

 Early Warning System

IDBI-14248-01

Banco Promerica Guatemala - Sustainable Bond



Quick Facts

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|-------------------------|---------------------------|
| Countries | Guatemala |
| Financial Institutions | IDB Invest (IDBI) |
| Status | Proposed |
| Bank Risk Rating | B |
| Voting Date | 2023-12-14 |
| Borrower | Banco Promerica Guatemala |
| Sectors | Finance |
| Investment Type(s) | Loan |
| Investment Amount (USD) | \$ 30.00 million |
| Loan Amount (USD) | \$ 30.00 million |



Project Description

As stated by the IDB Invest, Banco Promerica S.A. is structuring a thematic issuance program. The first issuance within this program will consist in a sustainable, common, senior, unsecured bond to be issued through a public placement in Guatemala. The issuance will amount to up to US\$50 million as follows: (i) IDB Invest will subscribe bonds in the amount of up to US\$30 million for a term of up to 5 years; and (ii) other investors will subscribe bonds in the amount of up to US\$20 million. In addition, IDB Invest will participate in a second issuance under the program, roughly to occur in 2024, in the amount of up to US\$15 million (uncommitted) and for a term of up to five years.

The resources will be used to expand the Bank's green portfolio and social portfolio. The use of funds will allow the issuance to be labeled as sustainable under the International Capital Market Association thematic bonds principles.

The potential underlying loans will be aimed at Micro, Small-, and Medium-Sized Enterprises (MSMEs), as well as to the Bank's green portfolio, which includes the corporate portfolio. The Bank defines MSMEs as any loans granted to micro-, small-, or medium-sized enterprises with annual revenues up to US\$8 million and assets up to US\$15 million.

The Bank's MSME portfolio is mainly made up of loans to the following industries: trade (35.6%), manufacture (18.6%), services (17.0%), construction (16.1%), agriculture (6.6%), tourism and hospitality (0.8%) and other (22%).



Early Warning System Project Analysis

The IDB Invest categorized the risk of the project as 'FI-2'. As stated on the project disclosure page, Category A subprojects (high risk), as per IDB Invest's definition, will be excluded.



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 Promerica, S.A. \(Promerica GT\)](#) (Financial Intermediary)



Contact Information

Contact details of the financial intermediary not provided at the time of disclosure.

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: <https://www.iadb.org/en/access-information/information-request>

ACCOUNTABILITY MECHANISM OF IDB / IDB INVEST

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 (IDB Invest)-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 IDB Invest 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).



Bank Documents

- [BPGT - SUSTAINABLE BOND - 14248-01- GU - ENVIRONMENTAL AND SOCIAL REVIEW \(ESRS\)](#) [\[Original Source\]](#)