



DFCU Bank: A loan to support a bank actively working for SMEs in Uganda

05/06/2018 – Date of signature of the project

BANKS AND FINANCIAL SERVICES – Sectors

UGANDA – Location

LOAN – Financing tool

12 855 673,6373 EUR – Amount of funding

LOAN OF USD 15M – Financing details

DFCU BANK LIMITED – Client

IF-B – CES

CLIENT PRESENTATION

DFCU Bank was set up as a development bank in 1964 by the UK's CDC and the Government of Uganda. It is now the country's second largest commercial bank with total assets exceeding USD 800m at 31 December 2017, 67 branches and 100 ATMs. DFCU Bank offers a wide range of banking services to a clientele of over 450,000 individuals, SMEs and corporates.

PROJECT DESCRIPTION

This new financing jointly allocated by PROPARCO and its Dutch partner FMO will allow DFCU Bank to meet the high demand from USD-generating SMEs that need long-term financing in US dollars for their long-term investments.

PROJECT IMPACT

DFCU Bank aims to finance Ugandan SMEs (65% of its portfolio) and develop its network of branches by opening over 1,500 new branches in rural areas. This project will thereby contribute to financial inclusion and the diversification of the financial sector.

In terms of economic impact, the project should support or create over 1,100 local jobs at DFCU Bank and Crane Bank, which DFCU recently acquired. Furthermore, the bank is very active with informal entrepreneurs and smallholders, for which it has developed specific "save for loan" products and technical assistance services. DFCU Bank also offers products and services to women via its "Women in Business" program, which reaches 8,000 women, and its "Business Women Advisory Council". It thereby contributes to reducing gender inequalities in Uganda.

