

## Press Release

For immediate release

# EFSE provides EUR 2 million loan to Kosovar microfinance institution KEP Trust

Loan to boost very small and small Kosovar businesses, particularly in rural areas

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**Frankfurt/Germany and Prishtina/Kosovo, October 21, 2008** – The European Fund for Southeast Europe (EFSE), the largest microfinance investment fund worldwide, has granted a loan of EUR 2 million to Kosovo’s leading microfinance institution KEP Trust (KEP), Prishtina. The proceeds of the loan will be used by KEP to on-lend to micro and small enterprises (MSEs), in particular in the rural areas of Kosovo.

Ms. Sylvia Wisniwski, Chief Operating Officer of EFSE, said: “The loan to KEP will significantly increase the outreach of EFSE in Kosovo, providing additional refinancing for more than 1,500 new loans to MSEs, particularly to rural entrepreneurs. As EFSE provides long-term funds, which are particularly needed in the current situation of an international liquidity crunch, it will also stimulate financial intermediation and the development of the Kosovar financial sector.”

This latest EFSE loan is a continuation of the Fund’s strong support for the micro enterprise sector in Kosovo. The Fund’s support not only includes financial investments but also complementary non-financial assistance - including technical assistance, consulting and training - provided to the partner banks and microfinance institutions (Partner Institutions/Pis) by the EFSE Development Facility. This allows for capacity building with the aim to increase the outreach of Pis to the Fund’s target group, ultimately benefiting the entrepreneurs across Kosovo. Supported by EFSE investments amounting to EUR 9.6 million, KEP was able to provide financing to more than 4,300 businesses situated in urban and rural areas of Kosovo during the last 12 months.

As of September 30, 2008, the Fund has extended loans to six Kosovar Pis, including the country’s leading commercial banks, microfinance banks and microcredit organisations. The Fund is a leading creditor of the microfinance sector in Kosovo. EFSE’s outstanding investment portfolio in Kosovo amounts to EUR 43 million, refinancing more than 15,200 outstanding loans to MSEs and low-income private households at present.

**About the European Fund for Southeast Europe (EFSE):**

With an investment portfolio of EUR 510 million (as of September 30, 2008), EFSE is the largest microfinance investment funds worldwide. Aimed at fostering economic development and prosperity in Southeast Europe, the Fund offers long-term funding instruments to local financial institutions for on-lending to micro and small enterprises as well as to low-income private households. Complementing the Fund's financial assistance, the EFSE Development Facility organises and co-finances technical assistance and training for capacity building in partner lending institutions. The Fund is a public-private partnership. Its capital base is jointly constituted by donors, development finance institutions and private institutional investors. KfW is the Initiator and Promoter of the Fund. The Fund Manager is Oppenheim Asset Management Services. Frankfurt School of Finance & Management acts as Advisor and supports the fund management. EFSE operates in Bosnia and Herzegovina, Romania, Serbia, Kosovo, Montenegro, Moldova, FYR Macedonia, Albania, Bulgaria, and in Ukraine. For more information, please visit [www.efse.lu](http://www.efse.lu)

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