

EFSE strengthens BKT's capital base to boost sustainable lending to MSMEs in Kosovo

- The Basel-III compliant Tier 2 facility will strengthen the bank's capital structure and ultimately supply funding for MSMEs and the agricultural sector in Kosovo
- In addition to financing, the EFSE Development Facility will provide BKT with technical assistance by furthering developing its sustainability agenda

Luxembourg and Pristina, 01 September 2022 - The European Fund for Southeast Europe (EFSE) has provided longstanding partner, BKT Kosovo, with a subordinated loan of EUR 15.0 million to provide sustainable financing to micro, small and medium enterprises (MSMEs), as well as the agricultural sector.

As a partner since 2013, the new facility is the third to be provided to the institution and is a Basel-III compliant Tier 2 instrument, which will strengthen and optimize the overall capital structure of the bank. Having already financed more than 1,500 clients, the bank is well positioned to continue expanding access to finance for entrepreneurs. Moreover, the new facility will enable the bank to diversify their portfolio by strengthening their product offering for MSMEs. In addition, the facility will enhance the bank's capacity for agricultural lending, particularly for rural farmers across Kosovo.

The EFSE Development Facility will further augment the impact of this facility by supporting the bank's sustainability agenda where, amongst others, environmental and social factors will be integrated into the organisations core operations. As one of the first partners actively engaged in enhancing their sustainability approaches, the EFSE DF will also support the bank to publish a sustainability report in the near future.

EFSE Board Chairperson Klaus Müller said, "BKT Kosovo has proven to be a strategic partner to deliver crucial finance to MSEs – the backbone of the country's economy. This new facility and the increased focus on sustainability will contribute to furthering EFSE's mission to promote economic prosperity across the region."

Suat Bakkal, CEO and Board member of BKT Kosova in this occasion said: "With this agreement, we are expanding our fruitful cooperation and opening additional opportunities for our clients, small and medium enterprises to develop businesses and strengthen their competitive position through these supplementary funds. As a partner in this agreement, our key focus is to empower businesses with the right tools for sustainable growth. We look forward to a long-term relationship that will make a strong and lasting positive impact."

About EFSE

An impact investment fund established in 2005, the European Fund for Southeast Europe (EFSE) aims to foster economic development and prosperity in Southeast Europe and the Eastern Neighbourhood Region by investing in the success of micro and small enterprises as well as improved living conditions for private households. As access to financial services is key to developing this segment, EFSE focuses on helping local financial sectors strengthen their ability to provide responsible financing for this target group. Alongside its investment activities through local partners, EFSE multiplies its impact through the EFSE Development Facility, which provides technical assistance, training, and other nonfinancial support to entrepreneurs and institutions.

EFSE was initiated by KfW Development Bank with the financial support of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission. As the first public-private partnership of its kind, EFSE draws its capital from donor agencies, international financial institutions, and private institutional investors.

Finance in Motion GmbH, Germany, serves as EFSE's advisor and Hauck & Aufhäuser Fund Services S.A., Luxembourg, acts as manager.

For more information on the European Fund for Southeast Europe, please visit: www.efse.lu

For more information on Finance in Motion, please visit: www.finance-in-motion.com

About BKT Kosova

BKT Kosova operates in the Kosova market as the fastest growing and most innovative bank. The Bank has created numerous innovative and modern banking opportunities and solutions, as well as a competitive variety of banking products. BKT Kosovo is committed to serving all categories of customers: Individuals, Corporations, SMEs and Micro-enterprises, while it is strongly focused being recognized as a global banking partner. For BKT, growth means experiencing change and adapting to new developments in each field, therefore, in doing so, the bank hopes to increase the long-term value while also actively contributing to the sustainable development of the society. Within the framework of its sustainability approach, BKT Kosova strives to deploy its corporate values and core sustainability principles to its business strategy.

For more information: www.bkt-ks.com



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