Early Warning System

IFC-40920

BPL Sr Loan

Early Warning System

BPL Sr Loan

IFC-40920

Quick Facts

Countries	South Africa
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	B
Voting Date	2018-06-15
Borrower	Business Partners Limited
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Investment Amount (USD)	$ 47.67 million
Project Cost (USD)	$ 47.67 million

Project Description

The project consists of a 6-year ZAR600 million ($47.67 million) senior loan to Business Partners Limited (“BPL”). The IFC loan forms part of the SME Push Program and will strengthen BPL’s long-term funding position and support the expansion of its lending operations to underserved SMEs in South Africa.

Investment Description

- International Finance Corporation (IFC)

The proposed investment consists of a 6-year senior loan of up to ZAR600 million (~US$48 million equivalent). The funding will be used exclusively for expanding BPL's lending operations to SMEs, with a particular focus on women-owned SMEs.

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.

- Business Partners Limited (Financial Intermediary)

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

Business Partners Limited has a diversified shareholding composed of a mix of entities including government, local commercial banks, insurance companies, other corporate bodies and individuals. The principal shareholder is Eikenlust (pty) Limited, a subsidiary of Remgro Ltd, with a 42.8% stake.

Contact Information

Business Partners Ltd.
Mark Paper
Chief Operating Officer
+27 0117136600
mpaper@businesspartners.co.za
37 West Street Houghton Estate, Johannesburg, South Africa
www.businesspartners.co.za

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/