

## EFSE and Banca Intesa join forces to finance development in rural Serbia

### EUR 10 million loan to finance agricultural production in underdeveloped areas

**Frankfurt and Belgrade, 14 January 2015** - The European Fund for Southeast Europe (EFSE) and Banca Intesa have signed a EUR 10 million senior loan agreement to support economic development in rural Serbia, including those areas severely hit by floods last year.

The funding will primarily be used to finance new agricultural equipment acquisitions and mechanisation.

“Serbia’s agricultural sector accounts for over 10% of the country’s GDP and has been severely hit by floods last spring. Together with our longstanding partner Banca Intesa we aim to make a significant contribution towards addressing the recent challenges. And by securing access to credit for farming and rural businesses, we are providing much-needed support for sustainable growth in this sector,” says Monika Beck, Chairperson of the Board of EFSE.

Banca Intesa, Serbia’s leading bank, has focussed strategically on agriculture since 2008 and is now one of the sector's largest creditors. To date 28,000 loans totalling approximately EUR 150 million have been disbursed to agricultural producers.

“Agriculture is a significant competitive advantage of Serbia and an important driver of its long-term economic growth, which is why Banca Intesa has a lasting commitment to providing active support for the farming sector. The continuation of our successful cooperation with the EFSE will place us in an even stronger position to help our customers and reinforce agricultural production, whilst additionally contributing to the overall recovery of the entire domestic economy”, says Alessio Cioni, Deputy President of Banca Intesa Executive Board.

Since becoming an EFSE partner lending institution in 2010, Banca Intesa has on-lent more than EUR 120 million in EFSE funding to small businesses and agricultural producers in Serbia.

### **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 Banca Intesa**

Banca Intesa ad Beograd, a member of international banking group Intesa Sanpaolo, is the leading bank in the Serbian market by key indicators of successful banking operations with total net assets of over EUR 4 billion, total deposits of EUR 2.4 billion and total lending of EUR 2.3 billion. The Bank is a reliable partner to 1.73 million customers – individuals, entrepreneurs, small and medium sized enterprises, large companies and local governments, and it operates through a business network comprising 179 branch offices across Serbia



while relying on knowledge and expertise of its professional team of around 3,000 employees. Banca Intesa also has the widest POS and ATM networks in the market and leads the payment cards segment with around 1.4 million debit and credit cards issued.

For more information about Banca Intesa, please visit: [www.bancaintesa.rs](http://www.bancaintesa.rs)