Early Warning System

IFC-38771

Scotia El Salvad SME and Housing Loan

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Quick Facts

Countries	El Salvador
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2017-03-31
Borrower	SCOTIABANK EL SALVADOR SA
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Loan Amount (USD)	$ 50.00 million

Project Description

The project consists of a 7 year loan up to US$50 million to Scotiabank El Salvador S.A. to fund the growth of lending to small and medium enterprises (“SMEs”) and low and middle income home owners in El Salvador.

People Affected By This Project

Contribution to Economic Growth. The Project is expected to contribute to the WBG goals by supporting economic growth in El Salvador by providing long term access to finance to SMEs and mortgages through a leading bank in a market faced with poverty and a large housing deficit. Increased access to finance to SMEs is also believed to assist in creating opportunities for jobs, which is considered a critical link in poverty reduction and economic growth; two areas identified in El Salvador as challenges to be tackled. \r\rDemonstration Effect: By providing long term funding to Scotia El Salvador, which is new in the market, IFC hopes to create a competitive environment in the banking sector and encourage other banks in El Salvador to seek and provide financing with longer terms. IFC's loan hopes to increase availability of longer tenor lending instruments to provide low and middle income mortgages and financing for SMEs.

Investment Description

- International Finance Corporation (IFC)

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 El Salvador, S.A. (Financial Intermediary)
- SCOTIABANK EL SALVADOR SA (Financial Intermediary) **is owned by** Scotiabank (Parent Company)

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.

An extended list of private actors is available in a separate file.

Private Actors Description

The project sponsor is Scotiabank El Salvador, which is the leader in mortgage segment with a market share of 33.3% in El Salvador. Its parent company is The Bank of Nova Scotia, a publicly listed, international universal bank in Canada which globally serves over 23 million customers. The parent is active in 11 countries across Latin America through its subsidiary operations.

Scotiabank El Salvador is a subsidiary of Inversiones Financieras Scotiabank El Salvador, which is 99.8 percent owned by the Bank of Nova Scotia and the remainder owned by minority shareholders. Inversiones Financieras controls 88.7 percent of the shares of Scotiabank El Salvador, while BNS directly owns the remaining 10.8 percent.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
0955662 BC Ltd	Parent Company	Agriculture and Forestry	owns	Dye & Durham Co Inc	Client	Agriculture and Forestry
Actis LLP	Parent Company	Energy	owns	Actis Power Portfolio Acq	Client	Energy
Advent International Corp	Parent Company	Education and Health	owns	Grupo Farmaceutico Somar SAPI	Client	Education and Health
AES Corp	Parent Company	Energy	owns	AES Colon Gas-Fired Power	Client	Energy
AGT Food & Ingredients Inc	Parent Company	Agriculture and Forestry	owns	Alliance Pulse Processors Inc	Client	Agriculture and Forestry
Algonquin Power & Utilities	Parent Company	Energy	owns	Liberty Utilities Co	Client	Energy
Arca Continental SAB de CV	Parent Company	Agriculture and Forestry	owns	Corporacion Lindley SA	Client	Agriculture and Forestry
ATCO Ltd	Parent Company	Energy	owns	CU Inc	Client	Energy
Australia	Parent Company	Energy	owns	Ausgrid Finance Pty Ltd	Client	Energy
Bank of Nova Scotia	Parent Company	Energy	owns	Termoyopal-El Morro Power	Client	Energy
Berkshire Hathaway Inc	Parent Company	Energy	owns	AltaLink LP	Client	Energy
Berkshire Hathaway Inc	Parent Company	Energy	owns	Berkshire Hathaway Energy Co	Client	Energy
Berkshire Hathaway Inc	Parent Company	Energy	owns	Midamerican Energy Co	Client	Energy
Berkshire Hathaway Inc	Parent Company	Energy	owns	Nevada Power Co	Client	Energy
Berkshire Hathaway Inc	Parent Company	Energy	owns	Sierra Pacific Power Co	Client	Energy
Birch Hill Eq Partners Mgmt	Parent Company	Communications	owns	Creation Technologies LP	Client	Communications
Broadcom Inc	Parent Company	Communications	owns	Broadcom Corp	Client	Communications
Brookfield Asset Management	Parent Company	Energy	owns	Gas Natural Sa Acq	Client	Energy
Brookfield Asset Management	Parent Company	Energy	owns	TerraForm Power Inc	Client	Energy
Brookfield Infrastructure	Parent Company	Construction	owns	EnerCare Solutions Inc	Client	Construction

