

 Early Warning System

IIC-11932-02

DPR Fedecredito



## Quick Facts

Countries	El Salvador
Financial Institutions	IDB Invest (IDBI)
Bank Risk Rating	FI
Voting Date	2017-11-29
Borrower	Fedecredito Remittance Funding Company
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 15.00 million
Loan Amount (USD)	\$ 15.00 million



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## Project Description

According to IIC website, the IIC's participation will consist of a US Dollar denominated note subscription to Fedecredito Remittance Funding Company Ltd. in an amount of up to US\$15 million. IFC and responsibility have already purchased US\$30 million in notes of this issuance. IIC's Note will have an individual maximum tenor of 7 years with a 2-year grace period. The proceeds of the Financing will be used to increase its lending activities for low-income housing and MSMEs.



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## Investment Description

- IDB Invest (IDBI)

The IIC's participation will consist of a US Dollar denominated note subscription to Fedecredito Remittance Funding Company Ltd. (the "Issuer") in an amount of up to US\$15 million (the "Note"). IFC and responsibility have already purchased US\$30 million in notes of this issuance. IIC's Note will have an individual maximum tenor of 7 years with a 2-year grace period (the "Financing").

## Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [Fedecredito de C.V.](#) (Financial Intermediary)



## Private Actors Description

Fedecredito was established in 1943 and its mission is to help develop an effective FDCS by providing its members with training and specialized technical services. The FDCS constitutes the largest network of financing service providers in El Salvador, present in 187 of the 262 municipalities of the country. Fedecredito only provides financing to their member entities. The CCs and BDTs funnel this funds into the local market. As of December 2016, the FDCS was the 5th largest lender in the country with a loan portfolio of US\$1.4 billion (market share of 11%), deposits of US\$740 million and more than 961k credit users serving mainly low-income families and MSMEs. FDCS' portfolio distribution is as follows: MSMEs 35%; consumer loans 53% and housing 12%



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## Contact Information

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## ACCOUNTABILITY MECHANISM OF IIC

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IIC)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IIC is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to [MICI@iadb.org](mailto:MICI@iadb.org). You can learn more about the MICI and how to file a complaint at <http://www.iadb.org/en/mici/mici,1752.html> (in English) or <http://www.iadb.org/es/mici/mici,1752.html> (Spanish).