

EFSE and Inecobank boost financing for Armenian businesses and households

Impact fund loans USD 15 million to long-time partner to support bank's response to economic effects of coronavirus crisis

Luxembourg and Yerevan, 20 April 2020 – The European Fund for Southeast Europe (EFSE) has provided two loans to Inecobank, a longstanding partner institution in Armenia, to support the bank in responding to the economic impacts of the coronavirus crisis. One loan in the amount of USD 10 million is earmarked for micro and small enterprise lending in order to sustain the operations of these key businesses with much-needed liquidity. The second, a local currency loan equivalent to USD 5 million, will respond to the demand for housing finance that contributes to improved living standards in the country.

Inecobank and EFSE have collaborated to expand access to financing and promote economic development in Armenia since 2012. The bank is well positioned to confront the effects of the current pandemic through its solid track record, professional staff, and market-leading IT infrastructure, including digital banking solutions that enable uninterrupted operations for both the bank and its clients. The new loan facilities will support Inecobank's continued ability to provide longer-term financing to both businesses and households, including in local currency, while strengthening the institution's liquidity levels.



EFSE Board Chairman Christoph Tiskens said: “As an important conduit of micro and small enterprise finance, Inecobank has been a strategic ally for EFSE in our goal to promote entrepreneurship in the region. Today, business and homeowners rely more than ever on solid financial infrastructure to help them weather challenging times, and we are proud to be continuing our partnership with Inecobank.”

Inecobank CEO Aren Naltakyan said: “We are delighted with the new cooperation with our long-term strategic partner, EFSE, in providing the Armenian business sector with these new loans. To date, Inecobank has brought unique support and superior experience to the sector, and this will further solidify our responsibility and commitment to the industry. We strongly believe that if we ensure business continuity for our customers today, the Armenian private sector will be better prepared to support the recovery of the economy during the post-pandemic period.”

The AMD facility provided by EFSE to Inecobank was facilitated in part by funding from the European Union under its EU4Business initiative.



About EFSE

An impact investment fund established in 2005, 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 CJSC

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 break through and innovative digital banking solutions. For over 24 years the bank has been providing unmatched convenience in Armenia serving more than 500,000 customers and over 250,000 online users. Inecobank developed and delivered industry-leading digital banking solutions with the purpose of introducing an entirely new culture of banking services.

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