

# EBRD Boosts Operations Of ProCredit Bank In Armenia

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The FINANCIAL -- The European Bank for Reconstruction and Development is providing ProCredit Bank in Armenia with USD 7 million to further boost its on-lending to micro and small enterprises (MSEs). The loan will consist of two tranches of USD 2 million and USD 5 million.

The loan will help ProCredit Bank in Armenia to continue its financing programme which aims to reach out to small and medium-sized businesses.

ProCredit Bank in Armenia had successfully launched its operations in February 2008, positioning itself as an all purpose 'universal' bank, providing full range of financial services to small businesses. The shareholders of ProCredit Bank in Armenia are ProCredit Holding AG with the 66,66% of shares, KfW with 16,67% of shares, and EBRD with 16,67% of shares. With its head office based in Yerevan, the Bank presently operates out of four branches (including one in Vanadzor).

Chikako Kuno, Director of the EBRD's Group for Small Business, said that micro and small businesses are critical for economic development and increasing employment opportunities, yet they often lack access to finance. This latest loan directly supports this dynamic sector in Armenia. "The role entrepreneurs play in promoting the transition towards a market economy cannot be overstated, and that is why we pay so much attention to this sector", she added.

Bertolt Hertzfeldt, Executive Director of ProCredit Bank in Armenia: "The increasing diversification of our funding base in general highlights the growing maturity of the bank. The additional financing will help us to extend our outreach among small businesses and will support their development."

Assisting MSE sector is in line with EBRD's strategy for Armenia. EBRD is the largest single investor in Armenia having invested some EUR 202 million in 52 projects in all major sectors of the economy. The country is part of the Early Transition Countries Initiative, launched in April 2004, which uses a streamlined approach to financing to mobilise more investment and encourage economic reform.