

December 20, 2022 | Myanmar

## **IFC divesting from Yoma Bank after its business with military companies exposed**

***JFM calls on remaining investors Norfund and GIC to stop the bank's support for Myanmar military or divest***

The International Finance Corporation (IFC) of the World Bank Group is divesting from Yoma Bank, Justice For Myanmar has confirmed through a source with knowledge of the transaction.

IFC owns 4.5% of Yoma Bank and is selling all its shares to First Myanmar Investment (FMI) for US\$5 million, which equals the value IFC used to convert its 2014 loan to equity, which it completed in 2019.

IFC signed a share sales agreement with FMI and Yoma Bank on December 12, 2022.

The IFC's divestment comes amid the Spring Revolution, with mass pressure from the people of Myanmar for companies to cut ties with the junta and its conglomerates. Yoma Bank has a record of doing business with the military and its conglomerates, which stand accused of genocide, war crimes and crimes against humanity.

In 2020, Yoma Bank gave a loan to Pinnacle Asia, a Myanmar company owned by Khin Thiri Thet Mon, daughter of military chief and war criminal Min Aung Hlaing. The loan supported the company to build towers for the military-owned mobile operator, Mytel.

Last month, Justice For Myanmar disclosed that as of March 2022, Yoma Bank held over \$10 million in a US dollar account for Telecom International Myanmar, the owner of Mytel.

Also in November, a release of records from the military owned Innwa Bank by Distributed Denial of Secrets exposed over 200 transactions with Yoma Bank. Innwa Bank's parent company, Myanmar Economic Corporation, is sanctioned by the US, EU, UK and Canada.

Last month, the Australian bank ANZ announced it is exiting Myanmar after its transactions with Innwa Bank were exposed.

Yoma Bank is controlled by FMI, a holding company listed on the Yangon Stock Exchange. It is led by Serge Pun and backed by major international investors.

Greenwood Capital, an affiliate of Singapore's sovereign wealth fund, GIC, owns 19.7% of Yoma Bank. The Norwegian development finance institution, Norfund, owns 10.6%.

FMI is buying out IFC's shares through a transaction with Pun Holdings (HK) Limited, a holding company in Hong Kong.

Justice For Myanmar calls on Yoma Bank's remaining international investors, Norfund and GIC, to use their leverage to stop the bank's business with the military junta, its conglomerates and partners or responsibly divest, in accordance with their international human rights obligations.

IFC did not respond to questions from Justice For Myanmar regarding responsible disengagement from Yoma Bank.

**Justice For Myanmar spokesperson Yadanar Maung says:** "IFC's divestment from Yoma Bank is a positive step if it cannot prevent the bank from doing business with the Myanmar military, which is waging a war of terror against the people of Myanmar.

"We urge IFC to responsibly disengage from Yoma Bank, in consultation with the National Unity Government, which is the legitimate government of Myanmar.

"IFC should be transparent over their divestment plans, human rights due diligence and any attempts they made to prevent Yoma Bank's business with the junta and its conglomerates.

"IFC acquired equity in Yoma Bank following the Myanmar military's 2017 campaign of genocide against the Rohingya, and should have done its due diligence at the time on the bank's support for the Myanmar military, its businesses and associates.

"The fact that IFC failed to prevent Yoma Bank's support for military businesses and Min Aung Hlaing's own family suggests serious human rights failings that requires investigation and rectification if IFC plans to continue operating in Myanmar.

"IFC also must also stop renting an office in Sule Square, a development on land leased from the US sanctioned Quarter Master General Office, and end any remaining business with the junta, its conglomerates and partners.

"We call on Yoma Bank's remaining international investors, Norfund and GIC, to ensure Yoma Bank cuts all ties with the Myanmar junta, its businesses and partners or responsibly divest, in accordance with their international human rights responsibilities."

### **More information:**

Read our investigation into leaked Innwa Bank files [here](#)

Read our press release on Yoma Bank's services for Mytel [here](#)

Read about Yoma Bank's loan to Min Aung Hlaing's daughter's company [here](#)

Justice For Myanmar, a group of covert activists campaigning for justice and accountability for the people of Myanmar, is calling for an end to military business and for federal democracy and a sustainable peace.

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