

EFSE issues first Armenian dram loan to ACBA Bank

Frankfurt and Yerevan, 18 June 2014 - The European Fund for Southeast Europe (EFSE) signed its first senior loan agreement denominated in Armenian drams with ACBA-Crédit Agricole Bank (ACBA Bank) in the equivalent of USD 15 million. This loan will further strengthen ACBA Bank's position as one of the leading banks in Armenia, enabling it to finance over 10,000 loans to micro and small-sized businesses, including local agricultural producers and individual farmers.

ACBA Bank and EFSE began their partnership in 2013, when the Bank benefited from two EFSE loans to support the financing needs of micro and small-sized enterprises in Armenia. "With its strong focus on and presence in the rural areas of Armenia, ACBA Bank is an excellent fit for the EFSE in reaching out to its target group throughout the country," says Monika Beck, Chairperson of the Board of the EFSE. "We are pleased to provide ACBA Bank with long-term funding in Armenian drams to address the unmet demand of local farmers and entrepreneurs, particularly in rural Armenia, in a responsible and sustainable way."

Hakob Andreasyan, CEO of ACBA-Crédit Agricole Bank, adds: "We are happy to deepen our cooperation with the EFSE and we are pleased to receive the loan in Armenian drams from the dedicated international fund. This transaction will timely increase our local currency resources for on-lending to SME sector borrowers, both in urban and rural areas, which is vital for the economic development of Armenia."

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, and Finance in Motion GmbH, Germany, are, respectively, the EFSE's Fund Manager and Fund Advisor.

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

About ACBA-Crédit Agricole Bank

ACBA-Crédit Agricole Bank (ACBA Bank) is a key player in the Armenian banking system, ranking 1st in terms of capital and 2nd in terms of loan portfolio as at Q1/2014. Its primary strategic focus is on providing financial services to micro, small and medium enterprises (MSMEs) with a particular focus on rural areas. ACBA-Crédit Agricole Bank was founded in March 1996. In 2006, the major French bank Crédit Agricole acquired a 28% stake in ACBA Bank's capital thus becoming its largest shareholder. ACBA Bank's ownership consists of Credit Agricole (28%), the Agricultural Cooperative Regional Unions of the ten Armenian provinces (71% in total) and the bank's management (1%). As at Q1/2014, ACBA-CREDIT AGRICOLE Bank held total assets of USD 640 million, capital of USD 128 million, and loan portfolio of USD 430 million.

For more information about ACBA Bank, please visit: <http://www.acba.am>

Media contact EFSE

Media Relations
Merle Römer
Manager Communications and Events
e-mail: press@efse.lu
Tel: +49 (0)69 9778 7650-171

Media contact ACBA-Crédit Agricole Bank

Marketing Division
Harutyun Poghosyan
Head of Marketing Division
harutyun.poghosyan@acba.am
Tel: +374 10 31 88 88