Early Warning System

IFC-42296

DARP SPV HoistGR

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Quick Facts

Countries	Greece
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	U
Voting Date	2019-07-11
Borrower	DARP SPV HOIST GREECE
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 25.95 million
Loan Amount (USD)	$ 25.95 million

Project Description

According to IFC website, the existence of a strong Distressed Assets (DA) market constitutes an important element contributing to the stability of the financial sector in any economy. In this context, the proposed project is part of IFC’s program to promote the development of a DA market in Greece. To achieve this, IFC will co-invest alongside Hoist Finance and other potential investors in a Special Purpose Vehicle (DARP SPV) to support the acquisition and resolution of a portfolio of non-performing loans (NPLs) originated by a Greek bank. The portfolio consists of retail and small business loans.

People Affected By This Project

IFC expects the following project and market level impacts:
- Positive impact on financial institutions and borrowers: (i) through this project, IFC is supporting the acquisition of an NPL portfolio from a systemic Greek bank with the aim to strengthen the capacity of the banking industry in the country to lend and help finance recovering borrowing demand; and (ii) IFC anticipates that the project will help Greek borrowers to normalize their defaulted positions, regain access to credit, and return to active participation in the financial system.
- Boost market competitiveness and integration: the implementation of this project is expected to contribute towards the development of local servicing capacity and provide a model for other investors to replicate as they consider entering the country.

Investment Description

- International Finance Corporation (IFC)

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.

- Hoist Finance AB (Financial Intermediary)

Contact Information

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/