

EFSE and Agroprosperis Bank strengthen partnership to provide financing in local currency for Ukrainian farmers

Luxembourg and Kyiv, 29 December 2020 – The European Fund for Southeast Europe (EFSE) has provided a senior loan in Ukrainian hryvnia equivalent to EUR 5 million to partner Agroprosperis Bank for on-lending to agricultural micro and small enterprises (MSEs) in Ukraine. Through the investment, the partners aim to facilitate farmers' ability to access much-needed financing to sustain their businesses using local currency.

As part of the AP Group, one of the largest agricultural business groups in the country, Agroprosperis Bank's deep understanding of agricultural business has made it a valuable financial institution for Ukrainian farmers. This sector expertise has created a fruitful collaboration with EFSE in pursuing the fund's mission to promote economic development and prosperity through financial inclusion and support to entrepreneurs. The new investment in local currency will further enable the partners to ensure that agricultural MSEs have access to much-needed liquidity while safeguarding them from the exchange rate risks inherent to financing in a foreign currency.



EFSE Board Chairperson Klaus Müller said: "Especially as economies grapple with the aftershocks of the COVID-19 crisis, we are pleased to be continuing our joint efforts with Agroprosperis Bank in equipping MSEs with local currency funding that is crucial to sustaining operations. Agriculture is a significant pillar of the Ukrainian economy, and the bank's engagement with this sector makes it a truly strategic partner for EFSE in channelling responsible finance to the region."

Agroprosperis Bank CEO Serhii Shchepanskyi commented: "We are proud to strengthen the cooperation with our partner EFSE, which becomes particularly important in these challenging times. Agroprosperis Bank is committed to helping Ukrainian farmers become more profitable, efficient and resilient by offering them available and timely financing. With the support of our valuable partner, we can help farmers endure and sustain production amid uncertainties, heightened risks and quarantine restrictions. Together we are investing in the future prosperity and stability of Ukrainian agriculture."

EFSE's ability to provide funding to its partners in local currency was boosted by generous contributions from the European Commission as part of its EU4Business initiative as well as from the German Federal Ministry for Economic Cooperation and Development (BMZ).



About EFSE

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

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About Agroprosperis Bank

Agroprosperis Bank is a Ukrainian bank owned by the investment fund NAP II, managed by NCH Capital Inc. (USA). The fund's investors are well-known international institutions of the United States and Europe, including the European Bank for Reconstruction and Development (EBRD). Agroprosperis Bank is a specialized bank that lends primarily to small and medium-sized agricultural producers. AP Bank was the first financial institution in Ukraine to provide financing secured by crop receipts and facilitating access to finance for farmers who do not have enough hard collateral and therefore have constrained access to banking finance.

For more information about Agroprosperis Bank, please visit www.ap-bank.com

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