

Development Bank of the Republic of Belarus

BYN210MM (~USD100MM) 12.000% Eurobond due 2022

Case Study

The Client	<p>The Development Bank of the Republic of Belarus (“DRDB”) is a specialized financial institution established in accordance with Decree of the President of the Republic of Belarus. The creation of the DBRB was carried out in close cooperation with the leading international financial institutions, in particular, the International Monetary Fund and the World Bank and based on the analysis of international practice of the similar institutions functioning.</p> <p>The main objective of the DBRB is elaboration of financing system for government programs and the implementation of socially significant investment projects.</p>
The Challenge	<p>The DBRB sought a to take advantage of the momentum generated and anchor investor feedback gathered during its inaugural USD bond offering priced on April 24th 2019. The bond was going to be a first issuance in local currency in the CIS (excluding RUB Eurobonds) so it was critical to maintain investors’ sentiment towards the issuance.</p>
The Solution	<p>Citi acted as Joint Bookrunner, Trustee & Paying Agent and worked with the Bank to structure the issuance in a way to gauge investors’ interest. The final structure consisted in the notes denomination in the local currency, BYN, whilst payments of the interest, principal and other amounts were payable in USD.</p>
The Result	<p>Upon the announcement, the final orderbook covered entirely by international high quality UK/US and European institutional accounts, allowed the Bank to price the transaction at a 12% yield and desired BYN210mm size (~USD100mm equivalent).</p> <p>The offering represented the first ever public local currency Eurobond out of Belarus and the first local currency trade in the CIS (excluding RUB Eurobonds).</p>