

## FOR IMMEDIATE RELEASE

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## More boost for Bosnian micro enterprises *€4 million to help strengthen Prizma's lending capacity*

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The EBRD is lending Mikrokreditna Organizacija Prizma, one of the most successful microfinance institutions in Bosnia and Herzegovina (BiH), €4 million to enable owners of micro and small enterprises to gain more access to finance to start up or expand their businesses.

The loan, which will be used by Prizma for on-lending to entrepreneurs, falls under the €75 million EBRD Micro, Small and Medium Sized Enterprises Finance Framework for the Western Balkans and Croatia, which aims to facilitate access to finance for smaller business clients.

The finance will be complemented by up to a €400,000 in technical assistance from donor countries under the EBRD - Western Balkans Fund\*. The technical assistance will focus on strengthening internal audit/control processes, risk management, product diversification, development of financial and management policies and procedures and MSE lending-specific credit scoring processes.

A new microfinance law came to force in BiH in August 2007, as a result of which microfinance institutions now come under the umbrella of banking supervision. This change in the legislation is instrumental in attracting international commercial investors in the microfinance sector in BiH.

Giulio Moreno, the EBRD Head of Office in Sarajevo, said that Prizma is an important institution that is helping entrepreneurs across BiH to gain more access to finance to build or expand their businesses. The EBRD's significant experience in the microfinance sector will help transform Prizma into a competitive institution that will ultimately benefit entrepreneurs across BiH, he added.

Prizma was established in April 1997 as a non-governmental organisation. In September 2001 it was registered as a microfinance institution licensed to provide financial support to micro entrepreneurs in BiH. Through its network of 41 offices, Prizma serves more than 30,000 clients both in urban and rural areas.

Kenan Crnkic, Prizma's General Manager, said that Prizma has built a portfolio of over €25 million and attracted around 30,000 clients which confirms that Prizma has one of the leading positions in the very dynamic microfinance market in the southeastern Europe. The EBRD loan is a confirmation of the company's previous successes, and represents a strong guarantee that Prizma will develop and operate successfully in the coming period as well, Mr Crnkic added.

This latest EBRD loan builds on the Bank's support for the micro enterprise sector in BiH. So far, the Bank has extended loans to Mikrofin, EKI, Sunrise, Partner and MI Bospo. In addition, the EBRD-Italy Western Balkans Local Enterprise Facility allows the Bank to contribute to the economic recovery of selected Western Balkan countries through the direct provision of mainly equity and quasi equity financing to small and medium local enterprises. Across its countries of operations, the EBRD has committed over €947 million to 122 financial institutions to support more than 3 million small and micro enterprises.

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*\* The following countries are donors to the EBRD-Western Balkans Fund: Austria, Canada, Czech Republic, Finland, Hungary, Ireland, Luxembourg, Netherlands, Norway, Poland, Slovak Republic, Slovenia, Spain, Sweden, United Kingdom*

*The EBRD, owned by 61 countries and two intergovernmental institutions, aims to foster the transition from centrally planned to market economies from central Europe to central Asia. Visit the EBRD's website: [www.ebrd.com](http://www.ebrd.com)*