

Press release

For immediate release

EFSE signs its largest loan agreement ever: EUR 25 million to Banca Intesa in Serbia

- *EFSE's overall investments in the target region to amount to more than EUR 200 million in 2010*

Frankfurt am Main and Belgrade, March 26, 2010 – The European Fund for Southeast Europe (EFSE), the world's largest microfinance investment fund, and the commercial bank Banca Intesa a.d. Belgrade (Banca Intesa), Serbia, today announced the signing of a senior loan agreement. Under the agreement, Banca Intesa will take a loan of EUR 25 million from EFSE. The loan will be utilised for further on-lending to micro and small enterprises (MSEs) in Serbia, a sector that has been hit particularly hard by the crisis.

EFSE's financing supports the bank's growth strategy, which aims to expand the penetration of loans to small businesses also in the segment of agriculture, where financing needs remain very high.

Sylvia Wisniwski, Chief Operating Officer of EFSE, said: "The investment fits EFSE's strategy of supporting well-managed and financially sustainable financial institutions that are at the same time committed to fair banking practices. Not only will the funding infuse long-term liquidity to support Banca Intesa's lending program to small businesses, allowing the Bank to offer better loan conditions in the form of longer maturities to more than 1,500 additional small businesses. It also has a significant development impact on the Serbian economy, creating and securing jobs and income."

"Strategic determination to support and invest in development of entrepreneurial spirit is what makes Banca Intesa one of Serbia's leading banks in the small business segment. As the needs of our clients make the starting point in devising and creating our products, we strive to offering small entrepreneurs all services that large companies already have at their disposal. We expect that our cooperation with EFSE will stimulate the entrepreneurial sector and help them achieve the best results possible", said Dejan Tešić, member of the Executive Board of Banca Intesa and Head of the Retail and Small Business Division.

EFSE is one of the largest single providers of finance for MSEs in Southeast Europe. Since its inception in December 2005, the Fund has invested a cumulative total of over EUR 710

million in Southeast Europe, facilitating more than 200,000 loans to MSEs and low-income private households.

Sylvia Wisniwski added: “EFSE will continue to help ensure a continuous flow of financing to small businesses. The Fund stands ready to invest over EUR 200 million in the Southeast European MSE finance sector in 2010. In doing so, the Fund will provide much-needed financing to more than 20,000 MSEs.”

About the European Fund for Southeast Europe (EFSE)

With an outstanding investment portfolio of EUR 578 million (as of December 31, 2009), EFSE is the world’s largest microfinance investment fund. Aimed at fostering economic development and prosperity in the region of Southeast Europe, the Investment Fund offers long-term funding instruments to qualified local financial institutions for on-lending to micro and small enterprises (MSEs) and low-income private households. EFSE also runs a Development Facility whereby grants enable technical consulting and training measures to institutionally strengthen the Investment Fund’s partner lending institutions. Initiated by KfW, the EFSE is a investment company that falls under the jurisdiction of the Grand Duchy of Luxembourg in the form of a public limited company, qualifying as a société d’investissement à capital variable ("SICAV-SIF"). As the first Public-Private Partnership of its kind, EFSE combines public funding and private investment. The investor base is comprised of donors and international finance institutions, including: European Commission, Federal German Ministry for Economic Development and Cooperation (BMZ), the governments of Austria, Switzerland, Denmark and Albania, KfW, IFC, FMO Netherlands Development Finance Company, European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB) and Oesterreichische Entwicklungsbank (OeEB). In addition, private investors, such as Sal. Oppenheim and Deutsche Bank, contribute to the funding base. EFSE is a privately managed investment fund with Oppenheim Asset Management Services S.à r.l., Luxembourg, as the fund manager and Finance in Motion GmbH, Frankfurt/Main, Germany, as fund advisor.

For further information about EFSE, please visit: www.efse.lu