

## EFSE celebrates its 10<sup>th</sup> Anniversary

One of the largest global microfinance funds with EUR 1.04 billion in AuM and more than 680,000 sub-loans financed in 16 countries of the SEE and ENR regions to date

**Luxembourg and Berlin, 18 November 2015** - The European Fund for Southeast Europe (EFSE) – one of the largest microfinance funds in the world – is celebrating its 10<sup>th</sup> Anniversary at its Annual Meeting on 18-19 November 2015 in Berlin. With more than 680,000 sub-loans representing a total volume of EUR 4.8 billion disbursed since its inception, the EFSE has materially contributed to improving access to finance for micro and small enterprises (MSEs) and low income households in its 16 target countries in Southeast Europe (SEE) and the European Eastern Neighbourhood Region (ENR). The EFSE's investments have created and secured more than 500,000 jobs.

The EFSE does not lend directly to its final target group, but provides financing to partner lending institutions (PLIs), which then onward-lend to MSEs and low-income households. The EFSE counts 69 PLIs in 15 target countries. As of Q3/2015, the Fund's outstanding portfolio invested in target countries amounts to EUR 895.0 million and is currently used to refinance 152,878 loans for total a volume of EUR 876.7 million

The EFSE is set up as a public-private partnership in which public funding is used as a risk cushion for private institutional investors. As such, the Fund serves as a role model for mobilising funding from private sources for development purposes. Specifically, the EFSE has achieved a two-fold leveraging of EUR 665.9 million in public investments (65% of the total committed capital) into private investments of EUR 358.0 million (35% of the total committed capital).

Held under the theme “Balancing the Future – Transfer, Transform, Technologise”, the 9<sup>th</sup> edition of the EFSE Annual Meeting 2015 – held this year in Berlin on 18-19 November – provides a unique forum for expert exchanges on the current challenges of the financial industry. The topics discussed with renowned experts range from innovative fintech solutions to the increasing demand for customer-specific financial services and the trend towards doing business in a sustainable and ethical way.

“In the past turbulent decade, the EFSE has been a beacon of stability. In tandem with the EFSE Development Facility, which provides technical assistance to our local partners, the EFSE has remained committed to the region, consistently expanded its business and – through dedicated and through risk management – even

managed to keep its impairment ratio as low as 0.4%,” says Monika Beck, Chairperson of the Board of EFSE. “The EFSE’s mission is to foster economic development and prosperity in its target region. Though we still have a way to go, the results so far show that we are on the right track.”

### **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/>

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