Early Warning System

IFC-41199

KIF Loan 2020

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Quick Facts

Countries	Timor-Leste
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	C
Voting Date	2020-05-25
Borrower	Kaebauk Investimentu no Finansas
Sectors	Finance
Investment Type(s)	Loan
Investment Amount (USD)	$ 5.00 million

Project Description

According to the bank's website, "International Finance Corporation (“IFC”) is proposing to extend an up to US$5 million senior loan facility with revolving feature, comprising of a loan of up to $2.5 million from IFC’s own account (the “A Loan”) and a loan of up to $2.5 million from IFC in its capacity as the Implementing Entity of the IDA-PSW BFF (the “IDA-PSW BFF Loan”), for a total tenor of up to four years to Kaebauk Investimentu no Finansas, SA (“KIF” or the “Company”). KIF is the largest micro finance institution (“MFI”) in Timor-Leste...

The proceeds will be used by the Company to develop its agri-financing business targeting farmers and supply chain participants in the agri-sector with prioritization to women borrowers. KIF is a valued client of IFC since 2013 and was formerly known as Tuba Rai Metin (“TRM”), a leading non-governmental organization (“NGO”) MFI. The Company went through a transformation to become a regulated MFI during 2013-2016 and after obtaining Other Deposit Taking Institution (“ODTI”) license in Mar-16, KIF was instituted as TRM’s subsidiary and the microfinance operations of TRM were transferred to KIF. IFC had been contributing an instrumental role during the transformation process. The Company provides inclusive financial services primarily to poor rural Timorese women and small businesses, supported by nationwide presence across all TL’s 13 districts and more than 300 employees serving more than 14,000 clients as of December 2019 with a strong gender focus with more than 70 % of the clients being women."

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.

- Kaebauk Investimentu no Finansas (Financial Intermediary)

Private Actors Description

According to IFC, "KIF’s shareholder base is adequately diversified, consists of a local NGO being the majority shareholder, namely TRM, a local minority shareholder (staff association of the Company), and 2 international minority shareholders (Base of Pyramid Asia Pte Ltd and IFC)."

Contact Information

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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/