

EFSE loan to Halkbank facilitates access to credit for Macedonian MSEs and low-income households

New EUR 10 million long-term credit line secures MSE and housing/home improvement financing

Frankfurt and Skopje, 16 December 2014 - The European Fund for Southeast Europe (EFSE) granted a EUR 10 million senior loan to Halkbank AD Skopje (Halkbank) to support the housing sector as well as micro and small enterprises (MSEs) in Macedonia.

The credit facility strengthens Halkbank's ability to offer adequately structured housing and home-improvement credit products to retail borrowers as well as provide long-term investment loans to match the financing needs of MSEs.

The cooperation between Halkbank and the EFSE dates back to 2006; at the time the Fund provided finance for on-lending to low-income households as well as MSEs and supported Halkbank's strategic orientation towards these market segments.

"Halkbank has proved a dependable partner over the years and has been very effective in channelling the financing provided to support the EFSE's final target groups", says Monika Beck, Chairperson of the Board of EFSE. "We look forward to further extending this fruitful cooperation for the benefit of MSEs and low-income households in Macedonia."

"We are delighted to strengthen our partnership with EFSE which will result in adding value to MSEs and low-income households in Macedonia. The high utilization rate of this financing also shows the need for such loans," said Necdet Palakci, CEO of Halkbank AD Skopje. "EFSE and Halkbank AD Skopje are making a huge difference in helping MSEs and low-income households in Macedonia, and at the same time contributing to Macedonian economy"





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 Halkbank

Halkbank AD Skopje (Halkbank) is raising the bar for speed and quality in financial services within the Macedonian market by implementing innovative processes in its business. With 30 branches in Macedonia, a representative office in Belgrade, Serbia, and correspondent relationships with 404 banks and account relationships with 16 foreign banks, Halkbank has a broad national and international network.

A medium-sized bank by NBRM standards, Halkbank enjoys a sterling reputation as a trustworthy, customer-oriented, innovative and dynamic bank in the Macedonian market.

Halkbank is also a socially and eco-responsible institution: since its beginnings in Macedonia, the bank has continuously supported environmental development and protection, many socially concerned segments, as well as sports and culture. In the area of long-term development financing in particular, the bank has long-term partnerships with international financial institutions that are benefiting the Macedonian economy as a whole.

In 2013 Halkbank has shown continuity in supporting companies and citizens, while the quality of the offered services remained high. The loan portfolio of the Halkbank showed an increase from EUR 147.4 million in 2012 to EUR 221.4 million in 2013, or a net growth of more than 50%, while the total banking sector lending recorded a net increase of EUR 213 million where Halkbank Skopje had a leading share of 34% of the total net increase of the loans in the banking sector with additional EUR 74 million disbursed loans to Macedonian companies and citizens.

For more information, please visit <http://www.halkbank.com.mk/home.nspix>

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