

Early Warning System

ADB-48320-001

Proposed Senior Loan to DemirBank for Supporting Micro, Small, and Medium-Sized Enterprises

Proposed Senior Loan to DemirBank for Supporting Micro, Small, and Medium-Sized Enterprises

Quick Facts

Countries	Azerbaijan
Financial Institutions	Asian Development Bank (ADB)
Status	Completed
Bank Risk Rating	U
Voting Date	2014-12-10
Borrower	Demir Bank
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 20.00 million
Loan Amount (USD)	$ 20.00 million

Project Description

According to ADB website, the loan to Demir Bank to on-lend to micro, small and medium-sized enterprises (MSMEs) in Azerbaijan. Most Azerbaijani enterprises range in the micro and small sized category; however, they lack access to finance. The proceeds will be used to support DemirBank's plan to increase lending to MSMEs, including MSMEs in the underserved regions outside Baku. The assistance will enhance access to longer-term finance for the MSME segment, which is critical to support income and employment generation in the country.

Early Warning System Project Analysis

The ADB categorized the project risks as 'FI'.

Investment Description

- Asian Development Bank (ADB)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- DemirBank OJSC (Azerbaijan) (Financial Intermediary) **is owned by** DemirBank TAS (Turkey) (Parent Company)

Private Actors Description

As stated on the company's LinkedIn account, Demirbank OSCJ (former Azerdemiryolbank) is one of the first Commercial Banks of Azerbaijan Republic established in 1989. The Bank is currenty offering a wide range of services and products to Retail and Corporate customers. DemirBank is one of the fastest growing Banks in Azerbaijan.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
HSBC Bank Plc	Parent Company	Finance	owns	DemirBank TAS (Turkey)	Parent Company	Finance

Contact Information

Project Officer: Rublee, George Gordon
Office of Risk Management
No contact information provided at the time of disclosure.

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main

Bank Documents

- Initial Poverty and Social Analysis [Original Source]
- Mikro, kicik v@ orta sahibkarligi d@st@kl@m@si ucun D@mirBanka ustun kredit t@klif olunub : Layih@ D [Original Source]
- Project Disclosure PDF [Original Source]
- Supporting Micro, Small, and Medium-Sized Enterprises: Report and Recommendation of the President [Original Source]