Early Warning System

MIGA-14354

BBAC Iraq Central Bank Mandatory Reserves Coverage

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Quick Facts

Countries	Iraq
Financial Institutions	Multilateral Investment Guarantee Agency (MIGA)
Status	Approved
Bank Risk Rating	U
Voting Date	2019-06-26
Borrower	BBAC S.A.L.
Sectors	Finance
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 66.50 million

Project Description

According to bank documents, on June 28, 2019, MIGA issued guarantees of up to US$66.5 million covering BBAC's branches in Iraq against the risk of expropriation of mandatory reserves held at the Central Bank of Iraq, for a period of up to 5 years.

Lebanon-based BBAC is one of the main commercial banks among Lebanese banks operating in Iraq. BBAC's foreign branches are required to maintain reserves at the central banks of their respective jurisdictions, based on the volume of customer deposits. Mandatory reserves affect BBAC's overall risk-weighted assets (RWA) at the consolidated level, resulting in less headroom for other assets at a given level of capital.

Investment Description

- Multilateral Investment Guarantee Agency (MIGA)

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.

- BBAC S.A.L. (Financial Intermediary)

Contact Information

Contactb information not provided at the time of disclosure

ACCOUNTABILITY MECHANISM OF 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/