Early Warning System

MIGA-14836

National Bank of Canada Mandatory Reserves Coverage

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Quick Facts

Countries	Cambodia
Financial Institutions	Multilateral Investment Guarantee Agency (MIGA)
Status	Active
Bank Risk Rating	U
Voting Date	2021-12-16
Borrower	National Bank of Canada
Sectors	Finance, Technical Cooperation
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 300.00 million

Project Description

According to the bank's website, "by supporting ABA’s loan growth, MIGA’s guarantee helps improve access to finance for Cambodian MSMEs in the context of a financing gap estimated at 20-30% of GDP and at a time of increased pressure due to the COVID-19 crisis. In addition to improving access to finance to MSMEs, 75% of the freed-up capital will be used to support WMSMEs. The Project also enhances the stability and resilience of the MSME sector in Cambodia and demonstrates the viability of lending to a sector that is often perceived as risky. At the same time, the Project demonstrates the importance of adopting inclusive business models targeting WMSMEs."

Investment Description

- Multilateral Investment Guarantee Agency (MIGA)

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.

- National Bank of Canada (Financial Intermediary)

Private Actors Description

According to MIGA, the National Bank of Canada is based in Canada, is one of the largest and systemically important Canadian financial institutions with total assets equivalent of USD 261 billion as of 2020. Its subsidiary bank, ABA, outside of Canada is required to maintain reserves at the central bank of Cambodia, based on its volume of customer deposits. Mandatory reserves contribute to BNC’s overall risk-weighted assets (RWA) at the consolidated level, resulting in less headroom for other assets at a given level of capital.

Contact Information

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://www.miga.org/contact/access_to_information

You can also request general information about MIGA and for information on guarantees by emailing: migainquiry@worldbank.org

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. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org

Campaign Documents

- Business and Human Rights Resource Center: National Bank of Canada