Early Warning System

EBRD-57241

FIF - YiB Loan - ArmSwissBank (EFSD+1)

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Quick Facts

Countries	Armenia
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Voting Date	2026-05-12
Borrower	ArmSwissBank CJSC
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 10.00 million
Loan Amount (USD)	$ 10.00 million
Project Cost (USD)	$ 10.00 million

Project Description

As stated by the EBRD, the project consists of the provision of a senior loan to ArmSwissBank CJSC in amount of up to USD 10m under the Youth in Business in Caucasus Programme to support youth-led or youth-owned micro, small and medium-sized enterprises in Armenia.

The project aims to promote inclusive and competitive economic growth by improving access to finance for youth-owned and youth-led MSMEs in Armenia. Aligned with the objectives of the Youth in Business Caucasus Programme, the transaction will enable ArmSwissBank to launch and scale a dedicated youth-focused lending product, supported by targeted non-financial services, thereby expanding its product offering and adapting its lending practices, underwriting processes and delivery mechanisms to better meet the needs of young entrepreneurs.

The project includes tailored technical cooperation support funded by the EU under the Programme. The objective of the technical cooperation is to support ArmSwissBank in the design, implementation and rollout of a dedicated youth-focused lending product, including the adaptation of credit-risk assessment, underwriting processes, delivery mechanisms, monitoring and reporting systems as well as integration of non-financial services (NFS) into the product structure to better serve youth-owned and youth-led MSMEs. The TC will be funded by the EU via the EFSD+ Programme (USD 260,000).

In addition, the loan is complemented by results based compensation mechanism of up to 3% of the Loan amount in favor of ArmSwissBank, funded by the EU via the EU NIP Programme designed to offset the incremental costs associated with developing and rolling out youth-focused financial products, outreach activities and internal capacity building. The transaction is further supported by a first-loss risk cover of up to USD 0.5 million (EUR 0,431 million), intended to partially compensate ArmSwissBank for potential losses on eligible sub-loans and enhance the bank's risk appetite for financing youth-led and youth-owned MSMEs. Finally the Loan will benefit from 12.5% FLRC of ArmSwissBank's risk in EBRD favor under the SME LCY Programme, funded by the SME Local Currency Special Fund.

Early Warning System Project Analysis

The EBRD categorized the project E&S risk as 'FI'.

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.

- ARMSWISSBANK CJSC (Financial Intermediary)

Private Actors Description

As stated by the EBRD, ArmSwissBank CJSC is a long-standing EBRD partner bank. It is the 10th largest bank in Armenia by total assets and the 11th by gross loan portfolio with 3.7% and 2.9% respective market shares as of YE2025.

Contact Information

Financial Intermediary - ArmSwissBank CJSC:

Ara Makaryan
Email: info@armswissbank.am
Phone: +37460757000
Website: www.armswissbank.am

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