

EFSE and BKT Kosovo expand access to sustainable financing for MSEs

EUR 10 million loan to BKT Kosovo re-establishes successful partnership to support entrepreneurs

Luxembourg and Pristina, 14 February 2020 – The European Fund for Southeast Europe (EFSE) has provided a senior loan of EUR 10 million to BKT Kosovo to support sustainable and long-term financing for micro and small enterprises (MSEs) in the country.

BKT Kosovo is the fifth largest bank in Kosovo, with an extensive branch network. The bank operated as a branch of BKT Albania until April 2018 when it changed into a fully-fledged subsidiary. Following the transformation, the bank's strategy is to become one of the leading banks in the country that targets all segments, with particular focus on providing financing customised to the needs of MSEs. The EFSE investment aims to support BKT Kosovo in strengthening its product offering to this segment, enabling it to provide approximately 500 long-term loans to entrepreneurs.

EFSE Board Chairman Christoph Tiskens said: "Access to financing is crucial for the success of local businesses and thus for the development of the economy as a whole. EFSE's successful partnership with BKT Albania will now be continued through this investment in its new subsidiary, BKT Kosovo. Together, we are investing in the future of entrepreneurship in the region."

BKT Kosovo CEO and Board Member Suat Bakkal said: "MSEs will be at the centre of BKT Kosovo's growth strategy in upcoming years; therefore, we are glad to have support from the most expert institution in the region. Partnering with such an institution proves international organisations' faith in our strategy."

About EFSE

An impact investment fund established in 2005, the European Fund for Southeast Europe (EFSE) aims to foster economic development and prosperity in Southeast Europe and the Eastern Neighbourhood Region by investing in the success of micro and small enterprises as well as improved living conditions for private households. As access to financial services is key to developing this segment, EFSE focuses on helping local financial sectors strengthen their ability to provide responsible financing for this target group. Alongside its investment activities through local partners, EFSE multiplies its impact through the EFSE Development Facility, which provides technical assistance, training, and other nonfinancial support to entrepreneurs and institutions.

EFSE was initiated by KfW Development Bank with the financial support of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission. As the

first public-private partnership of its kind, EFSE draws its capital from donor agencies, international financial institutions, and private institutional investors.

Finance in Motion GmbH, Germany, serves as EFSE's advisor and Hauck & Aufhäuser Fund Services S.A., Luxembourg, acts as manager.

For more information on the European Fund for Southeast Europe, please visit: www.efse.lu

For more information on Finance in Motion, please visit: www.finance-in-motion.com

About BKT Kosovo

Banka Kombëtare Tregtare Kosovë (BKT Kosovo) is a medium-sized bank operating in the Kosovo financial market. Over the past years, the bank has increased its market penetration (market share of 11.77% as of December 2019 vs. 6.9% in 2013) and at present is the fifth largest bank in the sector. The bank has grown by 55% in asset size since June 2018. BKT Kosovo is 100.0% owned by BKT Albania, the leading bank in Albania and an EFSE partner since 2012.

Media contact EFSE

Nikki Eggers
Senior Officer, Marketing & Communications
Email: press@efse.lu
Phone: +49 69 271 035-470

Media contact BKT

Muharrem Inan
Head of Treasury and Financial Institutions Group
Email: minan@bkt.com.al
Phone: +383 38 22 36 36 Ext 385