

Press Release

For immediate release

EFSE and ProCredit Bank sign EUR 2.5 million loan agreement to support small enterprises in Bosnia and Herzegovina

Luxembourg and Sarajevo, 20 December 2012 – The European Fund for Southeast Europe (EFSE, the Fund) – initiated by KfW (The German Development Bank) with the financial support of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission – is providing ProCredit Bank Bosnia and Herzegovina (PCB BiH, the Bank) with a EUR 2.5 million loan dedicated primarily to securing financing to local very small and small enterprises.

The EFSE's credit facility will further strengthen PCB BiH's financial capacities and facilitate continuous credit access to very small and small enterprises. In the time of the eurozone crisis and in the aftermath of the global financial crisis, the EFSE's investment provides much-needed funding to help the Bank in its efforts to support the hardest hit small enterprise sector in Bosnia and Herzegovina.

PCB BiH is a full-service, development-oriented bank whose core business is the provision of credit and other banking services to very small, small and medium-sized enterprises as the bank is convinced that these businesses create jobs and make a vital contribution to the economies in which they operate. In the past 10 years, the Bank has disbursed close to 64.890 loans to very small, small and medium-sized enterprises totalling over EUR 427 million.

"We are delighted to renew our support of ProCredit Bank Bosnia and Herzegovina, a longstanding and trusted partner. The Bank has demonstrated both an excellent track record and resolute commitment to financing very small and small enterprises in a responsible way," said Monika Beck, Chairperson of the EFSE. *"By supporting ProCredit Bank, the EFSE supports economic growth, and this includes the much-needed development of Bosnia and Herzegovina's small enterprise sector along with job protection and creation."*

"Our commitment to very small and small enterprises who value a stable banking partner remains as strong as ever. Therefore, we will continue to lend steadily and responsibly in the year to come. This credit facility will further strengthen our efforts to support business clients in the country," said Edin Hrnjica, director ProCredit Bank.

Since it began operations in Bosnia and Herzegovina in 2005, the EFSE has invested EUR 265 million in development finance for very small and small enterprises and private households through 18 partner lending institutions. These commercial banks, leasing companies and microfinance institutions assist entrepreneurs in starting up or expanding their business, and private households in improving their home.

Overall, the EFSE has committed more than EUR 1.1 billion to 78 partner lending institutions for on-lending to MSEs and private households throughout its target region, and in the process facilitating approximately 337,400 MSE and home improvement loans totalling EUR 2.1 billion as at 30 September 2012.

About the European Fund for Southeast Europe

The European Fund for Southeast Europe (EFSE) aims to foster economic development and prosperity in Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, FYR Macedonia, Georgia, Kosovo, Moldova, Montenegro, Romania, Serbia, Turkey and Ukraine. The EFSE focuses on assisting local financial sectors in strengthening their ability to ensure adequate and sustainable financing for micro and small enterprises (MSEs) as well as for private households in the form of home improvement loans. The funding the EFSE provides is channelled to these loan customers through local partner lending institutions (PLIs). In addition to funding, the EFSE provides PLIs with technical assistance, consulting and training services to build operational capacities and professional management. Initiated by KfW (The German Development Bank) in 2005, the EFSE is the first public-private partnership of its kind and the first privately managed fund in development finance. The capital is provided by 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, the Danish International Development Agency (Danida), KfW, the IFC, the Netherlands Finance Company (FMO), the European Bank for Reconstruction and Development, the European Investment Bank, and 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 EFSE, please visit: <http://www.efse.lu>

About ProCredit Bank d.d. Sarajevo

ProCredit Bank d.d Sarajevo was founded in October 1997 as Micro Enterprise Bank by an alliance of international development-oriented investors. It is a part of ProCredit group, led by ProCredit Holding, based in Frankfurt, Germany. The ProCredit Group comprises of 21 financial institutions providing banking services in transition economies and developing countries in Central America, Africa and Eastern Europe. In our operations with business clients, we focus on very small, small and medium-sized enterprises, as we are convinced that these businesses create jobs and make a vital contribution to the economies in which they operate. By offering simple and accessible deposit facilities and other banking services and by investing substantial resources in financial education we aim to promote a culture of savings and responsibility which can help to bring greater stability and security to ordinary households.

For more information about ProCredit Bank Bosnia and Herzegovina, please visit: <http://www.procreditbank.ba>

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