

EFSE partners with Agroprosperis Bank to provide local currency loans to farmers in Ukraine

Luxembourg and Kyiv, 11 February 2019 – The European Fund for Southeast Europe (EFSE), an impact investment fund advised by Finance in Motion, has provided a local currency loan equivalent to EUR 5 million to Ukraine’s Agroprosperis Bank (AP Bank) to support local farmers and agricultural producers.

A member of one of Ukraine’s largest agricultural holdings, Agroprosperis Group, AP Bank is the only specialized financial institution in the country that serves exclusively agricultural clients. The EFSE loan will enable the bank to offer longer-term financing to small and medium farmers and agricultural producers in local currency. By targeting this major sector of the Ukrainian economy, the transaction aims to contribute to overall business and economic development in Ukraine – in keeping with EFSE’s mission to foster prosperity and employment in the region.



EFSE Board Chairman Christoph Tiskens said: “EFSE warmly welcomes AP Bank to the network of on-the-ground partners who help the fund reach its target group of entrepreneurs in need of sustainable financing. AP Bank’s commitment to serving local agricultural businesses, combined with its solid expertise, technologies, and reputation in the sector, make it a natural fit for EFSE’s operations in Ukraine.”

Maja Gizdic, Director at EFSE Advisor Finance in Motion, added: “EFSE’s objective is not only to provide development finance for economic growth, but to do so in a responsible manner that supports and sustains local infrastructure. By issuing loans in local currency, EFSE allows business owners access to long-term, stable financing without the risks inherent to exchange rate fluctuations.”

Agroprosperis Bank CEO Serhii Shchepanskyi remarked: “Cooperation with EFSE will significantly increase the bank’s ability to support Ukrainian small and medium-sized agricultural producers. This is the next step towards the consistent implementation of Agroprosperis Bank’s mission: bringing international resources to Ukrainian farmers. We strongly believe that providing underfinanced small farmers with proper resources in a responsible manner will boost the productivity of Ukraine’s entire agricultural sector and will have a positive impact on the development of rural areas.”

About the European Fund for Southeast Europe

The European Fund for Southeast Europe (EFSE) was initiated by KfW Development Bank (KfW) with the financial support of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission. It aims to foster economic development and prosperity in Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, former Yugoslav Republic of Macedonia, Kosovo, Georgia, Moldova, Montenegro, Romania, Serbia, Ukraine and Turkey. As access to finance is a key success factor in developing the micro, small and medium enterprise segments, EFSE focuses on assisting local financial sectors in strengthening their ability to ensure adequate and sustainable financing. The funding EFSE provides as long-term finance is channelled to loan customers – primarily micro and small enterprises (MSEs), but also private households for home improvement – through local partner lending institutions. Supporting EFSE’s investment activities is the EFSE Development Facility, which provides partner lending institutions with technical assistance, consulting and training services to build operational capacities and professional management.

EFSE was initiated by KfW Development Bank (KfW) on 15 December 2005 from four multi-donor programs under its management. EFSE is the first public-private partnership of its kind and the first privately managed fund in development finance to leverage private funding for MSE finance in the target region. Capital is provided by donor agencies, international financial institutions and private institutional investors, including the German Federal Ministry for Economic Cooperation and Development (BMZ), the European Commission (EC), the Government of Albania, Small and Medium Business Credit Support CJSC (SMBCS), a subsidiary of the Central Bank of Armenia, the Development Bank of Austria (Oesterreichische Entwicklungsbank, OeEB), the Swiss Agency for Development and Cooperation (SDC), the Danish International Development Agency (Danida), KfW as Lead Investor, the International Finance Corporation (IFC), the Netherlands Finance Company (FMO), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), and Deutsche Bank.

Finance in Motion GmbH, Germany, serves as EFSE’s advisor; Hauck & Aufhäuser Fund Services S.A., Luxembourg, acts as manager.

For more information about the European Fund for Southeast Europe, please visit www.efse.lu
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About Agroprosperis Bank

Agroprosperis Bank is a Ukrainian bank owned by the investment fund NAP II, managed by NCH Capital Inc. (USA). The fund's investors are well-known international institutions of the United States and Europe, including the European Bank for Reconstruction and Development (EBRD). Agroprosperis Bank is the only bank in Ukraine that lends exclusively to small and medium-sized agricultural producers. AP Bank was the first financial institution in Ukraine to provide financing secured by crop receipts and

facilitating access to finance for farmers who do not have enough hard collateral and therefore have constrained access to banking finance.

For more information about Agroprosperis Bank, please visit www.ap-bank.com

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