Early Warning System

IFC-40295

Los Heroes CL

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Quick Facts

Countries	Chile
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	C
Voting Date	2018-02-15
Borrower	CAJA DE COMPENSACION DE ASIGNACION FAMILIAR LOS HEROES
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 50.00 million
Project Cost (USD)	$ 50.00 million

Project Description

The proposed project consists of an up to US$50 million facility to be committed in two tranches, in unidades de fomento ("UF", Chilean inflation-indexed currency) or Chilean Pesos equivalent to Caja de Compensacion de Asignacion Familiar Los Heroes ("Caja Los Heroes", "Los Heroes" or the "Company"), to support the Company's social credit lending program focused on low-income individuals underserved by the traditional financial system in Chile.

Founded in 1955, Caja Los Heroes is a non-profit organization. It is the third largest Caja de Compensacion in Chile with 15% market share and serving nearly 1 million members. Headquartered in Santiago, Los Heroes has the largest branch network in the Cajas industry across the 15 Chilean regions. Leveraging on this structure, Caja Los Heroes has 3 main pillars: (i) transactional business: distributing several social security benefits for the Chilean government and as required by law; (ii) social financial products: fostering financial inclusion in Chile by offering affordable financial products to mainly underserved segments of the population (low income workers and retirees); and (iii) additional social benefits: providing social benefits to their members with a focus on health and wellbeing but also education, entertainment and social initiatives.

Investment Description

- International Finance Corporation (IFC)

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.

- Caja de Compensacion de Asignacion Familiar Los Heroes (Financial Intermediary)

Private Actors Description

Caja de Compensación de Asignación Familiar Los Héroes engages in the provision of social security services and related activities in Chile. It operates in two segments, Social Welfare and Others, and Financial Social Contributions. The company also provides loans for social and health-related needs; credit for higher education; mortgage loans; insurance; savings account for residential lease; cash awards; discounts and promotions for health services; free dental services; discounts in the purchase of medicines; emergency assistance rooms; elderly assistance phone services; free entrance to concerts and events; online portal for members; and payment collection and compensation services.

Contact Information

For Inquiries About the Project, Contact:
Caja de Compensacion de Asignacion Familiar Los Heroes
Jorge Oliva
CFO
+562 29648187
jolivam@losheroes.cl
Av. Holanda 100
www.losheroes.cl

For Inquiries and Comments About IFC, Contact:
General IFC Inquiries
IFC Communications
2121 Pennsylvania Avenue, NW
Washington DC 20433
Telephone: 202-473-3800
Fax: 202-974-4384

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/