Early Warning System

IFC-39141

ABL Lao Kip II

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Quick Facts

Countries	Laos
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2017-02-10
Borrower	ACLEDA BANK LAO LTD
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 9.08 million

Project Description

The proposed investment to ACLEDA Bank Lao Limited, a long term partner of IFC in Lao PDR, consists of a guarantee of up to US$9.2 million equivalent in Lao Kip of a senior loan provided by a third party lender. The purpose of the loan is to support ACLEDA Lao's lending program to small, and medium enterprises ("SMEs") in Lao PDR, including to women-owned or women-run businesses.

Investment Description

- International Finance Corporation (IFC)

The project with ACLEDA Lao involves a full credit guarantee from IFC own account with potential support from the Global SME Entrepreneurs Opportunity Facility for a 5-year US$9 million equivalent local currency senior loan.

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 Lao Ltd. (Financial Intermediary)
- ACLEDA BANK LAO LTD (Financial Intermediary) **is owned by** ACLEDA Bank (Parent Company)

Private Actor Relationship

There is often limited information publicly available about what development banks are funding through financial intermediaries. In 2021, the Early Warning System partnered with Oxfam International to incorporate information on high-risk projects being funded by financial intermediaries receiving funding from the International Finance Corporation (IFC) and the Dutch Development Bank (FMO).

The information listed below describes the relationship between the different private actors linked to high-risk sectors and subprojects of IFC and FMO's financial intermediary investments and/or the financial intermediary's parent companies made from 2017 through 2020, including any associated ring fences.

The database, however, does not explicitly or implicitly imply that IFC or FMO have material exposure to or are contractually or legally accountable to the sub-projects financed by their financial intermediaries or the financial intermediary's parent companies. It only shows a seemingly financial relationship among the different private actors, the financial intermediaries, and IFC or FMO.

Private Actors Description

According to IFC:

ACLEDA Lao is a 100% owned subsidiary of ACLEDA Cambodia Bank Plc. (“ACLEDA Bank”) with 99.9% direct holding by ACLEDA Bank and 0.1% holding by ACLEDA Institute of Business, another fully owned subsidiary of ACLEDA Bank. ACLEDA Bank, a public limited company organized in Cambodia and a long term strategic partner for IFC in the Mekong region, was established in 1993 as a national NGO and has now evolved to be the largest bank in Cambodia in terms of assets and loan portfolio. In 2008, ACLEDA Bank expanded its operation to Lao PDR and established ACLEDA Lao as a subsidiary of which IFC was also one of the founding shareholders. In 2013, ACLEDA Bank exercised its call option and bought back the shares of all other shareholders and turned ACELDA Lao into a wholly-owned subsidiary.

Contact Information

ACLEDA Bank Lao Ltd.,
Mr. Narin PHON
Managing Director & CEO
(856-21) 260 567 / 264 994 / 264 998 (Ext. 301)
narin@acledabank.com.la
372, Unit 21, Phonesavanh Neua Village, Sisattanak District, Vientiane Capital, Lao PDR
http://www.acledabank.com.la/

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/