Early Warning System

IDBI-12979-01

Banco ABC - Social Bond

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Quick Facts

Countries	Brazil
Financial Institutions	IDB Invest (IDBI)
Status	Approved
Bank Risk Rating	B
Voting Date	2020-07-22
Borrower	Banco ABC Brasil, S.A.
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 101.29 million
Loan Amount (USD)	$ 101.29 million
Project Cost (USD)	$ 400.00 million

Project Description

According to the bank: "the transaction consists of a Local Bond (Letras Financeiras) issuance for the equivalent in Brazilian reais of US$100 million for a tenor of five years bullet. The Letras Financeiras shall be classified as Social Bonds as per the International Capital Market Association's Social Bond Principles. The proposed financing will contribute to increase access to finance in Brazil by supporting the expansion of ABC's social portfolio, by focusing its Small and Medium-Sized Enterprises ("SMEs") strategy. Also, the transaction injects liquidity in this segment in a moment of market turbulence due to the spread of the COVID-19 virus. Finally, the transaction supports the development of the Brazilian capital markets and the sustainable finance segment, as it will be first thematic Letras Financeiras issued in Brazil and may spearhead a new trend in the Brazilian Debt Capital Markets."

Investment Description

- IDB Invest (IDBI)

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 ABC Brasil SA (Financial Intermediary)

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ACCOUNTABILITY MECHANISM OF IADB

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IIC)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IIC is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at http://www.iadb.org/en/mici/mici,1752.html (in English) or http://www.iadb.org/es/mici/mici,1752.html (Spanish).