Early Warning System

FMO-62486

Ameriabank CJSC - NASIRA PORTFOLIO

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Quick Facts

Countries	Armenia
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	A
Voting Date	2023-09-15
Borrower	Ameriabank CJSC
Sectors	Finance, Industry and Trade
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 46.40 million

Project Description

As stated by the FMO, the NASIRA Risk Sharing Facility (RSF) represents the next milestone to the well established partnership with Ameriabank. Through its controlled risk environment, the NASIRA RSF will bolster Ameriabank' s endeavors to expand its MSME portfolio. The facility places particular emphasis on empowering Young and Women entrepreneurs by supporting their income generating business activities, thereby aligning with FMO's goal in Reducing Inequalities. The NASIRA transaction will support Ameriabank in achieving its strategic goal of growing its MSME customer base.

FMO will be sharing directly the risk of the loan portfolio of MSMEs with Ameriabank, while 50% of the limit will be geared towards Young and Women entrepreneurs, hence qualifying for a 50% RI Label.
As a result, the NASIRA RSF facility will incentivize Ameriabank to finance the underserved and marginalized communities in Armenia, thus supporting the country's economic development. Lastly, the transaction is additional as there are hardly any alternate products available in the market which offer similar portfolio protection as NASIRA does.

Early Warning System Project Analysis

As stated by the FMO, "Ameriabank is categorized as FI-A (high risk) in accordance with FMO's Sustainability Policy."

People Affected By This Project

Ameriabank' s portfolio has a considerable exposure to large corporate clients as well as to sectors with potential significant and adverse environmental and social risks such as such as agriculture, mining and quarrying, power, and oil and gas. Key potential impacts and risks related to the portfolio include soil, air, and water pollution, physical and economic displacement, poor labor and working conditions, and resource efficiency aspects.

Investment Description

- Netherlands Development Finance Company (FMO)

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.

- Ameriabank CJSC (Financial Intermediary)

Private Actors Description

As stated by the FMO, Ameriabank is a privately-owned bank in the Republic of Armenia. The bank distinguishes itself by providing an extensive range of financial and advisory services through its omni-channel distribution, with a focus on the Corporate and Small and Medium-sized Enterprises segments. With a workforce of 1414 staff, (with 69% being female) the bank serves customers through its head office, 25 branches, 120 ATMs and >2,500 POS terminals. Ameriabank is an existing and longstanding client of FMO since 2009 and retains a leading position in the banking sector of the country, with a ~17.6% market share when measured by loan portfolio.

Contact Information

Financial Intermediary - Ameriabank CJSC:

Address: 2 Vazgen Sargsyan Street, Yerevan 0010, Armenia
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Phone: +374 10 56 11 11
Website: https://ameriabank.am/en/

ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@fmo.nl

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW). A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: https://www.fmo.nl/independent-complaints-mechanism

Bank Documents

- Translation of project disclosure (Russian)