Early Warning System

MIGA-15227

National Bank of Uzbekistan

Quick Facts

Countries	Uzbekistan
Financial Institutions	Multilateral Investment Guarantee Agency (MIGA)
Status	Proposed
Bank Risk Rating	B
Voting Date	2024-02-26
Borrower	Standard Chartered Bank, JSC National Bank for Foreign Economic Activity of Uzbekistan
Sectors	Finance, Industry and Trade
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 165.75 million
Project Cost (USD)	$ 165.75 million

Project Description

As stated by the MIGA, this summary covers a loan by Standard Chartered Bank of the United Kingdom and/or any of its subsidiaries, and other potential lenders yet to be identified to the Joint-stock company "National Bank for Foreign Economic Activity of the Republic of Uzbekistan" (NBU). SCB has applied for a MIGA guarantee of up to EUR [152.0] million for a period of up to 10 years against the risk ofNon-Honoring of Sovereign Financial Obligations of a State-Owned Enterprise.

The proceeds of the MIGA-covered Loan will be used by NBU as direct financing to support its Small and Medium Enterprises in various sectors, includingtrade finance, to develop the service sector,and manufacturing. The proposed Project would be MIGA's first non-honoring transaction in Uzbekistan and also the first with NBU. The Project will support NBU's efforts to expand servicingthe underserved SMEs segment, which plays a pivotal role in Uzbekistan's growth and job creation.

NBU provides retail, SME, and corporate finance services to clients in Uzbekistan. The Project will support lending to SMEs.

As of November 2023, NBU's portfolio included the following business segments - corporate loans, 71%, SME loans, 16%, and retail loans (mortgages and consumer loans), 13%. The main sectors supported include manufacturing, transport and communication, services, trade and agriculture.

Early Warning System Project Analysis

According to the MIGA, SME transactions are typically considered low to medium-risk transactions, with environmental and social risks and impacts that can be addressed through mitigation measures. This project has thus been categorized as FI-2 in accordance with MIGA's Policy on Environmental and Social Sustainability (2013).

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.

- JSC National Bank for Foreign Economic Activity of Uzbekistan (Financial Intermediary) **contracts with** Standard Chartered Bank (Client)

Private Actors Description

As stated by Bloomberg, Standard Chartered Bank operates as a bank. The Bank provides savings account, loans, mortgages, credit cards, insurance, and investment services. Standard Chartered serves customers worldwide.

As stated on the company's website, the National Bank for Foreign Economic Activity of the Republic of Uzbekistan was established by Decree of the first President of our country I. Karimov in September 1991. The Ministry of Economy and finance of the Republic of Uzbekistan and the Fund for Reconstruction and Development of the Republic of Uzbekistan are the shareholders of NBU JSC.

Contact Information

No project contacts provided at the time of disclosure.

Guarantee Holder - Standard Chartered Bank:

Address: Standard Chartered Bank, 1 Basinghall Avenue, London, EC2V 5DD
Phone: +44 (0)20 7885 8888
Website: https://www.sc.com/en/

Financial Intermediary/Guaranteed Institution - JSC "National Bank for Foreign Economic Activity of the Republic of Uzbekistan":

Address: 100084, Republic of Uzbekistan, Tashkent, Amir Temur Avenue, 101
Email: support@nbu.uz
Phone: +998781480010
Website: https://nbu.uz/en/

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