

 Early Warning System

IFC-43235

GTFP AWASH BANK



## Quick Facts

Countries	Ethiopia
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	C
Voting Date	2024-09-11
Borrower	AWASH INTERNATIONAL BANK S.C.
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 20.00 million



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## Project Description

According to the Bank's website, the proposed project is an unfunded trade finance facility under IFC's Global Trade Finance Program (GTFP or the GTFP Facility) of up to US\$20 million, booked under the Africa Trade and Supply Chain Recovery Initiative (ATRI), benefiting from a 25 percent pooled first loss guarantee. The purpose of the proposed IFC trade line is to support Awash Bank's (AB) trade program. GTFP's investment in the form of a trade line will confirm banks' partial or full guarantees [and other trade instruments] covering payment risk on banks in emerging markets in the Federal Democratic Republic of Ethiopia for their trade-related transactions.



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## Early Warning System Project Analysis

This Project will support short-term trade finance activities. The E&S risks and impacts associated with these activities are considered low and the project has therefore been classified as a category FI-3 project in accordance with IFC's Sustainability Policy. The Project will not support any activities with significant E&S concerns such as: (a) involuntary resettlement; (b) risk of adverse impacts on Indigenous Peoples; (c) significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage; or (d) significant occupational health and safety risks. It will also not support any activities related to upstream oil & gas production and activities related to coal such as coal mining, coal transportation, coal-fired power plants, or infrastructure services exclusively dedicated to support any of these activities. The project will not support palm oil that is not RSPO Certified Sustainable Palm Oil (CSPO).



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## Investment Description

- International Finance Corporation (IFC)

GTFP limit of up to US\$20 million on IFC's own account to AB for transactions with tenor of up to 360 days. The facility will be booked under the ATRI (Board approved in June 2022) umbrella and will hence benefit from a 25 percent Pooled First Loss Guarantee ("PFLG") from IDA.

## 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.

- [Awash Bank S.C](#) (Financial Intermediary)



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### Private Actors Description

*Awash Bank* was established in 1994 with 486 founding shareholders and began operations in 1995. Today, it is the largest private sector bank in terms of assets, loans, and deposits with nearly 12 million customers. The bank counts more than 10.5 k shareholders of which two shareholders above 2% ownership. Largest shareholder being Awash Insurance S.C. (5%), and Asrat Gelete Dugda (2.2%).



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## Contact Information

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## ACCESS TO INFORMATION

You can submit a request for information disclosure at: <https://disclosures.ifc.org/#/inquiries>

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

## 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](mailto:CAO@worldbankgroup.org) You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>