

 Early Warning System

IFC-38235

Prasac AB Loan



Quick Facts

Countries	Cambodia
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2016-05-19
Borrower	PRASAC MICROFINANCE INSTITUTION LIMITED
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	\$ 20.00 million
Project Cost (USD)	\$ 90.00 million



Project Description

According to IFC website, the project aims to provide a senior debt package to PRASAC Microfinance Institution Limited in order to support its further growth in the market, especially its lending to micro borrowers. Further, the development impact of IFC's investment in the Project is expected to be high given that it will:

1. Improve access to finance for productive micro-entrepreneurs with a strong focus in agribusiness, which will in turn stimulate growth, employment generation and poverty reduction.
2. As the Company is present in many remote areas in the country, the Project is expected to allow more individuals obtain formal financial services, such as the mobilization of savings and mobile banking.



Investment Description

- International Finance Corporation (IFC)

Established in 1995, PRASAC was a former credit component of the PRASAC project funded by the European Union which supported the agriculture sector in the country. The Company was transformed into a licensed microfinance institution in 2004. The Company obtained a deposit taking license in 2010. PRASAC has the largest service network in the market operating over 180 offices covering all the 24 provinces in Cambodia with more than 320,000 active borrowers as of December 2015 of which approx. 82% are women.

PRASAC's main shareholders are Dragon Capital Group, Belgian Investment Company for Developing Countries SA, FMO, and Lanka ORIX Leasing Company, each owning 22.25% of PRASAC. The remaining 11% is owned by PRASAC Staff Company, Staff association of PRASAC.

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.

- [PRASAC Microfinance Institution Limited](#) (Financial Intermediary)



Private Actors Description

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Contact Information

Project Contact: SIM Senacheert, President and CEO

PRASAC Microfinance Institution Limited

Office Address: Building 212, Street 271, Sangkat Tuol Tumpung 2, Khan Chamkarmon, Phnom Penh, Cambodia

Website: <http://www.prasac.com.kh>

Email Address: senacheert@prasac.com.kh

Telephone No.: +855 23 22 01 02

Fax No.: +855 23 21 63 62

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/>