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EUROPEAN FUND FOR SOUTHEAST EUROPE

# EFSE partners with Bank Lviv to provide local currency financing for agricultural producers and farmers

**Luxembourg and Lviv, 28 January 2021** – The European Fund for Southeast Europe (EFSE) has joined forces with a new partner in Ukraine, Bank Lviv, to expand access to responsible financing for agricultural micro and small enterprises (MSEs) across the country. A senior loan from the fund in Ukrainian hryvnia equivalent to EUR 5 million will be on-lent by the bank in the form of tailored business loans that meet the particular needs of this important sector of the Ukrainian economy. By facilitating this financing in local currency, the partner intends to equip farmers with crucial resources to combat the challenges of the COVID-19 crisis while safeguarding them from potential ups and downs in the exchange rate.

Bank Lviv is a dedicated player in MSE finance with a special focus on serving agricultural businesses. Its strong outreach, especially to otherwise underserved clients in Western Ukraine, makes it an optimal match for EFSE's efforts to expand financial inclusion in the region. The loan from EFSE will support Bank Lviv in offering rural MSEs longer-term financing to invest in, for example, the purchase of agricultural machinery and equipment.



EFSE Board Chairperson Klaus Müller said: “We would like to welcome Bank Lviv to the EFSE family – a strong partner in our joint commitment to boosting economic resilience and growth in Ukraine by investing in the country's entrepreneurs. Access to responsible finance is especially important in the difficult economic environment brought about by the COVID-19 crisis. Moreover, providing agricultural MSEs with the opportunity to take out loans in the same currency in which they make their income gives them one less thing to worry about: exchange rate risks. This new collaboration with Bank Lviv reinforces EFSE's commitment to increasing local currency financing and we look forward to a successful partnership.”

Bank Lviv CEO Ashot Abrahamyan said: “Our partnership with EFSE will strengthen financing opportunities for micro and small enterprises in Western Ukraine. The availability of loans in national currency is especially relevant during the pandemic, which has created a lot of uncertainty among agricultural producers and rural entrepreneurs. We see a lot of businesses who need support and nobody wants to take unnecessary risks. So the possibility to get a loan in hryvnia directly influences the desire to take loans and invest in development now.”

EFSE's ability to provide funding to its partners in local currency was boosted by generous contributions from the European Commission as part of its EU4Business initiative as well as from the German Federal Ministry for Economic Cooperation and Development (BMZ).



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## **About EFSE**

An impact investment fund established in 2005, the European Fund for Southeast Europe (EFSE) aims to foster economic development and prosperity in Southeast Europe and the Eastern Neighbourhood Region by investing in the success of micro and small enterprises as well as improved living conditions for private households. As access to financial services is key to developing this segment, EFSE focuses on helping local financial sectors strengthen their ability to provide responsible financing for this target group. Alongside its investment activities through local partners, EFSE multiplies its impact through the EFSE Development Facility, which provides technical assistance, training, and other nonfinancial support to entrepreneurs and institutions.

EFSE was initiated by KfW Development Bank with the financial support of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission. As the first public-private partnership of its kind, EFSE draws its capital from donor agencies, international financial institutions, and private institutional investors.

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

For more information on the European Fund for Southeast Europe, please visit: [www.efse.lu](http://www.efse.lu)  
For more information on Finance in Motion, please visit: [www.finance-in-motion.com](http://www.finance-in-motion.com)

## **About Bank Lviv**

Founded in 1991, Bank Lviv has built a strong reputation as a reliable regional player with solid governance and risk management, international European shareholders, and high priority on transparency and trust. Bank Lviv is a specialized provider of banking services to MSMEs and agricultural businesses, with a focus on tailor-made financing and committed customer care. It is also developing into a bank of choice for private households who are seeking a local bank which offers simple products and high service quality. Bank Lviv maintains its regional focus on Western Ukraine while further building its market position in an increasingly dynamic economic environment.

For more information on Bank Lviv, please visit: [www.banklviv.com](http://www.banklviv.com)

### **Media contact EFSE**

Nikki Eggers  
Senior Officer, Marketing & Communications  
Email: [press@efse.lu](mailto:press@efse.lu)  
Phone: +49 (0)69 271 035-470

### **Media contact Bank Lviv**

Ira Hoshuk  
PR manager  
Email: [hoshuk@banklviv.com](mailto:hoshuk@banklviv.com)  
Phone: +380967651707