

EFSE Funding Supports Ohridska Banka's Longer Term Fixed Rates for Housing Loans

EFSE EUR 10 million loan forms basis of new partnership with leading Macedonian bank

Luxembourg and Skopje, 26 April, 2016 - The European Fund for Southeast Europe (EFSE) is improving access to housing loan finance for households in Macedonia through a EUR 10 million senior loan to Ohridska Banka Societe Generale, which has recently introduced a product that freezes interest rates on housing loans for twice as long as the period generally available in the market.

Ohridska Banka – a member of Société Générale Group – will use the EFSE funding to support a new housing loan product that fixes interest rates for the initial 10 years of the loan, a first for the Macedonian market. Most of these types of loans in the country currently lock in rates for just the first five years, so a doubling of the period will remove the uncertainty related to a variable interest rate over the long term.

Monika Beck, Chairperson of the Board of EFSE, said: “Ohridska Banka Societe Generale is one of the leading financial institutions in Macedonia, and by doubling the duration of fixed interest rates on home improvement and housing loans, it is supporting the EFSE mission of fostering economic development and prosperity for private households in the region. We are excited to embark on this mutually beneficial partnership.”

Branka Pavlovic, President of the Management Board of Ohridska Banka Societe Generale, said: “Thanks to the EFSE funding, Ohridska Banka Societe Generale is able to introduce this unique offer to the market and develop quality relationships to better understand, serve and anticipate the needs of our clients as we accompany them over the long run. With our new housing loan and its 10-year fixed interest rate, Ohridska Banka Societe Generale goes above and beyond in terms of the transparency and quality of its products. By knowing the rate for the first 10 years of the loan, clients can better plan their future. Clarity, stability and quality – these are our ultimate goals.”

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 Ohridska Banka Societe Generale

Ohridska Banka Société Générale (OBSG) is a universal banking institution that ranks 4th in the Macedonian market. Since 2007, OBSG belongs to one of the largest financial institutions worldwide – Société Générale Group. With more than 148,000 employees, based in 76 countries, Société Générale Group has been at the side of 30 million clients throughout the world for more than 150 years. Ohridska Banka Société Générale performs according to the high standards of Société Générale, respecting the four main values of the group: team spirit, innovation, commitment and responsibility. The basic strategy of OBSG is constant advancement of the quality of execution of banking services and its full dedication to meet the needs of its clients. Through its headquarters in Skopje and the widespread network of 28 branches on the territory of Macedonia, OBSG aims to be the reference for relationship banking, recognized on the market, close to clients, chosen for the quality and commitment of its teams. The worldwide famous magazine Global Finance named Ohridska Banka

Societe Generale the best bank from Macedonia for 2015 at the World's Best Emerging Markets Banks for Central & Eastern Europe.

For more information about Ohridska Banka Societe Generale, please visit: <http://www.ohridskabanka.mk/>

Media contact EFSE

Eric Culp
Press Officer
e-mail: press@efse.lu
Tel: +49 (0)69 271 035-307

Media contact Ohridska Banka Societe Generale

Elena Gligorovska
Head of Product Development, Marketing and Communication Department
email: komunikacii@ob.com.mk
Tel: +389 (0) 2 3 167 709