



Joint Press Release

For immediate release

Promoting corporate governance in Moldova's banking sector

- *International financial institutions and Moldovan authorities discuss ways to improve corporate governance in banks*

Chisinau (Moldova), 27 April 2012 - Ways to strengthen the corporate governance in Moldova's financial sector were being discussed yesterday at a conference organised in Chisinau by the European Bank for Reconstruction and Development (EBRD), the National Bank of Moldova, the Kreditanstalt für Wiederaufbau (KfW) and the European Fund for Southeast Europe (EFSE).

Raising the standards of corporate governance in banking sector is one of the key priorities for Moldova, playing an important role in creating a favourable business environment and economic growth.

The conference gathered Moldovan Government officials, authorities of the National Bank of Moldova, as well as representatives of international financial institutions, donor agencies, as well as top management of local banks.

The event included presentations from Dorin Dragutanu (Governor of the National Bank), Octavian Calmic (Vice Minister of Economy), Tokhir Mirzoev (IMF Resident Representative in Moldova), Henry Russell (EBRD Director for Financial Institutions in Western Balkans, Belarus, Moldova and Croatia), and Elvira Lefting (Managing Director of Finance in Motion, the EFSE's Fund Advisor).

The conference participants presented international best practices in corporate governance, analysed key areas for improvement in current procedures in Moldova and highlighted measures needed to overcome current shortfalls.

"Moldovan banking system should undergo a new phase of development. For the last two decades the way of doing business has become increasingly rudimentary. The system will cope with difficulty with future challenges without a modern approach to risk management, innovation and bank products promotion. The golden rule says any reform should start from the top. Implementing best international practices of corporate governance will provide a solid foundation for further modernization", declared the National Bank Governor, Dorin Dragutanu.



“As a major lender and investor to local financial institutions, the EBRD is advocating corporate governance standards in all its countries of operations. Sound corporate governance practices are a cornerstone for fostering economic development, especially growth of the banking sector, in Moldova, as well as for attracting further investments”, said Henry Russell, EBRD Director, Financial Institutions.

“Good governance in financial institutions serving the public cannot be a private affair. We are proud to be holding this important conference together with the Moldovan authorities, the Moldovan financial sector and the international community to promote a faster adoption of best practices”, said Monika Beck, Chairperson of the Board of Directors of the EFSE. “As a Fund fostering responsible finance, we are particularly concerned and will continue to support the necessary improvements in this area”.

About the European Fund for Southeast Europe

The European Fund for Southeast Europe aims to foster economic development and prosperity in the Southeast Europe and South Caucasus region through the sustainable provision of long-term funding instruments to qualified partner lending institutions to better serve the financing needs of local micro and small enterprises (MSEs). Initiated by KfW Entwicklungsbank (The German Development Bank) on 15 December 2005 with the financial support of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission, 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 (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 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), and 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>

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