

Joint Press Release

For immediate release

BKT borrows EUR 20 million from EFSE to boost small business finance in Albania

Shkodra, Albania, and Frankfurt/Main, Germany, November 26, 2010 – The European Fund for Southeast Europe (EFSE) has provided a loan of EUR 20 million to Banka Kombëtare Tregtare (BKT), the second largest and the oldest commercial bank in Albania. The loan agreement signed today will contribute to expanding the micro and small enterprise (MSE) lending operations of the Bank. It is the first loan agreement between EFSE and BKT. It addresses the lack of long-term credit available to MSEs in Albania, which are considered as the backbone of the country's economic development.

“BKT plays a crucial role in Albania’s banking sector and sees a high potential in reaching micro and small enterprises who are a key driver for job creation and economic growth. That is why we consider this loan agreement especially important. We are confident that the business relationship with BKT will develop into a real partnership that will be mutually beneficial”, said Dr. Klaus Glaubitt, Chairman of the Board of Directors of EFSE. He added: *“I am also pleased about the continued commitment of the Government of the Republic of Albania as the first government in Southeast Europe that has directly invested in EFSE. It underscores the confidence the Albanian Government places in EFSE as an effective vehicle for supporting sustainable economic development and prosperity in Albania.”*

“We are happy to start cooperation with EFSE, the most prestigious fund in lending to micro, small and medium-sized businesses” said Seyhan Pencapligil, CEO and Board Member of BKT. *The signing is yet another indication of our commitment to making Banka Kombëtare Tregtare the most active commercial bank in small business lending. Such commitment is further evidenced by the opening today of our forth unit in Shkodra, which is located in the city’s small business area.”*

EFSE is one of the largest creditors of the Albanian MSE finance sector. It has offered a total of approximately EUR 40 million of funding to local financial institutions since its start of operations in Albania in 2007. These partner lending institutions have on-lent the funds received from EFSE in the form of more than 8,500 business and housing loans to local MSEs and private households. EFSE's support to the Albanian financial sector does not only include financial investments, but also technical assistance, consulting and training offered to partner lending institutions with the aim of increasing the outreach to its target group. EFSE's work is also increasingly being recognized internationally: In November 2010 the Fund has been selected by the Group of 20 (G-20) as the winner of the “G-20 SME Finance Challenge” competition, acknowledging the Fund as the best worldwide model of catalyzing finance for small and medium enterprises.

About Banka Kombëtare Tregtare (BKT)

BKT is the second largest and the oldest commercial bank in Albania with a total of 1.5 billion USD in assets and 1.3 billion of USD in deposits. BKT network includes 71 branches out of which 58 are located in Albania and 13 of them in Kosovo, making BKT the biggest Albanian bank in the region. BKT has been continuously awarded as the Best Bank in Albania reaching lately the evaluation as “Best Bank for 2009 in South East Europe” by the magazine “Finance Central Europe”, as well as the “Best Bank in Albania in 2010” by the prestigious British magazine “The Banker”. BKT is the only bank that has been reaffirmed for the third year in a row by JCR-Eurasia Rating with AAA (Alb), and by (1-Strong) by the Bank of Albania for the fifth year in a row.

For further information about BKT, please visit: <http://www.bkt.com.al>

About the European Fund for Southeast Europe (EFSE)

The European Fund for Southeast Europe (EFSE) is aimed at fostering economic development and prosperity in Southeast Europe, including: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, FYR Macedonia, Georgia, Kosovo, Moldova, Montenegro, Romania, Serbia and Ukraine. It offers long-term funding instruments to local financial institutions for on-lending business loans to micro and small enterprises but also to medium-sizes enterprises, as well as housing loans to low-income private households. The investment activities of EFSE are supported by the EFSE Development Facility, which provides funding for technical assistance, consulting and training to partner lending institutions as well as awareness raising and market enabling activities. Overall, since its inception in December 2005, EFSE has offered approximately EUR 922 million in financing to commercial banks, microfinance institutions and non-financial institutions, facilitating a total number of more than 247,000 micro and small enterprise and housing loans. Initiated by KfW (The German Development Bank), the EFSE is a Public-Private Partnership that combines funds from various private investors, European governments and international financial institutions, including: European Commission, Federal German Ministry for Economic Development and Cooperation (BMZ), the governments of Austria, Switzerland, Denmark and Albania, KfW, IFC, FMO Netherlands Development Finance Company, European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Oesterreichische Entwicklungsbank (OeEB), Deutsche Bank and Sal. Oppenheim. EFSE is privately managed with Oppenheim Asset Management Services S.à r.l., Luxembourg, as the fund manager and Finance in Motion GmbH, Frankfurt/Main, Germany, as the fund advisor.

For further information about EFSE, please visit: <http://www.efse.lu>

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