Early Warning System

FMO-54180

BANCO INTERNACIONAL S.A (ECUADOR)

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Quick Facts

Countries	Ecuador
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	B
Voting Date	2017-11-27
Borrower	Banco Internacional
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Amount (USD)	$ 20.00 million

Project Description

FMO financing will be directed to Women SME’s and SME clients which helps develop the Ecuadorian economy and supports (formal) job creation.

Investment Description

- Netherlands Development Finance Company (FMO)

FMO will fund USD 20 mln of a USD 50 mln arranged facility. The funds will be partly used for on-lending to women-owned small and medium-sized enterprises in Ecuador and for on-lending to other small and medium-sized enterprises in Ecuador.

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 Internacional S.A. (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

Banco Internacional is part of Grupo Fierro, a Spanish-owned conglomerate comprising among others of Banbif in Peru, a former client of FMO. Banco Internacional was established in 1973 and was the first Ecuadorian bank to join the SWIFT network in 1981. Banco Internacional is recognized as a safe, solid bank focused on corporates and a leader in international trade finance. Banco Internacional is a top performer of the Ecuadorian banking system in terms of portfolio quality, efficiency and growth.

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