



EFSE supports MSMEs in rural Azerbaijan through new partnership with MuganBank

USD 5 million loan to Muganbank addresses credit needs of rural enterprises

Frankfurt and Baku, 02 December 2014 - The European Fund for Southeast Europe (EFSE) and MuganBank OJSC (MuganBank) are partnering to support the development of micro and small enterprises (MSEs) in the rural regions of Azerbaijan. The partnership is being inaugurated with a USD 5 million senior loan facility provided by the EFSE.

MuganBank already holds a strong position in financing micro, small and medium enterprises (MSMEs) in Azerbaijan, and is working to expand it in the years to come. MuganBank currently serves this segment through a network of 42 branches. The EFSE loan will enable the bank to provide additional long-term financing to MSMEs, especially in the underserved rural regions of Azerbaijan.

“We welcome MuganBank to our network of partner lending institutions,” says Monika Beck, Chairperson of the Board of EFSE. “With its continuous commitment to the EFSE’s target group of micro and small enterprises, MuganBank consistently proves a strong ally in our mission to contribute to income generation and employment creation by supporting MSMEs.”

“MuganBank has a strong expertise in financing micro, small and medium enterprises in Azerbaijan. The USD 5 million senior loan facility issued by the EFSE adds value to our existing MSME portfolio. It provides us with the financial resources to effectively reach out to rural businesses in Azerbaijan and service country’s more remote areas. We highly appreciate the EFSE’s committed partnership in supporting the development of MSMEs in rural Azerbaijan,” says Elmir Hasanov, Chairman of the Board of MuganBank.

About the European Fund for Southeast Europe

The European Fund for Southeast Europe (EFSE) was initiated by KfW Development Bank (KfW) with the financial support of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission. It aims to foster economic development and prosperity in Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, former Yugoslav Republic of Macedonia, Kosovo, Georgia, Moldova, Montenegro, Romania, Serbia, Ukraine and Turkey. 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 Development Bank (KfW) 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 (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 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 the European Fund for Southeast Europe, please visit: <http://www.efse.lu/>

About MuganBank

MuganBank, one of the leading banks of Azerbaijan for more than 22 years, provides individuals and corporate customers with innovative financial products and services. MuganBank is one of the leaders in servicing the small and medium enterprise (SME) segment of the economy, and holds a growing retail portfolio as well.

In addition to a national network of 42 branches and 7 sub-branches, MuganBank also maintains a representative office in Moscow. MuganBank cooperates with a number of international financial institutions, including the US Agency for International Development (USAID), European Bank for Reconstruction and Development (EBRD), International Finance Corporation (IFC), World Business Capital, Inc. (WBC), Overseas Private Investment Corporation (OPIC), Islamic Corporation for the Development of the Private Sector (ICD), The Green for Growth Fund, Southeast Europe (GGF).



Over the last 5 years MuganBank has maintained its position among the top 15 banks in Azerbaijan and holds a 'B-' rating with a Positive Outlook from Standard & Poor's.

For more information, please visit www.muganbank.az

Media contact EFSE

Media Relations
Merle Römer
Manager Communications and Events
e-mail: press@efse.lu
Tel: +49 (0)69 9778 7650-171

Media contact MuganBank

Marketing Department
Saadat Abdinli
International Relations Specialist
email: s.abdinli@muganbank.az
Tel: +994 12 564 35 11