Early Warning System

IFC-44742

HTB Sub Debt

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Quick Facts

Countries	Cambodia
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Voting Date	2021-06-07
Borrower	Hattha Bank Plc.
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 10.00 million
Loan Amount (USD)	$ 10.00 million

Project Description

According to the bank's website, "The proposed investment is a 7-year subordinated loan (sub-debt) of up to US$40 million to Hattha Bank Plc. (HTB or the Bank), formerly Hattha Kaksekar Limited (HKL), consisting of IFC’s own account investment of up to US$10 million and mobilization of up to US$30 million. The sub-debt will be qualified as a Tier 2 capital under the local regulations to strengthen the Bank’s resilience amid the ongoing COVID-19 pandemic and support the Bank’s long-term strategy to primarily grow financing to micro, small and medium enterprises (MSMEs) including women-owned MSMEs (WMSMEs)."

Investment Description

- International Finance Corporation (IFC)

According to the IFC, the proposed sub-debt consists of IFC's own account investment of up to US$10 million and mobilization of up to US$30 million, to primarily support the Bank's financing to MSMEs and WMSMEs.

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 Bank Plc. (Financial Intermediary)

Private Actors Description

According to the IFC, the Bank has been operating in Cambodia for over 26 years, until recently as HKL, the 2nd largest microfinance deposit-taking institution (MDI). HTB has obtained a license to operate as a commercial bank from the National Bank of Cambodia in August 2020. The Bank currently has total asset of about US$1.6 billion and gross loan portfolio of about US$1.3 billion. The Bank has a nationwide presence with 177 branches in 25 cities and provinces, the 2nd largest network in Cambodia. The Bank also has an extensive reach to rural MSMEs and WMSMEs.

Contact Information

Contact information not provided at the time of disclosure.

ACCESS TO INFORMATION

You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

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

Campaign Documents

- Business and Human Rights Resource Center: HATTHA BANK