

 Early Warning System

IFC-41844

Internac Loan II



Quick Facts

Countries	Ecuador
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2018-12-17
Borrower	Banco Internacional S.A.
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Investment Amount (USD)	\$ 40.00 million
Project Cost (USD)	\$ 40.00 million



Project Description

The proposed IFC investment consists on a senior loan for Banco Internacional (“Internacional” or the “Bank”), to support the expansion of the Bank’s portfolio to small and medium enterprises (“SMEs”), including women-owned SMEs.

In parallel, the team will offer an advisory project consisting of a diagnostic and recommendations to strengthen the women segment as a business opportunity by defining a strategy to add value to the Bank’s women-owned SMEs.



People Affected By This Project

The development impact of the project is expected to be high. The most significant, expected project-level impacts are derived from: (i) increase access to finance to SMEs in Ecuador, which will in turn stimulate growth, employment generation and poverty reduction; and (ii) improve access to finance for women owned SMEs, underserved and vulnerable segment in Ecuador. The Bank is expected to leverage on IFC's experience and track record in the SME and women owned segments.

Beyond the project-level impact, IFC anticipates that the project will create a demonstration effect for other financial institutions in Ecuador in terms of supporting women business.



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 Internacional, S.A.](#) (Financial Intermediary)
- [Banco Internacional S.A.](#) (Financial Intermediary) **is owned by** [Grupo Fierro](#) (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.



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/>



Campaign Documents

- [Company Overview of Banco Internacional S.A.](#)