

## EFSE and Mikrofin expand their support of rural entrepreneurs in Bosnia and Herzegovina

EUR 5 million loan will finance additional loans for micro enterprises in the rural areas of the country

**Frankfurt and Banja Luka, 30 April 2015** - The European Fund for Southeast Europe (EFSE) and Microcredit Company Mikrofin d.o.o. (Mikrofin) will expand their support of rural entrepreneurs in Bosnia and Herzegovina through an additional EUR 5 million senior loan, which the Fund is providing to Mikrofin.

Mikrofin, which has a strong focus on agricultural producers, has been an EFSE partner lending institution since 2002. It is the largest micro-credit organisation in Bosnia and Herzegovina with a network of 65 offices.



“With Mikrofin’s strong growth, especially in the area of agricultural loans, we are pleased with this unique opportunity to further deepen our already strong longstanding partnership,” says Monika Beck, Chairperson of the Board of EFSE. “Mikrofin’s excellent market position and its clear focus on the EFSE’s target group of micro and small entrepreneurs, makes it a perfect fit for EFSE to foster the economic development of these groups in Bosnia and Herzegovina.”



Mladen Bosnić, Director at Mikrofin adds: “Mikrofin has been a leader in delivering financial services to the agricultural sector in BiH, and our growth would not have been possible without the EFSE’s continued support. We are pleased that this new loan will help to advance our common goal.”

## **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 Mikrofin**

Formally established fourteen years ago, Mikrofin always was and still is one of the most important players in the microfinance market in Bosnia and Herzegovina. The current market share of Mikrofin, in terms of gross loan portfolio, is around 27%. In spite of the difficulties the microfinance sector has been facing in recent years, Mikrofin successfully continues to serve low-income entrepreneurs. Mikrofin is the largest MFI in Bosnia and Herzegovina by key institutional indicators. As at 30 March 2015 Mikrofin had total assets of

approximately BAM 180 million (EUR 92.03 million), a gross loan portfolio of BAM 137.2 million (EUR 70.15 million), 44.7 thousand clients, and 65 offices throughout Bosnia and Herzegovina. The long-term objective of Mikrofin is to provide a full range of financial services. Following this vision, Mikrofin has invested significantly over the past few years in establishing new subsidiaries, including MF Banka and Mikrofin Insurance.

**Media contact EFSE**

Merle Römer  
Manager Communications and Events  
e-mail: [press@efse.lu](mailto:press@efse.lu)  
Tel: +49 (0)69 9778 7650-171

**Media contact Mikrofin**

Nataša Gvozdrenović  
Head of PR & Marketing Dpt.  
[ngvozdrenovic@mikrofin.com](mailto:ngvozdrenovic@mikrofin.com)  
+387 51 230 330