



News Release

Cascade Credit

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Cascade Credit Universal Credit Organization issues short-term debt instruments the proceeds of which will be primarily used for on lending to quality Armenian producers in need of export finance.

Yerevan, Armenia (September 28, 2006) – **Cascade Credit** has issued **USAID** guaranteed bonds intended to spur development of short-term corporate debt securities in Armenia and to ultimately help develop a sound securities market, thereby enhancing financial intermediation in Armenia. The ceremony set to mark the placement of the initial tranche of Cascade Credit UCO CJSC debt securities and the conclusion of the Securities Markets Strengthening Activities Project of the United States Agency for International Development (USAID) took place at the trading hall of Armenian Stock Exchange, September 28, 2006.

Cascade Credit is 100% owned by **Cascade Capital Holdings**, which in turn is owned by the **Cafesjian Family Foundation**.

Cascade Credit CJSC, a Non-Banking Financial Institution works to introduce a range of financial products and concepts that are specifically tailored for Armenia and aims at becoming a major innovative financial intermediation player in Armenia with a special focus on identifying market inefficiencies and eliminating them through profitable strategies.

“This is a significant event for Cascade Credit, which in the last two years has been devoting considerable efforts to make it happen. The first non-bank public debt issuance in Armenia is a small, but nevertheless significant step to sophisticated public debt market in the country.”- noted Garegin Gevorgyan, Cascade Credit CEO.

The USAID credit enhancement is a risk-sharing guarantee covering 50% of the risk of loss of principal arising from a default on the bonds. Cascade Capital Holdings CJSC also shares the risk by covering 100% of the risk of loss of principal arising from a default on the bonds.

“We are proud to support Cascade Credit in this pioneering Armenian capital market development and hope that many companies will follow suit in raising capital through bonds. In addition, the secondary trading of these bonds on ARMEX will bring further transparency to the financial market.” - Karoly Okolicsanyi, USAID, Program Manager.

Cascade Investments is the underwriter for the bonds and will also be actively engaged in secondary trading.

“It is the first fully registered public offer of securities in the local market. Cascade Investments will maintain market for these notes to provide liquidity. We are pretty sure that continuation of Cascade Credit issuance and gradual involvement of other quality issuers will finally establish viable capital markets in Armenia.” - stated Haik Papian, Cascade Investments CEO.

*Cascade Capital Holdings (CCH) was established by the Cafesjian Family Foundation in 2004 to create and manage a group of commercial financial services companies operating to western standards. The main goals of CCH are to facilitate and support investments into Armenia and the Caucasus, improve standards of trust, service and innovation across the domestic financial services sector and introduce a comprehensive, integrated and innovative product range. Cascade Capital Holdings' other operating units include **Cascade Bank, Cascade Equity Managers, Cascade Insurance and Cascade Investments.***

*CCH receives technical assistance from the **United States Agency for International Development (USAID)**, as well as support from other US Government Agencies, including the **Development Credit Authority (DCA)**. CCH also enjoys a growing relationship with the **European Bank for Reconstruction and Development (EBRD)**.*

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