

EFSE and Bank Respublika channel USD 15 million towards entrepreneurs in rural Azerbaijan

Luxembourg and Baku, 31 January 2022 - The European Fund for Southeast Europe (EFSE) has partnered with Bank Respublika in Azerbaijan by providing USD 15 million equivalent in Azerbaijani manat to support the provision of sustainable financing to micro and small enterprises (MSEs) that conduct their core business operations in rural areas or are engaged in agriculture.

Bank Respublika is one of the leading MSE financiers in Azerbaijan that is committed to serve agricultural and rural businesses and thus contribute to increased financial inclusion and sustainable economic development in rural areas. With their extensive network, Bank Respublika is well positioned to support local entrepreneurs and promote business growth across Azerbaijan.

EFSE Board Chairperson Klaus Müller said, "We are excited about our partnership with Bank Respublika, as it has opened up a new opportunity to advance financing of rural and agricultural MSEs in Azerbaijan. Not only will this new loan facility provide longer-term funding to the fund's key client groups but having it in local currency ensures that entrepreneurs are safeguarded from the ups and downs of currency fluctuations which is vital for sustainable economic growth."

"Signing of this Agreement is another indicator of the confidence of international financial institutions in the bank's professionalism, service quality, efficiency, as well as in the long-term stability. Partnerships with leading international financial institutions such as EFSE will provide us with additional opportunities to finance the real sector, especially businesses operating in rural areas of the country" said Tariyel Ismayilov, CEO of Bank Respublika.

Through this investment, the bank is expected to primarily contribute towards the achievement of 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 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 Bank Respublika

Bank Respublika - was established in 1992 and is among the five leading banks in Azerbaijan. Bank builds relations with clients based on the principle of being as helpful and useful to clients as possible, which is reflected both in the Bank's slogan – "Sizə faydalı" (Beneficial to You), and in specific actions and services. One of the main tasks is to continually improve the quality of customer service, expand the range of services and optimize their terms and conditions.

For more information on Bank Respublika, please visit: www.bankrespublika.az

Media contact EFSE

Merle Roemer
Manager, Marketing & Communications
Email: press@efse.lu
Phone: +49 (0)69 271 035-470

Media contact Bank Respublika

Chingiz M. Asadov
Head of Marketing Communication
Email: chingiz.asadov@bankrespublika.az
Phone: +99412 5980-800