Early Warning System

IFC-40408

Sabadell Mex

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Quick Facts

Countries	Mexico
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2018-10-01
Borrower	SABADELL CAPITAL, S.A. DE C.V., SOFOM, E.N.R.
Sectors	Finance
Ring Fence	No Restrictions
Investment Type(s)	Loan
Investment Amount (USD)	$ 100.00 million
Loan Amount (USD)	$ 100.00 million

Project Description

According to the International Finance Corporation, this project consists in a Senior Secured Loan, a loan takes priority over other loans in repayment, to SabCapital S.A. de C.V., SOFOM, E.R. The loan will be used to grow its tourism (hotels) and green buildings portfolios in Mexico. The proposed project will support the entrance of Banco de Sabadell S.A. (Spain), through SabCapital, as a new participant in the Mexican financial system. The loan will be fully guaranteed by Sabadell Spain.

Early Warning System Project Analysis

The International Finance Corporation has rated the project as FI-2, which according to their documents corresponds with a medium risk or category B project. It gives the following explanation for their rating:

This project has been categorized as FI-2 in accordance with IFC's Policy on Environmental and Social Sustainability based on the risk of the portfolio to which IFC will be exposed. As of March 2018, SabCapital lending to hotels represented 17.5% of their total loan portfolio. Most of SabCapital's hotel portfolio includes projects with potential limited adverse environmental or social (E&S) risks or impacts that can be readily addressed through mitigation measures. However, some hotels might be in environmentally and culturally sensitive areas, and require additional mitigation measures. As part of IFC's financing, SabCapital will be required to screen all its commercial loans against IFC Exclusion List, and to verify that loans to hotels and green buildings comply with the applicable E&S laws and, when applicable, with IFC Performance Standards.

People Affected By This Project

The International Finance Corporation says that the project will have the following impacts:

(i) Competitiveness: In the highly concentrated banking system in Mexico, the entrance of Sabadell Spain is expected to help foster higher competition in the corporate banking and project finance space, particularly in tourism (hotels) and green investments.
(ii) Sustainability: The project will contribute on the development of sustainable finance in Mexico, with a special focus on tourism (hotels) and green buildings.

Additionally, the key potential environmental and social risks that the Corporation has identified are listed below:
(i) worker's health and safety during construction

(ii) conversion of and impacts to critical natural habitat

(iii) unfair working conditions in the hospitality industry

(iv) life and fire safety in buildings accessed by the public.

Investment Description

- International Finance Corporation (IFC)

The investment will be in the form of a Senior Secured Loan.

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.

- Sabadell Capital S.A. de C.v. SOFOM, S.A.U. (Financial Intermediary)
- BANCO SABADELL S.A. INSTITUCION DE BANCA MULTIPLE (Financial Intermediary) **is owned by** Banco de Sabadell (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.

An extended list of private actors is available in a separate file.

Private Actors Description

The International Finance Corporation lists the following description for the private actors involved in this project:

Sponsor: Sabadell Spain is the 4th largest Spanish financial institution, operating mainly in Spain, UK and the Americas. The group is listed in the IBEX 35 stock market in Spain.

Partner: SabCapital is a fully owned subsidiary of Sabadell Spain. It started operations in Mexico in April 2014 as a SOFOM, a non-bank financial institution (non-deposit taking), focusing on corporate lending in sectors such as tourism, real estate, energy, industry, among others.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Banco de Sabadell SA	Parent Company	-
-	-	-	-	Banco de Sabadell SA	Investor	-
8minutenergy Renewables LLC	Parent Company	Energy	owns	CD Clean Energy &	Client	Energy
ACS	Parent Company	Construction	owns	Dragados SA	Client	Construction
Al-Fanar Coml Invest Co	Parent Company	Energy	owns	Alfanar Wind Farms	Client	Energy
Alupar Investimento	Parent Company	Energy	owns	Nueva Esperanza - La Virginia Transmission Line (125KM) PPP	Client	Energy
Apollon Holding AS	Parent Company	Construction	owns	Verallia France SA	Client	Construction
Ardo Coordination Center NV	Parent Company	Agriculture and Forestry	owns	Congelados De Navarra SA	Client	Agriculture and Forestry
Avant Energy S. De Rl De Cv	Parent Company	Energy	owns	Fuerza Y Energia Limpia De	Client	Energy
Banco de Sabadell	Investor	Finance	invests in	8minutenergy Renewables LLC	Parent Company	Energy
Banco de Sabadell	Investor	Finance	invests in	Abelan Board & Pkg Solutions	Parent Company	Industry and Trade
Banco de Sabadell	Investor	Finance	invests in	Abengoa Abenewco 1 SAU	Parent Company	Energy
Banco de Sabadell	Investor	Finance	invests in	Abengoa Abenewco 2 SAU	Parent Company	Construction
Banco de Sabadell	Investor	Finance	invests in	Abertis Infraestructuras SA	Parent Company	Transport
Banco de Sabadell	Investor	Finance	invests in	Acciona SA	Parent Company	Transport
Banco de Sabadell	Investor	Finance	invests in	Acek Desarrollo y Gestion	Parent Company	Construction
Banco de Sabadell	Investor	Finance	invests in	Acoustics & Insulation	Parent Company	Construction
Banco de Sabadell	Investor	Finance	invests in	ACS	Parent Company	Construction
Banco de Sabadell	Investor	Finance	invests in	ACS	Parent Company	Transport
Banco de Sabadell	Investor	Finance	invests in	Adveo Group International SA	Parent Company	Agriculture and Forestry

