Early Warning System

IFC-39686

WCS Bank Asia II

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Quick Facts

Countries	Bangladesh
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	C
Voting Date	2017-06-08
Borrower	Bank Asia Limited
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Investment Amount (USD)	$ 40.00 million

Project Description

The project involves a short-term loan (Working Capital Solutions, WCS) for up to $40 million to Bank Asia Ltd. (the Bank or Bank Asia) to support the foreign currency needs of small and medium enterprises in Bangladesh.

Investment Description

- International Finance Corporation (IFC)

Bank Asia Ltd. is headquartered in Dhaka, Bangladesh and has a countrywide presence via 110 conventional banking branches, along with 4 SME/Agro branches, 6 SME centers, 5 Islamic windows and 1 Off-Shore Banking Unit (OBU) branch, altogether having 126 outlets. The Bank will on-lend IFC money through its OBU. Apart from above, there are 1,180 Agent Banking Outlets.

Bank Asia Ltd. was incorporated on September 28, 1999 and has total assets of $3.2 billion as of December 31, 2016. According to bank documents: "The present Board Chairman of the Bank Asia Ltd., Mr. A. Rouf Chowdhury is a graduate in Business Management from the Massachusetts Institute of Technology, USA. He has experience in several industries including Automobile, Telecom, Pharmaceuticals and Petroleum. Bank Asia is publicly listed on Dhaka and Chittagong Stock Exchanges. It has a diversified shareholding with 19.0% of shares owned by the general public and 35.4% by local institutions. Around 45.3% of shares is held by the sponsors/directors and 0.3% is held by foreign investors."

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 Asia Limited (Financial Intermediary)
- BANK ASIA LTD (Financial Intermediary) **is owned by** Bank Asia (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

The Bank was incorporated on September 28, 1999 and has total assets of $3.2 billion as of December 31, 2016.

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/