

 Early Warning System

IFC-42480

ACLEDA subdebt 3



## Quick Facts

Countries	Cambodia
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2019-06-21
Borrower	ACLEDA BANK PLC.
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Investment Amount (USD)	\$ 90.00 million



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## Project Description

According to the bank website, "the proposed investment consists of a syndicated subordinated loan to ACLEDA Bank Plc. (ACLEDA) to support ACLEDA's growth strategy with a focus on digitalization and finance its lending operations with a focus on small and medium enterprises (SMEs) and women-owned SMEs (the Project). The subordinated loan, structured as Tier 2 qualified capital under the laws and regulations of Cambodia, will include IFC's subordinated loan of up to US\$60 million and mobilization of up to US\$30 million."



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## People Affected By This Project

- (i) Increased access to finance: Through this Project, IFC expects to increase access to finance for the underserved SMEs and women-owned SMEs in Cambodia by expanding number and volume of loans provided by ACLEDA to SMEs and women-owned SMEs in next 5 years. In addition, by supporting ACLEDA's growth strategy with focus on SME and women-owned SME segments and digitalization IFC anticipates that this Project contributes to improving quality of financial services by broadening access to digital financial products and improving banking service delivery via digital channels.
- (ii) Improved inclusiveness: This Project reflects IFC's strategic engagement in Cambodia's banking sector by supporting ACLEDA's sustainable growth with focus on the base-of-pyramid and digitalization. By building market capacity that opens new market opportunities for digital banking products and services to help improve Cambodia's financial sector's competitiveness and promote a cashless economy.



## Investment Description

- International Finance Corporation (IFC)

## 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 PLC.** (Financial Intermediary)
- **ACLEDA BANK PLC.** (Financial Intermediary) **is owned by** **ACLEDA Bank** (Parent Company)



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## 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.



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



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## Other Related Projects

- IFC-35963 ACLEDA Group loan