

## Press Release

For immediate release

# EFSE and AccessBank Azerbaijan sign loan agreement of USD 15 million to support micro and small enterprises in Azerbaijan

**Luxembourg and Baku, 26 January 2012** – The European Fund for Southeast Europe (EFSE) – initiated by the KfW Entwicklungsbank (The German Development Bank) with the financial support of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission – has provided AccessBank (or “the Bank”) in Azerbaijan with a USD 15 million (EUR 10.7 million) credit facility for on-lending to local micro and small enterprises (MSEs), which are the engine of economic growth in the country.

Access Bank is a key source of finance and partner for the MSE sector, including the agricultural sector, in Azerbaijan. The Bank currently serves more than 114,000 loan customers through an extensive network of 30 branches in particular outside the capital city of Baku, where access to finance is more limited.

EFSE’s long-term loan will allow AccessBank to scale up lending to MSEs as well as help to increase competition in the MSE finance sector and boost the volume of particularly longer-tenor loan products.

Over the life of the credit facility, it is expected that it will help finance investments and working capital of more than 40,000 local businesses with medium and long-term loans.

*“We are pleased to support AccessBank’s planned growth strategy in Azerbaijan focusing on MSEs through this financing and look forward to extending the relationship with the Bank”,* said Monika Beck, Chairperson of the EFSE’s Board of Directors. *“As a commercial bank that is fully committed to responsible finance, AccessBank has a significant demonstration effect on other banks in Azerbaijan.”*

Andrew Pospelovsky, General Manager of AccessBank, commenting on the conclusion of this loan said: *“This is our first loan from the European Fund for Southeast Europe and we are pleased to be initiating this new partnership. As AccessBank enjoys strong relations with a broad pool of international financial partners, AccessBank always has funds for its clients and has earned a reputation as a reliable partner for business in Azerbaijan.”*

### **About the European Fund for Southeast Europe**

The European Fund for Southeast Europe (EFSE) aims to foster economic development and prosperity in Southeast Europe and the European Eastern Neighbourhood Region (ENR) of the European Union, including

Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, FYR Macedonia, Georgia, Kosovo, Moldova, Montenegro, Romania, Serbia, Turkey and Ukraine. As access to finance is a key success factor in developing the micro, small and medium enterprise segments, the EFSE focuses on assisting local financial sectors in strengthening their ability to ensure adequate and sustainable financing. The funding the EFSE provides as long-term finance primarily for micro and small enterprises (MSEs) – but also for private households in the form of home improvement loans – is channelled to these loan customers through local partner lending institutions. Supporting the 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. Initiated by KfW Entwicklungsbank (The German Development Bank) on 15 December 2005 from four multi-donor programs under its management, the 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, 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 Entwicklungsbank 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), Sal. Oppenheim and Deutsche Bank. Oppenheim Asset Management Services S.à.r.l, Luxembourg, and Finance in Motion GmbH, Germany, are, respectively, the EFSE’s Fund Manager and Fund Advisor.

For more information about EFSE, please visit: <http://www.efse.lu>

#### **About AccessBank**

AccessBank was established to provide financial services for Azerbaijan’s micro and small businesses and low and middle income households. AccessBank is recognised as the most reliable bank in Azerbaijan by Fitch Ratings (BB+) and was named as “The best bank of Azerbaijan” by Global Finance (2011), Euromoney (2010 and 2011) and the The Banker Publication (2011) in their annual awards. AccessBank is 100% foreign owned by six shareholders, consisting of: the European Bank of Reconstruction and Development, the International Finance Corporation, the Black Sea Trade and Development Bank, KfW Development Bank – the Development Bank of the German Government (20% per each), Access Microfinance Holding acting in microfinance field as a strategic investor (16.5%), and LFS Financial Systems GmbH – a German consulting company (3.5%).

For more information about AccessBank, please visit: <http://www.accessbank.az>

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