Early Warning System

# MIGA-4655

## Santander Central Bank Mandatory Reserves Coverage (Peru)

# Early Warning System

MIGA-4655

## Santander Central Bank Mandatory Reserves Coverage (Peru)

### Quick Facts

| | |
|---|---|
| **Countries** | Peru |
| **Financial Institutions** | Multilateral Investment Guarantee Agency (MIGA) |
| **Status** | Active |
| **Bank Risk Rating** | U |
| **Voting Date** | 2018-06-15 |
| **Borrower** | Banco Santander S.A. |
| **Sectors** | Finance |
| **Investment Type(s)** | Guarantee |
| **Investment Amount (USD)** | $ 246.65 million |
| **Project Cost (USD)** | $ 246.65 million |

## Project Description

On June 27, 2018, MIGA agreed to issue up to $246,645,324.82 in guarantees covering equity and quasi-equity investments that Banco Santander S.A. (Santander) has in its subsidiary in Peru, Banco Santander Peru S.A. (Santander Peru). The guarantees are issued for up to seven years against the risk of expropriation of funds.

### 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.

- Santander (Financial Intermediary)

### Private Actors Description

According to MIGA, Spain-based Banco Santander 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. MIGA guarantees will allow Santander Peru to increase loans to climate financing and climate benefitting activities.

## Contact Information

ACCOUNTABILITY MECHANISM OF 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/