

 Early Warning System

IFC-41625

PichinchaGBandSD



## Quick Facts

<b>Countries</b>	Ecuador
<b>Financial Institutions</b>	International Finance Corporation (IFC)
<b>Status</b>	Proposed
<b>Bank Risk Rating</b>	FI
<b>Voting Date</b>	2018-12-10
<b>Borrower</b>	Banco Pichincha CA
<b>Sectors</b>	Finance
<b>Investment Type(s)</b>	Loan
<b>Investment Amount (USD)</b>	\$ 50.00 million
<b>Project Cost (USD)</b>	\$ 50.00 million



---

## Project Description

According to the bank, the proposed investment in Banco Pichincha (“Pichincha” or “the Bank”), an existing IFC client and Ecuador’s largest bank, consists of: (i) an investment of approximately US\$50 million in a green bond for IFC’s own account, as part of the Bank’s US\$250 million green bonds program, for the financing of the Bank’s climate smart portfolio, and (ii) an investment of up to US\$20 million in a subordinated loan for IFC’s own account, plus a US\$30 million mobilization, for the financing of the Bank’s SME portfolio. The Project aims to achieve the following: (i) consolidate a commercial relationship with Pichincha, a strategic client with which IFC can further collaborate through both investment and advisory services, (ii) support the development of local capital markets and climate smart projects by subscribing resources, (iii) enhance the level of credit and financial services offered to underserved SMEs, and (iv) strengthen the Bank’s capital by providing sub-debt which qualifies as Tier II capital under local regulation.



---

## People Affected By This Project

The Project is expected to have a significant Stakeholders impact by aiming to increase access to finance to SMEs in Ecuador, as almost 31% of SMEs are fully or partially credit constrained. The Country's SME finance gap is estimated at US\$15.6 billion, which is 16% of GDP. The Project also aims to increase and foster the development of climate smart projects. Ecuador ranks 7th in CO<sub>2</sub> emissions in LAC and has committed through the Intended Nationally Determined Contributions to reduce GHG emissions by 25%.

Additionally, the Project is expected to have a significant contribution to market creation through Integration, as the Project is anticipated to be the first green bond to be issued by a bank in Ecuador and will therefore have a demonstration effect for climate smart and sustainability-focused projects through banking institutions, further contributing to greater deepening of financial and capital markets in Ecuador.



---

## Investment Description

- International Finance Corporation (IFC)

## Private Actors

- [Banco Pichincha C.A.](#) -- Financial Intermediary



---

## Contact Information

### ACCOUNTABILITY MECHANISM OF IFC

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/>



---

## Campaign Documents

- [Company Overview of Banco Pichincha C.A.](#)