
Share of KfW in ProCredit Bank's capital made up 16,67%

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The KfW German Bank has entered the capital of the bank in Armenia for the first time. In particular, the share of its participation in the ProCredit Bank's capital made up 16,67%, KfW's representative in Armenia Karapet Gevorkyan said at today's press-conference in response to ArmInfo's question.

He said that the ProCredit Bank in Armenia will start to receive the first clients from February 5, 2008. This is the 23rd ProCredit Bank in the world network. K. Gevorkyan also said that the European Bank for Reconstruction and Development (EBRD) with similar share of 16,67% also takes part in the ProCredit Bank's capital, and the ProCredit Holding AG (PCH) comes out as a holder of 66,66% of the shareholding.

"I think that we shall be limited to participation in the capital of one bank, however, we do not rule out possibility of granting credit resources to the ProCredit Bank for stimulation of its main direction on microfinancing and hypothec crediting", K. Gevorkyan emphasized and added that KfW does not rule out possibility of negotiating with other local banks and signing of the relevant contracts on granting of credit resources. "The first such a contract of KfW in Armenia was signed in the midst, 2006, with ACBA-Credit Agricole Bank, which was extended \$10 mln for crediting of micro, small and middle business. Extension of funds for hypothec crediting is also possible in the near future", he resumed.

To note, the KfW carries out programmes in Armenia on crediting of small and middle business, hypothec crediting and crediting of renewable energy and power supply. To recall, the ProCredit Bank received a preliminary consent from RA Central Bank for giving a license for the banking activity in the beginning of July, 2007. The ProCredit Holding AG (PCH), the KfW Bank and the EBRD are the Bank's founders. ProCredit Holding AG heads a network of ProCredit microcrediting banks and is a strategic investor and administrative center of the group. The Company was founded in 1998 by the German IPC Consulting Company named "Internationale Micro Investitionen AG", and it changed its name to ProCredit Holding. The Holding owns 62% of shares of the banking group, 19% belong to the Stichting DOEN Foundation and WNISEF (Western NIS Enterprise Fund) Funds.
