Early Warning System

# FMO-58674

## BANCO LA HIPOTECARIA S.A

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### Quick Facts

| | |
|---|---|
| **Countries** | Panama |
| **Financial Institutions** | Netherlands Development Finance Company (FMO) |
| **Status** | Approved |
| **Bank Risk Rating** | C |
| **Voting Date** | 2021-06-17 |
| **Borrower** | Banco La Hipotecaria S.A. |
| **Sectors** | Construction, Finance |
| **Investment Type(s)** | Loan |
| **Investment Amount (USD)** | $ 60.00 million |
| **Loan Amount (USD)** | $ 60.00 million |

## Project Description

Banco La Hipotecaria, S.A. is a privately owned Panama based bank that focuses on the financing of the residential housing mortgage segment in Panama and through subsidiaries in El Salvador and Colombia. As of June 2020, the bank has consolidated total assets of USD 925 million and its mortgage portfolio was distributed 74% in Panama, 16% in El Salvador and 10% in Colombia. Banco La Hipotecaria, S.A. and its subsidiary in El Salvador, La Hipotecaria S.A. de C.V. will both be borrowers of the facility.

This facility will be directed to the financing of affordable housing mortgages in Panama and El Salvador, targeting borrowers of middle and middle-low income, a segment that is underserved, supporting economic growth and reducing inequalities.

The Clients have been categorised as Category C in accordance with FMO's Sustainability Policy. The Clients' activities are deemed to have minimal or no adverse environmental and social risks and/or impacts. As part of the transaction, La Hipotecaria will continue to comply with Panamanian and Salvadorian E&S laws and regulations.

### Investment Description

- Netherlands Development Finance Company (FMO)

### 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 La Hipotecaria S.A. (Financial Intermediary)

## Contact Information

ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@fmo.nl

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