Early Warning System

IFC-37519

Kreditech

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Quick Facts

Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	C
Voting Date	2016-01-04
Borrower	Kreditech Holding SSL GmbH
Sectors	Finance
Investment Type(s)	Equity
Investment Amount (USD)	$ 10.80 million
Project Cost (USD)	$ 108.02 million

Project Description

This project finances an equity investment in Kreditech Holding SSL GmbH, an online, technology-enabled consumer lending platform based in Hamburg, Germany that uses predictive data analytics and a machine learning algorithm to assess the creditworthiness of consumers without an existing credit bureau score, in order to extend credit to those who do not have access to traditional financing options.

Investment Description

- International Finance Corporation (IFC)

Kreditech is seeking to raise up to EUR 100 million of equity capital to fund operations and expansion into other emerging market countries. IFC is considering an investment of up to EUR 10 million in the Series C equity round.The project sponsors are Alexander Graubner-Mueller (Co-Founder & CEO) and Sebastian Diemer (Co-Founder), who co-founded the Company in 2012. Alexander was originally the Company's CTO. He is a software engineer, with previous experience as CTO of Rocket Internet's South East Asia operations. Prior to that, he was an algorithm-trading and financial engineer at LGT Capital. Sebastian is the ex-CEO of Kreditech, who continues to hold a Board Observer seat, but no longer has an active management role. Additional key shareholders include J.C. Flowers, a New-York headquartered financial services focused private equity fund; Varde, a Minnesota headquartered global alternative investment firm; Blumberg Capital, a San Francisco headquartered venture capital fund focused on early-stage opportunities in the technology sector; and HPE Growth Capital, an Amsterdam headquartered growth private equity fund focused on the technology sector.

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.

- Kreditech Holding SSL GmbH (Financial Intermediary)

Private Actors Description

Kreditech is an online, technology-enabled consumer lending platform based in Hamburg, Germany. The Company uses predictive data analytics and a machine learning algorithm to assess the creditworthiness of consumers without an existing credit bureau score, in order to extend credit to those who do not have access to traditional financing options. Kreditech currently extends loans to consumers primarily in Poland, Spain, Czech Republic, Russia, and Mexico.

Contact Information

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/