

EFSE and Inecobank expand access to financing for micro and small enterprises in Armenia

USD 10 million loan to support business and economic development

Luxembourg and Yerevan, 03 July 2019 – The European Fund for Southeast Europe (EFSE) has provided a new loan to its partner Inecobank in Armenia to boost micro and small enterprise (MSE) financing in the country. The fund’s investment of USD 10 million aims to further expand the bank’s engagement with MSEs, by increasing financial inclusion and contributing to their sustainable growth and development.

A long-standing EFSE partner since 2012, Inecobank ranks sixth by asset volume in the Armenian banking sector. The bank has proven its commitment to serving EFSE’s target group of MSEs and advancing entrepreneurship finance in Armenia, by providing financial products and services tailored to the specific business needs of local entrepreneurs.

EFSE Board Chairman Christoph Tiskens said: “This loan will continue to strengthen EFSE’s impact in Armenia and leverage our valuable partnership with Inecobank as one of the leading providers of MSE financing in the country. By increasing entrepreneurs’ access to sustainable financing, we are jointly pursuing our mission of fostering business and economic development in the region.”

Tigran Davtyan, Chief Executive Officer of Inecobank, commented: “EFSE has been a strategic partner of Inecobank and continually enabled us to tailor targeted lending, helping us match the demand in the market fairly and efficiently. This transaction is no exception, and it seeks to strengthen our engagement in facilitating MSME business growth in Armenia.”

About EFSE

One of the largest development finance funds worldwide, the European Fund for Southeast Europe (EFSE) aims to foster economic development and prosperity in Southeast Europe and the Eastern Neighbourhood Region by investing in the success of micro and small enterprises as well as improved living conditions for private households. As access to financial services is key to developing this segment, EFSE focuses on helping local financial sectors strengthen their ability to provide responsible financing for this target group. Alongside its investment activities through local partners, EFSE multiplies its impact through the EFSE Development Facility, which provides technical assistance, training, and other nonfinancial support to entrepreneurs and institutions.

EFSE was initiated by KfW Development Bank with the financial support of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission. As the first public-private partnership of its kind, EFSE draws its capital from donor agencies, international financial institutions, and private institutional investors.

Finance in Motion GmbH, Germany, serves as EFSE's advisor and Hauck & Aufhäuser Fund Services S.A., Luxembourg, acts as manager.

For more information on the European Fund for Southeast Europe, please visit: www.efse.lu
For more information on Finance in Motion, please visit: www.finance-in-motion.com

About Inecobank

Inecobank CJSC is one of the leading banks in the South Caucasus region, focused on individual customers, small and middle market businesses, and large corporations, offering a full range of banking services including breakthrough and innovative digital banking solutions. For over 23 years, the bank has been providing unmatched convenience in Armenia serving more than 400,000 customers and over 150 000 online users.

Inecobank developed and delivered industry-leading digital banking solutions with the purpose of introducing an entirely new culture of banking services: In 2009, the bank digitalized and fully automated the "Point of Sale Loan" product, reducing the loan generation time from 3-4 days to a few minutes. In 2012, with the introduction of InecoOnline, the bank was one of the first to provide 24/7 banking services to its customers. In 2014, it launched InecoMobile, its Mobile banking application, which is the most popular banking application in Armenia with over 100,000 users. In 2017, the bank was the first to introduce a fully automated consumer lending solution through its mobile and online applications, which generates consumer loans 24 hours a day, 7 days a week. In 2018, it was the first banking institution in Armenia to introduce InecoPay, the cashless payments new system.

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