Early Warning System

IFC-38570

DCM Multibank

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Quick Facts

Countries	Panama
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2016-11-03
Borrower	Multibank Inc.
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 40.00 million

Project Description

The loan is to be used to fund the growth of Multibank Inc.'s SME and housing portfolios. The project will improve access to finance for SMEs and low income housing in Panama, where the majority of top banks focus on corporates and high end retail clients allow the bank to access long term funding.

Multibank’s portfolio is mainly composed of retail (21%), housing (18%), commercial and service operations for both corporate and SME clients (35%). SME lending under the asset class supported accounts for approximately 5% of the total portfolio. IFC will also be providing technical assistance to bank on sustainable finance to expand the bank’s work in this area. The overall portfolio risks includes limited business activities that have potential limited adverse environmental or social risks or impacts that are few in number, generally site specific, largely reversible, and readily addressed through mitigation measures. IFC Advisory team is at the same time providing technical assistance to Multibank on Sustainable Energy Finance (“SEF”) and developing green products.

Investment Description

- International Finance Corporation (IFC)

The proposed investment consists of a senior loan of up to US$40 million.

Multibank Inc. is based in Panama City, Panama with 27 branches and over 60 ATMs across Panama.. It is the 9th largest bank in the country and third largest locally owned financial institution. The bank is entirely owned by Multifinancial, which is majority owned by the Btesh family (82.4%) and the German Investment and Development Corporation, DEG (6.9%) with the remainder owned by minority shareholders, none of which own more than 1%.

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.

- Multibank, Inc. (Financial Intermediary)

Private Actors Description

Multibank Inc. is a universal, locally owned bank with a long history of financing SMEs from its founding in 1962. It is the 9th largest bank in the country and third largest locally owned financial institution. The bank is entirely owned by Multifinancial, which is marjority owned by the Btesh family (82.4%) and the German Investment and Development Corporation, DEG (6.9%) with the remainder owned by minority shareholders, none of which own more than 1%.

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/