

INFORMATION SUMMARY FOR THE PUBLIC

Host Country:	Pakistan
Name of Borrower:	Khushhali Bank Limited (“KBL”)
Project Description:	The OPIC loan will allow KBL to expand its larger micro, small and medium enterprise loan portfolio to address a large shortfall of lending in this sector, in addition to supporting its traditional microfinance lending.
Proposed OPIC Loan:	\$20,000,000 loan with a seven (7) year tenor.
Total Project Costs:	\$26,666,667 in total anticipated project costs.
U.S. Sponsor:	The U.S. Sponsor is ShoreCap II Ltd., a Mauritius investment fund that owns 14.3% of the shares in the Borrower and is managed by Equator Capital Partners LLC, a Delaware limited liability company.
Foreign Sponsor:	Foreign Sponsors include: United Bank Limited (Pakistan), Rural Impulse Fund II S.A. SIVAC-FIS (Luxembourg), responsAbility Global Microfinance Fund (Luxembourg), ASN-Novib Microkredietfonds (Netherlands), and Bank Al Habib Limited (Pakistan).
Policy Review	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy or employment. There is no U.S. procurement associated with this Project, and, therefore the Project is expected to have a neutral impact on U.S. employment. The Project is expected to have a negative five-year U.S. balance of payments impact.
Developmental Effects:	This Project is expected to have a highly developmental impact by expanding the availability of growth capital to micro, small and medium-sized enterprises in Pakistan. According to the International Finance Corporation, an estimated 67 percent of small and medium enterprises are unserved in Pakistan. This Project will expand Khushhali Bank Limited’s ability to offer loans to small enterprises in Pakistan and transition from a microlender to a full service micro, small and medium enterprise bank. Supporting these enterprises is a development priority of the Government of Pakistan, given their importance to the economy. An estimated half of OPIC-supported SME borrowers are expected to reside in rural areas. The Bank has endorsed the Smart Campaign and is in the process of receiving certification.
Environment:	Loans made by financial intermediaries to micro, small and medium enterprises (MSMEs) are screened as Category C projects under OPIC’s environmental and social guidelines. The

	<p>environmental, health, safety and social impacts from the Project are considered minimal. However, in order to insure that the Project is consistent with OPIC's statutory and policy requirements, the OPIC-guaranteed loans made by the Borrower will be subject to conditions regarding the use of proceeds, and the Borrower will be required to provide a healthy and safe work environment for its employees. The Project's activities, which involve providing loans to MSMEs, are not vulnerable to climate change and therefore a climate change resilience assessment is not needed.</p>
<p>Workers Rights:</p>	<p>OPIC's statutorily required standard worker rights language will be supplemented with provisions concerning the right of association, organization, and collective bargaining. Standard and supplemental contract language will be applied to all workers of the Project. The Project will be required to operate in a manner consistent with the requirements of the International Finance Corporation's (IFC) Performance Standard 2 on Labor and Working Conditions.</p> <p>Loans to micro-borrowers and small and medium-sized enterprises will be restricted with respect to the SMEs and micro-borrowers' operations, including the employment of minors and other applicable labor law requirements.</p>
<p>Human Rights:</p>	<p>OPIC issued a human rights clearance for this Project on May 5, 2016.</p>