

 Early Warning System

IFC-36852

Danamon Syariah



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## Quick Facts

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| Countries              | Indonesia                               |
| Financial Institutions | International Finance Corporation (IFC) |
| Status                 | Proposed                                |
| Bank Risk Rating       | U                                       |
| Borrower               | BANK DANAMON INDONESIA, PT TBK          |
| Sectors                | Finance                                 |



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## Project Description

According to bank documents, the proposed project supports the expansion of Islamic trade finance operations of PT Bank Danamon Indonesia, Tbk, which is a leading Indonesian commercial bank. IFC to establish a Murabaha Trade Co-financing Facility to provide trade financing to the Bank's corporate customers in selected agri-commodity sectors (in both US Dollars and Indonesian Rupiah or on a sharia compliant basis. IFC has developed the Murabaha co-financing structure as a customized financial solution to engage with Danamon to support expansion of its Islamic banking operations which are carried out through the Bank's Islamic financing unit, Bank Danamon Sharia. Through the Project, IFC will partner with Danamon to support: (i) expansion of its Islamic banking business, particularly in trade finance; and (ii) engagement in the financing of critical commodities, which has is a priority for the Government of Indonesia (GOI) to ensure domestic food supply sustainability. The Project support the Bank's Critical Commodities Program, introduced in late 2013 to support the supply and distribution of essential foods and agricultural products within Indonesia.



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### People Affected By This Project

1. Promoting the urban sustainability: The Project facilitates the trade for critical commodities which is critical to the food supplies of the country's population, thus addressing food security, which is an integral part of maintaining sustainable urbanization.
2. Increasing the trade growth of critical commodity: The Project will provide the much needed financing to corporates who are engaged in commodity related trade activities. This will help the players grow their operations and expand their markets internationally, which would boost the trade growth for critical commodity and ultimately could increase the rural income.
3. Increasing Environmental and Social performance management in agri-trade business in Indonesia: The Project will expand the scope of E&S Performance management and hence promoting best practices of Environmental and Social in the agricultural related trade business.



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## Investment Description

- International Finance Corporation (IFC)



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## Contact Information

No contact information provided at the time of disclosure.

### 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](mailto:CAO@worldbankgroup.org). You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>