

## EFSE and Komerčijalna Banka broaden partnership with a new senior loan agreement for housing credit

### EUR 15 million loan to further strengthen the bank's housing and home improvement lending business

**Frankfurt and Belgrade, 14 October 2014** - The European Fund for Southeast Europe (EFSE) issued a EUR 15 million senior loan to Serbia's Komerčijalna Banka a.d. Beograd (Komerčijalna Banka) to support the bank's housing and home improvement loan business.

For Komerčijalna Banka, a longstanding EFSE partner lending institution, this is the first credit facility from the EFSE to be specifically dedicated to housing and home improvement. The loan supports the bank's strategy to strengthen lending operations in the retail segment. In the first six months of 2014 Komerčijalna Banka – Serbia's second largest commercial bank in terms of total assets – accounted for more than 20% of all housing loans disbursed in the market. The bank owes its strong market position in this segment to its broad product portfolio of loans for home purchase and renovation. Borrowers living outside Belgrade account for more than half of all loans for home purchases and improvements.

"Komerčijalna Banka is a very important EFSE partner when it comes to providing sustainable funding to micro and small enterprises and low-income households. We are therefore very pleased at this opportunity to broaden our commitment to the housing sector with this new loan," says Monika Beck, Chairperson of the Board of EFSE.

"Additional funding provides a solid basis for even more extensive and improved support of clients' needs in what is perhaps the most important relationship with the bank and a very important personal decision. This credit arrangement will further improve our competitiveness and market position, which are already above average," said Dragan Santovac, Deputy President of the Executive Board of Komerčijalna Banka.

#### **About the European Fund for Southeast Europe**

The European Fund for Southeast Europe (EFSE) was 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 (EC). It 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 Komerčijalna Banka**

In terms of total capital, Komerčijalna Banka AD Beograd is the second largest bank in Serbia. It has been operating successfully for 44 years, constantly adjusting to the demands of modern business by introducing new banking products and using advanced communication and information technology. The bank's products are available to clients nationwide through 24 regional divisions, 225 branches and 250 ATMs. More than 1.5 million satisfied customers have opened 2.7 million accounts. Foreign currency savings in Komerčijalna Banka exceed EUR 1.5 billion. In just one year the bank's share in total foreign currency savings in Serbia increased from 17.05% to 18.65%, confirming Komerčijalna Banka's leading market position in this segment.

Shareholders of Komerčijalna Banka, apart from the Government of Serbia (42.6%) and EBRD (25%) include

many internationally renowned institutional investors, such as IFC, Swed Fund, DEG, as well as major publicly owned and private companies. Komerčijalna Banka's (wholly owned) subsidiaries in Montenegro and Bosnia and Herzegovina with 40 regional divisions and branches serving 100,000 customers.

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