Early Warning System

IFC-40113

LAFISE SA

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Quick Facts

Countries	Nicaragua
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2017-12-29
Borrower	Lafise Group-Panama Inc
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Loan Amount (USD)	$ 50.00 million

Project Description

From the IFC: The Project will provide to Lafise Bancentro (“Bancentro” or the “Bank”) a 7-year loan for small and medium enterprises (“SMEs”) and low and middle income home owners; and a 10-year subordinated debt to strengthen the Bank’s capital base, as well as fund Climate Smart projects. IFC's support will enable Lafise to expand the scale of its lending, by increasing the amount of SME and housing loans granted by them. This in turn is expected to have a threefold impact: an increase in affordable housing, credit for SMEs and Climate Smart projects.

Investment Description

- International Finance Corporation (IFC)

The proposed IFC total investment in Lafise Bancentro includes: US$50 million for IFC's own account comprised of a US$30 million senior loan and a US$20 million subordinated loan. IFC will also seek to mobilize up to US$50 million.

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.

- LAFISE Group (Financial Intermediary)
- Lafise Group-Panama Inc (Financial Intermediary) **is owned by** Grupo LAFISE (Parent Company)

Private Actor Relationship

There is often limited information publicly available about what development banks are funding through financial intermediaries. In 2021, the Early Warning System partnered with Oxfam International to incorporate information on high-risk projects being funded by financial intermediaries receiving funding from the International Finance Corporation (IFC) and the Dutch Development Bank (FMO).

The information listed below describes the relationship between the different private actors linked to high-risk sectors and subprojects of IFC and FMO's financial intermediary investments and/or the financial intermediary's parent companies made from 2017 through 2020, including any associated ring fences.

The database, however, does not explicitly or implicitly imply that IFC or FMO have material exposure to or are contractually or legally accountable to the sub-projects financed by their financial intermediaries or the financial intermediary's parent companies. It only shows a seemingly financial relationship among the different private actors, the financial intermediaries, and IFC or FMO.

Private Actors Description

According to the IFC, LAFISE Bancentro is the largest banking subsidiary of LAFISE Group (“LAFG” or the “Group”). It is the second largest bank in Nicaragua in terms of assets with a 24% market share.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Grupo LAFISE	Investor	Finance	invests in	Aeropuertos Dominicanos Siglo	Client	Transport
Grupo LAFISE	Investor	Finance	invests in	Vinci SA	Parent Company	Transport
Vinci SA	Parent Company	Transport	owns	Aeropuertos Dominicanos Siglo	Client	Transport

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/