

Press Release

For immediate release

EFSE and Şekerbank sign EUR 15 million loan agreement to support micro and small enterprises in Turkey

Luxembourg and Istanbul, 10 September 2012 - The European Fund for Southeast Europe (EFSE, the Fund) created a subordinated loan facility over EUR 15 million for Turkish commercial bank Şekerbank (the Bank). The loan will enable Şekerbank to further leverage current lending activities to micro and small enterprises (MSEs) and agricultural producers in rural areas. The subordinated loan provided by the Fund comes with a ten-year maturity and will strengthen the Bank's capital structure for further leverage and additional loans to MSEs from the Bank's own funds. At the same time, the long-term maturity of the loan will enable the Bank to pass this benefit on to targeted end-borrowers, helping them to make necessary investments whilst allowing for a more manageable debt servicing burden.

Şekerbank is one of Turkey's leading banks in the small business segment. The institution ranks among Turkey's top 10 private banks in terms of total assets, and is one of the country's best established banks in rural areas. With a strategic focus on financing micro, small and medium businesses (currently about 65 per cent of the total loan portfolio), the Bank services over 1.4 million customers through 272 branch offices. Şekerbank's vast branch network is instrumental in distributing EFSE financing to a wide range of loan customers throughout Turkey. This loan has been made possible with substantial support from the European Commission, which provided endowment funds to EFSE for expanding its investment activities into Turkey. By extending the proposed facility to Şekerbank, the EFSE continues to foster the growth of MSEs in underserved regions of the country.

"The EFSE is delighted to cooperate with such a renowned partner in Turkey. Şekerbank's longstanding experience and strategic focus on serving micro, small and medium enterprises make it a premier partner for the Fund. Employment and income generation depend to a large extent on access to finance. The EFSE loan is a significant step in facilitating credit availability to more than 30,000 rural entrepreneurs and agriculture producers, and in helping them to grow their business and improve their standard of living," said Monika Beck, Chairperson of the Board of Directors of EFSE.

"We are happy to have this transaction with EFSE. We think this will make a strong contribution to our small and medium enterprises long term funding efforts. We also hope that it will lead to further small business related cooperation with EFSE as they expand their involvement with Turkey." said S. Zeki Önder, Executive Vice President of Şekerbank.

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) of the European Union, including

Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, FYR Macedonia, Georgia, Kosovo, Moldova, Montenegro, Romania, Serbia, Turkey and Ukraine. 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 (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, 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 EFSE, please visit: <http://www.efse.lu>

ABOUT ŞEKERBANK

Şekerbank, founded in 1953 by the sugar beet growers’ cooperatives, is one of the best-established banking brands in Turkey. With its nationwide branch network, Şekerbank has a strong penetration across the country. Throughout its 59 years of history, Şekerbank has been one of the leading banks serving agriculture, SMEs and small businesses. In line with its strategy to position itself as the primary partner for local business through its “community banking” approach, Şekerbank has developed strong ties with international financial institutions (IFIs) for long-term funding. Being the first bank entering the ISE Corporate Governance Index in Turkey, Şekerbank has 272 branches, 11 regional offices (3 in Istanbul, and 8 in Anatolia) and 1 overseas representation. The subsidiaries of Şekerbank include Şeker Yatırım, Şeker Factoring, Şeker Leasing, Şekerbank Kıbrıs Ltd. and Şeker Finans. For further information, please visit www.sekerbank.com.tr.

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