Early Warning System

IFC-41223

DCM HKL LCY Bond

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Quick Facts

Countries	Cambodia
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	C
Voting Date	2018-06-15
Borrower	HATTHA KAKSEKAR LIMITED
Sectors	Agriculture and Forestry, Finance
Investment Amount (USD)	$ 20.00 million

Project Description

The proposed project involves IFC investment in the first local currency bond of up to US$20 million equivalent issued by Hattha Kaksekar Limited (HKL), which will help create the debt capital markets in Cambodia. HKL is an existing portfolio client of IFC and one of leading microfinance deposit taking institutions (“MDI”) in Cambodia. HKL provides loans, savings, and other inclusive financial services countrywide, in particular to women and farmers in rural areas. The funding shall be used to support the growth of the its lending program to micro borrowers. The Project will potentially be supported by the Local Currency Facility of the International Development Association (“IDA”) 18 IFC-MIGA Private Sector Window, created by the Word Bank Group to catalyze private sector investment in IDA countries, with a focus on fragile and conflict-affected states.

Investment Description

- International Finance Corporation (IFC)

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

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. It obtained its MDI license in 2010, operates with an asset base of around US$691 million, serving close to 118,000 borrowers.

HKL is 100 per cent owned by the Thailand-based Bank of Ayudhya (“Krungsri”) (“BAY”), itself a 76.88 per cent owned subsidiary of the Japanese banking conglomerate, Mitsubishi UFJ Financial Group (“MUFG”).

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Bank of Ayudhya	Parent Company	-
-	-	-	-	Hattha Kaksekar Limited	Client	-
-	-	-	-	Mitsubishi UFJ Financial Group (MUFG)	Subsidiary	-

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/