Early Warning System

IFC-38918

CMF CL

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Quick Facts

Countries	Argentina
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2017-02-20
Borrower	BANCO CMF S.A.
Ring Fence	Small & Medium Enterprises
Investment Amount (USD)	$ 40.00 million

Project Description

The proposed project (the “Project”) consists of an up to US$40 million facility to Banco CMF S.A. (the “Bank” or “CMF”), to be structured in up to three subsequent commitments: (i) one commitment for up to US$10 million (“Loan #1”) with a 12-month bullet repayment, to be committed within 2 months of IFC Board Approval; (ii) another commitment for up to US$15 million (“Loan #2”) with an 18-month bullet repayment, to be committed within 16 months of IFC Board Approval, only after full repayment of Loan #1; and (iii) a final commitment for up to US$15 million (“Loan #3”) with an 18-month bullet repayment, to be committed within 36 months of IFC Board Approval, only after full repayment of Loan #2.

CMF is a wholesale bank in Argentina focused on providing high value services to small and medium enterprise (“SME”) clients. In line with its personalized offering and its niche commercial strategy, as of September 2016, the Bank ranked 33rd in terms of deposits, with a market share of 0.31%, and 32nd in terms of loans, with a market share of 0.34%.

People Affected By This Project

By funding a well-run and profitable private sector niche bank, the Project will support increased banking penetration and access to financial services for small and medium sized business in Argentina, where the credit to gross domestic product ("GDP") ratio is below the regional average for Latin America and lower than its peers (including Brazil). In addition, improving access to finance for SMEs will contribute to increase job creation in the country.

Investment Description

- International Finance Corporation (IFC)

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 CMF S.A. (Financial Intermediary)
- Banco CMF S.A. (Financial Intermediary) **is owned by** Banco CMF (Parent Company)

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 CMF S.A., a wholesale banking institution, provides financial services to large and mid-sized companies in Argentina.

Contact Information

For Inquiries About the Project, Contact
Banco CMF S.A.
Patricio Ovalle
Financial Institutions Manager
+54 (11) 4318-6858 / 6800
Macacha Güemes 150, Buenos Aires, Argentina

For Inquiries and Comments About IFC, Contact
General IFC Inquiries
IFC Communications
2121 Pennsylvania Avenue, NW
Washington DC 20433
Telephone: 202-473-3800
Fax: 202-974-4384

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/