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Banco de Sabadell	Investor	Finance	invests in	AECOM	Parent Company	Construction
Banco de Sabadell	Investor	Finance	invests in	Afortunadas Shipping Ltd	Parent Company	Transport
Banco de Sabadell	Investor	Finance	invests in	Africana Energia SL	Parent Company	Energy
Banco de Sabadell	Investor	Finance	invests in	Agencia Guipuzcoana de	Parent Company	Transport
Banco de Sabadell	Investor	Finance	invests in	Al-Fanar Coml Invest Co	Parent Company	Energy
Banco de Sabadell	Investor	Finance	invests in	Aldesa Agrupacion Empresarial	Parent Company	Construction
Banco de Sabadell	Investor	Finance	invests in	Aldesa Construcciones SA	Parent Company	Construction
Banco de Sabadell	Investor	Finance	invests in	Alfa SAB de CV	Parent Company	Industry and Trade
Banco de Sabadell	Investor	Finance	invests in	Almacenes Metalurgicos SA	Parent Company	Mining
Banco de Sabadell	Investor	Finance	invests in	Alposol Fotovoltaica Slu	Parent Company	Energy
Banco de Sabadell	Investor	Finance	invests in	Altan Pharma Spain SLU	Parent Company	Education and Health
Banco de Sabadell	Investor	Finance	invests in	Amcor Ltd	Parent Company	Industry and Trade
Banco de Sabadell	Investor	Finance	invests in	American Tower Corp	Parent Company	Infrastructure
Banco de Sabadell	Investor	Finance	invests in	AMETEK Inc	Parent Company	Energy
Banco de Sabadell	Investor	Finance	invests in	Ancient Baths Group SL	Parent Company	Industry and Trade
Banco de Sabadell	Investor	Finance	invests in	Anheuser-Busch Inbev SA/NV	Parent Company	Agriculture and Forestry
Banco de Sabadell	Investor	Finance	invests in	Apollon Holding AS	Parent Company	Construction
Banco de Sabadell	Investor	Finance	invests in	Apoyo y Logistica Ind Canarias	Parent Company	Transport
Banco de Sabadell	Investor	Finance	invests in	Applegreen PLC	Parent Company	Mining
Banco de Sabadell	Investor	Finance	invests in	ArcelorMittal SA	Parent Company	Mining

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Banco de Sabadell	Investor	Finance	invests in	Ardo Coordination Center NV	Parent Company	Agriculture and Forestry
Banco de Sabadell	Investor	Finance	invests in	Argan SA	Parent Company	Industry and Trade
Banco de Sabadell	Investor	Finance	invests in	Arlington Valley Solar Energy	Parent Company	Energy
Banco de Sabadell	Investor	Finance	invests in	ARTECHE LANTEGI ELKARTEA SA	Parent Company	Energy
Banco de Sabadell	Investor	Finance	invests in	Asset Energia Solar	Parent Company	Energy
Banco de Sabadell	Investor	Finance	invests in	Astilleros de Murueta SA	Parent Company	Transport
Banco de Sabadell	Investor	Finance	invests in	Aten Oil	Parent Company	Construction
Banco de Sabadell	Investor	Finance	invests in	Avant Energy S. De Rl De Cv	Parent Company	Energy
BANKINTER SA	Parent Company	Energy	owns	Solucia Renovables 1 Sl	Client	Energy
Baywa Re Solar Systems	Parent Company	Energy	owns	Fern Solar LLC	Client	Energy
Belltown Power Ltd	Parent Company	Energy	owns	Tirgwynt Onshore Wind Farm	Client	Energy
Bid Corp Ltd	Parent Company	Agriculture and Forestry	owns	Guzman Gastronomia SL	Client	Agriculture and Forestry
Caithness Energy LLC	Parent Company	Energy	owns	Guernsey Power Stn Llc	Client	Energy
Cemex SAB de CV	Parent Company	Construction	owns	Cia Valenciana de Cementos	Client	Construction
Crowind S.L.	Parent Company	Energy	owns	Eolia Windco SLU	Client	Energy
Cubico Sustainable Invests Ltd	Parent Company	Energy	owns	Project Fortitude	Client	Energy
Duke Energy Corp	Parent Company	Energy	owns	Green Frontier Windpower LLC	Client	Energy
Elecnor	Parent Company	Energy	owns	Elecnor Refinancing 2017	Client	Energy
Engie SA	Parent Company	Energy	owns	Monet	Client	Energy
Eolia Renovables de	Parent Company	Energy	owns	Explotaciones Eolicas Sierra	Client	Energy

