

Invest with Impact

Serving the SME client first and foremost

Home to 6.5 million people, El Salvador is both the smallest and most densely populated country in Central America. Since the Spanish took control of the country's indigenous cocoa crops in the 1500s, much of the economy has been fuelled by agriculture, with a focus on coffee exports and sugar cane production in more recent years. Lately, there's been a shift towards the service economy.

The country has historically endured noticeable levels of gang-related crime and poverty, although between 1998 to 2019, there was an economic upswing leading to El Salvador having one of the lowest income inequality levels in Latin America and the Caribbean, [per the World Bank's Gini index](#).

Small and medium sized enterprises, or SMEs, employ over one-third of the workforce, while contributing to nearly half of the country's GDP. While it dropped considerably during the COVID-19 pandemic, El Salvador's economy rebounded by almost 11% in 2021, showing a favourable outlook—in part because of SMEs and [increased domestic demand](#).

A customer-first bank

Banco Promerica El Salvador is part of Grupo Promerica, which has 30 years of experience as a regional financial institution in Latin America. With over 50 branches and 130 ATMs, the bank has a nationwide presence. Although a universal bank, they have carved out a niche for itself, providing customised support for the SME client segment that plays a substantial role in the economy.

Banco Promerica offers a broad range of customized products for this market segment—such as corporate loans, short- and medium-term working capital facilities, credit cards, and personal loans. However, they take their strategy a step further, placing a strong emphasis on flexibility through adaptable products and services, empathy, and proximity through local decision-making. The bank consistently provides its SME clients with a customer-centric approach. Additionally, Banco Promerica has made several important alliances that help support SMEs by creating direct linkages between SME clients and unions, such as USAID, Banesal, BCIE, and the Chamber of Commerce.

That said, SME clients are not the only focus: Banco Promerica has also focused on building their Green Portfolio which provides an additional competitive advantage in the market. One thing is certain: the bank's strategy has been and remains successful. Overall, it has experienced sustained financial growth and profitability in the past several years and has strong liquidity and asset quality—a testament to its unique approach.

The FMO Loans

An FMO customer since 2017, the first transaction was a USD 20 mln facility split between SMEs and Green activities, followed by another USD 25 mln facility in 2020 to help grow Banco Promerica's SME portfolio, while also providing much-needed long-term funding.



A broader perspective

El Salvador is no exception to environmental and social risks. The impacts of climate change include the increase of extreme weather events, water shortages, floods, and more, and Banco Promerica does its part to negate the impacts as much as possible.

Accompanied with a robust sustainability strategy, Banco Promerica has taken proactive initiatives, starting with the development of an Environmental and Social Management system (ESMS) in 2013. The ESMS was robustly implemented and has been used to ensure clients meet all requirements. In 2020, FMO agreed on an Environmental and Social Action Plan, which required them to adopt FMO's [IFC Performance Standards](#). A year later, Banco Promerica had updated their E&S policy, and the revised ESMS was implemented in 2022.

In addition to being fully willing to comply with FMO's E&S requirements Banco Promerica is the first private El Salvadoran bank to be a signatory of the Principles for Responsible banking of the UN's Environmental Program, and the first bank to subscribe to both a USD 100 million Sustainable Bond Program in Local Stock Exchange, and the Women's Empowerment Principles of UN Women. In short, Banco Promerica shows a clear commitment to not only sustained growth, but also Corporate Social Responsibility.



The development of

Impact

	Branches	50
	Employees	1150

Financials

Total FMO loans	USD 20 mln
Totaal Fund part	USD 4 mln

“Having a customer-centric approach makes a real difference”



The Fund Manager

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The Investment Advisor

FMO Investment Management BV ('FMO IM') is a MiFID licensed Dutch investment firm and 100% subsidiary of the Dutch development bank FMO NV. FMO IM advises on the loan portfolio at the request of the Fund Manager. All loans offered to the fund have successfully completed the investment process of FMO and have thus been added to FMO's own loan portfolio.

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