Early Warning System

IFC-40922

BHDL III

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Quick Facts

Countries	Dominican Republic
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2018-04-16
Borrower	BANCO MULTIPLE BHD LEON SA
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 50.00 million
Loan Amount (USD)	$ 50.00 million
Project Cost (USD)	$ 50.00 million

Project Description

According to the Interntional Finance Corporation, the proposed project will provide Banco Múltiple BHD León, S.A., an up to 5-year senior loan and an up to 10-year subordinated debt for the growth of the Bank’s small and medium enterprise (SME) portfolio for an amount of up to US$50 million. Although the bank does business in high-risk sectors such as agriculture, it has more exposure to other sectors such as services, commerce, industry/manufacturing, hotels and restaurants, transportion, and electricity distribution.

The International Finance Corporation expects that the project will increase access to financial resources such as loans for small and medium businesses.

Early Warning System Project Analysis

The bank has rated this project as FI-2, which corresponds to medium risk or a B rating.

Investment Description

- International Finance Corporation (IFC)

The proposed IFC total investment consists of up to US$50 million comprised of a senior loan (a loan that must be repayed before other debts) and a subordinated debt (which can only be paid after the claims of secured creditors have been met).

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.

- Banco Múltiple BHD León, S.A. (Financial Intermediary)

Private Actors Description

The direct financial intermediary is the Banco Múltiple BHD León, S.A. This bank is a s ubsidiary of Centro Financiero BHD Leon (“CFBHDL”), a diversified financial services company whose activities include commercial banking, consumer and micro finance, pension funds, insurance, brokerage and mutual and trust funds in the Dominican Republic. CFBHDL is Grupo BHD (45.1 percent), Popular International Bank of Puerto Rico (15.8 percent), Grupo Leon (26.5 percent) and IFC (3.4 percent). The remaining 9.2 percent is owned by local shareholders through two vehicles: Centro Partner Group (5.0 percent) and Twin Investment Partners (4.2 percent).

BHDL is headquartered in Santo Domingo and has 141 branches across the Dominican Republic.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Centro Financiero BHD León, S.A.	Parent Company	-

Contact Information

Contact:

Banco BHD Leon, S.A.
Mr. Fidelio Despradel
Senior Vice President
+1-809-243-3232
fidelio_despradel@bhdleon.com.do
Santo Domingo, Dominican Republic
www.bhdleon.com.do

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/