

# EFSE greenlights EUR 5 million loan to Inecobank to support MSE credit business in Armenia

**Frankfurt and Yerevan, 12 September 2013** - The European Fund for South Eastern Europe (EFSE) – initiated by KfW Development Bank (KfW) with the financial support of the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Commission – signed a EUR 5 million senior loan with Inecobank in Armenia. The loan is aimed at strengthening Inecobank’s funding basis, enabling it to provide further support to micro and small enterprises in the country.

Inecobank is a strong player in micro and small enterprise (MSE) banking, providing MSEs with reliable access to financial resources to support their development and competitiveness in the country.

“Securing Inecobank’s further growth in the MSE market segment fits in perfectly with the EFSE’s strategy,” says Monika Beck, Chairperson of the Board of EFSE. “We have been working with Inecobank successfully since spring 2012, and look forward to supporting the bank’s sustainable development.”

“The new loan agreement with EFSE will allow Inecobank to increase the volume of loans provided to micro and small enterprises, contributing to sustainable development of the private sector of the country's economy”, says Avetis Baloyan, Chief Executive Director of Inecobank.

## **About the European Fund for Southeast Europe**

The European Fund for Southeast Europe (EFSE) aims at fostering economic development and prosperity in Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, former Yugoslav Republic of Macedonia, Kosovo, Georgia, Moldova, Montenegro, Romania, Serbia, Ukraine and Turkey. As access to finance is a key success factor in developing the micro, small and medium enterprise segments, the EFSE focuses on assisting local financial sectors in strengthening their ability to ensure adequate and sustainable financing. The funding the EFSE provides as long-term finance primarily for micro and small enterprises (MSEs) – but also for private households in the form of home improvement loans – is channelled to these loan customers through local partner lending institutions. Supporting the EFSE’s investment activities is the EFSE Development Facility, which provides partner lending institutions with technical assistance, consulting and training services to build operational capacities and professional management.



Initiated by KfW Development Bank (KfW) on 15 December 2005 from four multi-donor programs under its management, the EFSE is the first public-private partnership of its kind and the first privately managed fund in development finance to leverage private funding for MSE finance in the target region. Capital is provided by donor agencies, international financial institutions and private institutional investors, including the German Federal Ministry for Economic Cooperation and Development (BMZ), the European Commission (EC), the Government of Albania, Small and Medium Business Credit Support CJSC (SMBCS), a subsidiary of the Central Bank of Armenia, the Development Bank of Austria (Oesterreichische Entwicklungsbank - OeEB), the Swiss Agency for Development and Cooperation (SDC), the Danish International Development Agency (Danida), KfW as Lead Investor, the International Finance Corporation (IFC), the Netherlands Finance Company (FMO), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), Sal. Oppenheim and Deutsche Bank.

Oppenheim Asset Management Services S.à r.l, Luxembourg, and Finance in Motion GmbH, Germany, are, respectively, the EFSE's Fund Manager and Fund Advisor.

For more information about the European Fund for Southeast Europe, please visit: <http://www.efse.lu/>

### **About Inecobank**

Established in 1996, Inecobank CJSC is a dynamically developing bank offering universal services in the financial services market in Armenia. Its goal is to promote private sector development – acting as a reliable and loyal partner and consultant for micro, small and medium business and individuals. As at 30 June 2013 the bank held USD 258 million in assets, and USD 204 million in gross loan portfolio. Inecobank works with 25 foreign partners, including the International Finance Corporation (IFC), German Investment and Development Company (DEG), European Bank for Reconstruction and Development (EBRD), Asian Development Bank (ADB).

For more information about Inecobank, visit: <http://www.inecobank.am>

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