

Banca Sociala Moldova Signs Loan Agreements with European Fund for Southeast Europe (EFSE)

Over €8 Million to Further Leverage Bank's Strategy

22 June 2007 — Banca Sociala, one of the Moldova's leading universal commercial banks, has received a €5 million micro- and small-enterprises (MSE) loan and a €3 million housing loan. These are expected to complement existing sources of the bank.

The MSE financing line provides further clout to the bank's existing MSE strategy. The housing line will enable the bank to strengthen this strategic growth area with an estimated demand of at least US-\$1.38 billion for the entire economy.

Over 1,500 loans will be granted as a result of the agreement. Banca Sociala's proposed housing line and resulting subloans are expected to serve the immense demand for mortgage/housing finance in Moldova.

The proposed investment would increase the ratio of EFSE's overall portfolio invested in Moldova, which stood at 5% of total investments outstanding at the end of the second quarter 2007. EFSE's total portfolio at the end of the second quarter 2007 stood at €300 million, with €46 million approved for investment in Moldova.

The European Fund for Southeast Europe (EFSE) was launched in December 2005 and aims at supporting economic development and fostering prosperity by providing financial means for private entrepreneurs and households through qualified commercial banks and micro finance institutions.

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