

EFSE and ACBA-CREDIT AGRICOLE BANK expand financing for micro and small enterprises in Armenia

New investment to fuel local business development

Luxembourg, 21 December 2018 – The European Fund for Southeast Europe (EFSE) has provided a local currency loan equivalent to USD 10 million to Armenian partner ACBA-CREDIT AGRICOLE BANK to expand access to financing for micro and small enterprises (MSEs). The investment will allow over 3,000 new loans to be issued to Armenian entrepreneurs in their own local currency.



The fourth largest bank in the country, ACBA-CREDIT AGRICOLE BANK is the top provider of financing for micro, small, and medium enterprises. The bank is a long-standing strategic partner of EFSE that shares the fund's commitment to fostering sustainable development by providing entrepreneurs with the financing and tools they need to succeed. By obtaining MSE-dedicated financing in Armenian dram, local businesses are able to fund their growth and long-term development while protected from exchange rate risks – a hazard that can weigh heavily on the viability of smaller-sized enterprises.

EFSE Board Chairman Christoph Tiskens said: “We are proud to be continuing this successful collaboration with ACBA-CREDIT AGRICOLE BANK, a partner who has shown high dedication to EFSE’s target group of micro and small enterprises. The bank’s excellent know-how and strong presence in otherwise underserved areas positions it to contribute not only to financial inclusion for MSEs, but also to overall economic development in the country.”

ACBA-CREDIT AGRICOLE BANK Chief Executive Officer Hakob Andreasyan said: “We are pleased to deepen our successful cooperation with EFSE. This local currency loan will help the bank to strengthen its position in the financial system of Armenia and will support the development of MSMEs, which are the cornerstone of our economic development and whose access to local currency loans remains limited.”

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, EFSE focuses on assisting local financial sectors in strengthening their ability to ensure adequate and sustainable financing. The funding EFSE provides as long-term finance is channelled to loan customers – primarily micro and small enterprises (MSEs), but also private households for home improvement – through local partner lending institutions. Supporting 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, 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), and Deutsche Bank.

Hauck & Aufhäuser Fund Services S.A., Luxembourg, acts as EFSE’s Fund Manager and Finance in Motion GmbH, Germany, as Advisor.

For more information about the European Fund for Southeast Europe, please visit www.efse.lu
Follow us on Facebook at www.facebook.com/EFSEfund and Twitter [@efsefund](https://twitter.com/efsefund)

About ACBA-CREDIT AGRICOLE BANK

ACBA-CREDIT AGRICOLE BANK is one of the biggest banks in Armenia. Currently, the bank provides various universal banking services, such as bank account opening and services, transfers of monetary funds, foreign currency exchange, provision of bank guarantees, documentary letters of credit, commercial, agricultural, collateral, education, consumer, purchase mortgage, renovation mortgage, credit, installment here-and-now loans, issuing and maintenance of international VISA, MasterCard, American Express and local ArCa plastic cards, opportunities to make utility payments, account

management via ACBA ON-LINLE system, ACBA Mobile application and also registry operation and securities custody.

ACBA-CREDIT AGRICOLE BANK is a member of SWIFT payment system, international VISA card payment system, founding member of local ArCa card payment system and also the exclusive payment implementing representative of American Express card. ACBA-CREDIT AGRICOLE BANK received a full Principal Membership License and Merchant Acquiring licenses from VISA International association; and is the member of Union of Banks of Armenia and CICA.

For more information, please visit: www.acba.am

Media contact EFSE

Nikki Eggers

Senior Officer, Marketing & Communications

Email: press@efse.lu

Phone: +49 (0)69 271 035-470

Media contact ACBA-CREDIT AGRICOLE BANK

Narek Asatryan

Public Relations

Email: narek.asatryan@acba.am

Phone: +374 (10) 31 88 88 ext. 8111

