

By Simon Okitela

In a bid to enhance Small and Medium Enterprise (SMEs) financing and inclusion, Financing Company for Development (FMO), the Dutch Entrepreneurial Development Bank, has extended a \$20m (about sh74b) senior unsecured facility to I&M Bank Uganda Limited.

The facility includes an initial \$10m senior debt commitment, representing the first tranche of a total \$20m facility expected to support SMEs across a wide range of sectors.

The deal was announced on Wednesday at the I&M Bank Uganda head office at Kingdom Kampala during an event attended by representatives from the Dutch Embassy in Uganda, led by Corinne Abbas, the First Secretary of the Economic Co-operation.

#### CONTINUOUS SUPPORT

Robin Bairstow, the Chief Executive Officer of I&M Bank (U) Ltd, said the bank will continue supporting SMEs through agriculture, women

# I&M Bank signs \$20m partnership to boost SME lending

## BETWEEN THE LINES

◀ The transaction will provide flexible financing and support decent work and reduced inequalities, in line with United Nations Sustainable Development Goals 8 and 10.

and youth-led tailored solutions that have driven business and economic growth.

"SMEs are not a peripheral segment; they are central to our growth, strategy and to Uganda's broader economic transformation. We've been supporting SMEs with diverse tailored financial products, asset financing, capacity-building initiatives, financial literacy, and other solutions," he said

"Through the recently concluded *Tukikube ne I&M Bank* campaign, we offered asset financing and structured financial literacy sessions that equipped entrepreneurs with



Seated: Huib-Jan de Ruijter (left) and Bairstow during the MOU signing at the I&M Bank head office at Kingdom Kampala, on Wednesday

both capital and knowledge to scale sustainably," Bairstow explained.

He also said the bank had, over the last two years, deliberately strengthened the balance sheet, enhanced capital position and invested significantly in modern technology platforms to ensure it serves SMEs sustainably.

Huib-Jan de Ruijter Co-Chief

Investment Officer at FMO said the partnership underscores FMO's commitment to working with strong regional banks to design practical, market-driven solutions that respond to the real financing and growth needs of SMEs.

FMO's financing is exclusive to I&M Bank's SME segment, with a focus on facilities for

women-owned businesses and agricultural enterprises.

#### CHALLENGES TO SMES FINANCING

The challenges that hinder SME growth and sustainability in Uganda range from inadequate collateral to poor credit history and high interest rates charged by banks.

The 2023 FinScope survey

## FOREX RATES

CURRENCY	BUY	SELL
US DOLLAR	3,740	3,790
EURO	4,240	4,400
POUND	4,960	5,150
KENYA SH	27	30
TZ SH	1.3	1.7
DHIRAM	850	1,020
S.A.RAND	205	310
JAPANESE YEN	18	45
RWANDESE FRANCS	2.0	3.5
DOLLAR OLDER & SMALLER	3,500	3,790

COMPILED BY MOSES KIGONGO  
RATES ARE SUBJECT TO CHANGE

showed that the proportion of Ugandans accessing credit dropped from 46% in 2018 to 36% in 2023.

Despite overall improvement in financial inclusion from 77% in 2018 to 81% in 2023, these challenges are clear barriers to obtaining affordable credit.