Early Warning System

EBRD-48670

FIF - Garanti DPR - Cyprus MSMEs

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Quick Facts

Countries	Turkiye
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Completed
Bank Risk Rating	U
Voting Date	2016-07-20
Borrower	Turkiye Garanti Bankasi AS
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 5.51 million
Loan Amount (USD)	$ 5.51 million
Project Cost (USD)	$ 5.51 million

Project Description

According to EBRD website, the EBRD is providing EUR 5 million to Turkiye Garanti Bankas A. under the Financial Intermediaries Framework. The financing will be a part of EBRD`s investment of EUR 55 million in rated notes issued under Garanti`s existing Diversified Payment Rights programme. EBRD's notes are backed by specifically defined foreign currency denominated payment orders of Garanti. It will be used to finance eligible MSMEs operating in the northern part of Cyprus.The facility will effectively leverage Garanti's geographic scope to extend financing to EBRD's priority regions within the MSME segment.

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.

- TURKIYE GARANTI BANKASI AS (Financial Intermediary)

Private Actors Description

As stated by the EBRD, Garantibank, listed on Borsa Istanbul, is the third-largest bank in Turkey (by assets) and the second largest privately-owned bank. Garanti is rated BB (stable) / BBB (negative) / Ba2 (stable) by S&P, Fitch and Moody's. Garanti is a universal bank and serves 13.8 million customers in the corporate, commercial, MSME and consumer segments, offering fully integrated financial services through its domestic and foreign branches.

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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.