Early Warning System

# IFC-47117

## SLGP Credit Corp PNG

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## Quick Facts

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| **Countries** | Papua New Guinea |
| **Specific Location** | Papua New Guinea |
| **Financial Institutions** | International Finance Corporation (IFC) |
| **Status** | Proposed |
| **Bank Risk Rating** | B |
| **Voting Date** | 2024-06-17 |
| **Borrower** | SLGP Credit Corp PNG |
| **Sectors** | Finance |
| **Investment Type(s)** | Loan |
| **Investment Amount (USD)** | $ 7.50 million |
| **Project Cost (USD)** | $ 15.00 million |

## Project Description

According to the Bank’s website, the proposed investment consists of an unfunded Risk Sharing Facility (“RSF”) with a maturity of up to 8 years in an amount of up to US$7.5 million equivalent in Papua New Guinea (PNG) Kina through Credit Corporation Finance Limited (the “Company” or “CCFL”). The RSF will cover up to 50% of the credit risk on the portfolio in an amount of up to US$15 million equivalent of loans to very small enterprises (VSE) as well as small and medium enterprises (SMEs) to be originated by CCFL (the “Project”). The proposed Project would come under the Small Loan Guarantee Program (“SLGP”), a programmatic approach to risk sharing which aims to enhance and strengthen the capacity of financial institutions for risk taking and financing of SMEs in IDA-PSW countries. The Project seeks to leverage CCFL’s liquidity position, through the de-risking product, to support underserved SMEs.

## Early Warning System Project Analysis

The project will support CCF’s lending to very small, small and medium enterprises (VSEs and SMEs) in Papua New Guinea. The company's non-retail portfolio is mainly in such sectors as transport and logistics as well as construction and real estate. Overall E&S risks and impacts of the project is medium and, therefore, the project has been categorized as FI-2 in accordance with IFC's Sustainability Policy.

### Investment Description

- International Finance Corporation (IFC)

The IFC investment consists of an unfunded RSF to support the CCFL's SME lending for a maximum total SME loan portfolio of US$15.0 million equivalent in PNG Kina. IFC's maximum risk exposure under the RSF will be up to US$7.5 million equivalent in PNG Kina.

### 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.

- Credit Corporation Finance Limited (Financial Intermediary)

### Private Actors Description

Credit Corporation Finance Limited - CCFL is fully owned by Credit Corporation (PNG) Limited (the “Parent” or “Credit Corporation”). Credit Corporation is listed in PNG and its shareholders largely consist of PNG-based institutional investors. Nambawan and Nasfund, two of the PNG’s largest superannuation funds and leading investors in the Pacific, are the largest shareholders, holding approximately 20% stake each.

## Contact Information

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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