Early Warning System

IFC-43969

BML Loan I

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Quick Facts

Countries	Maldives
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2020-06-26
Borrower	Bank of Maldives PLC
Sectors	Finance
Ring Fence	Trade Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 50.00 million

Project Description

According to the bank's website, "The proposed project consists of a senior secured loan of up to US$50 million and a potential mobilization of up to US$50 million to Bank of Maldives (“BML or “the Bank”), a state-owned bank in the Maldives (“Project”). The proposed investment will be in the form of a USD senior secured loan to BML with a tenor of up to 3 years. The investment is in response to the crisis caused by the coronavirus (“COVID - 19”) global pandemic which has adversely impacted the tourism industry, resulting in a liquidity crunch in related sectors. The proposed IFC funding will be on-lent by the Bank through working capital loans to support companies and SMEs in the tourism and services sectors in the Maldives, which have been impacted due to COVID-19."

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.

- Bank of Maldives PLC (Financial Intermediary)
- BML Loan I (Financial Intermediary) **is owned by** Bank of Maldives (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, "BML was established in 1982 as a joint venture with 60% shares held by the Government of the Maldives and 40% shares owned by International Finance Investment Company Limited (IFIC Bank Limited), Dhaka, Bangladesh. Following divestment by IFIC Bank Limited in 1992, the Government of the Maldives assumed a majority shareholding. The Bank is now listed on the Maldives Stock Exchange with the State owning approximately 66% stake, including a 51% stake held by the Ministry of Finance and the balance is held by public shareholders."

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/