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Прокредит Банк



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EUROPEAN FUND FOR SOUTHEAST EUROPE

EFSE and ProCredit Bank boost financing for Ukrainian agricultural sector

UAH funding equivalent to EUR 20 million to be on-lent in local currency to small farmers and producers to support economic recovery during COVID-19 crisis

Luxembourg and Kyiv, 14 September 2020 – The European Fund for Southeast Europe (EFSE) has provided Ukraine’s ProCredit Bank with a loan in Ukrainian hryvnia (UAH) equivalent to EUR 20 million. In light of the challenges faced by entrepreneurs during the COVID-19 crisis, the investment aims to enhance the bank’s ability to extend local currency financing to small farmers and agricultural producers – thus protecting this vital sector from exchange rate volatility while supporting their ability to access necessary liquidity to continue operations and sustain employment.

ProCredit Bank is the leading small and medium enterprise (SME) bank in Ukraine and, as an important conduit for SME financing, has been a long-standing partner of EFSE in the endeavour to expand access to finance for local entrepreneurs. Despite the current global pandemic, ProCredit Bank is well positioned to confront the economic challenges with its solid track record that leverages on a strong management team and committed shareholders to foster development finance in Ukraine.



This new local currency loan from EFSE was enabled by the fund’s dedicated instrument for local currency financing: the “L shares”, a risk-absorbing capital layer supported by generous contributions from the European Union and the German Federal Ministry for Economic Cooperation and Development.

EFSE Board Chairman Christoph Tiskens said: “Over the years, ProCredit Bank has proven a reliable and strategic partner in helping EFSE enhance financial inclusion in Ukraine. Especially during these turbulent times, ProCredit Bank is continuing to serve its clients – and together, we are more committed than ever to providing local agricultural businesses with the long-term, responsible finance needed to withstand economic headwinds.”

General manager of ProCredit Bank Ukraine Victor Ponomarenko added: “Businesses in Ukraine still face limited access to affordable and long-term financing, especially in local currency, which is imperative for promoting investments and development. Therefore, our cooperation with EFSE today is more valuable than ever and helps ProCredit Bank to successfully fulfil its role as a reliable financial intermediary and increase its loan portfolio to SMEs.”

About EFSE



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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 ProCredit Bank

As a specialised bank for small and medium-sized enterprises, ProCredit Bank offers a wide range of banking services and top-quality customer service and experience. ProCredit Bank is part of the international ProCredit group, whose shareholder is ProCredit Holding AG & Co. KGaA Germany. The bank is not associated with any commercial or political group. Fitch Ratings, a global rating agency, has assigned ProCredit Bank the highest possible rating in Ukraine. Strong backing from the bank's shareholder, its membership in the international ProCredit Group and supervision by the German Federal Financial Supervisory Authority (BaFin) are factors that guarantee ProCredit Bank's stability and reliability.

For more information about ProCredit Bank in Ukraine, please visit: www.procreditbank.com.ua

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