

FINCA International Signs Loan Agreements with European Fund for Southeast Europe

Over €3 Million in Loans Signed on Behalf of FINCA Kosovo

29. June 2007 — FINCA International, on behalf of FINCA Kosovo, has received a senior loan totaling €3.5 million from the European Fund for Southeast Europe (EFSE). The loan consists of €2 million the refinancing of the micro- and small-enterprises (MSE) portfolio; €1 million for the refinancing of the housing portfolio; and €0.5 million for the refinancing of the rural portfolio.

The investment will cover slightly more than 50% of FINCA Kosovo's total funding needs for 2007 and enables the microfinance institution (MFI) to further expand its outreach to micro and small clients throughout Kosovo. This EFSE loan will refinance a portfolio of about 3,300 loans within this target group. The institution plans to particularly expand its rural portfolio by using group lending products, where demand is considered to be high.

FINCA Kosovo was established in January 2000. Since then, it has grown into the second-largest MFI in terms of outstanding loan portfolio. It focuses on group and individual lending products for small entrepreneurs and women.

FINCA Kosovo is a directly owned and controlled foreign branch of FINCA International, a U.S.-based non-profit organization established in 1984 with headquarters in Washington DC. FINCA International became known in the 1980s through a special type of rural financing model termed "village banking." FINCA International operates in 22 countries in Latin America, Africa, Europe and Asia through a large network of regional offices, foreign branches, controlled entities and subsidiaries.

The European Fund for Southeast Europe (EFSE) was launched in December 2005 and aims at supporting economic development and fostering prosperity by providing financial means for private entrepreneurs and households through qualified commercial banks and micro finance institutions.

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