

## Joint Press Release

For immediate release

# EFSE and Banca Intesa Beograd boost financing to micro and small enterprises in Serbia

- EFSE provides EUR 25 million loan to Banca Intesa Beograd for on-lending to micro and small enterprises

**Frankfurt am Main and Belgrade, November 21, 2011** – The European Fund for Southeast Europe (EFSE) and Banca Intesa a.d. Beograd (or the “Bank”) have signed a new loan agreement of EUR 25 million to boost the availability of financing to micro and small enterprises (MSEs), including rural entrepreneurs and small agriculture producers in Serbia. EFSE is one of the world’s largest development finance investment funds. It was initiated in 2005 by the KfW Entwicklungsbank (The German Development Bank) with the financial support of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission.

Majority-owned by the Intesa Sanpaolo Group, Banca Intesa Beograd is the largest commercial bank in Serbia, with the largest nationwide network, servicing over 1.5 million corporate and retail customers.

The proceeds of the EFSE loan will be used to finance the investments and working capital needs of MSEs operating in Serbia with longer term loans of up to EUR 100,000. The Bank will use a significant portion of the loan for MSEs in rural areas and individual agriculture producers, mobilising capital for a segment of the Serbia’s economy still significantly in need for financing.

The access to long-term financing remains limited in Serbia, mainly hindered by short maturities of customer deposits. The EFSE’s transaction will help the Bank to further diversify its funding base and expand its MSE loan portfolio. This is the second EFSE loan to the Bank to refinance MSE loans, following a EUR 25 million loan in March 2010.

Dr. Klaus Glaubitt, Chairman of the Board of Directors of the EFSE, said: *“We are looking forward to expanding our successful cooperation with this second MSE loan. Micro and small businesses are critical for economic development and for generating employment opportunities. However, they often lack access to suitable finance. This latest loan will help overcoming this hurdle.”* He added: *“The EFSE loan will enable Banca Intesa Beograd to enhance its role in financing MSEs and to increase the competition in this sector.”*

“Being aware of the potential of this segment of the economy and its strategic importance to the country’s economic development, Banca Intesa, as one of the leading banks in the Serbian market in the small business segment, offers continuous support to entrepreneurs and small enterprises in all aspects of their

operations," said Draginja Djuric, President of Banca Intesa's Executive Board. "This continuation of our successful cooperation with EFSE will further strengthen our resolve to maintain intensive lending for this sector and remain a strong pillar of the domestic economy," Draginja Djuric added.

### **About the European Fund for Southeast Europe**

The European Fund for Southeast Europe (EFSE) aims to foster economic development and prosperity in Southeast Europe and the European Eastern Neighbourhood Region (ENR), including Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, FYR Macedonia, Georgia, Kosovo, Moldova, Montenegro, Romania, Serbia, Turkey and Ukraine. It provides long-term finance primarily for micro and small enterprises (MSEs) and private households in the form of home improvement loans channelled through local financial institutions. 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. 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. The EFSE was initiated by KfW Entwicklungsbank (The German Development Bank) 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 as the first EFSE shareholder from the EFSE's target region, the Development Bank of Austria (Oesterreichische Entwicklungsbank - OeEB), the Swiss Agency for Development and Cooperation (SDC), the Danish International Development Agency (Danida), KfW Entwicklungsbank 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), and 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, please visit: <http://www.efse.lu>

### **About Banca Intesa a.d. Beograd**

Banca Intesa Beograd, a subsidiary of Intesa Sanpaolo, is the leading bank in the domestic market and a reliable partner to 1.5 million customers. Banca Intesa Beograd serves private individuals, entrepreneurs and small and medium enterprises as well as large companies and municipalities. With EUR 3.49 billion in total assets, EUR 2.21 billion in total deposits and over EUR 2.44 billion in total placements, Banca Intesa Beograd ranks first among Serbia's largest banks. The combination of a vast network of 200 branch offices in 120 cities throughout Serbia, the widest ATM and POS terminal network, and a professional staff of 3,000 enables the bank to achieve strong growth in all fields of operations.

