

EFSE and Moldova-Agroindbank join forces to channel financing for MSMEs

Luxembourg and Chişinău, 11 November 2021 – The European Fund for Southeast Europe (EFSE) is providing a 7-year subordinated loan facility in Moldovan lei equivalent to EUR 15 million to Moldova-Agroindbank (maib) to serve micro, small and medium-sized enterprises (MSMEs) and help them increase competitiveness and resilience, while safeguarding them from potential exchange rate fluctuations.

This landmark transaction with the country's largest bank is the first Basel-III compliant Tier 2 instrument in the sector and aims at strengthening the bank's capacities to advance sustainable long-term financing in local currency. The investment is expected to facilitate more than 1,500 loans to MSMEs and support around 6,500 jobs.



EFSE Board Chairperson Klaus Müller said, “Today, Moldova-Agroindbank stands out in the Moldovan banking sector as the most advanced in terms of institutional transformation thanks to the efforts of its committed shareholders and dedicated management team. We are especially pleased to partner with maib that is well equipped to deliver tailored services to MSMEs and be a truly strategic partner for EFSE in channelling sustainable finance to jointly build the country's business and economic resilience.”

Giorgi Shagidze, maib CEO, said: “Financing agreement with EFSE is a substantial positive development for maib. The loan is the first subordinated loan in such a format for a banking institution in Moldova, and I am very grateful to EFSE for the partnership and trust in maib. The loan will be used for SME financing to further support our customers in the sector and enhance leadership position in the segment or market as a whole, while optimizing our capital structure”.

This investment will contribute primarily to UN Sustainable Development Goals (SDG) 8: Decent work and economic growth and SDG 9: Industry, Innovation and Infrastructure.

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



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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

For more information on Finance in Motion, please visit: www.finance-in-motion.com

About maib

Maib is the largest bank in Moldova, with a 34% share of loans and 31% share of deposits of the entire banking system. The bank serves nearly 30% of the country's population and is one of the largest employers in the country. Maib's medium term targets include 40% market share in loans, 55% share in payments, under 45% cost-to-income ratio and 20%+ return on equity to be achieved by 2024. Since 2018, the bank's largest shareholder is a consortium, which includes European Bank for Reconstruction and Development (EBRD), Invalda INVL, a leading asset management group in the Baltics, and Horizon Capital, a private investment fund focused on emerging markets in Europe.

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