

 Early Warning System

IFC-48051

HBL MFB SLGP RSF



Quick Facts

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|-------------------------|-----------------------------------------|
| Countries | Pakistan |
| Financial Institutions | International Finance Corporation (IFC) |
| Status | Proposed |
| Bank Risk Rating | C |
| Voting Date | 2024-06-26 |
| Borrower | HBL Microfinance Bank Limited |
| Sectors | Finance |
| Investment Type(s) | Loan |
| Investment Amount (USD) | \$ 40.00 million |
| Project Cost (USD) | \$ 80.00 million |



Project Description

According to the Bank's website, the proposed project consists of a Risk Sharing Facility (RSF) for an aggregate portfolio of up to US\$80 million in equivalent Pakistani Rupees (PKR) with HBL Microfinance Bank (HBL MFB or the Bank) in Pakistan (the Project). The Project aims to support HBL MFB as part of IFC's response to rehabilitate the microfinance (MF) sector post the impact of the 2022 floods and ongoing macro-political challenges. The Project is expected to be supported by the Private Sector Window of Global Agriculture and Food Security Program (GAFSP). IFC's exposure will be up to US\$40 million, or 50% of the risk sharing facility.



Early Warning System Project Analysis

This project is an unfunded RSF for an aggregate portfolio of up to US\$80 million in LCY equivalent with HBL MFB which is primarily targeting to finance flood-impacted microfinance borrowers in Pakistan. The applicable E&S risks and impacts associated with these activities are considered low and the project has therefore been categorized as FI-3 (low risk).



Investment Description

- International Finance Corporation (IFC)

The proposed project is a 50:50 unfunded RSF for an aggregate portfolio of up to US\$80 million in equivalent PKR (IFC Own Account: up to US\$40 million in equivalent PKR) with HBL MFB.

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.

- [HBL Microfinance Bank Limited](#) (Financial Intermediary)



Private Actors Description

Habib Bank Limited (HBL), the largest private sector commercial bank in Pakistan and an existing IFC client, is the main sponsor of HBL MFB, with a 79.92% stake. The Aga Khan Agency for Microfinance (AKAM) - an MF focused non-profit foundation operating under the Aga Khan Development Network (AKDN) - holds 12.05% shares in the Bank. The Aga Khan Rural Support Program (AKRSP) which is a private, non-profit development focused company in Pakistan, established by the Aga Khan Foundation in 1982 holds a 4.46% stake, followed by the Japan International Cooperation Agency (JICA) which holds a 3.57% shareholding in the Bank.



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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>