

 Early Warning System

IFC-46881

DCM SRT MERIDIAN BNPP



Quick Facts

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|--------------------------------|---|
| Financial Institutions | International Finance Corporation (IFC) |
| Status | Approved |
| Bank Risk Rating | B |
| Voting Date | 2022-12-22 |
| Borrower | RSF BNPP SRT |
| Sectors | Energy, Finance |
| Investment Amount (USD) | \$ 50.00 million |



Project Description

The proposed project consists of a Synthetic Risk Transfer Transaction in which IFC will provide to BNP Paribas S.A. an unfunded guarantee on credit losses up to US\$50 million of the mezzanine tranche of a US\$1 billion revolving reference portfolio from the Bank's eligible trade finance and corporate loan-related credit exposures. This will be IFC's first SRT with BNP Paribas and BNP Paribas first SRT covering Emerging Markets assets. The proposed project will enable BNP Paribas to reduce the regulatory risk weights attached to its EM portfolio, thereby freeing up capital which the Bank will deploy to provide more emerging markets related trade finance.

The project will support select portfolio transactions of BNP Paribas, primarily in trade finance, with up to 30% in corporate finance. Although BNP Paribas has a new oil and gas sector policy, it [still funds fossil gas projects](#).

Bank disclosure on financial intermediary sub-projects are often limited. Although the bank disclosures did not categorize this as an energy project, civil society research has linked this project with oil and gas. Therefore, for purposes of this snapshot and other research, the Early Warning System team has categorized this project as an "Energy" project.



Early Warning System Project Analysis

IFC Risk Rating: FI-2



Investment Description

- International Finance Corporation (IFC)



Private Actors Description

BNP Paribas is the European Union's leading bank and key player in international banking. It operates in 65 countries and has nearly 190,000 employees, including nearly 145,000 in Europe. The BNP Paribas Group has key positions in its three main fields of activity: Commercial, Personal Banking & Services for the Group's commercial & personal banking and several specialized businesses including BNP Paribas Personal Finance and Arval BNP Paribas ; Investment & Protection Services for savings, investment and protection solutions ; and Corporate & Institutional Banking, focused on corporate and institutional clients.



| Private Actor 1 | Private Actor 1 Role | Private Actor 1 Sector | Relation | Private Actor 2 | Private Actor 2 Role | Private Actor 2 Sector |
|-----------------|----------------------|------------------------|----------|-----------------|----------------------|------------------------|
| - | - | - | - | BNP Paribas | Parent Company | - |



Contact Information

Financial Intermediary - BNP Paribas S.A.:

Giaime Porcu

Media Relations Manager

+33 6 07 06 08 55

giaime.porcu@bnpparibas.com

16, Boulevard des Italiens, 75009 Paris, France

www.group.bnpparibas.com

ACCESS TO INFORMATION

You can submit a request for information disclosure at: <https://disclosures.ifc.org/#/inquiries>

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

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>



Community Documents

- [STILL BANKROLLING CLIMATE CHANGE: How MDBs Support Fossil Gas through Financial Intermediary Investm](#)

Media

- [Oil and gas expansion: BNP Paribas spares its major clients](#)
- [‘Blank cheques’: Environmental groups sue BNP Paribas over fossil-fuel lending](#)