Early Warning System

# IFC-50421

## GTFP ATRI Wegagen Bank

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## Quick Facts

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|---|---|
| **Countries** | Ethiopia |
| **Financial Institutions** | International Finance Corporation (IFC) |
| **Status** | Approved |
| **Bank Risk Rating** | C |
| **Voting Date** | 2026-01-19 |
| **Borrower** | WEGAGEN BANK SC |
| **Sectors** | Finance, Industry and Trade |
| **Investment Type(s)** | Guarantee |
| **Investment Amount (USD)** | $ 7,000.00 million |

## Project Description

According to bank's website, the approved project is an unfunded trade finance facility under IFC’s Global Trade Finance Program (GTFP or the GTFP Facility) of up to US$10 million, booked under the Africa Trade and Supply Chain Recovery Initiative (ATRI), benefiting from a 25 percent pooled first loss guarantee. The purpose of the proposed IFC trade line is to support Wegagen Bank’s (the Bank) trade program. GTFP’s investment in the form of a trade line will confirm banks’ partial or full guarantees [and other trade instruments] covering payment risk on banks in emerging markets in the Federal Democratic Republic of Ethiopia for their trade-related transactions.

## Early Warning System Project Analysis

Environmental Category: FI-3 - No Impact

### Investment Description

- International Finance Corporation (IFC)

GTFP limit of up to US$10 million on IFC's own account to Wegagen for transactions with tenor of up to 360 days. The facility will be booked under the ATRI (Board approved in June 2022) umbrella and will hence benefit from a 25 percent Pooled First Loss Guarantee ("PFLG") from IDA.

IFC's Investment as Approved by the Board: US$ 7000.00 million (guarantee)

### 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.

- Wegagen Bank (Financial Intermediary)

### Private Actors Description

Wegagen was set up in 1997 with sixteen founding members. As of Today, the Bank is Ethiopia’s ninth largest private commercial banks, holding a 4 percent market share in total assets, loans, and deposits. It serves 3.8 million customers across 450+ branches with a strong outreach in rural areas and has more than 14,000 shareholders. Wegagen is the first Ethiopian bank listed on the Ethiopian Securities Exchange, with a market capitalization of ETB10.0 billion (US$65.8 million equivalent) and its largest shareholders being Mulugeta Mekonnen (4.0%) and Africa Insurance S.C. (3.0%).

## Contact Information

**Wegagen Bank S.C.**

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You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

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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