

 Early Warning System

EBRD-54491

FIF - MSME Loan - Armeconombank



Quick Facts

Countries	Armenia
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Proposed
Bank Risk Rating	U
Voting Date	2024-04-02
Borrower	Armeconombank OJSC
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 10.00 million
Loan Amount (USD)	\$ 10.00 million
Project Cost (USD)	\$ 10.00 million



Project Description

According to the EBRD, the project consists of a senior unsecured loan to Armeconombank in the amount of up to USD 10 million in local currency under the Financial Intermediaries Framework for on-lending to private micro, small and medium enterprises ("MSMEs") in Armenia.

The project will improve access to finance for SMEs, which are the main source of employment in the private sector and a major contributor to the economy in Armenia. The loan will enable Armeconombank to increase outreach and meet unsatisfied demand for longer term funding from MSMEs. The focus will also be on lending in the regions outside the capital and attracting new MSME clients. Moreover, the bank will aim to on-lend the proceeds of the loan to women-led MSME's, promoting economic inclusion of female entrepreneurs.



Early Warning System Project Analysis

The EBRD categorized the project E&S risk as 'FI', without assigning specific additional risk categories.



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.

- [Armeconombank](#) (Financial Intermediary)



Private Actors Description

As stated by the EBRD, OJSC Armeconombank is a long-standing EBRD partner bank. AEB ranked 7th in the sector by total assets and 6th by loan portfolio with 5.1% and 5.7% market shares respectively as of YE2023. The bank has an extensive distribution network of 54 branches across all the regions of Armenia and over 900 employees.



Contact Information

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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>



Bank Documents

- [Translation: FIF - MSME Loan - Armeconombank \(Armenian\)](#)