

## PARAGUAY

### Paraguay: Proparco has reaffirmed its commitment to Banco Continental to support the development of its green credit portfolio and SMEs

To support Banco Continental in the current crisis caused by the Covid-19 virus, Proparco has renewed its partnership by allocating it a new credit line to support the development of its green credit line, with climate co-benefits, and financing for Paraguayan SMEs

#### PROJECT DESCRIPTION

This second operation with Banco Continental aims to help the bank develop its green credit portfolio with climate co-benefits with USD 21m (70% of the credit line) and increase its loan portfolio for small and medium-sized enterprises with USD 9m. This financing will also provide the bank with long-term resources, allowing it to prepare the end of the health crisis under the best possible conditions by supporting the economic recovery in the country.

#### CLIENT PRESENTATION

Banco Continental was set up in 1980 and has been the country's leading bank since 2013 in terms of assets. It operates based on the model of a universal bank, providing banking and financial services to over 100,000 clients in all sectors of the economy, via a network of 62 branches. It has the status of S.A.E.C.A (Public Limited Company of Open Capital). At the end of 2019, the bank had a 15.4% market share in terms of assets and 13.7% in terms of deposits. PROPARGO entered into relations with the bank in 2017 by participating, alongside CAF and DEG, in a USD 80m syndicated loan to support Banco Continental's lending activity in the agriculture sector.

#### PROJECT IMPACT

The main expected impacts of this project are as follows:

- Support for the economic development of Paraguay by financing SMEs, most of which operate in the agriculture/livestock raising, trade and industry sectors and generally find it difficult to access financing;
- Some 6,000 jobs maintained over the next 5 years, mainly indirect jobs in the companies that will be targeted by the credit line;
- The mobilization of EUR 68m of private finance, i.e. a ratio of 2.56.

Through these various expected impacts on development, the project will contribute to SDG 8 (Decent work and economic growth) and SDG 13 (Take urgent action to combat climate change).

This information is given at the time of signature, without prejudice to any developments in the operation/project

18/12/2020

Date of signature of the project

 COVID-19 , Banks and Financial services sector(s)

 Paraguay Location

 Loan Financing tool

 25 098 301 Euros Amount of funding

 USD 30m loan Financing details

 BANCO CONTINENTAL SAECA Client

#### IF-A

CES

