Early Warning System

FMO-54144

BANCO BOLIVARIANO C.A.

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Quick Facts

Countries	Ecuador
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	C
Voting Date	2017-12-14
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Amount (USD)	$ 30.00 million

Project Description

FMO will be highly additional by injecting long tenor financing to a bank in a sector with limited access to international funding, including long tenor financing. The bank provides short and long tenor financing to corporates and SMEs, with up to 8 years tenor. Since the bank’s funding is mostly short term (99% <1 year), FMO’s loan would improve the bank’s funding structure and allow to increase long tenor loans, currently financed mostly with equity. Partnering with Banco Bolivariano allows FMO to increase its reach in Ecuador, since the bank has a strong presence in Guayaquil and the coastal region of the country.

Investment Description

- Netherlands Development Finance Company (FMO)

Funds will be directed to SMEs

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 Bolivariano (Financial Intermediary)

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

Bolivariano is a locally-owned Universal Bank with a strong regional presence in Guayaquil and the coastal region of Ecuador. The bank has a long track record (39 years of operations) and as of June 2017, it has TAs of USD 2,9 bln and ranks #6 in the sector, with a stable share of 8% TAs. The bank is focused on Corporate and SMEs segments (43.1% and 38.4% of total loans, respectively), with less relevant portfolios of loans to individuals (15.6%) and microfinance (2.9%).

Contact Information

No contact information provided at the time of disclosure.

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW) . A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: https://www.fmo.nl/independent-complaints-mechanism