

EFSE signs new partner lending institution in Serbia: Intesa Leasing Belgrade

EUR 5 million loan from EFSE marks beginning of partnership

Frankfurt and Belgrade, 23 January 2014 - The European Fund for Southeast Europe (EFSE) – initiated by KfW Development Bank (KfW) with the financial support of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission – signed a EUR 5 Million senior loan agreement with Intesa Leasing Belgrade, Serbia.

Intesa Leasing Belgrade is one of the leading Serbian leasing companies. It is wholly owned by Banca Intesa Belgrade, which is already an EFSE partner lending institution. The business network developed by the parent bank enables Intesa Leasing to provide leasing services through Banca Intesa Belgrade's nearly 200 branches strategically placed across Serbia. Intesa Leasing strongly supports the EFSE's ultimate target group, as micro and small enterprises (MSEs) account for more than 50% of the company's leasing contracts.

"Intesa Leasing has been one of the front-runners of the leasing business in Serbia, and the first to offer local currency leasing in the Serbian market," says Monika Beck, Chairperson of the Board of EFSE. "Leasing supports MSEs in the long-term financing of different types of equipment and machines, and this loan enables us to increase the EFSE's outreach to target groups in Serbia", she adds.

"For many years, practically since the company was founded, we have viewed the SME segment as the engine of economic development of Serbia, and thus the segment of utmost importance to the operations of Intesa Leasing. By building on the positive experience of the parent group, Intesa Sanpaolo, in financing clients from this segment, we intend to introduce new products to the leasing market by monitoring trends from more developed markets. Several times during our operations we have proposed brand new financial products that are proving highly effective in supporting our clients' business activities", says Nebojša Janičijević, President of the Executive Board of Intesa Leasing.

"A partnership approach with our clients is something we insist on and something that is at the centre of all of our business activities. With that in mind, we believe that funds from the EFSE will contribute to further improving of those relationships in the segment of financing production equipment, agricultural machinery and irrigation systems and transport vehicles, i.e. segments in which Intesa Leasing is the leader in the

Serbian leasing market”, emphasises Ivan Jauković, Member of the Executive Board of Intesa Leasing.

About the European Fund for Southeast Europe

The European Fund for Southeast Europe (EFSE) aims to foster economic development and prosperity in Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, former Yugoslav Republic of Macedonia, Kosovo, Georgia, Moldova, Montenegro, Romania, Serbia, Ukraine and Turkey. 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 Development Bank (KfW) 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, 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 the European Fund for Southeast Europe, please visit: <http://www.efse.lu/>

About Intesa Leasing Belgrade

Intesa Leasing Belgrade began operations in March 2006. High goals were set for the company from the very start, one of them being to attain the leading position and results already achieved in the banking sector by the parent bank, Banca Intesa Belgrade. Founded when the leasing market was already well developed, Intesa Leasing Belgrade’s objective of ranking at the top of the leasing market seemed an impossible challenge.

At first, the company was focused only on financing new passenger and commercial vehicles. By the end of 2006, however, the product line was expanded to cover the financing of plant and equipment as well. The numerous challenges of the economic crisis, which confronted all the participants in the financial markets, were recognised on time, and the financing focus shifted to production equipment and commercial vehicles to reduce exposure to the risks and problems that the car industry was facing then and still faces today.

Also, a strong focus was placed on the SME segment, i.e. primarily family-owned businesses with both longstanding tradition and experience that are involved mainly in manufacturing for exports or services of internal and international logistics. It is precisely this client segment, recognised as the healthiest part of our corporate sector, which proved to be the most resilient and faced the crisis by making additional efforts, new investments and by improving their business activities. The synergy that we achieved with clients from this segment, by supporting them financially in the most difficult times, contributed significantly towards establishing long-term cooperation and partnership relations, and towards positioning Intesa Leasing as a leader in financing equipment and commercial vehicles.

The aforementioned strategic guidelines, which are founded on organic growth for the company, a conservative business approach and, what is especially important, the support of our parent Banca Intesa Belgrade, resulted in Intesa Leasing Belgrade quickly becoming a leader in the Serbian leasing market by all relevant business criteria during the crisis – profitability, new business and portfolio quality.

More information on Intesa Leasing Belgrade is available at www.intesaleasing.rs

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