

EFSE and Mikrofin expand partnership in Bosnia and Herzegovina

EUR 6 million senior loan will support agricultural enterprises

Luxembourg and Banja Luka, Bosnia and Herzegovina, 24 October 2016 -- The European Fund for Southeast Europe (EFSE) said today it will lend EUR 6 million to the microcredit company Mikrofin d.o.o. (Mikrofin) to increase support for agricultural enterprises in Bosnia and Herzegovina.

Mikrofin focuses on agricultural producers and has been an EFSE partner since its inception. In this period Mikrofin placed over EUR 70 million from EFSE credit lines to small entrepreneurs and agro-producers. With 72 offices, the company is the largest microfinance organisation in Bosnia and Herzegovina.

EFSE Board Chairman Christoph Tiskens said: "Mikrofin's continued strong growth in agricultural loans has created another opportunity for us to advance our longstanding and mutually fruitful partnership. The company's market leadership and strong focus on small farms offers a prime conduit for EFSE funds to foster the economic development of this sector in Bosnia and Herzegovina."



Mikrofin CEO, Mladen Bosnić said: "We are very proud of our valuable and continuous cooperation with the EFSE. This latest loan will extend our outreach to rural clients, thus contributing to income growth of small agricultural entrepreneurs and enhancing employment opportunities in rural Bosnia and Herzegovina."



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 acts as the EFSE’s Fund Manager and Finance in Motion GmbH, Germany as Advisor.

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

About Mikrofin

Formally established 19 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 29%. 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 June 2016 Mikrofin had total assets of over BAM 200 million (EUR 104 million), a gross loan portfolio of BAM 157 million (EUR 80 million), 56 thousand clients, and 72 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.

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