Early Warning System

EBRD-47752

Emirates NBD Egypt Subordinated Loan

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Quick Facts

Countries	Egypt
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Completed
Bank Risk Rating	U
Voting Date	2016-09-07
Borrower	Emirates NBD Egypt
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 125.00 million
Loan Amount (USD)	$ 125.00 million
Project Cost (USD)	$ 125.00 million

Project Description

The EBRD is considering a financing package of up to USD 125 million to Emirates NBD's Egyptian subsidiary. The facility will comprise a subordinated loan to support the planned growth of the bank and the financing of SMEs in the local market. The loan will be disbursed in two tranches of USD 50 million and USD 75 million respectively. The second tranche is uncommitted.

The subordinated debt will strengthen the capital base of Emirates NBD Egypt, a medium-sized, international commercial bank in a sector that remains dominated by state-owned banks (approximately 40% market share). The financing will also increase the availability of bank finance to private SMEs, an underserved market segment The project will be the first example of a subordinated loan provided by a third party on the Egyptian market and as such will introduce a new asset-class which has been supported by policy dialogue with the Central Bank of Egypt.

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.

- Emirates NBD (Financial Intermediary)

Private Actors Description

As stated by the EBRD, Emirates NBD Egypt is the 13th largest Egyptian bank based on total assets with a market share of c. 1.2%.

It provides a wide range of corporate, retail and investment banking services in Egypt through its 63 branches. Its Parent, Emirates NBD, the leading bank in the Gulf Cooperation Council (GCC) region and in the United Arab Emirates, entered the Egyptian market in June 2013 through the acquisition of the BNP Paribas subsidiary in Egypt.

Contact Information

COMPANY 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.