

EFSE lends ACBA Leasing EUR 1.9 mln to boost funding for Armenian micro, small enterprises

The loan will also provide support for agricultural businesses

Luxembourg and Yerevan, 22 November 2017 --The European Fund for Southeast Europe (EFSE) has announced a senior loan worth EUR 1.9 million (EUR 1 million and USD 1 million) to ACBA Leasing as part of an ongoing cooperation to support Armenian micro and small enterprises (MSEs).

ACBA Leasing became an EFSE partner in November 2013 and has since successfully on-lent EUR 6.5 million of EFSE investments to local MSEs. The latest loan will enable ACBA Leasing to provide additional leases with longer term maturities designed to promote investments in fixed assets for MSEs and agricultural clients.

EFSE Board Chairman Christoph Tiskens said: “This latest loan indicates the ongoing efforts in MSE financing in Armenia, and we are proud to support the sector with our close partner ACBA Leasing.”

The company’s General Director Arsen Bazikyan stated: “Close cooperation between ACBA Leasing and the EFSE not only allowed us to expand, but the partnership also facilitated Armenian MSE growth and prosperity due to the competitive nature of the loans. Also, we’d like to note that this is a great opportunity for us to show the advantages of leasing as a financial tool and leverage its growth for further cooperation on the basis of success we’ve had together with the EFSE.”

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 ACBA Leasing

ACBA Leasing was founded in 2003 and is considered to be the first registered leasing company in Armenia. Since its foundation, the company has been a leader in the country's leasing sector with a market share of up to 80%. ACBA Leasing has invested more than USD 100 million in different sectors of Armenian economy, and the company is also well known for its intervention in legal regulations concerning leasing and effort to support the country's overall leasing market development. In 2014, the company designed green leasing products, which due to their high demand have produced strong results. In 2016, ACBA Leasing was awarded the right to register its "Green Leasing" brand name as an intellectual property.

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