

 Early Warning System

IFC-52103

SLGP BFL



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## Quick Facts

Countries	Laos
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2025-12-19
Borrower	Banque Franco-Lao Ltd (BFL)
Sectors	Finance, Industry and Trade
Investment Type(s)	Guarantee
Investment Amount (USD)	\$ 10.00 million
Project Cost (USD)	\$ 20.00 million



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## Project Description

According to the Bank's website, the proposed investment is an unfunded risk sharing facility (RSF) to be provided to Banque Franco-Lao Ltd ("BFL"), a commercial bank incorporated in Lao PDR, for a maximum IFC risk amount of up to US\$10 million covering a maximum portfolio of up to US\$20 million of loans to Small and Medium Enterprises (SMEs) to be originated by BFL. The Project would be processed under IFC's Small Loans Guarantee Program ("SLGP"), a programmatic approach to de-risk and scale-up financing for SMEs in eligible countries.



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## Early Warning System Project Analysis

The project entails an unfunded risk sharing facility (RSF) under the Small Loan Guarantee Program and will support Banque Franco-Lao Ltd (BFL)'s lending to small and medium enterprises (SMEs) in Lao PDR. BFL's SME portfolio focuses on sectors including services, electronics and consumer retails, hospitality, and real estate. While BFL has exposures in the corporate and other business segments, this project provides financial support only to BFL's SME lending activities. Overall E&S risk and impacts of the project are therefore expected to be medium, and the project has been categorized as FI-2 in accordance with IFC's Sustainability Policy.



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## Investment Description

- International Finance Corporation (IFC)

The proposed investment is an RSF to cover an SME loan portfolio to be originated by the Bank of up to US\$20 million equivalent. IFC will provide guarantee of up to US\$10 million equivalent, or 50% of the eligible portfolio.

## 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.

- [Banque Franco-Lao Ltd.](#) (Financial Intermediary)



## Private Actors Description

Established in 2010, *Banque Franco-Lao Ltd (BFL)* provides a full range of banking services, including loans, deposits, foreign currency transactions, digital banking, and trade finance to over 15,000 individual and commercial customers. As of December 31, 2024, the Bank had total assets of US\$141.6 million, gross customer loans of US\$76.5 million, and customer deposits of US\$101.9 million. BFL is owned 70% by BRED Banque Populaire (BRED) through Cofibred S.A. (Compagnie Financière de la Bred), BRED's holding arm of subsidiaries outside of France, and 30% by Banque pour le Commerce Extérieure du Laos (BCEL). BRED is part of Groupe BPCE, the second-largest banking group in France and one of the Global Systemically Important Banks, rated A+ (S&P), A1 (Moody's), and A+ (Fitch). BCEL is the largest commercial bank in Lao PDR.



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## Contact Information

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