Early Warning System

EBRD-56725

FIF - SME Loan II - Inecobank

Quick Facts

Countries	Armenia
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Proposed
Bank Risk Rating	U
Borrower	Inecobank CJSC
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 106.84 million
Project Cost (USD)	$ 106.84 million

Project Description

According to the Bank's website, the project consists of the provision of a senior unsecured loan to Inecobank CJSC in amount of up to EUR 90m under the Financial Intermediaries Framework ("FIF") for on-lending to private micro, small and medium enterprises ("MSMEs") in Armenia. The loan will have a tenor of up to 5 years.

The project will improve access to finance for MSMEs, which are the main source of employment in the private sector and a major contributor to the economy in Armenia. The loan will enable Inecobank to increase its outreach and meet unsatisfied demand for longer term funding from MSMEs. The focus will also be on lending in the regions outside of the capital and attracting new MSME clients.

Early Warning System Project Analysis

Categorised FI (2024 ESP). Inecobank is an existing client and performs in compliance with the environmental and social (E&S) standards under existing exposures.

Investment Description

- European Bank for Reconstruction and Development (EBRD)

A senior unsecured loan of up to EUR 90m under the Financial Intermediaries Framework. The loan will have a tenor of up to 5 years.

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.

- Inecobank CJSC (Financial Intermediary)

Private Actors Description

Inecobank CJSC is a long standing EBRD partner bank. It was the 5th largest bank in Armenia by total assets and loan portfolio with 7.0% and 6.8% respective shares in the system as of YE 2024. It is rated Ba3 (stable outlook) by Moody's.

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

- PSD Translation (Armenian)