

BRAC International Opens New Bank in sub-Saharan Africa

- World's largest development organisation has transformed its microfinance operation in Uganda into a bank
- Three new equity partners - DEG, Equator Capital Partners, and Triple Jump - have joined the newly transformed BRAC Uganda Bank Limited for the next stage
- The aim is to provide far wider financial access and support to Ugandans particularly in rural communities

The world's largest development organisation, BRAC, has transformed its microfinance operation in Uganda into a bank in an effort to broaden and deepen financial inclusion for hundreds of thousands of people.

The NGO has diluted its 100% shareholding in BRAC Uganda Bank Limited, held through BRAC International Holdings BV, to meet regulatory requirements of transforming the biggest microfinance operation in Uganda into a Tier 2 Credit Institution.

Enclude Capital Advisory UK Limited, a specialist impact investment bank owned by [Palladium](#) and longtime partner to BRAC, acted as the sole financial advisor.

Three investors have each acquired 17% of BRAC Uganda Bank Limited. The new equity partners include German development finance institution DEG (Deutsche Investitions - und Entwicklungsgesellschaft mbH), Equator Capital Partners, the experienced fund manager investing in financial inclusion, and Triple Jump, the Dutch impact-focused investment manager. BRAC International plans to use the proceeds of the sale to further expand its operations in other countries with low levels of access to finance.

Starting in 2006, BRAC Uganda now serves over 200,000 clients, with its 163 branches in 84 districts of the country. As part of its commitment to provide a range of financial services particularly for women in rural and low-income communities, BRAC has been pursuing a change in its regulatory status. With the new license, BRAC Uganda Bank Limited will be able to offer savings accounts, money transfer, insurance and other financial services besides credit products to Ugandans.

“Becoming a bank is not the end in itself, but a means to an end,” said **Shameran Abed, the Senior Director of BRAC’s Microfinance and Ultra-Poor Graduation programme.** “We are now in a stronger position to not only provide far greater value to the hundreds of thousands of clients that we already serve but to achieve greater financial inclusion in Uganda by serving hundreds of thousands more who are outside of the formal financial system.”

Speaking about the transition from a Tier 4 microfinance institution to a Tier 2 regulated Credit Institution, **Jimmy Adiga, the CEO of BRAC Uganda Bank Limited**, said “It has been a journey dubbed by the staff of BRAC at all levels as ‘a journey where execution meets passion’.”

Enclude Director Alistair Mackie agrees, adding “Our close partnership has enabled us to tailor the transaction process and select the right partners for BRAC in boosting much-needed financial inclusion in Uganda.”

Michelmores, LLP acted as the international legal counsel and Katende, Ssempebwa & Co Advocates (KATS) acted as local legal counsel.

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Notes to Editor:

For Media enquiries, please contact Guy Smith at Newgate Communications at guy.smith@newgatecomms.com or +44 203757 6841

About BRAC and BRAC Uganda Bank Limited

BRAC started as a limited relief operation in 1972 in a remote village in Bangladesh and has grown to become the largest development organisation in the world impacting the lives of 1 in every 55 people on the planet. BRAC uses a holistic approach to development engaging a wide range of tools to promote inclusion such as microfinance, health and nutrition, education, youth, agriculture and food security, research, community empowerment, disaster management and climate change, targeting ultra-poor, social enterprises, water, sanitation and hygiene, poultry and livestock. BRAC was ranked the number 1 NGO in the world in 2019, four years in a row, by the Geneva-based organization, NGO Advisor.

BRAC’s first international expansion was into Afghanistan in 2002 and it currently has affiliated entities in 13 countries with a focus on Asia and Africa. Since 2006 BRAC has been working in Uganda to advance women’s empowerment, provide education for children and adolescent girls, address gender-based violence issues, improve livelihoods and skills for smallholder farmers, and improved access to finance, working towards achieving large-scale impact.

BRAC’s microfinance activities in Uganda have been carried out under a separate entity, BRAC Uganda Microfinance Limited (“BUML”). From 2008 to 2018 BUML increased borrower numbers from over 60,000 to over 200,000, and its branch network from 61 to 163. In 2016 the decision was taken to transform into a Tier 2 Credit Institution, and after completing all the regulatory requirements, BRAC received the licence as “BRAC Uganda Bank Limited” in March 2019.

About Palladium and Enclude

Palladium is a global impact firm, working to link social progress and commercial growth. For the past 53 years, we’ve been helping our clients to see the world as interconnected – by creating

strategies, building partnerships, and implementing programs that have a lasting social and financial impact. We simply call this “Positive Impact”.

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