

EFSE and UniCredit expand housing loans partnership

EUR 10 million loan to UniCredit will broaden access to housing and home improvement finance in Serbia

Frankfurt and Belgrade, 19 January 2015 - The European Fund for Southeast Europe (EFSE) issued a new senior loan totalling EUR 10 million to UniCredit Bank Serbia, reaffirming the EFSE's partnership with one of Serbia's leading financial institutions. The new loan has been earmarked for on-lending to finance housing and home improvement projects for retail customers.

UniCredit is Serbia's third largest bank in terms of assets and has recently shown strong growth as a retail finance provider. UniCredit's well-established network of more than 70 branches covers the entire country to serve its broad customer base with both traditional as well as innovative financial products and services. Private individuals with housing loans currently account for almost half of the retail loan portfolio, and UniCredit Serbia's market share is continuously increasing.

"From the beginning of our partnership in 2013, the cooperation with UniCredit Bank Serbia successfully focused on supporting housing finance and home improvement – one of the EFSE's key target sectors in Serbia. Hence we are pleased to further build on this success providing new funding to UniCredit Bank Serbia to finance private households for home improvement and purchases," says Monika Beck, Chairperson of the EFSE Board.

Claudio Cesario, CEO of UniCredit Bank Serbia stated: "We are very pleased with our cooperation with the EFSE and the fact that we are expanding our housing loan partnership is valid proof of this. Our residential housing finance program offers two options for our retail clients: to buy space for living, or invest in adapting and renovating flats according to their needs."

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 UniCredit Bank

UniCredit Bank Serbia is a member of UniCredit, one of Europe’s leading financial groups with a strong presence in 17 countries. Through a network of approximately 7,750 branches and more than 130,000 employees, the Group is present in about 50 markets. In central and eastern Europe, UniCredit operates the largest international banking network with nearly 2,500 branches. The Group is present in Austria, Azerbaijan, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Germany, Hungary, Italy, Poland, Romania, Russia, Serbia, the Slovak Republic, Slovenia, Turkey and Ukraine. On the Baltic, it is present through its Leasing company, UniCredit Leasing.

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