Early Warning System

IDBI-12582-01

Banpro DPR - Supporting middle-sized agroindustry producers in Nicaragua

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Quick Facts

Countries	Nicaragua
Financial Institutions	IDB Invest (IDBI)
Status	Proposed
Bank Risk Rating	B
Voting Date	2019-06-17
Borrower	Banco de la Produccion, S.A.
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 40.00 million
Project Cost (USD)	$ 150.00 million

Banpro DPR - Supporting middle-sized agroindustry producers in Nicaragua

Project Description

The objective of this transaction is to increase access to financing for small and medium sized agroindustry producers in Nicaragua. Banco de la Produccion, S.A. ("Banpro") will create its Diversified Payments Rights Program (the "DRP Program") and make an issuance of up to US$150 million. IDB Invest will purchase up to US$40 million in debt instruments under the Program with a tenor of up to 5 years including one year of grace period with a potential extension of up to 2 years. It is expected that the IDB Group will purchase up to US$27 million, and that the China Co-Financing Banco de la Produccion, S.A. Fund for Latin America and the Caribbean - a fund under IDB's administration - will purchase up to US$13 million. Under the DPR Program, Banpro (the "Sponsor") will sell all its rights over its existing and future Diversified Payment Rights ("DPR") to a Cayman Island Vehicle, NIC FLOWS SPV, Ltd., (the "SPV"). The proceeds from the DPR Program will be channeled by the SPV to Banpro as a payment for the DPRs sold.

Investment Description

- IDB Invest (IDBI)

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.

- Banco de la Producción, S.A. Nicaragua (Financial Intermediary)

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