

 Early Warning System

IFC-47014

WCS COVID Daycoval II



Quick Facts

Countries	Brazil
Specific Location	not applicable
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	FI
Voting Date	2022-06-21
Borrower	Banco Daycoval S/A.
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 100.00 million
Project Cost (USD)	\$ 100.00 million



Project Description

The proposed investment consists of a 1-year senior loan facility of up to US\$100 million for Banco Daycoval S.A (Daycoval or the Bank) under the WCS Financial Institutions Response Envelope (FIGE). The facility will be renewable, at IFC's option, for two additional one-year periods (up to three years in total). The proposed WCS investment in Daycoval is expected to leverage on the previous WCS Project with the Bank (Project #43220) and continue supporting the Bank's working capital needs and trade related financing to Brazilian enterprises, which in turn feed an ecosystem of small and medium enterprises (SMEs) distributors and suppliers (the Project). Similar to Project #43220 and in order to further promote gender finance, 20% of the Project's proceeds will be channeled to Women-Owned SMEs.



People Affected By This Project

Through the Project, IFC will support Daycoval to increase access to finance for SMEs and WSMEs in Brazil. It is expected that this in turn will preserve jobs and enterprise growth by supporting working capital needs and trade related financing for Brazilian SMEs with a focus on women owned SMEs. In Brazil, credit penetration has been one of the most important issues in financial sector development given the structural barriers and lack of incentives for banks to service these segments. The COVID crisis has exacerbated the challenge, further tightened credit lines and hindered the growth potential of the SMEs.

Moreover, the Project will also help the financial sector increase its ability to continue to withstand shocks from the continuing devastating effects of the COVID-19 crisis and other macro vulnerabilities. Through this project, IFC is enabling Daycoval to support the working capital needs of SMEs during a time of crisis and contribute to the diversification of available financing in the market to include SMEs.



Investment Description

- International Finance Corporation (IFC)



Contact Information

IFC

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