Early Warning System

IFC-47631

DCM DBH Housing

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Quick Facts

Countries	Bangladesh
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	C
Voting Date	2023-10-31
Borrower	DBH Finance PLC
Sectors	Construction, Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 30.00 million
Loan Amount (USD)	$ 30.00 million

Project Description

As stated by the IFC, the proposed investment comprises up to US$30 million equivalent investment in DBH Finance PLC (DBH) through subscription in a Bangladeshi Taka denominated senior bond to be issued by DBH. DBH, established in 1996, is a housing finance institution in Bangladesh that primarily provides loans for the purchase and construction of homes. The proceeds of the bond will be primarily used to grow the Company’s affordable housing portfolio. IFC may also explore supporting the Company to mobilize up to US$25 million from other investors for its bond issuance. The proposed project would contribute to affordable housing and long-term debt capital market development in Bangladesh.

The advisory project aims to support DBH in developing and strengthening the affordable housing loan product by establishing a value proposition for the affordable housing segment and helping DBH to effectively target the lower-middle income segment in the country. The project design also integrates the adoption of digital tools and infrastructure in affordable housing finance. Under the project, IFC will assist DBH to:

i) Assess their current state of the business model and operations in affordable housing finance as well as digital capabilities;
ii) Introduce international best practices in client sourcing, underwriting, servicing, portfolio management, and capacity-building programs to strengthen the affordable housing product and services and penetrate deeper into the affordable housing market in the country;
iii) Enhance DBH's home loan credit assessment procedures by focusing on informal income assessment for affordable home loans; and
iv) Accelerate digital adoption and data analytics to reduce cost, offer faster and better delivery of customer services and improve the portfolio.

Early Warning System Project Analysis

The IFC categorized the project as FI-3.

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.

- BRAC (Investor) **invests in** DBH Finance PLC (Financial Intermediary)
- Delta Life Insurance (Investor) **invests in** DBH Finance PLC (Financial Intermediary)
- Green Delta Insurance (Investor) **invests in** DBH Finance PLC (Financial Intermediary)

Private Actors Description

As stated by the IFC, as of 30th June 2023, the key shareholders of DBH include BRAC (18.4%), Delta Life Insurance (17.6%), Green Delta Insurance (15.3%). The balance is held by the public (11.6%), 14 foreign investors (18.2%), and nearly 200 financial institutions (18.9%). DBH is listed on the Dhaka Stock Exchange.

Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

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