

08.10.2004 Yuriy Blashchuk Named Chairman of the Management Board of International Mortgage Bank

Press Release

Kyiv, Ukraine – October 8, 2004 - Western NIS Enterprise Fund (WNISEF), the leading private equity fund in Ukraine and Moldova, announced that Yuriy Blashchuk was named Chairman of the Management Board of the newly-established International Mortgage Bank (IMB). Mr. Blashchuk will assume this position effective November 1, 2004.

Yuriy Blashchuk has rich experience in Ukraine's banking sector. During the last six years he served as Chairman of the Board of All-Ukrainian Joint Stock Bank (VABank), whose total assets over this period increased from UAH162 million to UAH1.348 billion. Until 1998, Mr. Blashchuk worked at the National Bank of Ukraine (NBU). Yuriy Blashchuk will bring to IMB not only experience in building a successful banking institution and leadership skills, but also confidence in the prospects of the Ukrainian mortgage market's development.

Initially capitalized with \$7 million by WNISEF, IMB will become the first specialized mortgage bank in Ukraine. The Bank will provide acquisition, renovation, and home equity loans on a 5 and 10-year term at competitive interest rates. Its focus on mortgage lending will allow it to offer efficient and superior customer service and to provide a whole range of mortgage lending services.

IMB registration with the NBU is underway. On September 6, 2004, the NBU gave its preliminary approval for the Bank's establishment. At the end of September 2004, WNISEF became a sponsor for a \$30 million loan from the U.S. Overseas Private Investment Corporation (OPIC). This financing will allow the Bank to disburse more loans, thereby promoting the development of the mortgage industry in the country. In addition, the OPIC loan will facilitate the attraction of capital from other international institutions.

Commenting on his decision, Yuriy Blashchuk said: "I am very pleased to head a new banking institution, which, I am convinced, will become the leading mortgage lender and speed the development of Ukraine's mortgage industry, setting high standards for products and services. The Bank's efficient and focused strategy, a long-term loan from a reliable foreign partner, preliminary approval from the NBU and the results of the pilot program give every reason to believe in the successful start of the Bank and its strong growth."

In anticipation of the Bank's registration, in January 2004 WNISEF launched a pilot mortgage lending program, the International Mortgage Program, which administers loans through ProCredit Bank. Upon completion of the Bank's registration, ProCredit Bank will transfer the loan portfolio to IMB.

WNISEF (www.wnisef.org) is the region's leading private equity fund that invests in small- and medium-sized enterprises in Ukraine and Moldova. WNISEF seeks to identify and invest in securities of private enterprises with outstanding growth potential and the ability to build competitive advantages in the marketplace. WNISEF provides its portfolio companies with capital and the necessary management tools to evolve from entrepreneurial ventures into professionally managed companies. Since inception, the cumulative investment commitment of WNISEF totals \$93.4 million to 28 companies in Ukraine and Moldova employing over 18,000 people.

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