

 Early Warning System

MIGA-15487

Santander Central Bank Mandatory Reserves Coverage



### Quick Facts

|                         |   |
|-------------------------|---|
| Countries               | Argentina                                       |
| Financial Institutions  | Multilateral Investment Guarantee Agency (MIGA) |
| Status                  | Active  |
| Bank Risk Rating        | FI  |
| Voting Date             | 2025-04-09                                      |
| Borrower                | Banco Santander,S.A.                            |
| Sectors                 | Finance   |
| Investment Type(s)      | Guarantee                                       |
| Investment Amount (USD) | \$ 500.00 million                               |
| Project Cost (USD)      | \$ 500.00 million                               |



### Project Description

#### PROJECT DESCRIPTION

On April 28, 2025, The Multilateral Investment Guarantee Agency ("MIGA"), a member of the World Bank Group signed a contract issuing guarantee totaling USD US\$500 million to Banco Santander, S.A. of Spain ("Santander") for their equity investments (including retained earnings). The MIGA guarantee will cover Expropriation of Funds for mandatory reserves held by Banco Santander Argentina S.A. ("Santander Argentina" or the "Bank") at the Central Bank of Argentina for a period of up to 3.25 years. The new issuance is part of MIGA's existing support under the Santander Central Bank Mandatory Reserves Program in Argentina.

Spain-based Banco Santander, S.A. is one of the largest global financial institutions in the world in terms of market capitalization with retail and commercial operations in countries across Europe, Latin America, and North America. Its subsidiary banks abroad are required to maintain reserves at the central banks in their respective jurisdictions, based on the volume of customer deposits that these subsidiaries have. Mandatory reserves contribute to Santander's overall risk-weighted assets ("RWA") at the consolidated level, resulting in less headroom for other assets at a given level of capital.

#### ENVIRONMENTAL CATEGORIZATION

Santander Argentina provides financial products and services to individuals, small and medium enterprises ("SMEs") and corporates in Argentina. The MIGA guarantee supports lending across the Bank's portfolio. The Bank's portfolio includes sectors with potentially limited to significant adverse environmental and social risks or impacts. The Project has thus been categorized as FI-1, under MIGA's Policy on Environmental and Social Sustainability (2013).

The main E&S risks of this project relate to Santander Argentina's ability to identify, assess, and manage the E&S risks and impacts associated with its lending activities and the management of labor matters at the Bank. The applicable E&S requirements for this project are: (i) MIGA Exclusion List; (ii) applicable E&S laws and regulations in Argentina; and (iii) MIGA Performance Standards (for eligible corporate transactions). Santander Argentina is required to implement E&S risk management procedures in line with the requirements of Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts (PS1) and implement labor practices that are in line with the requirements of Performance Standard 2: Labor and Working Conditions (PS2).

As of December 2024, Santander Argentina's portfolio is composed of retail banking (54%), corporate finance (24%), SME lending (19%) and FIs (3%). The main sectors supported are food, beverages and tobacco (18%), professionals and diversified sectors (32%), agriculture, livestock and fishing (6.2%), oil and refining (5.6%), construction and construction materials (5.5%), and editorial and newspapers (5.4%).

Santander Argentina has an E&S team, and the bank implements an E&S management system ("ESMS") in line with PS1. The ESMS includes a detailed procedure for identifying, assessing, and managing E&S risks and impacts associated with clients' activities. Santander Argentina's emergency response procedures are in line with the requirements of PS1. Santander Argentina's labor policies and procedures are also in line with the requirements of PS2. Amongst other aspects, Santander Argentina has labor policies and procedures that address terms of employment, recruitment, remuneration and benefits, grievance management, training, and disciplinary measures.

Santander Argentina will report periodically to MIGA on the portfolio, the implementation of the ESMS and labor practices.

#### DEVELOPMENT IMPACT

The aim of MIGA's guarantee is to help Santander Group reduce the risk-weighting of some of its assets, which would lead to a reduction in Santander's RWA on a consolidated basis. The RWA capacity that is freed up is expected to continue to support



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## Investment Description

- Multilateral Investment Guarantee Agency (MIGA)



| Private Actor 1 | Private Actor 1 Role | Private Actor 1 Sector | Relation | Private Actor 2    | Private Actor 2 Role | Private Actor 2 Sector |
|-----------------|----------------------|------------------------|----------|--------------------|----------------------|------------------------|
| -               | -                    | -                      | -        | Banco Santander SA | Undisclosed          | -                      |



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## Contact Information

### ACCESS TO INFORMATION

You can submit a request for information disclosure at: [https://www.miga.org/contact/access\\_to\\_information](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](mailto: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](mailto:CAO@worldbankgroup.org). You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>