

 Early Warning System

FMO-41787

LeapFrog II Inclusion Holdings



Quick Facts

Countries	Indonesia
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Active
Bank Risk Rating	C
Voting Date	2018-09-28
Borrower	PT Reliance Capital Management
Sectors	Finance
Ring Fence	No Restrictions
Investment Type(s)	Loan
Investment Amount (USD)	\$ 8.25 million
Loan Amount (USD)	\$ 8.25 million
Project Cost (USD)	\$ 8.25 million



Project Description

FMO will invest in LeapFrog II Inclusion Holdings, a special purpose vehicle set up to invest in Indonesian multi-finance platform, PT Reliance Capital Management. Reliance is an insurance company (general, health and life) that also offers retail securities and loan products and is in the process of buying a 40% stake in local Indonesian bank Bank Kesejahteraan. Together, FMO and Leapfrog will provide funding that will be used to capitalize Bank Kesejahteraan, improve IT systems in the insurance business and provide financing to Reliance's multi-finance platform.



Investment Description

- Netherlands Development Finance Company (FMO)

Less than 19.6% of Indonesians (250 million people) currently have a bank account. At the same time, insurance penetration is at a mere 1.8%. Reliance currently reaches out to 450,000 direct clients, a figure that will increase after the acquisition of Bank Kesejahteraan. Through this transaction, FMO offers access to finance in a largely underserved market.

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.

- [Leapfrog II Inclusion Holdings](#) (Financial Intermediary) **is owned by** [LeapFrog Investments](#) (Parent Company)



Private Actor Relationship

There is often limited information publicly available about what development banks are funding through financial intermediaries. In 2021, the Early Warning System partnered with Oxfam International to incorporate information on high-risk projects being funded by financial intermediaries receiving funding from the International Finance Corporation (IFC) and the Dutch Development Bank (FMO).

The information listed below describes the relationship between the different private actors linked to high-risk sectors and subprojects of IFC and FMO's financial intermediary investments and/or the financial intermediary's parent companies made from 2017 through 2020, including any associated ring fences.

The database, however, does not explicitly or implicitly imply that IFC or FMO have material exposure to or are contractually or legally accountable to the sub-projects financed by their financial intermediaries or the financial intermediary's parent companies. It only shows a seemingly financial relationship among the different private actors, the financial intermediaries, and IFC or FMO.



Contact Information

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW) . A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: <https://www.fmo.nl/independent-complaints-mechanism>