

Early Warning System

IDBI-14737-01

LAC Fintech Debt Fund

Quick Facts

Financial Institutions	IDB Invest (IDBI)
Status	Active
Bank Risk Rating	B
Voting Date	2024-10-30
Borrower	Victory Park Capital Fund II (VPC II)
Sectors	Finance
Investment Type(s)	Fund
Investment Amount (USD)	$ 50.00 million
Loan Amount (USD)	$ 50.00 million

Project Description

According to the bank, the IDB Invest is proposing an anchor investment of up to US$50 million as a limited partner in VPC Investor Fund W, L.P. (the "Fund"), a debt fund incorporated under the laws of Delaware. The Fund's strategy is to provide tailor-made and secured financial structures to Technology-Based Financial Institutions ("Fintechs") across Latin America and the Caribbean ("LAC"). With a target size of US$100 million, the Fund will be structured to mobilize additional US$230 million of investment capital from Victory Park Capital Advisors, LLC ("VPC" or the "Fund Manager") investor base. Therefore, creating a US$330 million Fintech Credit Facility ("FCF") to support the development of the Fintech ecosystem in LAC.

With this second transaction with VPC, IDB Invest will not only be supporting one of the leading global alternative investment firms to further expand its operations into the region, but will also promote the development and consolidation of a new and much needed asset class in the market. The Fund will provide flexible debt solutions to Fintechs, currently rarely available in LAC. Supporting increased access to finance to Micro, Small, and Medium-Sized Enterprises ("MSMEs").

Investment Description

- IDB Invest (IDBI)

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.

- Victory Park Capital Advisors, LLC (Financial Intermediary)

Private Actors Description

According to the IDB Invest, The Fund will be managed by VPC, an independent investing firm, founded in 2007, with more than US$10 billion of capital invested since inception and an established track record in Fintech debt solutions.

Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://www.iadb.org/en/access-information/information-request

ACCOUNTABILITY MECHANISM OF IDB / IDB INVEST

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 (IDB Invest)-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 IDB Invest 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. 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).

Bank Documents

- VICTORY PARK CAPITAL INVESTOR FUND - LAC FINTECH DEBT FUND -14737-01 - RG - ENVIRONMENTAL AND SOCIAL [Original Source]