



DFC-2020-BANCODAVIVIEND

Banco Davivienda S.A.



## Quick Facts

Countries	Colombia
Financial Institutions	US International Development Finance Corporation (DFC)
Status	Active
Bank Risk Rating	C
Borrower	Banco Davivienda S.A.
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 250.00 million
Project Cost (USD)	\$ 312.50 million



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## Project Description

A subordinated unsecured loan of up to USD 250 million that will qualify as Tier 2 capital for the purposes of (i) strengthening the Borrower's capital position and maintaining its prudential ratios, (ii) providing long-term liquidity to alleviate adverse impacts on its portfolio from COVID-19, and (iii) supporting the growth of the Borrower's lending to small and medium enterprises ("SME") and low income housing, with at least 30% of loan proceeds to be dedicated to 2X eligible borrowers (the "Project").

By supporting a systematically important financial institution during the current difficult economic period, the Project is expected to have a positive developmental impact on Colombia. The COVID-19 pandemic has had a significant adverse impact on Colombia. The shutdown of the economy combined with the global drop in oil prices and movement to the world's major currencies has led to a significant decrease in economic activity in Latin America's fourth largest economy. The IMF estimates the Colombia will experience a recession and 2.4 percent contraction of the economy in 2020, with a slow recovery expected in 2021. The Project will provide important Tier II capital to help increase the regulatory capital and inject liquidity for Banco Davivienda to weather this financial and economic crisis and continue its positive developmental activities. In addition, the Project will help support a financial institution that focuses on the employment of women, notably women are the majority in Banco Davivienda's management roles. With a more secure capital base as a result of this Project, Banco Davivienda is expected to be able to continue its support for many underserved demographic groups, with loans for SMEs and mortgages for low-income borrowers.



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## Investment Description

- US International Development Finance Corporation (DFC)

This loan has a 10 year tenor.

## 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 Davivienda](#) (Financial Intermediary)



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## Contact Information

### ACCESS TO INFORMATION

Unlike many other development finance institutions, DFC does not currently have an access to information policy.

Under the United States Freedom of Information Act (FOIA), DFC is obliged to respond to reasonably formulated requests for Agency records. However, DFC may apply exemptions from release to certain types of information and may charge fees in responding to requests. DFC has a designated FOIA officer who is trained in how to respond to requests and implement the law. You can learn more about filing a FOIA request at: <https://www.dfc.gov/foia>

### ACCOUNTABILITY MECHANISM OF THE UNITED STATES INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC)

The Office of Accountability is an independent office that addresses complaints about environmental or social issues related to DFC-supported projects. The office provides communities an opportunity to have concerns independently reviewed and addressed. If you submit a complaint to the Office of Accountability, it may assist you by either seeking to address your problems by facilitating a problem solving dialogue between you and those implementing the project and/or investigating whether the DFC complied with its policies to prevent environmental, social, human rights, and labor harms.

You can find more information about the Office of Accountability at: <https://www.dfc.gov/who-we-are/office-accountability>



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## Bank Documents

- [Project Disclosure](#) [\[Original Source\]](#)