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
BSA International SA	Parent Company	Agriculture and Forestry	owns	Groupe Lactalis SA	Client	Agriculture and Forestry
BSA SAS	Parent Company	Agriculture and Forestry	owns	Groupe Lactalis SA	Client	Agriculture and Forestry
BSA SAS	Parent Company	Agriculture and Forestry	owns	Parmalat Canada	Client	Agriculture and Forestry
Canada	Parent Company	Energy	owns	Hydro One Inc	Client	Energy
Canada	Parent Company	Energy	owns	Hydro One Ltd	Client	Energy
Capital regional et cooperatif	Parent Company	Construction	owns	Telecon Group	Client	Construction
Castle & Cooke Inc	Parent Company	Agriculture and Forestry	owns	Dole Food Co Inc	Client	Agriculture and Forestry
CCMP Capital Advisors LP	Parent Company	Education and Health	owns	Jamieson Laboratories Ltd	Client	Education and Health
CK Asset Holdings Ltd	Parent Company	Construction	owns	Reliance Home Comfort LP	Client	Construction
CK Hutchison Holdings Ltd	Parent Company	Energy	owns	Stanley Power Inc	Client	Energy
CMS Energy Corp	Parent Company	Energy	owns	Consumers Energy Co	Client	Energy
Coca-Cola Bottling Co Cons	Parent Company	Agriculture and Forestry	owns	Coca-Cola Bottling Canada	Client	Agriculture and Forestry
Coco Group	Parent Company	Construction	owns	Coco Paving Inc	Client	Construction
Cosan Ltd	Parent Company	Agriculture and Forestry	owns	Usina da Barra SA(Grupo Cosan)	Client	Agriculture and Forestry
CWAL Investments Ltd	Parent Company	Communications	owns	Coast Wholesale Appliances LP	Client	Communications
Dell Technologies Inc	Parent Company	Communications	owns	Dell Finl Svcs Pty Ltd	Client	Communications
DTE Energy Co	Parent Company	Energy	owns	DTE Electric Co	Client	Energy
Duke Energy Corp	Parent Company	Energy	owns	Progress Energy Inc	Client	Energy
E ON SE	Parent Company	Energy	owns	Kentucky Utilities Co	Client	Energy
Eastern Maine Railway Co Ltd	Parent Company	Agriculture and Forestry	owns	JD Irving Ltd	Client	Agriculture and Forestry

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Emera Inc	Parent Company	Energy	owns	Nova Scotia Power Inc	Client	Energy
Emera Inc	Parent Company	Energy	owns	TECO Energy Inc	Client	Energy
Enel SpA	Parent Company	Energy	owns	Enel Chile SA	Client	Energy
Evertec Inc	Parent Company	Communications	owns	EVERTEC Group LLC	Client	Communications
Exelon Corp	Parent Company	Energy	owns	Baltimore Gas & Electric Co	Client	Energy
Exelon Corp	Parent Company	Energy	owns	Exelon Generation Co LLC	Client	Energy
Exelon Corp	Parent Company	Energy	owns	Potomac Electric Power Co	Client	Energy
Fortis Inc	Parent Company	Energy	owns	FortisAlberta Inc	Client	Energy
Fortis Inc	Parent Company	Energy	owns	FortisBC Energy Inc	Client	Energy
Fortis Inc	Parent Company	Energy	owns	FortisBC Inc	Client	Energy
Fortis Inc	Parent Company	Energy	owns	ITC Great Plains LLC	Client	Energy
Fortis Inc	Parent Company	Energy	owns	ITC Midwest LLC	Client	Energy
Fortis Inc	Parent Company	Energy	owns	Michigan Electric Transmission	Client	Energy
Fortis Inc	Parent Company	Energy	owns	Newfoundland Power	Client	Energy
Fortis Inc	Parent Company	Energy	owns	Tucson Electric Power Co	Client	Energy
Fortis Inc	Parent Company	Energy	owns	UNS Electric Inc	Client	Energy
Fortis Inc	Parent Company	Energy	owns	UNS Energy Corp	Client	Energy
GDC Transition Co	Parent Company	Construction	owns	Guardian Industries Corp	Client	Construction
Graham Group Inc	Parent Company	Construction	owns	Graham Construction Co	Client	Construction
Grupo Argos SA	Parent Company	Construction	owns	Argos N America Corp	Client	Construction

