

 Early Warning System

IFC-41223

DCM HKL LCY Bond



Quick Facts

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|--------------------------------|-----------------------------------------|
| Countries | Cambodia |
| Financial Institutions | International Finance Corporation (IFC) |
| Status | Proposed |
| Bank Risk Rating | FI |
| 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 World 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)

Private Actors

- [Bank of Ayudhya](#) -- Parent Company
- [Hattha Kaksekar Limited](#) -- Financial Intermediary
- [Hattha Kaksekar Limited](#) -- Implementing Company
- [Mitsubishi UFJ Financial Group \(MUFG\)](#) -- Subsidiary

Established in 1994 as a food security project by OCSO/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”).



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/>