
IFC Helps InEcoBank Expand Financing For Small And Medium Enterprises In Armenia

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The following information was released by the International Finance Corporation:

IFC, a member of the World Bank Group, will expand access to finance for small and medium enterprises in Armenia by providing a \$5 million financing package to Inecobank.

The package comprises a \$3 million senior loan to on-lend to small and medium enterprises and a trade guarantee facility of up to \$2 million to facilitate import-export operations. With the guarantee, the bank will join the IFC's Global Trade Finance Program and get access to global network of banks supporting trade finance operations.

Small and medium enterprises account for more than 40% of Armenia's gross domestic product but have difficulty obtaining financing from banks. IFC is supporting Inecobank's effort to increase such enterprises' access to finance, which will help foster economic growth and generate employment. Part of IFC's financing also will be used to support Inecobank's mortgage lending program and help the bank adopt international standards in that area.

We value this timely support from IFC, our long-term partner and shareholder, said Avetis Baloyan, Chairman of Inecobank's Board. This new financing will enable us to further develop and expand Inecobank's loan products, particularly in the area of SME lending, while the IFC GTFP facility will help our clients expand their foreign trade activities.

Snezana Stoiljkovic, IFC Director for Central and Eastern Europe, said: A viable banking system is vitally important for economic stability and growth. We are happy to expand our cooperation with Inecobank, our reliable partner, and thus continue to strengthen the banking system in Armenia.

This is the second IFC loan to the bank. In 2006, IFC provided Inecobank with a \$3 million loan to expand mortgage finance. IFC is a shareholder of Inecobank and holds 10 percent of its shares.

About IFC

IFC, a member of the World Bank Group, creates opportunity for people to escape poverty and improve their lives. We foster sustainable economic growth in developing countries by supporting private sector development, mobilizing private capital, and providing advisory and risk mitigation services to businesses and governments. Our new investments totaled \$16.2 billion in fiscal 2008, a 34 percent increase over the previous year. For more information, visit www.ifc.org.

About Inecobank

Inecobank is one of the 10 largest Armenian banks by equity and assets. As of the third quarter of fiscal 2008, the bank had total assets of approximately \$135.9 million equivalent. Inecobank has a leading position in the local market for loans and housing finance. It has seven commercial offices in Yerevan and in Shirak, Lori, Kotayk, and Armavir. The bank

focuses on serving small and medium enterprises and retail clients, especially in consumer financing, where it has been a pioneer and is the market leader. For more information, visit www.inecobank.am.
