

## EFSE and Garanti Leasing expand partnership to finance rural loans in Turkey

Second loan totals EUR 20 million loan and will fund over 1,500 new leases

**Frankfurt and Istanbul, 30 December 2014** - The European Fund for Southeast Europe (EFSE) is providing Garanti Finansal Kiralama A.Ş. (Garanti Leasing) with an additional EUR 20 million loan, half of which is earmarked for on-lending to micro and small enterprises (MSEs) in Turkey's 'Priority Development Regions'.

Garanti Leasing, the leading leasing company in Turkey in terms of number of contracts, has a strong focus on micro, small and medium enterprises (MSMEs): they account for more than 90% of Garanti Leasing's total business volume. Garanti Leasing became an EFSE partner lending institution in 2012 and has since been very successful in on-lending the EFSE's previous loan to MSEs.

"Garanti Leasing has proved a strong partner in the last two years and been very effective in channelling the finance provided by the EFSE to our ultimate target group of micro and small enterprises," said Monika Beck, Chairperson of the Board of EFSE. "We are therefore very pleased to extend our existing cooperation to include rural loan financing with a focus on the Priority Development Regions in Turkey."

Garanti Leasing's general manager Unal Gokmen said: "With its SME focused strategy and broad customer base throughout the whole country, Garanti Leasing has always been a reliable partner of MSEs and a well-known player in international markets. This loan will contribute to our main strategy of supporting MSEs and strengthen our long-standing relationship with the EFSE."

### **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. 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 Garanti Leasing**

Founded in 1990, Garanti Leasing (Garanti Finansal Kiralama AŞ) has been the pioneer of its sector through its customer oriented and innovative approach. As one of the largest leasing companies in Turkey, Garanti Leasing, with its strategy of portfolio diversification and focus on SMEs, is the first Turkish leasing company to be rated by two agencies, Fitch Ratings and Standard and Poor, and enjoys an excellent reputation.

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