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# ProCredit Bank in Armenia Focuses on Credits

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'In Armenia, just like in any other country we operate in, ProCredit Bank plans to be a development oriented full service institution,' Ashot Abrahamyan, Deputy Executive Director of ProCredit Bank in Armenia told The FINANCIAL. 'Competition forces banks to think of how to better present and position themselves in the market.'

On February 5, 2008, ProCredit Bank Armenia opened for business, the 22nd institution in the worldwide ProCredit group.

'Everybody is welcome at ProCredit Bank Armenia: students, pensioners, small entrepreneurs, corporate clients, ordinary people. All of them represent ProCredit's target group. The transparent and easy to understand conditions make ProCredit's products attractive to clients.'

According to Abrahamyan the bank is oriented on the retail market as well as on corporate clients.

'ProCredit Bank Armenia is seeking to work with both segments. The bank can work with 10 corporate clients and give each of them USD 100 000 loans and you can work with 1 000 individual clients and lend them USD 1 000 loans. Both aspects could be profitable, you need to reach the necessary volumes,' Abrahamyan declared.

According to ProCredit Bank Armenia, credit is a very important part of the bank's business.

'The bank is putting the main emphasis on lending to very small, small and medium sized enterprises. Supposedly the most popular loans will be loans to individual entrepreneurs willing to develop their businesses,' Abrahamyan said.

'ProCredit Bank wants to do a lot of lending to its target group in order to develop their businesses, the economy and the financial system, because it is clear that there is still a lot to be done in this country. ProCredit Bank tends to bring ordinary people to the bank and give them the opportunity to have and save money for a difficult day, instead of keeping money under the mattress,' Abrahamyan added.

There are 21 other banks operating in Armenia.

'And it is good because although the competition is growing it remains fair. Many banks are also expanding in the regions and are opening new branches. In the number of banks there are several international banks as well. So there is HSBC bank Armenia, which has been present in the Armenian market for 12 years already, there is also ACBA Credit Agricole Bank, which is doing a lot of agro-lending. So the competition is present and is quite strong,' Abrahamyan says.

'Competition forces the banks to think about how to present and position themselves in the market. ProCredit Bank hopes that the competition will strengthen in the future and will challenge to work harder and offer newer products to the clients.'

Mortgage loans are becoming very popular in Armenia However ProCredit Bank

is not currently making that a priority. Perhaps in the future the bank will start thinking about entering the mortgage market as well, but not now. Today Procredit bank offers Express Business loans to customers within 24 hours,' Abrahamyan said.

The Central Bank of Armenia granted ProCredit Bank the license to conduct banking operations in Armenia on December 7, 2007. The shareholders of ProCredit Bank are ProCredit Holding AG with 66, 66% of shares, KfW with 16, 67% of shares, and EBRD with 16, 67% of shares. By the end of 2008 ProCredit Bank Armenia will be present in three regions of Armenia with six branches: four in Yerevan, one in Vanadzor, and one in Artashat.

ProCredit Bank in Armenia is part of the ProCredit Group. The group consists of 22 financial institutions in Eastern Europe, Africa, and Latin America which are led and supervised by ProCredit Holding, based in Frankfurt, Germany. It is not associated with any commercial or political group. ProCredit Banks all over the world have a similar management system, operate according to the same values and offer their customers similar banking services.

Outstanding Loan Portfolio figures around the ProCredit group worldwide by the end of 2007 consisted of: 2,969 (EUR million), Number of Outstanding Loans: 1,037 (`000), Deposits Volume: 2,439 (EUR million), Number of Customer Accounts: 2,822 (`000), Number of employees: 16,803, Number of branches worldwide: 621.

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