Early Warning System

IFC-39811 DCM CBC DPR Green



Quick Facts

Countries	Sri Lanka
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	U
Voting Date	2017-06-30
Borrower	COMMERCIAL BANK OF CEYLON PLC
Sectors	Finance
Ring Fence	Small & Medium Enterprises



Project Description

The project involves a senior senior loan of US\$100 million secured by future foreign currency flows to Commercial Bank of Ceylon PLC ('CBC', the Bank), the largest private commercial bank in Sri Lanka and an existing IFC client. The funds will be utilized by the Bank to fund the growth in its green lending portfolio. The financing provided is a fit with the World Bank and IFC strategy of promoting sustainable growth and sustainable energy usage in Sri Lanka.CBC was established in 1969 and is one of five systematically important banks in Sri Lanka. IFC first engaged with CBC in 2003 with an equity investment, followed by a trade line in 2008, risk share facility in 2009, senior loan back by a future foreign currency flows in 2012 and a sub debt in 2013.

Investment Description

• International Finance Corporation (IFC)

CBC is the sponsor of the project. CBC is listed in the Colombo Stock Exchange and does not have a sponsor shareholder. As at March 31, 2017 IFC was the 5th largest shareholder of CBC, with a stake of 4.45%. The other shareholders owning more than 2% were: DFCC Bank 14.69%, Mr Indra Silva 9.89%, Employees Provident Fund 9.67%, Sri Lanka Insurance - Life fund 5.01%, Sri Lanka Insurance - General fund 4.31%, Melstacorp PLC 3.39% and HSBC/NT Asian Discovery Master Fund 2.36%.

IFC proposes to provide a senior loan of up to US\$ 100 million, secured by future foreign currency flows. **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.

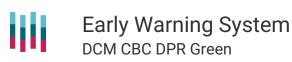
• COMMERCIAL BANK OF CEYLON PLC (Financial Intermediary) is owned by Commercial Bank of Ceylon (Parent Company)

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 Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Commercial Bank of Ceylon	Investor	Finance	invests in	City Seed Crushing Inds Ltd	Parent Company	Agriculture and Forestry



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/