Early Warning System

# MIGA-14992

## BNP Paribas Algeria Capital Optimization

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### Quick Facts

| | |
|---|---|
| **Countries** | Algeria |
| **Financial Institutions** | Multilateral Investment Guarantee Agency (MIGA) |
| **Status** | Proposed |
| **Bank Risk Rating** | U |
| **Voting Date** | 2023-04-27 |
| **Borrower** | BNP Paribas S.A. |
| **Sectors** | Finance |
| **Investment Type(s)** | Guarantee |
| **Investment Amount (USD)** | $ 241.00 million |

## Project Description

This summary covers equity investments by BNP Paribas S.A. (BNPP or the Group), in its subsidiary in Algeria, BNP Paribas El Djazair (BNPPED or the Subsidiary). The investor has applied for a MIGA guarantee of up to USD241.0 million for capital optimization cover for a period of up to 3 years (the Project).

BNPP is a leading bank and key player in international banking, which has a presence in 65 countries, with close to 190,000 employees, including nearly 145,000 in Europe. The Group supports all its customers - individuals, associations, entrepreneurs, SMEs and institutions - in the success of their projects through its financing, investment, savings and protection solutions.

BNPPED, a 100% subsidiary of the BNPP Group since 2002, exercises a universal banking activity, thus addressing all types of customers: Individuals (including Algerians residing abroad), Professionals and Companies, through its network of 71 branches and 14 business centers in Algeria.

ENVIRONMENTAL CATEGORIZATION

The Project will support all of BNPPED's activities. BNPPED provides financial products and services to individuals, micro, small and medium enterprises (MSMEs), and corporates in Algeria. The main sectors supported include industrial manufacturing, automobile sales and repairs, real estate, and construction. These sectors are typically considered to have limited E&S risks and impacts which can be managed through mitigation measures. This project has been categorized as FI-2 in accordance withMIGA's Policy on Environmental and Social Sustainability (2013).

The main E&S risks of this project relate to BNPPED's ability to identify, assess, and manage the E&S risks and impacts associated with its lending activities and the management of labor matters. MIGA analyzed BNPPED's portfolio for types of transactions, tenor, size, industry sectors, and exposure to MIGA's Exclusion List. MIGA also analyzed the bank's E&S risk management procedures in line with the requirements of Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts (PS1), and the bank's labor practices in line with the requirements of Performance Standard 2: Labor and Working Conditions (PS2). The applicable E&S requirements for this project will be: (i) MIGA Exclusion List; (ii) applicable E&S laws and regulations in Algeria; and (iii) the Performance Standards (for eligible corporate transactions).

### 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.

- BNP Paribas (Financial Intermediary)

| 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 El Djazaïr | Subsidiary | - |

## Contact Information

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://www.miga.org/contact/access_to_information

You can also request general information about MIGA and for information on guarantees by emailing: migainquiry@worldbank.org

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