

Project Name: National Financial Credit Bank S.A.
Guarantee Holder: Loita Capital Partners International Limited
Investor Country: Mauritius
Host Country: Cameroon
Fiscal Year: 2007

MIGA has issued a \$717,000 guarantee to Loita Capital Partners International Limited of Mauritius, covering its equity investment into the National Financial Credit Bank S.A. of Cameroon, as well as a portion of its management fees. The guarantee is for a period of five years against the risks of transfer restriction, expropriation, and war and civil disturbance.

The project involves the creation of a newly licensed commercial bank, National Financial Credit Bank S.A., to provide micro-credit and other financial services to clients, including small and medium-size enterprises. The creation of this new bank will infuse critically needed funds into the local financial market, and transfer skills and services from the investor to the local institution.

The National Finance Credit Company (NFCC) has been operating as a savings and credit institution in Cameroon since 1989. With seven branches across the country, the NFCC is one of the most diversified savings institutions in Cameroon. The investor, Loita Capital Partners International Limited, is providing the technical and managerial expertise needed to upgrade NFCC from a savings institution to a full-fledged bank, per the requirements of the Banking Commission of the Central African States. As a result, NFCC received a banking license in 2006 under the new name of National Financial Credit Bank S.A.

MIGA's participation in the project will support critically needed investments in the financial sector in Cameroon and strengthen the government's capacity to manage reform, privatization, and development in the sector. The project addresses two of MIGA's priority areas: an investment into an IDA-eligible country which is among one of the world's poorest; and a South-South investment. MIGA's participation in the project also complements the World Bank's country assistance strategy for Cameroon, which is based on strengthening the institutional framework for pro-poor economic management, service delivery, as well as the reduction of constraints to private sector development.

LOITA CAPITAL PARTNERS INTERNATIONAL

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