FMO in the region](#)

JSC MFO Crystal:

- One of the leading responsible financial institutions in Georgia.
- Funding economic sectors relevant to Georgia's inclusive economic growth.
- Investors:
 - Developing World Markets – USA
 - Incofin/AgRIF – Belgium/The Netherlands
- Since its establishment in 2007 – disbursed microloans worth 272 million GEL.
- Financed more than 67,000 micro-entrepreneurs and about 64,000 farmers having created or sustained 260,000 jobs.
- Currently serves 70,000 micro and small entrepreneurs and farmers.
- Crystal is represented throughout Georgia with more than 50 branches and more than 800 qualified members of staff.
- Paid in to the state budget – more than 12.8 million GEL.
- Invested more than 500,000 GEL in various social and charitable projects.
- With support of USAID since 2016 started Youth Entrepreneurship and Employment Initiative.