

 Early Warning System

IFC-39749

Konfio B



## Quick Facts

Countries	Mexico
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	FI
Voting Date	2017-08-04
Borrower	KONFIO LIMITED
Sectors	Finance
Investment Type(s)	Equity
Investment Amount (USD)	\$ 6.00 million
Project Cost (USD)	\$ 6.00 million



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## Project Description

From the IFC:

Konfio is an online lending platform for Micro, Small and Medium Enterprises (“MSMEs”) in Mexico founded in 2013 to address the lack of credit for the vast creditworthy but underserved entrepreneurial segment in Mexico. Konfio has developed an algorithm to underwrite unsecured working capital loans in a fraction of the time and cost of traditional lenders, at competitive rates but with greater convenience for the customer. IFC is considering a debt and equity investment in Konfio, which will be used to finance the Company’s continued expansion. The Project aligns with IFC’s contribution to the WBG goals by addressing gaps to financial services through the use of financial technology.

Currently Konfio offers only small unsecured medium term working capital loans but the company is planning to expand its offerings to larger and longer term loans for its repeat customers. The risk of these activities is considered low and as such this project has been classified as category FI-3 according to the IFC Environmental and Social Review Procedure.



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## Investment Description

- International Finance Corporation (IFC)

Konfio is raising debt and equity investment to finance (i) customer acquisition costs; (ii) continued growth in underwriting (complemented by debt facility) and (iii) investment in product offering expansion.

The IFC's proposed project consists of \$3 million equity and \$3 million debt investment to Konfio, who is offering short and medium term working capital loans to formal micro and small enterprises in Mexico.

Konfio also has four institutional investors; QED Investors, Kaszek Ventures, Quona Capital, and Jaguar Ventures. QED Investors is a direct investment fund, set up by one of the co-founders of Capital One, which is focused on high-growth companies that leverage data strategies in FinTech and has made early stage investments in many online lending businesses such as Credit Karma, ClearScore, SoFi and Prosper. Kaszek is a VC fund of the founders of MercadoLibre with extensive experience in investing in high-impact technology-based companies with a main focus in Latin America. Jaguar is an early stage Latin American VC firm focused on internet based ventures while Quona Capital manages the Accion Frontier Inclusion Fund, a global fintech fund that invests in innovative financial technology and services companies that promote financial inclusion around the world.

## 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.

- [Konfio Limited](#) (Financial Intermediary)



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## Private Actors Description

Konfio is an online lending platform for Micro, Small and Medium Enterprises in Mexico founded in 2013 to address the lack of credit for the vast creditworthy but underserved entrepreneurial segment in Mexico. Konfio has developed an algorithm to underwrite unsecured working capital loans in a fraction of the time and cost of traditional lenders, at competitive rates but with greater convenience for the customer.

The Founders are the majority shareholders in the Company. Konfio also has four institutional investors; QED Investors, Kaszek Ventures, Quona Capital, and Jaguar Ventures. QED Investors is a direct investment fund, set up by one of the co-founders of Capital One, which is focused on high-growth companies that leverage data strategies in FinTech and has made early stage investments in many online lending businesses such as Credit Karma, ClearScore, SoFi and Prosper. Kaszek is a VC fund of the founders of MercadoLibre with extensive experience in investing in high-impact technology-based companies with a main focus in Latin America. Jaguar is an early stage Latin American VC firm focused on internet based ventures while Quona Capital manages the Accion Frontier Inclusion Fund, a global fintech fund that invests in innovative financial technology and services companies that promote financial inclusion around the world.



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## 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](mailto:CAO@worldbankgroup.org). You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>