Early Warning System

IFC-46124

Sudameris Loan

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Quick Facts

Countries	Paraguay
Specific Location	Uninformed
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2022-05-20
Borrower	SUDAMERIS BANK S.A.E.C.A.
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 75.00 million
Loan Amount (USD)	$ 75.00 million
Project Cost (USD)	$ 75.00 million

Project Description

The proposed investment consists of a 5-year A-loan to Sudameris Bank S.A.E.C.A (Sudameris or the Bank) for up to US$75 million, to expand the Bank’s small and medium enterprises (SMEs) lending program, of which at least 30% is expected to be on-lent to Women-Owned SMEs (WSMEs) (the Project).

People Affected By This Project

IFC anticipates that the Project will contribute to narrow the finance gap for SMEs in Paraguay, supporting financial inclusion in the country. The SME finance gap in Paraguay is US$3.9 billion according to the SME Finance Forum, representing approximately 14% of the country's GDP. Informal micro and SME demand for finance is estimated at another US$3.6 billion. Improving access to finance and thus productivity of SMEs is crucial for the development of Paraguay's economy, as SMEs are a key driver of economic growth and job creation. Furthermore, 30% of the proceeds are expected to be used to originate loans to WSME, a key underserved sub-segment in the economy.

The Project will also increase the competitiveness of the SME financing sector by enabling the Bank to expand its operations. Through the Project, the Bank will demonstrate to other players the commercial viability and business opportunity presented by underserved SMEs proven by its growing market share.

Investment Description

- International Finance Corporation (IFC)

The Project consists of an IFC's own account senior A Loan of up to US$75 million to Sudameris. The proceeds of the Loan will be used by the Bank to finance eligible SMEs and WSMEs.

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.

- Sudameris Bank (Financial Intermediary)

Private Actors Description

According to the IFC, Sudameris is a Paraguayan commercial bank with more than 430 employees and 19 branches across the country. As of February 2022, the Bank ranked as the fourth largest bank in terms of loans with a market share of 9.6%.

Contact Information

IFC

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ACCOUNTABILITY MECHANISM OF IFC/MIGA

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