

 Early Warning System

EBRD-54077

KyrSEFF III - Kompanion loan



Quick Facts

Countries	Kyrgyzstan
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Proposed
Bank Risk Rating	U
Voting Date	2022-11-18
Borrower	Kompanion Bank
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 5.00 million
Loan Amount (USD)	\$ 5.00 million



Project Description

The provision of a senior synthetic Kyrgyz Som (KGS) loan of up to US\$ 5 million to Kompanion Bank (KB) under the Kyrgyz Republic GEFF (KyrSEFF III). The proceeds will be on-lent to sub-borrowers for energy efficiency, renewable energy, circular economy, and climate resilience investments. The project will further strengthen SME competitiveness, improve climate resilience and promote the financial sector development in particular through local currency lending.

The transaction will contribute towards building a more competitive financial sector through developing the internal capacity of KB for financing energy and water efficiency projects. This will be achieved through a technical assistance aimed at providing implementation support to KB and their customers, verification of the outcomes, and investment incentives to end borrowers. Sub-projects are selected according to technical and financial eligibility criteria set forth in the policy statement for KyrSEFF III. 100 per cent of the proceeds will be used for Green Economy Transition investments.

TRANSITION IMPACT

The project will contribute towards building a green economy by facilitating the expansion of energy/water efficiency lending to residential and commercial sectors in the Kyrgyz Republic and positive demonstration effects of energy/water efficiency projects.

CLIENT INFORMATION

KOMPANION BANK CJSC

Kompanion Bank is an existing client since 2007 and a major SME lender in the Kyrgyz Republic. KB maintains a strong market presence with 8th ranking by loan portfolio and 9th by total assets among 23 commercial banks in the country. The bank is majority-owned by Mercy Corps (USA).

EBRD FINANCE SUMMARY

USD 5,000,000.00

Synthetic KGS senior loan of up to US\$ 5 million equivalent for on-lending to eligible private micro, small and medium-sized entrepreneurs (MSMEs) for financing GET Investments. The tenor will be 3 years including a 1 year grace period.

TOTAL PROJECT COST

USD 5,000,000.00

ADDITIONALITY

Additionality will be achieved through a combination of: (i) much-needed medium-term financing in local currency; (ii) innovative financing structure and instruments, (iii) standard-setting and (iv) knowledge, innovation and capacity building.

Gender additionality is expected to be achieved by building the capacity of the company in gender-responsive green lending in addition to supporting equal access to green finance for women and men.

ENVIRONMENTAL AND SOCIAL SUMMARY

Category FI (2019 ESP). Kompanion Bank is a long-standing client of the Bank that has been performing well in terms of applying the Bank's PRs and reporting in a timely fashion. The client will continue to apply PRs 2 and 4 to their internal operations and PR9, coupled with the E&S Procedure for Corporate SME and Micro Loans. Under the 2019 policy, the client will require to take note of the Referral List and liaise with the EBRD in any transactions involving activities on that list, and also take note of the updated E&S Exclusion List. Any investments in renewable energy will be required to follow the Bank's procedures and guidance for such sub-projects. The EBRD funding may be used for financing solar PV technologies. Such sub-



Investment Description

- European Bank for Reconstruction and Development (EBRD)

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.

- [Kompanion Bank](#) (Financial Intermediary)



Contact Information

Project contacts not available at the time of disclosure.

ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form:

<https://www.ebrd.com/eform/information-request>

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: pcm@ebrd.com or you can submit a complaint online using an online form at:

http://www.ebrd.com/eform/pcm/complaint_form?language=en

You can learn more about the PCM and how to file a complaint at: <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>