Early Warning System

IFC-39434

Banco Industrial SME

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Quick Facts

Countries	Brazil
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2017-04-14
Borrower	Banco Industrial do Brasil S/A.
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Investment Amount (USD)	$ 50.00 million

Project Description

The proposed project consists of a total package of US$ 50 million, composed of an A Loan from IFC's own account of US$ 20 million and a B Loan component of US$ 30 million to Banco Industrial do Brasil S.A. ("BIB" or "the Bank"). The proceeds will be used to finance small and medium enterprises ("SMEs") and will allow IFC to promote SME' sustainability through financial inclusion. A minimum of 25% of the total financing package will be channeled to women-owned SMEs, reaching the underserved women-owned business (the "Project"). The proposed project is expected to support the Bank's financing of SMEs, and women-owned SMEs, and is aligned with the objectives of IFC's Banking on Women program and the Women Entrepreneurs Opportunity Facility (the "WEOF" or the "Facility"), a facility created by IFC and the Goldman Sachs 10,000 Women initiative which targets the dual goals of expanding access to capital to women entrepreneurs in developing economies and demonstrating the commercial viability of investing in women.

People Affected By This Project

Enhance access to SME finance: the Project will support SME financing in Brazil through BIB. In developing countries, lack of access to finance is a major constraint and hence SME finance has become a top priority for IFC in its dual-goal of poverty reduction and boosted prosperity. In the current Brazilian context, this Project gains a broader relevance as SMEs are the first to be impacted by shortage of credit supply in times of economic recession.

Banking on Women: The Project will increase the financial inclusion for women-owned SMEs, thus having a demonstration effect of the business opportunities presented by women entrepreneurs as an under-served market in Brazil.

Investment Description

- International Finance Corporation (IFC)

BIB is fully owned by Mr. Carlos Alberto Mansur, who in 1994, acquired Banco Santista S.A., the then financial arm of Bunge & Born Group, and renamed it Banco Industrial do Brasil S.A. Mr. Mansur's business experience track record is in the agribusiness sector. Prior to owning the Bank, Carlos Mansur owned and ran successfully one of the largest dairy products companies in Brazil called Vigor. He then sold Vigor to Bertin (former IFC client) in 2007 and used part of the sale's proceeds to capitalize BIB.

The Project will entail an A/B loan package of US$50 million, of which: (i) an A loan of US$20 million for IFC's own account; and (ii) a syndicated B loan of US$30 million. At least 25% of the above total package will be utilized to finance SMEs owned by women entrepreneurs, and the remainder for SMEs. As per IFC's definition of women-owned business. IFC's BoW program has adopted the following criteria: at least 25% percent of the facility amount must be used to finance SMEs which are (i) at least 51% owned by a woman or women; or (ii) at least 20% owned by a woman or women and (a) has at least one woman in senior executive roles (e.g. CEO, COO, President, Vice-President and etc) and (b) if it has a board of directors or other managing board or committee, at least 30% of the members of such board or committee are women.

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 Industrial do Brasil S.A. (Financial Intermediary)
- Banco Industrial do Brasil S.A. (Financial Intermediary) **is owned by** Banco Industrial do Brasil (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.

Private Actors Description

Banco Industrial do Brasil S.A. is fully owned by Mr. Carlos Alberto Mansur, who in 1994, acquired Banco Santista S.A., the then financial arm of Bunge & Born Group, and renamed it Banco Industrial do Brasil S.A. Mr. Mansur’s business experience track record is in the agribusiness sector. Prior to owning the Bank, Carlos Mansur owned and ran successfully one of the largest dairy products companies in Brazil called Vigor. He then sold Vigor to Bertin (former IFC client) in 2007 and used part of the sale’s proceeds to capitalize BIB.

Contact Information

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/