

Press Release**DEG supports the Turkish economy**

- **Subscription of DenizBank bonds in local currency**
- **European Investment Fund guarantee serves as basis**
- **Funding for SMEs in agricultural sector**

For the first time, DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH, provides financing in Turkish lira: it subscribes for bonds to the amount of 90 million Turkish lira (corresponding to 36 million euros), issued by the Turkish DenizBank A.S.. DenizBank, one of Turkey's leading commercial banks, will employ these funds for the long-term refinancing of loans to small and medium-sized enterprises in the agricultural sector, one of its key customer groups.

10 "Our commitment enables our long-standing customer DenizBank to further expand its credit business with small and medium-sized agricultural enterprises. In this way, we promote investments, employment and economic growth, especially in Turkey's rural areas," said Dr Michael Bornmann, member of DEG's Management Board. Bora

15 Bocuguz, Executive Vice President of DenizBank, added: "We will utilise this new resource to contribute to stable growth of agriculture in Turkey. We believe that agriculture is of critical importance for sustainable development of our country".

20 In Turkey, rural enterprises have only limited access to finance. DenizBank is the country's first private bank that is specialised in this field. With more than 600 domestic branches, it even reaches customers in rural areas such as eastern Anatolia. DenizBank is planning to further develop its branch network within the next few years. The long-term

25 refinancing will allow the bank to provide more loans, which in turn enables its customers to create and secure additional jobs.

The investment represents the first direct cooperation between DEG and the European Investment Funds (EIF). EIF provides risk finance and

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30 guarantees to benefit SMEs across the EU. Also the guarantee that
benefits the DEG transaction is provided by EIF. EIF Chief Executive,
Richard Pelly said: “We are pleased to be signing this agreement with
DEG to provide support for SMEs in Turkey. This transaction is part of a
broader EIF engagement in Turkey and shows our commitment to
35 helping to enhance access to finance for SMEs in this region.”

DEG, a subsidiary of KfW, subscribes for bonds in local currency,
thereby making a contribution to the development of the Turkish capital
market. DenizBank is one of the first Turkish banks to issue long-term
40 covered bonds amounting to the equivalent of around 220 million euros.
The transaction is regarded as highly innovative for the Turkish capital
market, sending an important signal to the Turkish and the international
financial sector.

45 DEG views Turkey as an anchor market in the region, one focus being
the support of SMEs. Other target areas are long-term financings in the
area of renewable energy and accompanying German companies.

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