



FOR IMMEDIATE RELEASE

Date: 23 June 2009

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EBRD lends \$10 million to Minsk Transit Bank

First loan since funding for Belarus small businesses doubled to \$100 million

The European Bank for Reconstruction and Development is lending \$10 million to Minsk Transit Bank (MTB), the first Belarus bank to benefit from a new EBRD \$50 million Financial Sector framework facility which doubled to \$100 million the funding available to help small businesses in the country weather the crisis.

The five-year loan to MTB will be used to on-lend to privately-owned micro, small and medium-sized businesses (MSME's). MTB is one of six EBRD partner banks in Belarus.

The new framework broadens the range of financial products available to the EBRD's financial partners. Syndicated and subordinated loans, as well as mortgage loans and equity will now be available. In addition the EBRD will for the first time open the framework to leasing and insurance companies.

The EBRD Board of Directors approved this new framework last June 3 as the \$50 million provided under earlier facilities has already been almost fully committed.

Some 215,000 micro and small businesses (MSE) are estimated to be active in Belarus. As of the end of March 2009, the banks participating in the EBRD programme had advanced over 15,000 micro loans – with 52 percent going outside Minsk thanks to a regional network covering Brest, Vitebsk, Gomel, Grodno and seven other centres.

A total of €2 million (\$2.8 million) in donor grants has been secured under the EU's Neighbourhood Investment Facility to fund technical support for this EBRD programme.

MTB, ranked Belarus' 11th largest bank at the end of the 2008, as measured by assets, was established in 1994 and is an important source of MSME and retail finance. It has been an EBRD client since 2007 and also participates in the programme under which the EBRD issues guarantees to speed up the flow of international trade.

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The EBRD, owned by 61 countries and two intergovernmental institutions, is supporting the development of market economies and democracies in countries from central Europe to central Asia.