

 Early Warning System

IFC-35963

ACLEDA Group loan



Quick Facts

Countries	Cambodia
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2015-02-20
Borrower	ACLEDA BANK PLC.
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 40.00 million
Loan Amount (USD)	\$ 40.00 million
Project Cost (USD)	\$ 60.00 million



Project Description

According to IFC website, the proposed investment to ACLEDA Group consists of: (i) an up to US\$ 110 million senior loan to ACLEDA Bank Plc., (ii) a guarantee for a US\$ 8 million equivalent local currency senior loan to ACLEDA Bank Lao Ltd., and (iii) an up to US\$ 6 million equivalent local currency senior loan to ACLEDA MFI Myanmar Co. Ltd. The purpose of this investment is to support ACLEDA Group's lending programs to micro, small, and medium enterprises and to help ACLEDA Group increase lending to the agricultural sector.

The expected development impacts of the project are:

1. Contribute to the development of the financial sector in Mekong region: At present access to financial services in region and in Myanmar in particular is extremely limited. IFC's engagement with ACLEDA Group on the microfinance market will contribute to the development of financial market and improve access to finance.
2. Increase access to credit: The proposed investment in ACLEDA Group is expected to improve access to credit in the region as it will enable ACLEDA Group to provide credit to underserved micro finance, retail borrowers and SMEs, particularly in the agriculture sector.



Investment Description

- International Finance Corporation (IFC)

The project with ACLEDA Bank involves a 5- year senior loan of (i) up to US\$ 60 million from IFC own account with potential support from the Global Agriculture and Food Security Program (“GAFSP”); (ii) and a syndicated loan of up to US\$ 30 million; and (iii) up to US\$ 20 million from IFC acting in its capacity as implementing entity for the Managed Co-Lending Portfolio Program (“MCP”). The project is intended to support ACLEDA Bank’s lending programs to MSMEs and the agricultural sector (Project ID#35963).

The project with ACLEDA Lao involves a full credit guarantee from IFC own account with potential support from GAFSP for a 3- year US\$ 8 million equivalent local currency senior loan (Project ID#36292).

The project with ACLEDA Myanmar involves a 3-year US\$ 6 million equivalent local currency senior loan from IFC own account with potential support from GAFSP (Project ID#35818).

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.

- [ACLEDA BANK PLC.](#) (Financial Intermediary)



Private Actors Description

ACLEDA Bank Plc., a public limited company organized in Cambodia, has been a long term strategic partner for IFC in the Mekong region. Established in 1993 in Cambodia as a national NGO for micro and small enterprise development and credit, ACLEDA Bank has gradually evolved from an NGO to a microfinance institution and to a commercial bank. It is now the largest bank in Cambodia in terms of assets and loan portfolio. In 2008, ACLEDA Bank began operating in Lao PDR through its subsidiary, ACLEDA Bank Lao Ltd. (“ACLEDA Lao”), and in 2013, ACLEDA Bank launched microfinance services in Myanmar through its subsidiary, ACLEDA MFI Myanmar Co. Ltd. (“ACLEDA Myanmar”). The shareholding structure of ACLEDA Bank, ACLEDA Lao and ACLEDA Myanmar is diversified, and includes other DFIs.

IFC has made various investments in the ACLEDA Group and recently converted a loan to support the Myanmar operation to become a 15% shareholder in ACLEDA Myanmar.



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/>



Campaign Documents

- [Business and Human Rights Resource Center: Banking on Sustainability](#)



Other Related Projects

- FMO-50637 ACLEDA MFI MYANMAR CO LTD
- IFC-42480 ACLEDA subdebt 3