

 Early Warning System

FMO-63573

Accial Capital Fund 1 LLC



Quick Facts

Specific Location	Latin America and Southeast Asia
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-09-13
Borrower	Accial Capital Fund 1 LLC
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 10.00 million
Project Cost (USD)	\$ 150.00 million



Project Description

According to the Bank's website, FMO provides a USD 20mln (USD 10mln committed and USD 10mln uncommitted) 4-year senior unsecured loan to ACF1. FMO's loan proceeds are directed to supporting women and youth-owned/led micro, small, and medium-sized enterprises ("MSMEs") as well as Green loans in FMO-eligible sectors and countries from Latin America and Southeast Asia.

FMO's funding will allow ACF1 to scale further its impact in the fast-growing alternative finance / digital lending sector, on-lending borrowers who are currently underserved by traditional lenders. The debt fund reaches clients that FMO cannot target directly because they are too small or require specialized knowledge. The Fund measures its performance against the SDGs and is aligned with the 2X Challenge. It specifically targets women entrepreneurs, and a significant percentage of their borrowers are young entrepreneurs due to the innovative profile of the loan originators. This group would otherwise struggle with accessing finance in the traditional financial system.



Early Warning System Project Analysis

ACF1 has been classified with environmental and social ("E&S") Category B. While the ACF1 portfolio does not include high-risk activities nor bank financing with high-risk activities, there is significant exposure to SMEs, and two of the lenders in their portfolio could be E&S risk categorized as B (average loan size exceeding USD 25,000 and a tenor of over 1 year). Top exposures include 30% commerce (retail), and 32% is classified as unreported, which likely contains a high percentage of diversified commerce given the business focus of the fintech lenders.



Investment Description

- Netherlands Development Finance Company (FMO)

A USD 20mln (USD 10mln committed and USD 10mln uncommitted) 4-year senior unsecured loan.

The target fund size is USD 150mln.



Private Actors Description

Accial Capital Fund 1 LLC is a debt fund focused on providing growth capital to technology-enabled lenders active in Latin America and Southeast Asia. The fund is closed-end with an investment period covering November 2018 – December 2026 and a maturity date in December 2027. The target fund size is USD 150mln, and total assets amount to USD 76mln by 31 December 2023. The Fund is managed by *Accial Capital Management*, an impact-focused investor in asset-backed fintech lending portfolios in emerging markets. Per 2023 year-end, ACF1 financed the disbursement of 1.4mln loans with a volume of USD 650mln through its portfolio clients.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Accial Capital	Parent Company	-



Contact Information

No contacts available at the time of disclosure.

ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@fmo.nl

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW). A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: <https://www.fmo.nl/independent-complaints-mechanism>