Early Warning System

EBRD-50396

FIF - Priorbank LCY loan

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Quick Facts

Countries	Belarus
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Active
Bank Risk Rating	U
Voting Date	2018-08-28
Borrower	Priorbank
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 14.14 million
Loan Amount (USD)	$ 14.14 million
Project Cost (USD)	$ 14.14 million

Project Description

According to EBRD website, the project contains a provision of a senior unsecured loan in the amount of up to US$15 million equivalent in local currency to Priorbank. It aims to represent an additional local currency source for Priorbank and enable them to expand and facilitate local currency lending to private micro, small and medium-sized enterprises in Belarus, while helping MSMEs avoid taking on currency exchange risks. The Project will increase local currency intermediation in Belarus thus supporting the development of the domestic money and capital markets in the country and fostering a more stable financial environment.

Further, it will support the competitiveness of Priorbank by facilitating the development of its MSME loan portfolio with a focus on new and regional borrowers. Providing the local currency funding as well as requirements to comply with financial covenants will contribute to resilience of the institution.

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.

- Priorbank J.S.C. (Financial Intermediary)

Private Actors Description

Priorbank is the seventh largest bank among 24 banks in Belarus with 5.5 per cent market share by total assets as of June-2018. It is majority-owned by Raiffeisen Bank International and is the largest private bank with around 90 sales offices across the country. Priorbank has been a client of the EBRD since 1996 through multiple lending facilities and equity participation.

Contact Information

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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.