Early Warning System

IFC-40429

BIND CL

Quick Facts

Countries	Argentina
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Borrower	BANCO INDUSTRIAL S.A.
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Investment Amount (USD)	$ 55.00 million
Loan Amount (USD)	$ 55.00 million
Project Cost (USD)	$ 55.00 million

Project Description

The proposed project (the “Project”) consists of an up to US$55 million debt facility to Banco Industrial S.A.(the “Bank” or “BIND”) to finance small and medium enterprises (“SMEs”), to be structured in up to three consecutive commitments with a 12-month bullet repayment each: (i) one commitment for up to US$15 million (“Loan #1”) to be committed within 4 months of IFC Board Approval; (ii) another commitment for up to US$20 million (“Loan #2”) to be committed within 20 months of IFC Board Approval, only after full repayment of Loan #1; and (iii) a final commitment for up to US$20 million (“Loan #3”) to be committed within 36 months of IFC Board Approval, only after full repayment of Loan #2.

According to the bank, the key risks and impacts derive from the Bank's capacity to identify and manage the potential E&S risks associated to sub-projects asset class in line with IFC requirements. Overall, BIND's SME portfolio risks are of medium to low nature, concentrated in retail and wholesale trade sectors and typically related to occupational, health and safety. The Bank currently has no E&S policy nor procedures. As part of the Project the Bank will develop and implement an Environmental and Social Management System ('ESMS'), as well as provide staff training. The Bank will also be required to enhance its Human Resources practices in line with IFC labor standards (PS2).

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 Industrial S.A. (Argentina) (Financial Intermediary)
- BANCO INDUSTRIAL S.A. (Financial Intermediary) **is owned by** Grupo BIND (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 Industrial S.A. is a small bank in Argentina constituted in 1997 after the merger of two financial institutions: (i) Caja de Crédito La Industrial Cooperativa Limitada (founded in 1956); and (ii) Nuevo Banco de Azul S.A. (founded in 1928).

The Bank offers products and services to individuals (mainly retirees), SMEs and larger companies. It is ranked 22nd in terms of loans, with a market share of 0.67% and 26th in terms of deposits with a market share of 0.56%. The Bank has over 680 employees and relies on a network of 36 branches and 55 ATMs, with presence in the provinces of Buenos Aires, Córdoba, Santa Fe, Mendoza, Salta and Tucumán.

BIND is owned by Mrs. Carlota Evelina Durst de Meta and Mr. Andres Meta (Mrs. Durst de Meta's son). The Meta family has more than 30 years of experience in the Argentine financial system.

Contact Information

For inquiries about the project:

Company	Banco Industrial S.A.
Point of Contact	Gaston Eckelhart
Title	Adscribed to Board (Adscripto a la Presidencia)
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Mailing Address	Sarmiento 530 CABA (C1041AAL)
Website	www.bind.com.ar

For inquiries about IFC:

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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/