

 Early Warning System

IFC-50260

Produbanco BIO



## Quick Facts

<b>Countries</b>	Ecuador
<b>Financial Institutions</b>	International Finance Corporation (IFC)
<b>Status</b>	Proposed
<b>Bank Risk Rating</b>	B
<b>Voting Date</b>	2024-10-21
<b>Borrower</b>	Banco de la Produccion S.A.
<b>Sectors</b>	Agriculture and Forestry, Finance
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 150.00 million
<b>Loan Amount (USD)</b>	\$ 100.00 million
<b>Project Cost (USD)</b>	\$ 200.00 million



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## Project Description

As stated by the IFC, the proposed project consists of a senior financing package of up to US\$150 million with a tenor of five years and a two-year grace period. IFC would directly commit up to US\$100 million in senior loans and mobilize up to US\$50 million through credit insurance. Additionally, IFC will seek to mobilize up to US\$50 million in B/Parallel loans, completing the financing package.

IFC anticipates that the project will increase access to finance for a wide range of sustainable activities, specifically climate smart sub-projects, SMEs and women-owned SMEs. IFC also expects that the subprojects financed with the loan proceeds will benefit biodiversity in Ecuador and provide climate mitigation and adaptation co-benefits. Additionally, IFC anticipates that the project, together with other biodiversity debt instruments in LAC as part of an approved programmatic approach, will encourage financial institutions in the region to structure similar instruments and investors to allocate capital to environmental challenges through biodiversity financing.



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## Early Warning System Project Analysis

As stated by the IFC, the project has been categorized as FI-2. The E&S risks and impacts of the project are derived from the bank's capacity to assess and manage E&S risks associated with the project's pipeline in sectors such as: i) certified agriculture and aquaculture for (biodiversity related loans); and ii) climate smart agriculture, green buildings, small scale renewable energy, energy efficiency, etc.(climate related loans); and are expected to be mostly of medium E&S risk nature. Potential risks are context specific with respect to location risks or industrial technologies and may include impacts on biodiversity and sustainable management of living natural resources, pollution prevention, labor, working conditions and impacts on communities.



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## 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 de la Producción S.A. Produbanco](#) (Financial Intermediary)



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## Private Actors Description

As stated by the IFC, Produbanco is the second largest private bank in Ecuador with a market share of 12.33% in terms of assets. The Bank reported assets of US\$7.5 billion and equity of US\$597 million as of December 31, 2023. Founded in 1978 as a financial institution mostly focused on corporates, it has broadened its business lines and developed a broad geographic presence in the country with 128 branches and 409 ATMs throughout 17 provinces in the country.

Promerica Financial Corporation (Promerica or PFC) controls Produbanco. Promerica is one of Central America's largest financial conglomerates with operations in eight countries, in addition to Ecuador. As of December 2023, it reported consolidated assets of US\$21.7 billion, an equity of US\$1.84 billion, and a network of over 3.7 million clients and 812 branches across the region.



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## Contact Information

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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](mailto:CAO@worldbankgroup.org) You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>