

INVESTMENT FINAL DISCLOSURE

Kaebauk Investimentu No Finansas (KIF)

February 2024



Project overview

KIF is Timor-Leste 1st and largest “Other Deposit Taking Institution” that started its activities in 2001, providing financial services with a focus on rural areas (70+% of Gross Loan Portfolio) and women (60%+). They are present in all 13 districts of the country with 22 branches and are serving more than 18,000 clients. Their core business is loans towards small vendors and MSMEs, but there is also a tangible base of farmers and agricultural traders (3,000+) to whom they provide agri loans.

Funding objective

KIF is now looking to keep expanding their portfolio with an increased share of agriculture exposure. For this purpose, a subordinated debt will enable them to maintain comfortable capital level along their growth, keep attracting senior lenders, and boost their agriculture portfolio.

Investment rationale

As part of Pacific area, KIF is the first opportunity in the region under ACP CW. It is a well-established MFI that is focusing on rural areas, with a vision aligned with AgriFI impact objectives. There is high potential to grow their portfolio in agriculture, with the potential to use TA to design new products and target high potential value chains such as coffee and coconut. AgriFI intervention via a sub debt will enable them to do more agriculture and reinforce the capitalization at the same time.

Expected impact

Potential to double # of farmers reached up to 6,000+ farmers by '26. High leverage, catalyzing additional funding in an isolated geography. Strong financial inclusion role in a low developing country (LDC).

AT A GLANCE

- **Project:** Kaebauk Investimentu No Finansas (KIF)
- **AgriFI financing:** USD 2m
- **Financial instrument:** subordinated debt
- **Region:** Pacific
- **Country:** Timor Leste
- **Sector:** MFI
- **Allocation:** ACP regional window

ENVIRONMENTAL & SOCIAL ASSESSMENT

Based on Environmental and Social (E&S) risks/impacts the E&S risk category is **C**.

Given that KIF's activity is related to microfinance and it adheres to international E&S standards, especially on critical areas such as Client Protection and Human Resources, the potential E&S impacts associated with this project are expected to be very limited, site specific, and readily addressed through appropriate mitigation and management measures.

[Kaebauk – Kaebauk Investimentu no Finansas SA](#)