Early Warning System

IFC-38777

IDLC Finance

Quick Facts

Countries	Bangladesh
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	C
Voting Date	2018-04-20
Borrower	IDLC Finance Limited
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Investment Amount (USD)	$ 40.00 million

Project Description

According to the IFC website, the project consists of senior financing to IDLC Finance Limited. The investment will be utilized by IDLC for supporting affordable housing finance for purchase/construction & extension of house to individuals under low and medium income group in Bangladesh.

The objectives of the proposed project are:

1. **Creating a new asset class and improving access to finance**: A commercially viable affordable housing finance product can open up a new frontier segment for financial institutions contributing to the financial sector development and improving access to finance especially in the lower income segments.

2. **Job creation**: By supporting the expansion of housing finance this project will also contribute to job creation in Bangladesh.

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.

- IDLC Finance Limited (Financial Intermediary) **is owned by** IDLC Finance (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

IDLC Finance Limited engages in investment banking, discretionary portfolio management, and margin lending activities in Bangladesh. It offers small and medium enterprise (SME) finance products, such as SME loans/leases, seasonal and women entrepreneur loans, SME Shachal loans and revolving short term loans etc.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	IDLC Finance Limited	Client	-

Contact Information

For inquiries about the project

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For inquiries and comments about IFC

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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/