

Early Warning System

IIC-12117-01

PRODUBANCO

Quick Facts

Countries	Ecuador
Financial Institutions	IDB Invest (IDBI)
Bank Risk Rating	FI
Voting Date	2018-05-01
Borrower	Banco de la Produccion, S.A.
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 50.00 million

Project Description

The objective of this financing is to channel medium-term resources to Banco de la Producción S.A. to finance small and medium-sized enterprises (SMEs), as well as a green credit line for SMEs. SME investments will focus on energy efficiency and machine replacement mainly across six sectors: food and beverage, textiles, leather, manufacturing, and agribusiness.

Investment Description

- IDB Invest (IDBI)

The financing package consists of: (1) A senior unsecured loan of up to US$30 million, composed as follows: (i) US$12 million from IDB Invest; (ii) US$13 million from IDB; and (iii) US$5 million mobilized through a potential co-financing, to be financed by IDB Invest in its capacity as administrator of the Chinese Fund for Co-financing for Latin America and the Caribbean (the "Fund"). The term of the senior loans is up to five years with one-year of grace period; and (2) A potential subordinated loan of up to US$20 million is being considered. The subordinated loan consists of: (i) US$2 million (uncommitted) from IDB Invest and (ii) US$18 million from a B lender.

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)

Private Actors Description

Banco de la Producción S.A. Produbanco provides various banking products and services in Ecuador. The company offers checking and savings accounts; and credits for small and medium enterprises, credit cards, and automotive credit, as well as various investment products, import and export products, and bank guarantees.

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).