

Green Bond Fact Sheet

Banco Pichincha		Date: 16/01/2019	
Issue date: 20-12-2019 Maturity date: 20-12-2024 Tenor: 5			
Issuer Name	Banco Pichincha SA (Ecuador)	Amount Issued	USD150m
Country of risk	Ecuador	CBI Database	Included
Issuer Type ¹	Financial Corporate	Bond Type	N/A
Green Bond Framework	N/A <i>(articles mention a framework but it was not found online)</i>	Second party opinion	N/A <i>(articles mention an SPO/assurance by Deloitte but it was not found online)</i>
Certification Standard	Not certified	Assurance report	N/A
Certification Verifier	N/A	Green bond rating	N/A
Use of Proceeds			
<input checked="" type="checkbox"/> Energy	<input type="checkbox"/> Solar <input type="checkbox"/> Onshore wind <input type="checkbox"/> Offshore wind <input type="checkbox"/> Geothermal <input type="checkbox"/> Hydro	<input type="checkbox"/> Tidal <input type="checkbox"/> Biofuels <input type="checkbox"/> Bioenergy <input type="checkbox"/> District heating <input type="checkbox"/> Electricity grid	<input type="checkbox"/> Energy storage <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Buildings	<input type="checkbox"/> Certified Buildings <input type="checkbox"/> HVAC systems <input type="checkbox"/> Energy performance	<input type="checkbox"/> Water performance <input type="checkbox"/> Energy storage/meters <input type="checkbox"/> Other energy related	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Transport	<input type="checkbox"/> Electric vehicles <input type="checkbox"/> Low emission vehicles <input type="checkbox"/> Bus rapid transit <input type="checkbox"/> Passenger trains <input type="checkbox"/> Urban rail	<input type="checkbox"/> Freight rolling stock <input type="checkbox"/> Coach / public bus <input type="checkbox"/> Bicycle infrastructure <input type="checkbox"/> Energy performance	<input type="checkbox"/> Transport logistics <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Water & wastewater	<input type="checkbox"/> Water distribution <input type="checkbox"/> Water treatment <input type="checkbox"/> Wastewater treatment <input type="checkbox"/> Water storage	<input type="checkbox"/> Storm water mgmt <input type="checkbox"/> Flood protection <input type="checkbox"/> Desalination plants <input type="checkbox"/> Erosion control <input type="checkbox"/> Energy performance	<input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience

<input checked="" type="checkbox"/> Waste management	<input type="checkbox"/> Recycling <input type="checkbox"/> Waste prevention <input type="checkbox"/> Pollution control <input type="checkbox"/> Landfill, energy capture <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure <input type="checkbox"/> Waste to energy <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Land use & agriculture	<input type="checkbox"/> Afforestation/parks <input type="checkbox"/> FSC Forestry <input type="checkbox"/> FSC Cellulose & paper <input type="checkbox"/> Land remediation <input type="checkbox"/> Energy/water efficiency <input type="checkbox"/> Sustainable agriculture <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Other	<input type="checkbox"/> Adaptation & resilience <input type="checkbox"/> ICT <input checked="" type="checkbox"/> Industry: process
Issue details	
Reporting	Different sources claim that “IDB Invest’s participation includes conceptual framework design and a second-party opinion verifying the bond” – if this is the case, reporting on the use of proceeds and likely on impacts should be expected. However, we have not been able to find either of these documents online.
Company information	Banco Pichincha is the largest private bank in Ecuador, both by market cap and number of depositors. It also has operations in other Spanish-speaking countries, including Colombia, Spain, Panama and Peru.
Firsts, records and certifications	First green bond from Ecuador. It was also the bond used to finance the greatest variety of projects in Latam in 2019.
Proceeds description	The proceeds will support projects with measurable environmental benefits, specifically related to energy efficiency, renewable energy, clean production, construction and sustainable transport and waste management. In addition, this issuance improves the supply of sustainable investment financial products in Ecuador’s capital market.
Climate Bonds view	<p>The addition of Ecuador to the list of countries with green bond markets is a welcome development –that is happening via a domestic bank is even more positive. Financial corporates have an enhanced ability to increase the visibility of green investment while funding projects in diverse sectors.</p> <p>It is also worth noting that the bank had previously issued a social bond (although in Peru), demonstrating its commitment to generating positive social/environmental impacts. In both cases, IDB Invest (the private arm of the LatAm-based Inter-American Development Bank) provided part of the financing and acted as an advisor to the bank.</p> <p>IDB, mainly through IDB Invest, is becoming increasingly active within the sustainable finance space in the region, including having its own support programme for public sector issuers. It announced a Green Bond Transparency Platform (Climate Bonds is one of the supporting entities to the Platform) with further rollout later in 2020. We expect IDB to continue supporting the regional market in various ways.</p> <p>Finally, Latin America faces a significant green infrastructure funding gap, more so than several other regions, while also being among the most vulnerable to the effects of climate change. The development of LatAm green finance markets is one of Climate Bonds 2020 priorities. 2019 was a very active year for the region in this context. We hope more good things will come in 2020!</p>
Underwriters	

Deal comments	
Credit Rating	AAA- (BankWatchRatings)
Pricing summary	
Investors summary	

¹ Issuer categories: ABS, development bank, financial corporate, government-backed entity, loan, local government, non-financial corporate, sovereign