



National Bank of the Republic of Macedonia



# EFSE DF supports Macedonian households to improve their understanding of mortgage loans

## Educational brochure and video to be distributed via local financial institutions

**Frankfurt and Skopje, 5 November, 2015** - The Development Facility of the European Fund for Southeast Europe (EFSE DF), in cooperation with the National Bank of the Republic of Macedonia (NBRM), developed a brochure on the risks and core aspects in taking up mortgage loans. The publication will go a long way towards enabling borrowers to make sound financial decisions and avoid over-indebtedness.

The brochure, directed at households in Macedonia, informs on the range of risks – including foreign currency risk – that should be considered before taking out long-term mortgage loans. Available in Macedonian and Albanian, it explains the basic principles in an easy to understand, straightforward manner. The brochure will be distributed via local financial institutions during the coming months; it will be accompanied by a short video. Both language versions of the publication as well as the video are also available online via the EFSE website at [www.efse.lu](http://www.efse.lu) and NBRM website at [www.nbrm.mk](http://www.nbrm.mk).

“Responsible Finance is one of the most important topics on the EFSE DF’s agenda, and improving financial literacy in households is an important piece of this puzzle,” says Markus Aschendorf, Chairperson of the EFSE DF. “Having organised successful workshops on financial literacy for journalists together with the National Bank in February, and having had delegates from the National Bank attend our workshop on scorecard development with SCHUFA in Germany in 2014, we are pleased to expand this fruitful partnership.”

"The main idea of the brochure 'Buying a home with a mortgage loan' is to raise the level of financial literacy among the population of the Republic of Macedonia. The brochure represents a practical guide so that the future owners of a home learn more about the risks of long-term indebtedness," says Dimitar Bogov, Governor of the National Bank of the Republic of Macedonia.

### About the EFSE DF

The Development Facility of the European Fund for Southeast Europe (EFSE DF) was created in 2006 to support the EFSE’s development finance mandate. Its mission is to deploy effective, targeted and innovative technical assistance to maximise the impact and outreach of the Fund’s development finance mandate in its



National Bank of the Republic of Macedonia



target countries. The capacity-building services of the EFSE DF encompass capacity building and training, financial sector support as well as applied research with the aim to strengthen the internal capacities and operations of the Fund's partner lending institutions.

The EFSE DF operates independently from the Fund in a fiduciary arrangement under Luxembourg law. The DFC (Development Facility Committee) comprising members from KfW Development Bank (KfW), the Swiss Agency for Development and Cooperation (SDC), the Development Bank of Austria (Oesterreichische Entwicklungsbank – OeEB) and the Netherlands Finance Company (FMO) is responsible for assessing and approving all project proposals and provides strategic guidance to the EFSE DF.

### **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,



National Bank of the Republic of Macedonia



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 the National Bank of the Republic of Macedonia**

The National Bank of the Republic of Macedonia is a central bank, and accordingly, the only bank of issue in the Republic of Macedonia. According to the Law on the National Bank of the Republic of Macedonia, the primary objective of the National Bank shall be to achieve and to maintain price stability. Another objective of the Bank, subordinated to the primary objective, is to contribute to the maintenance of a stable, competitive and market-based financial system. The National Bank shall support the general economic policies without jeopardising the achievement of its primary objective and in conformity with the principle of open market economy and free competition.

To achieve the set objectives, the National Bank shall:

- design and conduct the monetary policy;
- participate in the determination of the exchange rate regime;
- design and conduct the exchange rate policy;
- hold and manage foreign reserves;
- issue and manage the banknotes and coins of the Republic of Macedonia;
- record and monitor the international credit operations and prepare the balance of payments of the Republic of Macedonia;
- collect and produce statistics in pursuance of the tasks as required by the law;
- establish, promote, register and oversee sound, safe and efficient payment, settlement and clearing systems;
- regulate, license, and supervise banks, savings houses, e-money issuers and other financial institutions as further specified in this Law or any other law;
- supervise the application of regulations that govern foreign currency operations, currency exchange operations, money transfer services and anti-money laundering systems, and customer protection, as further specified in this Law or any other law;
- act as fiscal agent to the Government of the Republic of Macedonia;
- participate in international institutions and organizations concerning matters within its competence;
- organize trading and settlement of securities on the OTC markets and
- carry out any other activities related to the exercise of its tasks under the Law on the National Bank of the Republic of Macedonia or any other law.

For more information about the National Bank of the Republic of Macedonia, please visit:  
<http://www.nbrm.mk>



National Bank of the Republic of Macedonia



EUROPEAN FUND FOR SOUTHEAST EUROPE  
DEVELOPMENT FACILITY

**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 National Bank of the Republic of Macedonia**

Bogoljub Jankoski  
Head of Governor's Office  
e-mail: [GovernorsOffice@nbrm.mk](mailto:GovernorsOffice@nbrm.mk)  
phone: +389 2 3108 182