Early Warning System

IFC-51524

GTLP SMBC LAC

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Quick Facts

Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	C
Borrower	Sumitomo Mitsui Banking corporation RSF
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 502.50 million
Loan Amount (USD)	$ 502.50 million
Project Cost (USD)	$ 600.00 million

Project Description

According to the Bank’s website, the proposed investment is a 50-50% funded risk-sharing facility with Sumitomo Mitsui Banking Corporation (“SMBC”) in a portfolio of trade-related assets for up to US$600 million with IFC investment of up to US$300 million. The Project portfolio will consist of Emerging Market Issuing Banks (EMIBs) across Latin America and the Caribbean (LAC) region, ultimately increasing access to trade finance for underlying importers and exporters in LAC.

The Project supports importers and exporters in LAC by providing SMBC the optionality to offer additional trade finance through increased limits and reduced risk and capital costs via the risk-sharing structure. This helps the Bank maintain trade finance capacity for EMIB clients, ultimately expanding access to trade finance for underlying importers and exporters in LAC. By enhancing credit limits and leveraging SMBC’s geographic network, the Project strengthens market connections and helps emerging market companies access cross-border markets, promoting greater integration into international value chains and amplifying regional and global economic ties.

Early Warning System Project Analysis

This Project will support trade finance transactions in LAC region. Considering the nature and short tenor of such transactions, the Project has been categorized as FI-3 in accordance with IFC’s Sustainability Framework.

Investment Description

- International Finance Corporation (IFC)

The total project will be in an amount up to US$600 million with underlying portfolio of trade finance assets that will be risk-shared by SMBC and IFC/Program Partners on a 50:50 basis.

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.

- Sumitomo Mitsui Banking Corporation (Financial Intermediary)

Private Actors Description

Sumitomo Mitsui Banking Corporation Group is a top-tier global financial group. Headquartered in Tokyo and with a 400-year history, SMBC Group offers a diverse range of financial services, including banking, leasing, securities, credit cards, and consumer finance. The Group has more than 150 offices and 120,000 employees worldwide in nearly 40 countries. Sumitomo Mitsui Financial Group, Inc. (SMFG) is the holding company of SMBC Group, which is one of the three largest banking groups in Japan. SMFG's shares trade on the Tokyo, Nagoya, and ADRs on the New York (NYSE: SMFG) stock exchanges.

In the Americas, SMBC Group has a presence in the U.S., Canada, Mexico, Brazil, Chile, Colombia, and Peru. The Group's operating companies in the Americas include Sumitomo Mitsui Banking Corp. (SMBC), SMBC Americas Holdings, Inc., SMBC Nikko Securities America, Inc., SMBC Nikko Securities Canada, Ltd., SMBC Capital Markets, Inc., SMBC MANUBANK, JRI America, Inc., SMBC Leasing and Finance, Inc., Banco Sumitomo Mitsui Brasileiro S.A., and Sumitomo Mitsui Finance and Leasing Co., Ltd. (collectively, SMBC Group Americas Division).

SMBC is rated "A" by Fitch, "A" by Standard & Poor's, and "A1" by Moody's.

Contact Information

Sumitomo Mitsui Banking Corporation
Philip Janoff
Executive Director – Structured and Export Finance
+1.646.231.7583
Philip.Janoff@smbcgroup.com
277 Park Avenue, New York, NY 10172
smbcgroup.com

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