Early Warning System

IFC-38424

Scotiabank Costa Rica SME and Housing Loan

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Quick Facts

Countries	Costa Rica
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2016-10-26
Borrower	SCOTIABANK DE COSTA RICA SA
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 75.00 million

Project Description

The project consists of a loan of up to US$75 million to Scotiabank de Costa Rica S.A. for on-lending to small and medium enterprises (SMEs) and low and middle income mortgages. The project seeks to support increased banking penetration and access to financial services for businesses and individuals in Costa Rica, generate employment, and provide increased access to housing.

Scotiabank CR's main focus of its operations are in the real estate and wholesale and retail segments, combined for approximately 40%. MSME lending under the asset class supported accounts for approximately 11% of the total portfolio. The overall portfolio risks includes a limited number of business activities that have potential limited adverse environmental or social risks or impacts that are few in number, generally site specific, largely reversible, and readily addressed through mitigation measures. The project has been categorized as FI-2 in accordance with IFC’s Sustainability Policy. For this project Scotiabank CR will be required to screen the loans against the IFC Exclusion List and the Costa Rican environmental and social laws and regulations.

Investment Description

- International Finance Corporation (IFC)

The proposed investment consists of a credit line for up to $75 million, intended to be used for SME’s and housing.

Scotiabank de Costa Rica is a 100% owned subsidiary of Grupo BNS de Costa Rica SA. Grupo BNS de Costa Rica SA is in turn 80.2% owned by BNS International SA (Panama) and 19.7% owned by Corporacion Mercaban de Costa Rica, both of which are wholly owned subsidiaries of The Bank of Nova Scotia, a publicly listed company in Canada.

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.

- Scotiabank de Costa Rica S.A. (Financial Intermediary)

Private Actors Description

The Bank is a 100% owned subsidiary of Grupo BNS de Costa Rica SA. Grupo BNS de Costa Rica SA is in turn 80.2% owned by BNS International SA (Panama) and 19.7% owned by Corporacion Mercaban de Costa Rica, both of which are wholly owned subsidiaries of The Bank of Nova Scotia, a publicly listed company in Canada.

Contact Information

Ignacio Vargas F.
Sr Manager – Liquidity & Funding
mailto:ignacio.vargas@scotiabank.com
Tel: (506) 2210 4131
Sabana Norte, Apdo 5395 - 100
San Jose, Costa Rica
Scotiabank de Costa Rica S.A.

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/