Early Warning System

IFC-38134

Galicia CL III

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Quick Facts

Countries	Argentina
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2016-05-16
Borrower	BANCO DE GALICIA Y BUENOS AIRES S.A.
Sectors	Energy, Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 130.00 million
Project Cost (USD)	$ 130.00 million

Project Description

The proposed project consists of a loan to Banco Galicia (the “Bank”) to be structured in two tranches: (a) a 5-year tranche to on lend to small and medium enterprises (“SMEs”); and (b) a 7-year tranche to on lend to sustainable energy finance (“SEF”) projects in Argentina.

Investment Description

- International Finance Corporation (IFC)

Banco Galicia was founded in 1905 and is one of the largest private banks in Argentina. Banco Galicia is wholly owned by Grupo Financiero Galicia S.A. (the “Group”), one of Argentina’s main financial services conglomerates. The Group is controlled by the Escasany, Ayerza and Braun families, which hold directly and indirectly 30.6 % of the Group’s shares (corresponding to 62.8% of the total voting rights). In addition, following the re-nationalization of pension funds in 2008, the Argentine government holds a 20.3% of the Group’s shares through the ANSES (Social Security Administration), and the remaining 49.1 % of the shares is listed on the Buenos Aires Stock Exchange and in the NASDAQ.

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 de Galicia y Buenos Aires S.A. (Financial Intermediary)

Private Actors Description

Banco Galicia was founded in 1905 and is one of the largest private banks in Argentina. Banco Galicia is wholly owned by Grupo Financiero Galicia S.A. (the “Group”), one of Argentina’s main financial services conglomerates. The Group is controlled by the Escasany, Ayerza and Braun families, which hold directly and indirectly 30.6 % of the Group’s shares (corresponding to 62.8% of the total voting rights). In addition, following the re-nationalization of pension funds in 2008, the Argentine government holds a 20.3% of the Group’s shares through the ANSES (Social Security Administration), and the remaining 49.1 % of the shares is listed on the Buenos Aires Stock Exchange and in the NASDAQ.

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ACCOUNTABILITY MECHANISM OF IFC

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/