



## Joint Press Release

For immediate release

# EFSE provides EUR 15 million loan to ProCredit Bank Serbia

**Frankfurt am Main, Belgrade, November 25, 2010** – The European Fund for Southeast Europe (EFSE) has provided another loan to the value of EUR 15 million to ProCredit Bank Serbia, enabling the bank to expand its lending activities to very small and small enterprises.

To date, EFSE has provided EUR 50 million worth of funding to ProCredit Bank Serbia. The new loan will strengthen the existing relationship between EFSE and ProCredit Bank Serbia.

ProCredit Bank is a medium-sized bank in Serbia which has gained strong expertise in small and medium enterprise (SME) and agricultural sector lending. The Bank invested over EUR 2.4 billion into the Serbian economy since the beginning of its operations in 2001. It is the leading provider of financial services for very small, small and medium-sized companies.

"Our cooperation with EFSE so far has had a significant impact on the development particularly of our smaller enterprise clients. This loan will certainly further increase our capacity to support the smaller business sector. It is also another international validation of our development orientation, expertise in SME support and stability," said Borislav Kostadinov, Chairman of the Supervisory Board of ProCredit Bank Serbia.

"This loan agreement reinforces the long-term relationship between ProCredit Bank and EFSE," said Dr. Klaus Glaubitt, Chairman of the Board of Directors of EFSE. "Moreover, it confirms EFSE's commitment to support the financially underserved smaller businesses which are at the heart of private sector growth in Serbia. This is of particular relevance in boosting growth as the local economy starts to recover in the aftermath of the crisis."

EFSE has become one of Serbia's largest creditors in the micro and small enterprise (MSEs) finance sector. It has offered a total of EUR 162 million of committed funds to local financial institutions since its inception in December 2005. These partner lending institutions have on-lent the funds in the form of more than 34,000 business and housing loans to local MSEs and private households. EFSE's support to the Serbian financial sector does not only include financial investments, but also technical assistance, consulting and training offered to partner lending institutions with the aim of increasing the outreach to its target group.



### **About the European Fund for Southeast Europe (EFSE)**

The European Fund for Southeast Europe (EFSE) is aimed at fostering economic development and prosperity in Southeast Europe, including: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, FYR Macedonia, Georgia, Kosovo, Moldova, Montenegro, Romania, Serbia and Ukraine. It offers long-term funding instruments to local financial institutions for on-lending business loans to micro and small enterprises (MSEs) but also to medium sized-enterprises, as well as housing loans to low-income private households. The investment activities of EFSE are supported by the EFSE Development Facility, which provides funding for technical assistance, consulting and training to partner lending institutions as well as awareness raising and market enabling activities. Overall, since its inception in December 2005, EFSE has offered approximately EUR 922 million in financing to commercial banks, microfinance institutions and non-financial institutions, facilitating a total number of more than 247,000 MSE and housing loans. Initiated by KfW (The German Development Bank), the EFSE is a Public-Private Partnership that combines funds from various private investors, European governments and international financial 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), Oesterreichische Entwicklungsbank (OeEB), Deutsche Bank and Sal. Oppenheim. EFSE is privately managed with Oppenheim Asset Management Services S.à r.l., Luxembourg, as the fund manager and Finance in Motion GmbH, Frankfurt/Main, Germany, as the fund advisor.

For further information about EFSE, please visit: <http://www.efse.lu>

### **About ProCredit Bank Serbia**

ProCredit Bank Serbia was founded in April 2001 and is a member of the ProCredit group which comprises 21 financial institutions operating in Europe, Africa and Latin America. Since its inception, ProCredit Bank has invested over EUR 2.4 billion into the Serbian economy. Over 375.000 loans have been approved, 80 percent of which are loans to small and medium-sized enterprises, entrepreneurs and agricultural producers. The Bank's deposit base exceeds EUR 340 million, 200.000 payments cards have been issued, and the total number of clients exceeds 280.000. In its lending operations, the Bank is focused on small and medium-sized enterprises, entrepreneurs and agricultural producers with a special emphasis on responsible banking and the development of a savings culture among its clients.

For further information about ProCredit Bank Serbia, please visit: <http://www.procreditbank.rs>

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