

# EFSE and Opportunity Bank support MSEs and agricultural clients in Serbia

## EUR 2 million loan builds on existing partnership of the two institutions

**Frankfurt and Belgrade, 21 April 2015** - The European Fund for Southeast Europe (EFSE) and Opportunity Bank Serbia are teaming up to support micro and small enterprises (MSEs) and agricultural clients throughout Serbia. For this purpose the EFSE issued a EUR 2 million senior loan to Opportunity Bank.

Opportunity Bank and EFSE have been working together since 2007. Opportunity Bank has a clear focus on providing finance to the underserved segment of MSEs and agricultural clients with an emphasis on rural areas. It has a network of 8 branches and 13 smaller outlets, which cover over 80% of the country. In addition, Opportunity Bank employs mobile client advisors to serve less populated areas, underpinning its strong client relationship management.

“We are pleased to continue our strong partnership with Opportunity Bank with this loan facility,” says Monika Beck, Chairperson of the Board of EFSE. “Due to its exclusive focus on MSEs and agricultural clients, Opportunity Bank is an excellent fit with the Fund’s target clients.”

“Micro and Small Businesses and individual entrepreneurs, especially those in the rural areas of Serbia have always been a very important group of clients for Opportunity Bank Serbia because of our goal to encourage self-employment and create new jobs,” said President of Opportunity Bank’s Executive Board, Mr. Vladimir Vukotic, adding that the loan facility from EFSE will help Opportunity Bank increase its outreach to this group of clients who need better access to financial services, especially loans.

### **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 Opportunity Bank**

Opportunity Bank Serbia is a member of “Opportunity International” – a network of Banks and microfinance organisations that was founded in Chicago in 1971 and is active in over 20 countries around the globe. Opportunity Bank is active in Serbia since 2002, when it was first established as Opportunity Savings Bank with assistance from USAID. It has successfully transformed itself into a bank in 2007 with a license from the National Bank of Serbia. Opportunity Bank Serbia (OBS) is a Community Bank specialised in microfinance, providing Micro, Rural, Agro and SME loans and other financial services to clients in Serbia who ordinarily do not have access to financial services from traditional banks. From its foundation until Dec 31 2014, Opportunity Bank Serbia has disbursed over 78,000 loans totalling more than 271 million EUR. These loans directly contributed to the creation of over 21,000 new jobs and the preservation of 94,000 existing ones.

Key indicators as at the end of 2014:

- Loan portfolio of EUR 65 mil and about EUR 54 mil in deposits
- Close to 28,000 loan clients and 15,600 savings clients

- 240 employees in 23 outlets, including the bank's Head Office
- Women account for 39% of loans issued

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