Early Warning System

IIC-11864-02

Banco Industrial DPR Financing

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Quick Facts

Countries	Guatemala
Financial Institutions	IDB Invest (IDBI)
Status	Proposed
Bank Risk Rating	FI
Voting Date	2018-07-31
Borrower	Banco Industrial Guatemala
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 100.00 million
Project Cost (USD)	$ 300.00 million

Project Description

This project subscribes to notes issued by Banco Industrial, the proceeds of which will be used to expand Banco Industrial's residential mortgage portfolio for low and middle-income segments, as well as to finance micro, small and medium enterprises (MSMEs) in the productive sector of Guatemala.

Early Warning System Project Analysis

The bank has rated this project as FI-2, which corresponds to medium risk or a B rating.

People Affected By This Project

According to the IIC, there may be moderate to significant indirect environmental, social, health, safety, and labor impacts. Banco Industrial's microfinance portfolio is concentrated mainly in commerce (62.8%), commercial real state (10.1%), manufacturing industries (9.6%), transportation and storage (7.4%) and community, social and personal services (6.0%) economic sectors, which present risks in the form of possible air, water and soil contamination, noise and vibration, and labor impacts.

Investment Description

- IDB Invest (IDBI)

The Inter-American Development Bank Group will purchase US$100 million of the notes issued with a tenor (holding period) of 11 years. The total value of the notes issued by Banco Industrial is around US$300 million.

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 Industrial (Financial Intermediary)

Contact Information

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ACCOUNTABILITY MECHANISM OF IIC

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IIC)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IIC is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at http://www.iadb.org/en/mici/mici,1752.html (in English) or http://www.iadb.org/es/mici/mici,1752.html (Spanish).

Bank Documents

- Business and Human Rights Resource Center: Guatemala: Analista describe abusos laborales