Early Warning System

IFC-38239

HKL AB Loan

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Quick Facts

Countries	Cambodia
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	C
Voting Date	2016-05-19
Borrower	Hattha Kaksekar Limited
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 20.00 million
Project Cost (USD)	$ 50.00 million

Project Description

The proposed project aims to provide a senior debt package to Hattha Kaksekar Limited to support its further growth in the market, especially its lending to micro borrowers.

Expected Development Impact
The development impact of IFC's investment in the Project is expected to be high given that it will:
- Improve access to finance for productive micro-entrepreneurs, which will in turn stimulate growth, employment generation and poverty reduction.
- 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 1994 as a food security project by OCSD/OXFAM-Quebec, a Canadian organization, HKL registered as an NGO in 1996, and then gradually expanded to become a registered microfinance institution in 2001.
HKL's shareholding structure is fragmented: Oikocredit (19.84%), Norfund (20.94%), ANMF (Triple Jump) (17.46%), HK NGO (10.42%), responsAbility (11.25%), rAP (9.71%), HK SA (9.57%), DY DAVUTH (0.81%)
Recently in January 2016, Bank of Ayudhya Pcl (BAY or Krungsri), Thailand's fifth largest financial group and a subsidiary of Japan's leading financial group Mitsubishi UFJ Financial Group, has acquired a 100-per-cent stake. Upon closing targeted by Quarter 2, 2016, BAY will become the sole shareholder of HKL.

The proposed investment consists of:
Up to USD 20 million of A Loan for IFC's own account, and
Up to USD 30 million of B Loan.

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.

- Hattha Kaksekar Limited (Financial Intermediary)

Private Actors Description

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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/