Early Warning System

FMO-54137

BANCO COMAFI S.A.

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Quick Facts

Countries	Argentina
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	C
Voting Date	2017-10-30
Borrower	Banco Comafi
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Investment Amount (USD)	$ 10.00 million

Project Description

This transaction is FMO’s first loan to a financial institution in Argentina, after the new government took office and initiated an economic transformation to attract much needed private investments and resume economic development. Aligned with our aim to contribute to local prosperity, FMO’s loan will be used for on-lending to SMEs, a segment that extensively lacks financing for working capital and investments. In addition, FMO’s finance will help the bank improve its balance sheet, by providing long tenor financing in USD and local currency, as 50% of the facility is provided in Argentine Pesos. According to the World Bank, domestic credit to private sector was 14% of GDP in Argentina in 2016, one of the lowest in the region.

Investment Description

- Netherlands Development Finance Company (FMO)

The bank has been categorised as Category C in accordance with FMO’s Sustainability Policy. Its portfolio consists mainly of loans to individuals and SMEs. The bank has a limited participation in high risk sectors (mainly oil & gas and mining) and does not finance large scale projects, providing primarily working capital to its larger clients. Limited E&S risks are well mitigated by compliance with local regulation on environmental and social aspects.

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.

- Banco Comafi (Financial Intermediary)

Private Actor Relationship

There is often limited information publicly available about what development banks are funding through financial intermediaries. In 2021, the Early Warning System partnered with Oxfam International to incorporate information on high-risk projects being funded by financial intermediaries receiving funding from the International Finance Corporation (IFC) and the Dutch Development Bank (FMO).

The information listed below describes the relationship between the different private actors linked to high-risk sectors and subprojects of IFC and FMO's financial intermediary investments and/or the financial intermediary's parent companies made from 2017 through 2020, including any associated ring fences.

The database, however, does not explicitly or implicitly imply that IFC or FMO have material exposure to or are contractually or legally accountable to the sub-projects financed by their financial intermediaries or the financial intermediary's parent companies. It only shows a seemingly financial relationship among the different private actors, the financial intermediaries, and IFC or FMO.

Private Actors Description

Banco Comafi is a mid-sized universal bank in Argentina that offers a full range of banking services to individuals, SMEs and corporates clients, and a leading provider of long term financing through financial and operational leasing. Founded in 1985 as a broker house, the bank has successfully grown into a diversified bank, with presence in 8 provinces through 65 branches, gross loans and leases of USD 1.1 billion and more than 500,000 clients.

Contact Information

No contact information provided at the time of disclosure.

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW) . A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: https://www.fmo.nl/independent-complaints-mechanism