

 Early Warning System

EBRD-48503

A sovereign loan for subordinated loan to Belinvestbank



Quick Facts

Countries	Belarus
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Completed
Bank Risk Rating	U
Voting Date	2017-07-25
Borrower	Government of Belarus - BELINVESTBANK JSC
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 58.22 million
Loan Amount (USD)	\$ 58.22 million
Project Cost (USD)	\$ 58.22 million



Project Description

According to EBRD website, the project includes provision of a sovereign loan of up to €50 million in favour of the Republic of Belarus for the purpose of issuing a subordinated loan by the Borrower to Belinvestbank, an open joint-stock company incorporated in Belarus. It aims to support capitalisation of Belinvestbank and the expansion of operations in line with the approved business strategy. This transaction represents the third step of its staged pre-privatisation engagement with Belinvestbank, following the provision of finance and the beginning of the implementation of a comprehensive institutional building programme. It will further support the process of commercialisation and the eventual privatisation of a state-owned bank, as agreed in the MoU with the authorities in 2015. The Project will contribute to the promotion of private ownership in the context of the state-dominated banking sector. The subordinated loan, which is Tier-2-compliant, will strengthen BIB's capitalisation to support the implementation of BIB's business strategy, which includes the expansion of lending to private MSMEs.



Early Warning System Project Analysis

The EBRD categorized the project risk as 'FI'.



Investment Description

- European Bank for Reconstruction and Development (EBRD)

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.

- [Belinvestbank JSC](#) (Financial Intermediary)



Private Actors Description

As stated by the EBRD, the Borrower is the Republic of Belarus (Caa1, B-, B- by Moody`s, Fitch and S&P respectively with stable outlook) which will use the proceeds of the sovereign loan for the purpose of provision of subordinated loan to the Belinvestbank.

Belinvestbank (BIB) is a state owned bank ranking fifth by total assets among 24 banks in Belarus with a market share of 5.8 per cent at end-1Q2017. BIB has a network of 34 regional branches and 115 sale points with a full range of services to businesses and retail clients.



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ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent. You can contact the PCM at pcm@ebrd.com or you can submit a complaint online using an online form, http://www.ebrd.com/eform/pcm/complaint_form?language=en. You can learn more about the PCM and how to file a complaint at <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>.