Early Warning System

# IFC-40545

## I&M Rwanda

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### Quick Facts

| | |
|---|---|
| **Countries** | Rwanda |
| **Financial Institutions** | International Finance Corporation (IFC) |
| **Status** | Approved |
| **Bank Risk Rating** | B |
| **Voting Date** | 2018-03-26 |
| **Borrower** | I&M Bank Rwanda Limited |
| **Sectors** | Finance |
| **Ring Fence** | Small & Medium Enterprises |
| **Investment Type(s)** | Loan |
| **Investment Amount (USD)** | $ 10.00 million |
| **Loan Amount (USD)** | $ 10.00 million |

## Project Description

According to IFC website, the project comprises a Tier II capital qualifying subordinated loan investment by IFC of US$10 million to I&M Bank Rwanda Limited to support the Bank's lending program, including lending to small and medium size enterprises (SMEs) and to the agri-business sector in Rwanda. IFC's investment will provide IMR with the necessary Tier II capital to support its capital adequacy. In addition, the investment will also help in lengthening the maturity profile of the Bank's funding.

Specifically, the project aims to:

1. Improve access to finance for SMEs and the agri-business sector, both priority areas for spurring economic growth and job creation in Rwanda

2. Generate environmental and social (E&S) benefits as IFC will work with the Bank to strengthen its E&S risk management standards in line with IFC's E&S Performance Standards.

3. Enable the Bank to sustainably expand its reach to under-penetrated segments thereby demonstrating the attractiveness of these under-served segments, which in turn should give comfort to other banks to extend their services to these segments.

## Investment Description

- International Finance Corporation (IFC)

## 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.

- I&M Bank (Rwanda) Limited (Financial Intermediary)
- I AND M BANK (RWANDA) LIMITED (Financial Intermediary) **is owned by** I&M Holdings (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

I&M Rwanda Limited (IMR) is part of the I&M Group, a regional financial services group originally established in 1974 and now comprises of several subsidiary operations, including I&M Bank Limited in Kenya, I&M Bank Limited in Tanzania, Bank One Limited in Mauritius and I&M Bank Rwanda Limited in Rwanda. IMR is listed on the Rwanda Stock Exchange with 19.61% of its shares held by the public. The Bank’s majority shareholder is BCR Investment Company Limited (“BCR”), a Mauritius based special purpose vehicle owned by I&M Holdings Limited (“IMH”), Deutsche Investitions- und Entwicklungsgesellschaft mbH (“DEG”), and Proparco. BCR holds 79.23% of the Bank’s shares (of which 54.23% is attributable to IMH, 12.5% to DEG, and 12.5% to Proparco).  The remaining 1.16% shareholding is held by the Bank’s employee stock option program (ESOP) for management and staff.

| Private Actor 1 | Private Actor 1 Role | Private Actor 1 Sector | Relation | Private Actor 2 | Private Actor 2 Role | Private Actor 2 Sector |
|---|---|---|---|---|---|---|
| I&M Holdings | Investor | Finance | invests in | KTC Co Ltd | Parent Company | Construction |
| I&M Holdings | Investor | Finance | invests in | Rwanda Mountain Tea Ltd | Client | Construction |
| KTC Co Ltd | Parent Company | Construction | owns | Rwanda Mountain Tea Ltd | Client | Construction |

## Contact Information

Borrower: I&M Bank Rwanda Limited
Office Address: KN 3 AV/9 Kigali Rwanda P.O. Box 354 Kigali- Rwanda
Website: www.imbank.com

### 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/