Early Warning System

IFC-42281

Familiar CL

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Quick Facts

Countries	Paraguay
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2019-05-03
Borrower	BANCO FAMILIAR S.A.E.C.A.
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Investment Amount (USD)	$ 25.00 million
Loan Amount (USD)	$ 25.00 million
Project Cost (USD)	$ 25.00 million

Project Description

The proposed investment consists of an up to 5-year loan for up to US$8 million to be provided by IFC to Banco Familiar S.A.E.C.A (“Familiar” or the “Bank”) and an up to 3-year loan for up to US$17 million to be mobilized from other lenders under IFC's B lender program to expand the Bank’s micro, small and medium enterprises (“MSMEs”) lending program (the “Project”) in Paraguay (the “Country”).

People Affected By This Project

The Project will contribute to close the finance gap for MSMEs in Paraguay, leveraging the Bank's operational capacity to lend to this segment. In addition, IFC anticipates that the Project will have economy-wide effects by promoting job creation.

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 FAMILIAR S.A.E.C.A. (Financial Intermediary) **is owned by** Banco Familiar (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

Familiar is a niche bank traditionally focused in providing consumer loans to individuals in the base of the pyramid. The Bank developed into a fully integrated bank offering saving products, transactional services, loans and other services to MSMEs and corporates, without losing its traditional focus in the consumer segment. Headquartered in Asunción, Familiar currently employs 1,088 staff and has 55 branches across the Country, the fourth largest branch network among private banks.

Familiar has a diverse shareholder base composed mainly by Paraguayan families. No individual nor single family has the single majority of the shares. Alfredo Steinmann Rosenbaum is the largest individual shareholder with 6.2% of the voting rights (10.2% when combined with other members of the family). The Camperchioli family is the largest shareholder group with a combined 26.4% of the voting rights.

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/