

EFSE grants Patria Credit EUR 7 million loan in local currency

The new RON-denominated credit facility will reduce the FX funding risk for rural entrepreneurs

Frankfurt and Bucharest, 29 December 2014 - The European Fund for Southeast Europe (EFSE) granted a new local currency senior loan to Patria Credit IFN SA (Patria Credit) in the equivalent of EUR 7 million. The credit facility will serve to address the financing needs of micro and small enterprises (MSEs) as well as small agricultural businesses and farmers in the rural areas of Romania.

Patria Credit, an EFSE partner lending institution since 2006, has benefitted from several loan facilities so far totalling EUR 13.9 million. As Romania's leading non-bank financial institution specialised in microfinance with a countrywide presence, Patria Credit is focused on financing MSE clients and small agricultural producers and farmers.

"Patria Credit became a partner lending institution shortly after the EFSE's foundation and has proved a valuable partner ever since," says Monika Beck, Chairperson of the Board of EFSE. "Patria Credit has consistently succeeded in efficiently placing our loan facilities, thus supporting the EFSE's mission of fostering the development of MSEs in Romania."

"The EFSE funding received by Patria Credit IFN SA demonstrates the international financial institutions' trust in our development potential and contributes to the achievement of our strategic plans to finance those clients with limited access to credit in terms of geographic location and financial situation. We appreciate the role of the EFSE in encouraging and supporting agricultural producers so they can grow and achieve their full potential. Our own growth in recent years shows that these market segments are dynamic and need microcredit products to cover their development needs and keep growing their business," adds Bogdan Merfea, General Manager of Patria Credit.

About the European Fund for Southeast Europe

The European Fund for Southeast Europe (EFSE) was initiated by KfW Development Bank (KfW) with the financial support of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission. It aims to foster economic development and prosperity in Albania, Armenia, Azerbaijan,

Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, former Yugoslav Republic of Macedonia, Kosovo, Georgia, Moldova, Montenegro, Romania, Serbia, Ukraine and Turkey. As access to finance is a key success factor in developing the micro, small and medium enterprise segments, the EFSE focuses on assisting local financial sectors in strengthening their ability to ensure adequate and sustainable financing. The funding the EFSE provides as long-term finance primarily for micro and small enterprises (MSEs) – but also for private households in the form of home improvement loans – is channelled to these loan customers through local partner lending institutions. Supporting the EFSE’s investment activities is the EFSE Development Facility, which provides partner lending institutions with technical assistance, consulting and training services to build operational capacities and professional management.

Initiated by KfW Development Bank (KfW) on 15 December 2005 from four multi-donor programs under its management, the EFSE is the first public-private partnership of its kind and the first privately managed fund in development finance to leverage private funding for MSE finance in the target region. Capital is provided by donor agencies, international financial institutions and private institutional investors, including the German Federal Ministry for Economic Cooperation and Development (BMZ), the European Commission (EC), the Government of Albania, Small and Medium Business Credit Support CJSC (SMBCS), a subsidiary of the Central Bank of Armenia, the Development Bank of Austria (Oesterreichische Entwicklungsbank - OeEB), the Swiss Agency for Development and Cooperation (SDC), the Danish International Development Agency (Danida), KfW as Lead Investor, the International Finance Corporation (IFC), the Netherlands Finance Company (FMO), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), Sal. Oppenheim and Deutsche Bank.

Oppenheim Asset Management Services S.à r.l., Luxembourg, and Finance in Motion GmbH, Germany, are, respectively, the EFSE’s Fund Manager and Fund Advisor.

For more information about the European Fund for Southeast Europe, please visit: <http://www.efse.lu/>

About Patria Credit

Established in 1998, Patria Credit is the largest Romanian non-bank financial institution specialised in microlending with total assets of EUR 70 million and shareholder equity of EUR 23 million as of September 2014. Patria Credit provides lending to micro and small businesses and to agricultural producers. The company reaches its clients through a growing network of over 43 branches in rural and urban areas of Romania. The main shareholders of the company are Romanian American Investment Foundation (former Romanian American Enterprise Fund (RAEF) and Balkan Accession Fund (BAF)).



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