

## EFSE and Megabank extend their support to agricultural clients in Ukraine

The new facility facilitates access to credit for underserved rural and agricultural businesses in UAH without exposing them to foreign currency risk

**Luxembourg and Kharkiv, 15 September 2015** - The European Fund for Southeast Europe (EFSE), in partnership with Megabank, will support rural MSMEs and farmers in Ukraine with dedicated local currency funding in the equivalent of EUR 5 million. The EFSE's facility will support Megabank in meeting the working capital needs of its agricultural clients, financing the harvest and winter crop sowing seasons in the country.



In light of the current difficult macroeconomic and political realities in Ukraine, the facility is expected to have a strong development impact in terms of food security, but also employment generation and development of rural areas, whilst enabling Megabank to promote Responsible Finance practices.

“In today's challenging environment, it is even more important to have a strong partner such as Megabank to support rural micro and small enterprises as well as agricultural businesses and local farmers,” says Monika Beck, chairperson of the Board of EFSE. “Thanks to the dedicated financing for Ukraine, which was provided by the German Federal Ministry for Economic Cooperation and Development (BMZ) earlier this year, we are pleased to be able to stand by the EFSE's final target group in tougher times as well.”

According to Chairperson of Management Board Olena Zhukova, support of agricultural enterprises is a strategic direction for the bank. “We understand the difficulties, which workers of the agricultural sector face now. At the same time we realise that the economy cannot fully function as a whole without a stable operation of agriculture. In this regard, Megabank intends to continue to cooperate with agricultural enterprises and to support them in all endeavours. Therefore, the allocation of funding by our international partners is very important today” - said Olena Zhukova.

### **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 Megabank**

MEGABANK, PJSC has been providing financial services for corporate and private customers and been operating in the banking market since 1990. Among the shareholders of the bank there are the European Bank for Reconstruction and Development (EBRD), German Development bank (KfW) and International Finance Corporation (IFC). The regional network of MEGABANK, PJSC includes 164 units in 18 regions of Ukraine. The bank services 563 thousand of customers through its network of branches. As of September 1,

2015 the bank's assets are UAH 8,044 million, loan and investment portfolio – UAH 6,898 million, the bank's capital – UAH 969 million, current year profit – UAH 7,651 thousand. The National Bank of Ukraine transferred MEGABANK, PJSC for 2015 from a group of “Medium banks” to a group of “Large banks”. You can find more details on its website [www.megabank.net](http://www.megabank.net).

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