



AZƏRBAYCAN MİKROMALİYYƏLƏŞDİRMƏ BANKI
Micro Finance Bank of Azerbaijan

Alovsat Guliyev str. 137, Baku
AZ1000, Azerbaijan
Phone: (+994 12) 493 07 26
Fax: (+994 12) 493 07 96,
Email: bank@mfba.az
www.mfba.az

PRESS RELEASE

MFBA received USD 6m 6-year Swiss loan

The Swiss Investment Fund for Emerging Markets (SIFEM), on behalf of the Government of the Swiss Confederation, provides funds for Micro Finance Bank of Azerbaijan for financing agricultural and micro business

January 11 2008 - The Micro Finance Bank of Azerbaijan (MFBA) made its first drawdown in the amount of USD 4 million under a USD 6.0 million loan agreement between MFBA and the Swiss Investment Fund for Emerging Markets (SIFEM). The funds will be used by MFBA to increase its agricultural and micro business lending, with at least 50% of the funds being specifically directed to MFBA's new agro-loan product. The term of the loan is 6 years and it is the first facility between MFBA and SIFEM. In total, MFBA has now attracted over USD 90 million in funds for the development of micro and small enterprises in Azerbaijan.

The main objective of SIFEM in extending the loan to the Micro Finance Bank of Azerbaijan was to assist the further expansion of one of the successful local banks, to contribute to the promotion of local MSMEs and to promote the diversification of the economy outside the oil and gas sector.

General Manger of MFBA, Dr. Andrew Pospelovsky, said, "This latest loan is another demonstration of the confidence international organizations have in MFBA and also recognition by the Swiss fund of the importance of our new agro-loan product for supporting the development of the Azeri agricultural sector which has limited access to financial services."

In its first five years, MFBA has provided over USD 240 million in financing to over 35,000 micro and small businesses across Azerbaijan. Today, over 30,000 businesses are working with MFBA, and MFBA provides over USD 13 million in new loans to 3,000 businesses every month. More than half of these are new business clients most of whom are receiving their first ever financing from a bank when they take their loan from MFBA.

The Swiss Investment Fund for Emerging Markets (SIFEM) is a specialized investment adviser which provides long-term financing to small and medium-sized private sector companies (SMEs) in developing and transitional economies through a variety of financial instruments, such as private equity funds, direct debt, mezzanine, and equity. SIFEM is mandated to manage the investment portfolio of SECO (Swiss State Secretariat for Economic Affairs) and other private and public entities.

More information can be found on their website, www.sifem.ch

MFBA is owned by six shareholders: the European Bank of Reconstruction and Development, the International Finance Corporation, the Black Sea Trade and Development Bank, KfW Development Bank – the Development Bank of the German Government, LFS Financial Systems GmbH – a German consulting company, and AccessHolding - a strategic investor in microfinance.