

 Early Warning System

IFC-40637

Altum Capital



Quick Facts

Countries	Mexico
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	FI
Voting Date	2018-04-16
Borrower	ALTUM CP, S.A.P.I. DE C.V. SOFOM E.N.R.
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 51.00 million
Loan Amount (USD)	\$ 51.00 million
Project Cost (USD)	\$ 51.00 million



Project Description

According to the International Finance Corporation, the project consists of two senior secured loans to Altum and Lynx. The project will:

- (i) offer alternative sources of long-term financing to non-bank financial institutions Non-Bank Financial Institutions (NBFI) which will on-lend to Micro, Small and Medium-Sized Enterprises
- (ii) result in an increase in competitive pressures that affect the market by improving the operating standards of NBFIs
- (iii) promote greater deepening of the local capital market through replicable instruments such as Capital Development Certificates (CKDs per their Spanish acronym) and private debt funds.



Early Warning System Project Analysis

The International Finance Corporation has put this project in the environmental and social category FI-2 which corresponds to a bank risk rating of B or medium risk.

The IFC offers the following explanation for its risk rating: "The proposed investment will support two debt funds providing direct loans to Micro, Small, and Medium-Sized Enterprises (MSMEs) as well as loans to financial institutions on-lending to MSMEs and housing. Given the Fund's investment strategy, the E&S impacts of its portfolio are considered to be medium and therefore this project has been categorized as FI-2 according to the IFC's Sustainability Policy. As part of the IFC project, the Fund will be required to assess the potential investments against the IFC Exclusion List, host country laws and the applicable provisions of the 2012 Performance Standards."



Investment Description

The proposed International Finance Corporation (IFC) investment from IFC's own account is in the form of two 3-year senior secured loans for a total of up to MXN 950 million (US\$51 million) to AltumCP and Lynx.

- International Finance Corporation (IFC)

Private Actors

- [Altum Capital Management](#) -- Financial Intermediary
- Legorreta Gómez y Asociados, S.R.L. -- Fund Manager

According to the International Finance Corporation, LG&A, the Fund Manager, was founded in 2014 by a group of banking and financial sector professionals with the purpose of developing a senior secured strategy into an asset class for private and institutional investors.

LG&A launched the Altum Fund in 2014 with the purpose of providing debt to: (i) non-bank financial institutions ("NBFIs"), who in turn, on-lend to micro, small, and medium size enterprises ("MSMEs") and individuals in Mexico; and (ii) medium size enterprises.

Altum's current investors are local and foreign individuals and institutional investors.



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/>