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Eurocom Holdings (1979) Ltd	Parent Company	Energy	owns	Generacion Eolica Castilla La	Client	Energy
First Solar Inc	Parent Company	Communications	owns	Cal Flats Solar InvestCo LLC	Client	Communications
Fri-El Green Power SpA	Parent Company	Energy	owns	Alerion Wind Acq	Client	Energy
Greenalia SA	Parent Company	Energy	owns	Greenalia Wind Power Eolo Moc	Client	Energy
Grupo Argos SA	Parent Company	Construction	owns	Argos N America Corp	Client	Construction
Grupo Bio Pappel SA de CV	Parent Company	Agriculture and Forestry	owns	Bio Pappel SAB de CV	Client	Agriculture and Forestry
Grupo Energia Bogota SA ESP	Parent Company	Energy	owns	Transcogas Peru SAC	Client	Energy
Grupo Enhol	Parent Company	Energy	owns	Eolica Ablitas	Client	Energy
Grupo Siro Corporativo SL	Parent Company	Agriculture and Forestry	owns	Cerealto Siro Foods SL	Client	Agriculture and Forestry
Inmobiliaria Carso SA de CV	Parent Company	Construction	owns	Azincourt Investment	Client	Construction
Inmobiliaria Carso SA de CV	Parent Company	Construction	owns	FCC	Client	Construction
Invenergy	Parent Company	Energy	owns	Altamira I Trigeneration Plant (18MW)	Client	Energy
KKR & Co Inc	Parent Company	Energy	owns	X-Elio Solar Portfolio	Client	Energy
Koc Holding AS	Parent Company	Finance	owns	Yapi ve Kredi Bankasi AS	Client	Finance
Kuwait Investment Authority	Parent Company	Energy	owns	Global Power Generation SA	Client	Energy
Laboratorios Sanfer SA de CV	Parent Company	Education and Health	owns	Invekra SAPI de CV	Client	Education and Health
Madrilena Red de Gas	Parent Company	Energy	owns	Madrilena Red de Gas Eurobond Facility 2017	Client	Energy
Meridia Capital Partners SGEIC	Parent Company	Agriculture and Forestry	owns	Sosa Ingredientes SL	Client	Agriculture and Forestry
Minerva Capital SL	Parent Company	Communications	owns	PREMO Corp SL	Client	Communications
Nueva Composan SA	Parent Company	Construction	owns	Asfaltos Chova	Client	Construction

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Obrascon Huarte Lain	Parent Company	Energy	owns	Obrascon Huarte Lain (OHL) Additional Facility 2017	Client	Energy
Olmedilla Energia Solar SL	Parent Company	Energy	owns	Olmedilla Hive SL	Client	Energy
Opdenergy SA	Parent Company	Energy	owns	Opde Andalucia 1	Client	Energy
Opdenergy SA	Parent Company	Energy	owns	Opde Extremadura 2	Client	Energy
Optrom Inc	Parent Company	Energy	owns	Carraig Gheal Windfarm	Client	Energy
Peoples Republic of China	Parent Company	Construction	owns	Aeronaval de Construcciones	Client	Construction
Pescanova SA	Parent Company	Agriculture and Forestry	owns	Nueva Pescanova SL	Client	Agriculture and Forestry
Portobello Capital SL	Parent Company	Agriculture and Forestry	owns	Angulas Aguinaga SA	Client	Agriculture and Forestry
Realza Capital SGECR SA	Parent Company	Construction	owns	Industrias Dolz SA	Client	Construction
Renovalia Solar SL	Parent Company	Energy	owns	Ciudad Real Merchant Solar	Client	Energy
SPIE SA SPV	Parent Company	Construction	owns	Spie SA	Client	Construction
SSE PLC	Parent Company	Energy	owns	WTI Ferrybridge Ltd	Client	Energy
Tenaga Nasional Bhd	Parent Company	Energy	owns	Vortex Solar UK Ltd	Client	Energy
The Carlyle Group LP	Parent Company	Agriculture and Forestry	owns	Grupo Empresarial Palacios	Client	Agriculture and Forestry
The Cranemere Group Ltd	Parent Company	Construction	owns	Construplas SL	Client	Construction
The DE Shaw & Co LP	Parent Company	Energy	owns	Desri Lkv Solar Financing LLC	Client	Energy
The DE Shaw & Co LP	Parent Company	Energy	owns	Red Horse Wind 2 LLC	Client	Energy
Viking Consortium Holdings Ltd	Parent Company	Energy	owns	Belvedere Waste-to-Energy	Client	Energy
Vivimed Labs Ltd	Parent Company	Education and Health	owns	Uquifa	Client	Education and Health
Vivimed Labs Ltd	Parent Company	Education and Health	owns	Vivimed Labs Spain SL	Client	Education and Health

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Yantai Chang Yu Group Co Ltd	Parent Company	Agriculture and Forestry	owns	Hacienda y Vinedos Marques	Client	Agriculture and Forestry

Contact Information

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/