

Banco de América Central, S.A - El Salvador

Client Impact



DEBrief



ABOUT BAC EL SALVADOR

Banco de América Central, S.A. - El Salvador (“BAC El Salvador”) is a financial institution subsidiary of the BAC Credomatic Financial Group which has been operating in Central America for more than 60 years. One of the largest financial institutions in the country, BAC El Salvador has a strong presence in personal financial services, as well as in the corporate and investment sectors, offering a variety of products tailored to customer needs.

BAC El Salvador is a benchmark in El Salvador related to financing for small and medium enterprises (SMEs) and women-led initiatives. Through its Promotion of Small and Medium Enterprises (PROPEMI) and “Mujer Acelera” programs, the bank specializes in offering financial products to both SMEs and women-led SMEs (WSMEs), as well as in providing tailored solutions, training, and business advice to clients to strengthen their business knowledge and skills.

Women employees:
58%

Number of trained
women:
2,245

GEOGRAPHIC FOCUS



SECTORS



VISION



A photograph of a business meeting. Several people are gathered around a wooden table, looking at documents and a laptop. One person is pointing at a document with a pen. The scene is brightly lit, suggesting a modern office environment. The text 'PARTNERING WITH BAC EL SALVADOR' is overlaid on the top left of the image.

PARTNERING WITH BAC EL SALVADOR

In 2020, IDB Invest provided a US\$60 million loan to foster the growth of BAC El Salvador's SME and WSME portfolios. In 2022, IDB Invest mobilized additional resources for the project through another US\$60 million loan.

As part of this project, and with support from the Women Entrepreneurs Finance Initiative (We-Fi), IDB Invest is offering a performance-based incentive to BAC El Salvador, whereby the interest rate may be reduced (up to \$450,000) based on the achievement of growth targets for its WSME loan portfolio. IDB Invest is also providing advisory services to strengthen BAC El Salvador's "Mujer Acelera" program, including carrying out a gender diagnostic of its financial solutions for women, developing a value proposition for women clients, and identifying opportunities to improve its financial and non-financial services for WSMEs. As a result, BAC El Salvador launched a new product, "Mujer Puedes +", which offers more appropriate conditions for financing WSMEs.

With this investment, IDB Invest contributes to gender equality, social development, and economic growth. In addition, IDB Invest is helping to promote entrepreneurship and enhance women's economic empowerment and leadership while addressing the barriers that constrain their economic activities in El Salvador.¹

¹ Despite their significant contributions to the economy and employment, the SME and WSME segments face credit restrictions and have limited access to complex financial products and services.

INVESTMENT SNAPSHOT

Sector	Region	Project Investment	Approval Date
Financial Markets	El Salvador	US\$120M	2020

From baselines to targets (2019 ⇒ 2025)

Number of SME loans outstanding	Value of SME loan portfolio outstanding
3,139 ⇒ 4,923	US\$233M ⇒ US\$435M
Number of WSME loans	Value of WSME loan portfolio
846 ⇒ 1,770	US\$63M ⇒ US\$124M



MEASURING DEVELOPMENT IMPACT

IDB Invest's [Impact Management Framework](#) is an end-to-end series of tools and practices covering the complete investment lifecycle. It allows us to build, measure, and manage a portfolio of financially sustainable investments that maximize development impact and contribute to reaching the Sustainable Development Goals (SDGs).

The SDGs are at the core of our approach. IDB Invest identifies the expected contributions of each investment to specific SDG targets upfront, and measures actual progress achieved over time.

BAC EL SALVADOR: DEVELOPMENT IMPACT RESULTS

5 GENDER EQUALITY



BAC El Salvador fosters gender equality and women's empowerment by promoting growth and increasing access to finance for WSMEs.

VALUE OF WSME LOAN PORTFOLIO (2022):
US\$82M

NUMBER OF WSME LOANS (2022):
1,070

PERCENTAGE OF WSME LOANS
IN THE SME PORTFOLIO (2022):
34.8%

8 DECENT WORK AND ECONOMIC GROWTH



BAC El Salvador encourages the growth of SMEs through access to financial services.

NUMBER OF SME LOANS (2022):
3,832

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



BAC El Salvador contributes to increasing SME access to financial services including affordable credit and integration into value chains and markets.

VALUE OF SME LOAN PORTFOLIO (2022):
US\$342M

BAC EL SALVADOR: DEVELOPMENT IMPACT RESULTS

10 REDUCED INEQUALITIES

BAC El Salvador increases funding for SMEs and WSMEs, boosting economic growth and promoting gender equality.

