

 Early Warning System

IFC-40592

Produbanco Loan



## Quick Facts

<b>Countries</b>	Ecuador
<b>Financial Institutions</b>	International Finance Corporation (IFC)
<b>Status</b>	Proposed
<b>Bank Risk Rating</b>	B
<b>Voting Date</b>	2018-06-29
<b>Borrower</b>	Banco de la Produccion S.A.
<b>Sectors</b>	Finance
<b>Ring Fence</b>	Small & Medium Enterprises
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 80.00 million



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## Project Description

The proposed project consists of a senior loan of up to US\$80 million to Banco de la Produccion S.A. (“Produbanco” or the “Bank”) in Ecuador, to support the growth of its small and medium sized enterprises (“SMEs”) loan portfolio and climate smart portfolio.



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## 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.

- [Banco de la Producción S.A. Produbanco](#) (Financial Intermediary)
- [Banco de la Produccion S.A.](#) (Financial Intermediary) **is owned by** [Grupo Promerica](#) (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

Produbanco is the third largest commercial bank in Ecuador, with an asset base of US\$4.2 billion and equity of US\$373 million, as of December 2017. Founded in 1978, Produbanco is a universal bank, which provides financial services to individuals and businesses through a wide range of banking products. The Bank operates in Ecuador through 104 branches, 318 own ATMs and 2044 banking agents.

Produbanco is part of Grupo Promerica, which has operations in 9 different countries, including 6 in Central America, Cayman Islands, Dominican Republic and Ecuador. As of December 2017, Grupo Promerica reported approximately US\$13.6 billion assets, with 850 branches and banking agencies, over 2 million clients and 12,400 employees.

Grupo Promerica currently holds a direct 56.3% equity stake in Produbanco, while the remaining 43.7% corresponds to 415 minority shareholders



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## Contact Information

For inquiries about the project, contact:

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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](mailto:CAO@worldbankgroup.org). You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>