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IFC and Omni Bridgeway Work Together to Cut Non-Performing Loans in MENA

Dubai, UAE, November 14, 2018—IFC, a member of the World Bank Group, is joining forces with Omni Bridgeway, a leading specialist in resolving non-performing loans (NPLs) and legal disputes, to create IFC's first non-performing loan resolution platform in the Middle East and North Africa, helping financial institutions unlock their capital and encouraging new lending.

IFC and Omni Bridgeway, have jointly made available \$100 million to establish a new investment vehicle, which will be managed by the Omni Bridgeway's regional expertise center in Dubai. The regional expertise center – in which IFC has taken a minority interest – targets to invest in, manage and resolve up to \$1 billion of NPLs and associated legal disputes. The project, IFC's first in the Middle East and North Africa (MENA) under its Distressed Asset Recovery Program (DARP), will focus on Pakistan, Egypt, Morocco, Tunisia, Greece and Lebanon helping banks in those countries to redeploy capital to ramp up lending to businesses and boost economic growth and employment.

"The partnership with IFC will help us expand into new markets, where accessing capital and expertise for NPL and dispute resolution is a challenge. Especially in these markets the banking sector contributes significantly to economic development" said Raymond van Hulst from Omni Bridgeway.

The investment is part of IFC's strategy to introduce innovative debt asset resolution capacity globally, facilitate financial institutions to offload NPLs and de-risk their balance sheets and free up capital. It also aims to rehabilitate and re-integrate defaulted debtors into the formal credit markets, and to create a secondary market in NPLs.

"When banks have unresolved NPLs on their books, the flow of credit stalls, as does growth," said Manuel Reyes-Retana, Regional Industry Director-Financial Institutions Group, Middle East & Africa from IFC. "In the Middle East and North Africa, resolving NPLs and distressed assets is increasingly important to help drive growth and employment."

IFC's \$5.4 billion global DARP program was launched in 2007, combines US\$2 billion on IFC's own account and co-investments from third-party investors of US\$3.4 billion, making IFC a market leader in distressed asset acquisition and resolution in IFC's countries of operation.

About IFC

IFC—a sister organization of the World Bank and member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We work with more than 2,000 businesses worldwide, using our capital, expertise, and influence to create markets and opportunities in the toughest areas of the world. In fiscal year 2018, we delivered more than \$23 billion in long-term financing for developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity. For more information, visit www.ifc.org

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