VALUE OF WSME LOAN PORTFOLIO (2022):
US\$82M

VALUE OF SME LOAN PORTFOLIO (2022):
US\$342M

SUCCESSFUL IMPLEMENTATION OF GENDER
ACTION PLAN (2022):
YES

17 PARTNERSHIPS FOR THE GOALS

BAC El Salvador mobilizes financial resources to support sustainable initiatives in developing countries.

RESOURCE MOBILIZATION AMOUNT (2022):
US\$80M



MEASURING & MANAGING IMPACT: BAC EL SALVADOR' DELTA IMPACT SCORE

DELTA Impact Score

The DELTA is IDB Invest's rating system for assessing the expected economic, social, and environmental impact of each investment. The **DELTA Impact Score*** is tracked and updated annually to monitor and benchmark investment performance.

BAC El Salvador's DELTA Impact Score reflects positive outcomes in terms of increasing the volume of financing for underserved SMEs and WSMEs, with the potential to contribute to economic development, gender equality, and women's empowerment.

The score also reflects the added value provided by IDB Invest's technical support to BAC El Salvador to strengthen its "Mujer Acelera" and "Mujer Puedes +" programs by designing a gender-based strategy for financial and non-financial products and services.

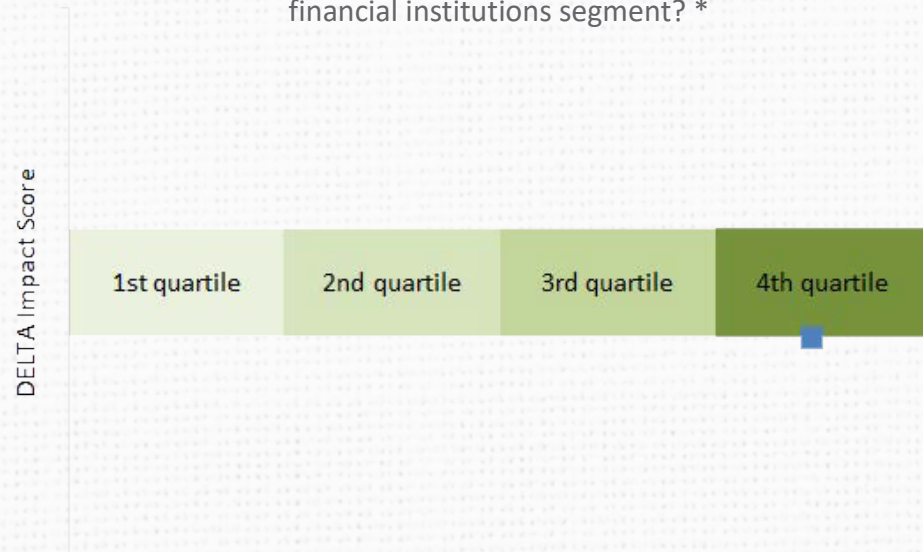
*To complement the DELTA Impact Score, IDB Invest calculates an Additionality Score to ensure that it provides financing beyond what is available in the market and that it contributes to better investment outcomes. The "DELTA Project Score" is the overall rating assigned to each project that encompasses both the DELTA Impact Score and the DELTA Additionality Score.

MEASURING & MANAGING IMPACT: BAC EL SALVADOR'S DELTA IMPACT SCORE

DELTA IMPACT SCORE



How does BAC El Salvador compare to other IDB Invest investments in the financial institutions segment? *



BUILDING BLOCKS OF THE DELTA IMPACT SCORE**



Economic Analysis

Estimates the net benefits of the investment to the economy and society (Economic & Social Rate of Return).



Stakeholder Analysis

Complements the Economic Analysis by assessing the types of beneficiaries reached and the type of benefits generated.



Sustainability

Ensures that the project is financially sustainable and meets IDB Invest's ESG requirements.

* Compared to the latest DELTA Impact Score of peers in IDB Invest's portfolio as of Q3 2022.

** To complement the DELTA Impact Score, IDB Invest computes an Additionality Score to ensure that it provides financing beyond what is available in the market and that it contributes to better investment outcomes. The DELTA Project Score is the overall score that encompasses both the DELTA Impact Score and the DELTA Additionality Score.

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Managing for impact is an ongoing process.
Let's continue the conversation.



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