

 Early Warning System

IFC-48064

BAC ES Debt



Quick Facts

Countries	El Salvador
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2024-08-16
Borrower	Banco de America Central, S.A.
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 190.00 million



Project Description

According to the Bank's website, the proposed project is an up to US\$190 million financing package for Banco de America Central, S.A. (BAC ES or the Bank), consisting of: (i) an up to US\$30 million senior unsecured A loan for IFC's own account (IFC A Loan), part of which benefits from US\$15 million unfunded mobilization through the Managed Co-Lending Portfolio Program (FIG III program), in which IFC will transfer the credit risk to insurance companies, which results in a net IFC own account exposure of not more than US\$30 million; (ii) up to US\$120 million mobilization package through a B Loan facility; and (iii) an unfunded trade finance facility under IFC's Global Trade Finance Program (GTFP) of up to US\$40 million with BAC El Salvador. (the Project).

The loan proceeds will be used to fund the growth of the Bank's climate-smart assets (including green mortgages and blue assets) and small and medium-sized enterprises (SMEs) including women SMEs (WSMEs). The trade line will support short-term trade finance activities. The trade finance activities supported by the Project will be required to meet the requirements of the IFC's Exclusion List and other exclusions deemed necessary. The Project will not support any activities with significant E&S concerns such as: (a) involuntary resettlement; (b) risk of adverse impacts on Indigenous Peoples; (c) significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage; or (d) significant occupational health and safety risks. It will also not support any activities related to upstream oil & gas production and activities related to coal such as coal mining, coal transportation, coal-fired power plants, or infrastructure services exclusively dedicated to support any of these activities. IFC will review the details of the underlying trade transactions to confirm that they do not include activities in the IFC Exclusion List and any other exclusions.



Early Warning System Project Analysis

Potential E&S risks and impacts associated with the Project are expected to be medium, therefore it has been categorized as FI-2 according to IFC's Sustainability Policy. The Project will not support activities on IFC Exclusion List, coal related sub-projects, hydro energy projects, solar, offshore wind, and Higher Risk transactions that may include (i) involuntary resettlement; (ii) risk of adverse impacts on indigenous peoples; (iii) significant risks to or impacts on the environment, community health and safety, biodiversity, cultural heritage; (iv) risk of significant retrenchment; and/or (v) significant occupational health and safety risks. The main environmental and social (E&S) risks and impacts related to the Project derive from the Bank's capacity to screen out Higher Risk Transactions as well as to properly identify, assess, and manage the E&S risks of a supported portfolio in line with the IFC requirements. The Bank's E&S risks associated with the supported portfolio are mainly related to occupational, health, and safety, waste management, biodiversity, community impacts, and labor issues.



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- International Finance Corporation (IFC)

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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 America Central, S.A.](#) (Financial Intermediary)



Private Actors Description

BAC ES is a new client; and part of BAC Credomatic Group, Central America's largest financial group, which is property of Mr. Luis Carlos Sarmiento Angulo also the owner of Grupo Aval, the largest financial group in Colombia. BAC Credomatic Group is the largest banking group in Central America based in terms of consolidated assets, having a dominant position in consumer and credit card banking, with also a robust presence in corporate, SME, and mortgage loans. BAC Group has operations in six Central American countries (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama) with significant market shares and systemic importance in each of these markets.



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ACCESS TO INFORMATION

You can submit a request for information disclosure at: <https://disclosures.ifc.org/#/inquiries>

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

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>