

EFSE and ARARATBANK advance development finance to local businesses in Armenia

Luxembourg and Yerevan, 3 April 2019 – The European Fund for Southeast Europe (EFSE) has loaned USD 15 million to partner ARARATBANK in order to bolster financing for micro and small enterprises (MSEs) in Armenia. The investment will enable the bank to expand its engagement with entrepreneurs, thus contributing to the sustainable development of local businesses.

ARARATBANK is a strong player in the Armenian banking sector, with a strategic focus on providing financing to small and medium-sized enterprises. An EFSE partner since 2010, the bank has successfully leveraged EFSE funding to facilitate thousands of sub-loans with long-term maturities to support business and economic development in Armenia.

EFSE Board Chairman Christoph Tiskens said: “We have enjoyed a successful cooperation with ARARATBANK for many



years, and are proud to be continuing that partnership to enhance development financing options for the hardworking entrepreneurs of Armenia. By expanding the capacity of the local financial sector to serve MSEs, we are investing in the success of Armenian businesses on both an individual and systemic level.”

Chairman of Executive Board of ARARATBANK Ashot Osipyan stated: “I am very happy that by signing this contract, we again reaffirm our strong relationship of mutual trust with our strategic partner. We value this cooperation not only for the borrowing of funds, but also for a wider scope of actions, particularly for the introduction of new banking technologies and the development of management culture and almost all banking operations, the ultimate beneficiaries of which are the customers of ARARATBANK.”

About EFSE

One of the largest development finance funds worldwide, the European Fund for Southeast Europe (EFSE) aims to foster economic development and prosperity in Southeast Europe and the Eastern Neighbourhood Region by investing in the success of micro and small enterprises as well as improved living conditions for private households. As access to financial services is key to developing this segment, EFSE focuses on helping local financial sectors strengthen their ability to provide responsible financing for this target group. Alongside its

investment activities through local partners, EFSE multiplies its impact through the EFSE Development Facility, which provides technical assistance, training, and other nonfinancial support to entrepreneurs and institutions.

EFSE was initiated by KfW Development Bank with the financial support of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission. As the first public-private partnership of its kind, EFSE draws its capital from donor agencies, international financial institutions, and private institutional investors.

Finance in Motion GmbH, Germany, serves as EFSE's advisor and Hauck & Aufhäuser Fund Services S.A., Luxembourg, acts as manager.

For more information on the European Fund for Southeast Europe, please visit: www.efse.lu

For more information on Finance in Motion, please visit: www.finance-in-motion.com

About ARARATBANK

ARARATBANK OJSC is among the leaders of the Armenian banking system that provides state-of-the-art, superior and high-quality banking services to individuals and legal entities using cutting-edge technologies for banking system development and creating a unique business culture of bank-customer relations. With the best innovative banking technologies and best practices of corporate governance being introduced therein, the bank has 61 branches across the country. Being one of the most dynamically developing banks in the Armenian banking system, expanding its branch network and scope of its banking services, ARARATBANK actively participates in the real sector of Armenian economy, particularly in SME lending. ARARATBANK cooperates with 14 reputable international financial institutions.

For more information about ARARATBANK, please visit www.araratbank.am

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