

P r e s s r e l e a s e

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Albania invests 14.8 million euros in the microfinance investment fund EFSE

EFSE investment portfolio crosses the 500 million euro mark

Frankfurt am Main/Berlin, October 9, 2008 – Albania is the first Southeast European government to invest 14.8 million euros in the microfinance investment fund EFSE (European Fund for Southeast Europe). A significant portion of this investment comes from the German-Albanian foundation fund FEFAD (Foundation for Enterprise Finance and Development), established ten years ago by the German and Albanian governments for the reconstruction of Albania. With this investment, Albania helps micro and small entrepreneurs and supports the economic development of the country.

“We are very proud to have the Albanian government as an investor. Their involvement reflects the general confidence of the finance world in this microfinance fund and its enormous positive impact on reconstruction in Albania and Southeast Europe,” said EFSE chairman of the board of directors Dr. Klaus Glaubitt during the signing of the respective contract by the Albanian Finance Minister Ridvan Bode yesterday in Berlin. The Albanian Prime Minister Dr. Sali Berisha and Foreign Minister Lulzim Basha were also present at the signing ceremony. “It is particularly remarkable that for the first time a local government supports an economic initiative with regional focus, considering that just over ten years ago its target countries were at war, ravaged by ethnic conflicts,” Dr. Glaubitt continued.

The Fund was initiated approximately three years ago by the KfW (Kreditanstalt für Wiederaufbau) and has already attracted approximately 650 million euros in investments from public and private investors. “Our investors appreciate EFSE’s highly efficient public-private partnership model. As an innovative development cooperation, we connect the interests of public donor organisations with those of international finance institutions and private investors, and thus combine development policy goals with economic profitability, which is necessary for the sustainability of an investment fund,” Dr. Glaubitt adds. With the pooled money the EFSE funds local microfinance institutions in Southeast Europe; these in turn finance micro and small enterprises, as well as low-income private households.

Milestone reached: Investment portfolio grows to over 500 million euros

At the end of September 2008, the EFSE investment portfolio (the volume of financial capital invested in Southeast European microfinance institutions) exceeded the mark of 500 million euros. “This is particularly remarkable against the backdrop of the international financial crisis,” says Sylvia Wisniewski, Chief Operating Officer of the EFSE and Director of the Frankfurt School of Finance & Management that serves as fund advisor to the EFSE. “In view of the current liquidity squeeze in the international financial markets, the EFSE proves once again that it is a reliable financing source for our 52 partner institutes.” Since its launch in December 2005, the EFSE has refinanced more than 112,000 microloans in Southeast Europe. By the year 2012, this figure is expected to grow to over 400,000.

EFSE monitors its development impact by measuring social criteria. Every quarter, information on the refinanced micro and small entrepreneurs is collected. Furthermore, an annual impact analysis is conducted by an independent third party. This tight monitoring system is unique among investment funds and is the reason why the EFSE was one of the first international funds to receive the LuxFLAG label for a microfinance fund.

Information on the European Fund for Southeast Europe

The European Fund for Southeast Europe (EFSE) is the largest microfinance investment fund world-wide. The Fund aims at fostering economic development and reconstruction in Southeast Europe. It provides long-term financing instruments for local finance institutions in the region, allowing them to expand the granting of credit to micro and small enterprises, as well as to low income private households. The Fund is a public-private partnership model. In addition to public investors such as the German Ministry for Economic Development and Cooperation (BMZ) and the European Commission, the investors include international finance institutions (e.g. EBRD and IFC) and institutional private investors (e.g. Deutsche Bank). The initiator and promoter of the Fund is KfW. Fund manager is Oppenheim Asset Management Services. The Frankfurt School of Finance & Management lends its support as advisor to the fund management. The Fund is operationally active in Bosnia-Herzegovina, Romania, Serbia, Kosovo, Montenegro, Moldova, Macedonia, Albania, Bulgaria and the Ukraine. Besides the investment fund, the EFSE has a so-called Development Facility; by giving grants, it funds technical consulting and training measures to institutionally strengthen the partner finance institutions. The grant money is predominantly provided by bilateral donor organisations. For more information go to www.efse.lu.

Should you have any questions, please do not hesitate to contact:

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