Early Warning System

IFC-40562

Itau-CBC Subdebt

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Quick Facts

Countries	Colombia
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	A
Voting Date	2017-12-01
Borrower	ITAU CORPBANCA COLOMBIA SA
Sectors	Climate and Environment, Finance
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan

Project Description

The project consists in a proposed syndicated subordinated loan to Itau Corpbanca Colombia (“Itau-CBC” or the “Bank”) to support the Bank consolidation in the Country, support the growth of its SME and climate-smart loan portfolio and strengthen its capital requirements (the “Project”). By providing the most needed form of long-term financing for the Bank at this time, the Project will enable IFC to continue supporting a key partner in Colombia and Latin America with an interest in increasing its footprint in the SME and climate-smart segments.

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.

- ITAU CORPBANCA COLOMBIA SA (Financial Intermediary)
- ITAU CORPBANCA COLOMBIA SA (Financial Intermediary) **is owned by** Itaú Corpbanca (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

Itau-CBC is the bank resulting from the merger between Helm Bank with and into Corpbanca Colombia on June 1, 2014 (the “Colombian merger”). Previously, in June 2012, Chilean-based bank Corpbanca (now Itaú CorpBanca) finalized the acquisition of Banco Santander Colombia S.A., which immediately after was renamed to “Banco CorpBanca Colombia S.A.”. With this acquisition, former CorpBanca became the first Chilean bank to have a banking subsidiary outside the country. A few months later, in August 2013, former CorpBanca Colombia acquired Helm Bank and subsequently merged it with and into CorpBanca Colombia as previously mentioned.

Itau-CBC’s controlling shareholder is Itau Corpbanca (ITCB), a listed bank in Chile and in New York. Itaú Corpbanca is the entity resulting from the merger of Banco Itaú Chile with and into Corpbanca on April 1, 2016 (the “Chilean merger”). The current ownership structure of ITCB is: 36.06% owned by Itaú Unibanco (the largest financial institution in Brazil), 30.65% owned by CorpGroup (one of Chile’s leading financial conglomerates), and 33.29% owned by minority shareholders. Itaú Unibanco is the sole controlling shareholder of the Chilean merged bank. Within this context and without limiting the above, Itaú Unibanco and CorpGroup have signed a shareholders’ agreement relating to corporate governance, dividend policy (based on performance and capital metrics), transfer of shares, liquidity and other matters. CorpGroup, additionally, owns a 12.36% share ownership of Itau-CBC.

After the Chilean merger, the Colombian banking subsidiary had to align to the new policies and procedures of its parent who in turn follows Itaú’s guidelines.

In this context, the Bank was renamed to Itau Corpbanca Colombia in 2017. As of August 31, 2017, Itau-CBC is the 6th largest bank in Colombia, holding a 5.2% market share in terms of loans.

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/