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Grupo Argos SA	Parent Company	Energy	owns	EPSA	Client	Energy
Grupo Bio Pappel SA de CV	Parent Company	Agriculture and Forestry	owns	Bio Pappel SAB de CV	Client	Agriculture and Forestry
HNA Technology Co Ltd	Parent Company	Communications	owns	Ingram Micro Inc	Client	Communications
Honeywell International Inc	Parent Company	Construction	owns	Honeywell Intl Inc-Homes &	Client	Construction
Hylife Invests Ltd	Parent Company	Agriculture and Forestry	owns	Hylife Ltd	Client	Agriculture and Forestry
Iberdrola SA	Parent Company	Energy	owns	Iberdrola Mexico SA de CV	Client	Energy
Ingersoll-Rand PLC	Parent Company	Construction	owns	Ingersoll-Rand Glbl Hldgs Co	Client	Construction
Inver Angelini	Parent Company	Construction	owns	Sonae Arauco SA	Client	Construction
James Richardson & Sons Ltd	Parent Company	Agriculture and Forestry	owns	Richardson International Ltd	Client	Agriculture and Forestry
Kruger Inc	Parent Company	Agriculture and Forestry	owns	Kruger Products LP	Client	Agriculture and Forestry
Kuwait Investment Authority	Parent Company	Energy	owns	Global Power Generation SA	Client	Energy
Lanxess AG	Parent Company	Construction	owns	Davis-Standard Corp	Client	Construction
Macquarie Grp Ltd	Parent Company	Energy	owns	Puget Energy Inc	Client	Energy
Macquarie Grp Ltd	Parent Company	Energy	owns	Puget Sound Energy Inc	Client	Energy
Ministry of Finance Singapore	Parent Company	Agriculture and Forestry	owns	Olam International Ltd	Client	Agriculture and Forestry
NextEra Energy Inc	Parent Company	Energy	owns	Florida Power & Light Co	Client	Energy
NextEra Energy Inc	Parent Company	Energy	owns	Gulf Power Co	Client	Energy
NextEra Energy Inc	Parent Company	Energy	owns	NextEra Energy Capital Hldg	Client	Energy
NextEra Energy Inc	Parent Company	Energy	owns	NextEra Energy US Partners	Client	Energy
Onex Corp	Parent Company	Communications	owns	Celestica Inc	Client	Communications

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Onex Corp	Parent Company	Construction	owns	WireCo WorldGroup Inc	Client	Construction
Ontario Power Generation Inc	Parent Company	Energy	owns	Lower Mattagami Energy LP	Client	Energy
Ontario Teachers' Pension Plan	Parent Company	Construction	owns	Alliance Laundry Systems LLC	Client	Construction
Pembina Pipeline Corp	Parent Company	Energy	owns	York Energy Centre	Client	Energy
Pinnacle West Capital Corp	Parent Company	Energy	owns	Arizona Public Service Co	Client	Energy
PJM Interconnection LLC	Parent Company	Energy	owns	Commonwealth Edison Co	Client	Energy
PJM Interconnection LLC	Parent Company	Energy	owns	Duquesne Light Co	Client	Energy
PPL Corp	Parent Company	Energy	owns	EON US Holdings LLC	Client	Energy
PPL Corp	Parent Company	Energy	owns	PPL Capital Funding Inc	Client	Energy
PPL Corp	Parent Company	Energy	owns	PPL Electric Utillities Corp	Client	Energy
Rank Group Ltd	Parent Company	Agriculture and Forestry	owns	Reynolds Group Holdings Ltd	Client	Agriculture and Forestry
Seaboard Flour Llc	Parent Company	Agriculture and Forestry	owns	Butterball LLC	Client	Agriculture and Forestry
Swander Pace Capital LLC	Parent Company	Agriculture and Forestry	owns	Voortman Cookies Ltd	Client	Agriculture and Forestry
Thai Beverage PCL	Parent Company	Construction	owns	Frasers Ppty Australia Pty	Client	Construction
The Carlyle Group Inc	Parent Company	Construction	owns	Jfk Intl Airport Terminal One	Client	Construction
Torquest Partners Inc	Parent Company	Construction	owns	Polycor Inc	Client	Construction
Vinci SA	Parent Company	Construction	owns	Renouveau La Fontaine Inc	Client	Construction
Votorantim SA	Parent Company	Construction	owns	Votorantim Cimentos SA	Client	Construction
Wesco International Inc	Parent Company	Communications	owns	WESCO Distribution Inc	Client	Communications
Wynnchurch Capital LP	Parent Company	Construction	owns	Polycor Inc	Client	Construction

Contact Information

Company: Scotiabank El Salvador S.A.
Point of Contact: Ana Trabanino / Title Head of Treasury
Telephone Number (503) 2234-4516
Email: Ana.Trabanino@scotiabank.com.sv
Mailing Address: Centro Financiero 25 Av. Norte y 23 Calle Poniente No. 1230 San Salvador, El Salvador, C.A.
Website: http://www.scotiabank.com.sv/banca-personal/default.aspx

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/