

## EFSE and ACBA Leasing expand partnership to support micro and small enterprises in Armenia

**Frankfurt and Yerevan, 18 December 2014** - The European Fund for Southeast Europe (EFSE) is expanding the partnership with ACBA Leasing through a new senior loan facility in the equivalent of EUR 3.4 million (USD 3 million and EUR 1 million) to support Armenian micro and small enterprises (MSEs).

ACBA Leasing became an EFSE partner lending institution in November 2013 and has since successfully on-lent the first two EFSE loans to the final target group of MSEs. The new credit facility will enable ACBA Leasing to provide tailored financing to local MSEs, including agricultural clients.



“ACBA Leasing is an important partner in terms of increasing the EFSE’s impact and outreach in Armenia,” says Monika Beck, Chairperson of the Board of EFSE. “We are therefore confident this new loan will support the further development of MSEs in Armenia in a sustainable and responsible way.”

“Taking into account the main aim of our leading leasing company, i.e. the development of the Armenian SME market through the modernisation of fixed assets, we hope – together with the EFSE - to provide current and future customers with new financing possibilities,” adds Arsen Bazikyan, General Manager of ACBA Leasing. “From the view of attracting new resources, the agreement with the EFSE also reinforces ACBA Leasing’s strategy of remaining an independent institution with a diversified loan portfolio. To address the scope of requirements from potential customers, ACBA Leasing is looking to provide specialised leasing services, including purchasing, shipping, customs clearance and insurance for goods and equipment to be leased. The experience gained from successfully distributing the funds provided under previous loan agreements enables us to keep up the momentum as well as maximise both impact and efficiency.”

### 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 Leasing**

ACBA Leasing Credit Organization CJSC is the first registered and specialized leasing company in the Republic of Armenia. ACBA Leasing was founded on 30 March, 2003, jointly by ACBA-CREDIT AGRICOLE BANK – one of the leading institutions of the Armenian banking sector – and the French CREDIT AGRICOLE Group, acting via its subsidiary CREDIT AGRICOLE LEASING & FACTORING, which is considered the leader of the leasing and factoring market in France. ACBA Leasing began operations on 25 April 2003, when it obtained its N4 License from the Central Bank of the Republic of Armenia.

ACBA Leasing Credit Organization CJSC aims to achieve the following:

- Enable micro, small and medium enterprise segments as well as private households to purchase equipment and production means through medium-term financing,
- Make leasing a mainstream instrument in the financial market of the Republic of Armenia,
- Broaden the manufacturing base of Armenia's economy,
- Support Armenian enterprises in renovating their main resources.

ACBA Leasing works not only with local but also with foreign suppliers, actively driving the development of the Armenian leasing market. The number of cooperation agreements signed with supplier organizations on the international side is growing every year. Today, the company works with more than 120 supplier organizations, which in turn enables ACBA Leasing to expand its customer base. ACBA Leasing also has a broad reach thanks to 260 credit officers operating from the 52 branches of ACBA-CREDIT AGRICOLE BANK. In addition, ACBA Leasing is continuously enhancing its products and services, following through on a sustainable strategy aimed at broadening the current client base and making available our assortment of products to more strata of the public, and in this way fostering a balanced growth for our company.

According to the September 2014 report of Arm Info, ACBA Leasing's dynamic growth in terms of assets and equity as well as loan volume and income has been ranked the first among the top 7 of the country's 32 credit organizations. Of the three leasing companies operating in Armenia, ACBA Leasing ranks first with 96 % of the market, followed by Agroleasing (3%) and Unileasing (1%). Pre-tax earnings as at September 2014 amounted to AMD 252 million, with aggregate profits totalling AMD 1.9 billion. Total equity remained constant at approximately AMD 3 billion with assets making up close to AMD 14 billion. The net leasing portfolio consisted of approximately AMD 9.2 billion. Plant and equipment leasing for industrial clients accounts for 33% of ACBA Leasing's portfolio.

For more information, please visit: [www.acbaleasing.am](http://www.acbaleasing.am)

#### **Media contact EFSE**

Media Relations

Merle Römer

Manager Communications and Events

e-mail: [press@efse.lu](mailto:press@efse.lu)

Tel: +49 (0)69 9778 7650-171

#### **Media contact ACBA Leasing**

Arevik Janyan

"ACBA Leasing" CO CJSC Consultant

Email: [arevik.janyan@acba.am](mailto:arevik.janyan@acba.am)

Tel: +374 10 563 945

+374 10 318 888 - 8089