

EFSE and EKI increase support for micro and small businesses in Bosnia and Herzegovina

EUR 2 million loan will finance around 1,000 loans to rural businesses

Luxembourg and Sarajevo, 9 November, 2017 - The European Fund for Southeast Europe (EFSE) announced today that it has provided a EUR 2 million senior loan to Microcredit Company EKI (EKI) to support micro and small enterprises (MSEs) in Bosnia and Herzegovina, with a focus on less developed areas.

The loan will allow EKI to boost medium and long-term financing to Bosnian entrepreneurs in need of longer-term loans for fixed assets as well as working capital. EKI operates through one of the widest networks in the country with more than 70 offices and is fully committed to serve MSEs in rural areas. The proposed facility would support the company in providing around 1,000 loans to developing microbusinesses. In the course of a 15 years long relationship, this is the 24th loan the EFSE has granted to EKI for on-lending to micro entrepreneurs and private households for home improvement.

EFSE Board Chairman Christoph Tiskens said: “We are delighted to continue our long-standing partnership with EKI. EFSE support will further increase outreach to the fund’s target group, micro and small enterprises and further foster rural development. This facility will allow one of the fund’s long-standing partners to increase the availability of much-needed mid to long-term funding and create more economic opportunities for micro and small businesses.”

“This new contract is concrete evidence of the long-term cooperation between EFSE and EKI. Our main commitment is to provide support to the rural population and we are happy that EFSE continuously recognizes this. This fund will allow EKI to cover this market even better than we do now and I hope that our cooperation will continue in the future,” said Sead Mucić, Microcredit Company EKI General Director.

About the European Fund for Southeast Europe

The European Fund for Southeast Europe (EFSE) was initiated by KfW Development Bank (KfW) in 2005 from four multi-donor programmes, 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,, Kosovo, Georgia, Moldova, Montenegro, Romania, Serbia, the former Yugoslav Republic of Macedonia, Turkey and Ukraine. As access to finance is a key success factor in developing the micro, small and medium enterprise segments, EFSE focuses on assisting local financial sectors to strengthen their ability to ensure adequate and sustainable financing. The funding EFSE provides as long-term finance, primarily for 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 EFSE 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.

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 KfW as lead investor the German Federal Ministry for Economic Cooperation and Development (BMZ), the European Commission, the Government of Albania, Small and Medium Business Credit Support CJSC (a subsidiary of the Central Bank of Armenia), the Development Bank of Austria, the Swiss Agency for Development and Cooperation, the Danish International Development Agency, the International Finance Corporation, the Netherlands Finance Company (FMO), the European Bank for Reconstruction and Development, the European Investment Bank, Sal. Oppenheim and Deutsche Bank.

Oppenheim Asset Management Services S.à r.l., Luxembourg, acts as fund manager for EFSE and Finance in Motion GmbH, Germany, as adviser to the fund.

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

About Microcredit Company EKI

EKI, with its two entities, Microcredit Foundation and Microcredit Company, is one of strongest microcredit organizations in BiH. Credit operations started back in 1996. with support from World Vision International. EKI has strong market coverage with 73 offices, 41.000 clients using over 70 million euro worth loans. EKI's vision is to reduce economic causes of poverty in BiH and main focus is rural areas and population in BiH. EKI is strongly committed to social performance and responsibility and was one of first 5 organizations worldwide which got SMART certificate.



Media contact EFSE

Merle Roemer

e-mail: press@efse.lu

Tel: +49 (0)69 271 035-171

Media contact EKI

Petrić Borislav

Email: borislav.petric@eki.ba

Tel: +387 49 233 550