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## **Equity Of Cascade Capital Holdings Financial Group Exceeded USD 17 Million.**

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The equity of the Cascade Capital Holdings financial group comprised USD 17 million at the beginning of the current year, informed the CCH CEO Jonathan Stark in his interview with ArmInfo. He stressed that the borrowings of CCH as of the date totaled USD18 million, including the debt from EBRD and the World Bank under various projects.

CCH includes Cascade Bank CJSC, Cascade Bank Georgia CJSC, Cascade Insurance ICJSC, Cascade Credit Universal Credit Organization CJSC, Cascade Investments CJSC and Cascade Equity Managers CJSC. CCH is owned by the US businessman Gerard L. Cafesjian through the US-based Cafesjian Family Foundation.

According to Jonathan Stark, the target debt and equity of CCH will reach USD 40 million shortly; intensive negotiations are under way with international organizations with regard to involvement of CCH operational units in new projects. He specifically emphasized the importance of the Bank winning the tender for servicing the cash flows on the Millennium Challenges Account during 5 years in the total amount of USD 236 million. "That was a fair competition, and we were able to offer the best conditions and schemes to the Client;" - stated Jonathan Stark. According to him, Cascade Bank demonstrates significant added value since acquisition. As the result of this, the Bank became a member of the KfW German Development Bank mortgage program; it is intensively improving the services and building the infrastructure. The Bank has further developed the E-banking system, and is planning to offer innovative local ArCa chip cards and MasterCards to its clients.

The Head of CCH expressed his satisfaction with the work of Cascade Credit, which accomplished the placement of the first private sector notes in the total amount of USD 400,000 in the open market last October. "The proceeds from the placement are used for extension of export orientated loans. We are currently preparing the second tranche of notes and are anticipating amendments to the placement and trading regulations by the Central Bank of Armenia, due to which natural persons will have the right to purchase the notes," stated Jonathan Stark. He highly appreciated the participation of Cascade Credit in the Renewable Energy Program funded by the World Bank and EBRD. The Company has targeted 20 individual projects; is already involved in 6, of which 3 projects have already received funds.

According to Jonathan Stark, Cascade Insurance is becoming one of the leading and most reliable insurance companies in Armenia. The owner of 35 % of the equity of the Company is EBRD. "It is better for an insurance company to create horizontal spread in its account, rather than being dependent on one or two major customers. " stressed the Head of CCH, emphasizing the actions taken by the regulator - the CBA in terms of rationalizing the local insurance market into fewer stronger players.

With regard to Cascade Investment's development of savings and pensions products, particularly pension annuities, Jonathan Stark described it as "the most difficult project from a psychological perspective." "It is absolutely a new concept for Armenia. We are prepared to be the first in the market by the time the concept of alternative pension security gets a start in life," he stated.

Nonetheless, he added that a total amount of USD 2 million had already been transferred to the Company for trust management. "This is the money that

people entrusted us for management. Through Cascade Investments, we can attract capital inflows to Armenia targeting both domestic and Diasporan investors, who are able to keep continuous track of their cash flows," said the Head of CCH. "If the US Government trusts us with their money, individuals can feel secure with Cascade". As Mr. Stark informed, CCH is seriously considering the regional expansion opportunities with major focus on efficiency across all subdivisions. "While studying the opportunities of opening subsidiaries, we are not only oriented on the bank operations, but also on the business potential of our "financial supermarket" (one-stop shop) to provide a comprehensive package of services relating to loans, savings, insurance, pension security and so on," he stated.

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