

Early Warning System

IFC-39011

BI Regional

Quick Facts

Countries	Guatemala
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2017-01-27
Borrower	Banco Industrial SA
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 110.00 million
Loan Amount (USD)	$ 110.00 million
Project Cost (USD)	$ 190.00 million

Project Description

According to IFC website, BiCapital is a leading financial services group in Guatemala, with a growing presence in Honduras, El Salvador and Panama. It provides a comprehensive range of corporate and retail banking, insurance and other financial services to over 1.7 million clients in the region. Banco Industrial in particular, is the banking arm of the group that provides commercial and retail financial services in Guatemala and El Salvador, and the target of IFC's proposed investment. The opportunity available for IFC is to support Banco Industrial's operations in Guatemala and El Salvador through an investment comprised of:

1. A regional credit line for up to US$ 190 million in the form of straight senior long-term loans allocated, US$ 175 million to Banco Industrial Guatemala, and US$ 15 million to Banco Industrial El Salvador, to be used to finance SMEs, and climate smart and;

2. An advisory services component targeted to support Banco Industrial Guatemala on its objective to enhance its capacity on Sustainable Energy Finance.

Investment Description

- International Finance Corporation (IFC)

The proposed IFC investment is in the form of senior long-term loans allocated as follows:
-- Banco Industrial Guatemala: US$ 100 million A loan for IFC's own account + US$ 75 million from IFC acting in its capacity as implementing entity for the Managed Co-Lending Portfolio Program ("MCPP"),
-- Banco Industrial El Salvador: US$ 15 million A loan
The IFC board approved $110 million.

More on BI:
BiCapital is a 100% privately-held institution formed in November 2006 as a holding company incorporated under the laws of Panama. Its primary assets (85%) include Banco Industrial Guatemala, and Seguros El Roble, the largest bank and insurance company in the country, respectively, which are also among the most profitable entities in the Guatemalan banking and insurance systems with ROAE of 18.2%, according to the Guatemala Superintendence of Banks ("GSB"). BiCapital Corporation has a highly pulverized shareholding structure with over 2000 individuals. Simultaneously, Banco Industrial Guatemala owns 90% of Banco Industrial El Salvador with the remaining 10% distributed among several minority shareholders.

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.

- Bi Capital Corporation (Financial Intermediary)

Private Actors Description

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Contact Information

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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/