

 Early Warning System

IFC-50196

SLGP EC Converse



Quick Facts

Countries	Armenia
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2024-11-30
Borrower	Converse Bank CJSC
Sectors	Finance, Industry and Trade
Investment Type(s)	Guarantee
Investment Amount (USD)	\$ 5.00 million
Project Cost (USD)	\$ 10.00 million



Project Description

According to the IFC, the proposed investment consists of an unfunded risk sharing facility (RSF) with Converse Bank for a portfolio of loans to small and medium enterprises (SMEs) in the amount of up to US\$10 million in Armenia, where IFC's risk participation will be up to US\$5 million, or 50% of the aforementioned SME loan portfolio.

The Project will be processed under IFC's Small Loans Guarantee Program, a programmatic approach to derisk and scale up financing for SMEs in Armenia and other eligible countries. The Program will benefit from a pooled first loss guarantee provided by the European Commission via European Fund for Sustainable Development (the EFSD) and the IDA IFC-MIGA Private Sector Window's Blended Finance Facility, which will help enable the Bank lending to the underserved SMEs in Armenia and at rates that are affordable.



Early Warning System Project Analysis

The IFC categorized the project risk as FI-2.



Investment Description

- International Finance Corporation (IFC)

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.

- [Converse Bank CJSC](#) (Financial Intermediary)



Private Actors Description

As stated by the IFC, Converse Bank CJSC was established in Armenia in 1993 as a closed joint stock bank. It ranks as the 7th largest bank by loan portfolio size of US\$690 million, as of December 2023, and has 43 branches. 73% of the Bank's shares are held by Advanced Global Investments LLC, 22% by Haypost Trust Management BV, and 5% by Mother See of Holy Etchmiadzin. The ultimate controlling party of the Bank is Argentinian businessman Eduardo Eurnekian.



Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: <https://disclosures.ifc.org/#/inquiries>

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>