

Early Warning System

FMO-53746

DFCU BANK LTD

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Quick Facts

Countries	Uganda
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	B
Voting Date	2018-06-05
Borrower	DFCU BANK LTD
Sectors	Energy, Industry and Trade
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Investment Amount (USD)	$ 25.00 million
Loan Amount (USD)	$ 25.00 million

Project Description

DFCU Bank is a strong and well-reputed Tier 1 bank in Uganda and existing client of FMO. FMO is supporting DFCU Bank as part of our strategy to grow and deepen customer relationships. Through this facility, FMO will support job creation, in many sectors in Uganda.

Investment Description

- Netherlands Development Finance Company (FMO)

FMO has provided a 5-year USD 15 mln loan to strengthen DFCU’s funding base with long-term USD financing and finance to SMEs. This deal has been arranged by Proparco.

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.

- DFCU Bank (Financial Intermediary) **is owned by** Arise (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.

Private Actors Description

DFCU Limited is listed company in Uganda and majority owned by ARISE B.V. It was established in 1964 as a development finance institution. Over the years, DFCU has been associated with many success stories in Uganda’s economy in various sectors: agribusiness, communication, education, health, manufacturing, tourism, real estate, mining, construction, transport, trade and commerce.

Contact Information

No contact information provided at the time of disclosure.

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