Early Warning System

IFC-37706

BSP PNG A Loan

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Quick Facts

Countries	Papua New Guinea
Specific Location	Fiji, Samoa, Cook Islands, the Solomon Islands, Vanuatu and Tonga
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2016-06-09
Borrower	BANK OF SOUTH PACIFIC LIMITED
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 30.00 million
Loan Amount (USD)	$ 30.00 million
Project Cost (USD)	$ 30.00 million

Project Description

According to IFC website, the investment is for IFC to provide a 5-year tenor A loan amounting US$ 30 million to Bank South Pacific Limited channeled to RMA Financial Services (Cambodia) Plc to support RMA FS Cambodia's portfolio growth. RMA FS Cambodia will soon be renamed to BSP Finance (Cambodia) Plc.

IFC's role is expected to encompass the following: (i) providing the Bank with a long-term USD loan to underpin their long-term strategy in Asia Pacific region especially in PNG and Cambodia both of which are IDA countries; (ii) demonstrating confidence in and support for the largest and indigenous bank in PNG implementing its long-term strategic goals of expansion to other region; and (iii) increasing access to finance for agriculture related businesses in Cambodia, which is important sector for the country's economy, generating 70% of employment and contributing to more than 30% of the country's GDP and yet vulnerable due to poor business environment and little investment.

Investment Description

- International Finance Corporation (IFC)

Bank South Pacific Limited
BSP is a major commercial banking and finance group across Pacific, offering various banking services from personal banking to SME and Corporate banking. It was established in 1957 in Port Moresby as a branch of the National Bank of Australasia Limited. In 1995 a consortium of Papua New Guinea ("PNG") businesses acquired the bank creating the first and only PNG private sector owned bank. Bank South Pacific purchased the State Owned - PNG Banking Corporation (PNGBC - formerly CBA PNG) in 2002 creating the largest Bank in PNG.

The largest shareholder is Kumul Consolidated Holding Ltd, a state-owned corporation that acts as the government's investment vehicle, holding 18.01% of ownership followed by Nambawan Super Ltd., a corporate trustee, with 12.30% ownership. IFC and IFC Capitalisation Fund LP hold altogether 9.74% of ownership in the Bank, with equal shareholding. Each of the remaining shareholders holds less than 10% shares ownership and most of them are local funds and companies, as well as individual shareholders who have subscribed to the listed shares of the Bank on PNG Stock Exchange.

RMA Financial Services (Cambodia) PLC
RMA FS Cambodia is a privately owned leasing company established in Cambodia in 2013, with a focus on asset finance for local commercial vehicles and light agriculture machineries for SMEs. The Company is 50 percent owned by the Bank while the remaining 50 percent of the stake in RMA FS Cambodia is owned by Devco Capital Limited, a company in Hong Kong, which is ultimately owned by RMA Holdings LLC, a company based in the United States (collectively "RMA Group"). The majority of RMA Holdings LLC is owned by the Whitcraft family. The RMA Group is an internationally diversified company providing products and services for clients operating in challenging markets.

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 of South Pacific Limited (Financial Intermediary)

Private Actors Description

The Bank of South Pacific Limited is a major commercial banking and finance group across Pacific, offering various banking services from personal banking to SME and Corporate banking. It was established in 1957 in Port Moresby as a branch of the National Bank of Australasia Limited. In 1995 a consortium of Papua New Guinea (“PNG”) businesses acquired the bank creating the first and only PNG private sector owned bank. Bank South Pacific purchased the State Owned - PNG Banking Corporation (PNGBC - formerly CBA PNG) in 2002 creating the largest Bank in PNG.

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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/