

## PRODUCT UP-SCALING SUPPORT – FACTSHEET

<b>Product Up-scaling Support</b>	2018-06: Building capacity to strengthen access to housing microfinance in Ecuador – Banco Solidario
<b>Country / Region</b>	Ecuador
<b>Partner Financial Institution/s</b>	Banco Solidario del Ecuador
<b>Grantee</b>	Nadacia Habitat for Humanity International (NHFHI)
<b>Overall Budget</b>	CHF 121,400 (30% self-contribution)
<b>SCBF Contribution</b>	CHF 85,575 (70% co-funding)
<b>Date of Approval</b>	15.11.2017
<b>Duration</b>	2. 2018 – 1.2020
<b>Context</b>	<p>According to recent studies, Ecuador ranks on the 4<sup>th</sup> place in housing deficit in South America, meaning that 45% of 3.8 million homes are in an inadequate (36% qualitative and 9% quantitative deficits). Currently 35% of Ecuador's population lives in poverty and 59% in rural areas. Most housing loans are restricted to mortgages with an interest rate cap of 11% by regulation and limiting financial institutions to serve the needs of the base of the pyramid.</p>
<b>Current Status of the MFI</b>	<p>Banco Solidario has a strong presence in Ecuador with 269,196 clients in its portfolio (54.4% women). Geographically it is spread over 14 provinces with 54 branches in total. The bank has 124 payment locations and 44 ATMs. The percentage of individual loans equals 100%.</p> <p>Solidario is a leader of the microfinance sector with a 12% market share<sup>1</sup> and it is proud to have 60% exclusive clients' ratio. These achievements were reached thanks to a strong board of directors and a talented management team, which use strict risk-based approach throughout operations in order to have a good portfolio quality. In addition, Solidario tries to keep a balance between its social and financial objectives and that is why it also covers a comprehensive financial literacy and education programme.</p> <p>Banco Solidario is especially focused on the medium and medium-low class sectors and is currently searching for options to serve the lowest segments.</p>
<b>Objective and Main Activities</b>	<p>SCBF support will enable Banco Solidario to speed up the issuance of its "Other Asset Improvement" product to their clients. The outputs of the project will be mobile tools to support credit officers in selling housing microfinance (HMF) products, new marketing strategy and partnerships, training of loan officers, housing capital mobilized and monitoring and evaluation of the project.</p> <p>By the end of the project in January 2020, at least 1,794 families/clients will be able to access the improved HMF products and services. The expected outreach of the intervention is 4,000 families/clients with access to HMF and improved living conditions by December 2021. In addition, approximately USD 7,000,000 capital for home improvements will be leveraged.</p> <p>The project will provide training to at least 20 loan officers from Banco Solidario. Lastly, one of the main products will be an adjusted financial education programme and enhanced housing support services equipped with new digital tools (advisory materials and videos).</p>

<sup>1</sup> Source: MicroFinance Network