

Press Release

For immediate release

EFSE provides EUR 8 million loan to NLB Tutunska banka

Frankfurt am Main and Skopje, 13 November, 2009 – The European Fund for Southeast Europe (EFSE), the largest microfinance investment fund worldwide, is providing a new EUR 8 million loan to the NLB Tutunska banka AD Skopje (NLB Tutunska banka), Former Yugoslav Republic of Macedonia (FYR Macedonia). The loan aims to provide continued flow of finance to micro and small enterprises (MSEs) at times when most banks are reducing their lending activities due to liquidity constraints. It will help the bank to create financial opportunities for about 500 micro entrepreneurs and small enterprises, particularly in remote areas of FYR Macedonia.

NLB Tutunska banka, headquartered in the country's capital of Skopje, operates as a universal commercial bank providing a full range of banking services to retail clients as well as corporate, micro, small and medium enterprises (MSMEs). NLB Tutunska banka is strategically determined to support and finance the development of MSMEs, the cornerstone of FYR Macedonia's economy. The bank has a large branch network covering particularly smaller towns and more remote areas of the country.

“We are very pleased about the loan agreement with NLB Tutunska banka. The loan will bring much-needed financing for country's small businesses. It is crucial that small businesses receive continued funding during the crisis period”, said Dr. Klaus Glaubitt, Chairman of the Board of Directors of EFSE.

“The arrangement of this credit line means continuing our successful cooperation with EFSE in the period of limited possibilities for funding. Through this credit line, NLB Tutunska banka will be able to offer favorable sources of financing for small businesses’ investment projects and their working capital needs. This will be a crucial contribution for the Bank in providing continuous financial support to the existing clients and furthermore by providing competitive conditions to attract new clients”, said Mr. Gjorgji Jancevski, President of the Management Board of NLB Tutunska banka.

The current loan is the second loan NLB Tutunska banka has received from the EFSE. It follows a subordinated loan to the Bank last year worth EUR 12 million. To date, the Fund has committed EUR 39.5 million to the financial sector in FYR Macedonia.

About the European Fund for Southeast Europe (EFSE):

With an investment portfolio of EUR 559 million (as of 30 September, 2009), invested in 56 financial institutions in Southeast Europe, EFSE is the world’s largest microfinance investment fund. Aimed at fostering economic development and prosperity in Southeast Europe, EFSE offers long-term funding instruments to local financial institutions for on-lending to micro and small enterprises (MSEs) as well as to low-income private households. Since its inception in December 2005, the Fund has facilitated approximately 200,000 loans to MSEs and private households, totalling over EUR 1 billion. Besides the investment fund, EFSE has a Development Facility. By giving grants, it funds technical consulting and training measures to institutionally strengthen the partner finance institutions. Initiated by KfW, the EFSE is a closed-ended investment company organised under the laws 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, combining public funding and private investment, the Fund has a strong investor base of donors, international finance institutions and private institutional investors, including: European Commission, German Federal Ministry for Economic Cooperation and Development (BMZ), the governments of Austria, Switzerland Denmark and Albania, KfW, IFC International Finance Corporation, EBRD European Bank for Reconstruction and Development, FMO Netherlands Development Finance Company, EIB European

Investment Bank, OEEB Oesterreichische Entwicklungsbank, Sal. Oppenheim, Deutsche Bank, Crédit Coopératif, BN&P Good Growth Fund and other private investors. EFSE is active in Bulgaria, Romania, Albania, FYR Macedonia, Bosnia and Herzegovina, Kosovo, Moldova, Montenegro, Serbia, and Ukraine.

About NLB Tutunska banka AD Skopje (NLB Tutunska banka):

NLB Tutunska banka is one of the leading banking institutions in the FYR Macedonia and according to total assets, the third largest bank in the country. With an estimated share of 20 percent, NLB Tutunska banka is also a leading provider of loans to micro and small enterprises in FYR Macedonia. Tutunska banka is a member of the NLB Group.

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