



## Equity Enhances its Support to MSMEs by Signing a \$100 Million USD Credit Facility with Leading European Development Banks

- The facility is syndicated between DEG of Germany, CDC Group of the United Kingdom and FMO of the Netherlands.
- Deal will support Equity to continue lending to MSMEs to bolster their resilience and growth during the COVID-19 environment and to foster job protection and sustainable economic opportunities.

**Nairobi, Kenya: March 9, 2021** – Equity Group Holdings Plc. has today signed a \$100 million USD loan facility with Germany’s DEG, the UK’s CDC Group, and the Netherlands FMO in its continued commitment to walk with MSMEs to survive the pandemic, recover, repurpose and thrive during and after the COVID-19 crisis.

In response to the COVID-19 crisis, Equity launched an offensive and defensive approach to support customers while innovating alongside MSMEs who are leveraging on the opportunities that have presented within the crisis.

The Group has also provided loan repayment accommodation and rescheduling for up to 45% of the customers whose cashflows were deemed likely to be negatively impacted by the COVID-19 pandemic. In its third quarter 2020 results, Equity reported a 30% growth in its loan book to support customers who saw opportunities of green shoots and diversifications in the COVID-19 environment. Most of the new opportunities funded are in manufacturing of PPE, logistics, online businesses, agro-processing, fast moving consumer goods and agriculture value chains.

As development finance institutions DEG, CDC Group and FMO invest to support the social and economic development of countries across Africa. Supporting SMEs is a long-term priority particularly as the segment remains under-financed and in-need of patient capital. The partnership is testament to the Development Finance Institution (DFI) community’s strategy of working closely together to support more private sector businesses, scale impact and improve millions of livelihoods.

In making the announcement, **Dr. James Mwangi, Managing Director and CEO of Equity Group Holdings Plc.** stated that: “The impact of the COVID-19 pandemic started as a health crisis, which quickly became an economic and humanitarian crisis that has seen almost 40% of Kenyan small business owners affected by the great economic slowdown. Equity’s goal is to keep the lights of the economy on to sustain lives and livelihoods and facilitate the recovery of businesses as the economy begins to reopen. We value our long-term partnership with DEG, FMO and CDC. We thank them for partnering with us in our efforts to support MSMEs to stimulate the economy back to vibrance, and hence support lives and livelihoods through market optimization.”

Commenting on the transaction, **Christiane Laibach, CEO of the DEG Management Board** said, “DEG is delighted to realize a further financing for Equity Bank, together with our European partners CDC and FMO. Through our cooperation we are contributing to supplying local SMEs with credit, which is particularly important and in demand at present.”



“As an inclusive regional financial institution these facilities strengthen Equity’s position to further enhance the strength of MSMEs who key actors in value chains and ecosystems in the economy. By ensuring their survival and growth the MSMEs will continue to protect jobs, create more jobs and support lives and livelihoods in society,” said Dr. Mwangi.

**Seema Dhanani, Head of Office & Coverage Director, CDC, Kenya:** “We are delighted to partner with DEG and FMO to provide much-needed capital to support entrepreneurs and SMEs in Kenya. Equity is a natural partner for the DFI community with its mission to change people’s livelihoods through empowering entrepreneurs.

CDC has invested in Kenya for over 70 years and is committed to increasing the resilience of businesses, boosting inclusive growth and contributing to the country’s long-term economic recovery.”

**Mr. Huib-Jan de Ruijter, Chief Investment Officer (a.i.) at FMO,** said: “We are very happy to be able to support EBK in weathering the COVID-19 storm. EBK is Kenya’s most innovative and MSME oriented bank. The facility will be a lifeline for the ‘missing middle’, providing businesses with much needed capital, while supporting jobs and communities. The syndication with DEG and CDC shows the strength of DFI partnership and collaboration.”

**Jane Marriott, the British High Commissioner to Kenya,** said: “The UK is fully committed to delivering a strong, resilient economic recovery from COVID-19 in Kenya. Through CDC, this UK support to Equity Bank will help Kenyan families and businesses to build back better, manage unexpected challenges and get back on their feet as soon as possible.”

This is the third tranche for Equity Group after having signed a \$50 million USD loan facility with IFC in September and a \$100 million USD from Proparco in October to fortify credit flows and liquidity to MSMEs.

### **About Equity Group Holdings, Plc:**

Equity Group Holdings (EGHL), is a Pan-African financial services holding company listed at the Nairobi Securities Exchange, Uganda Securities Exchange, and Rwanda Stock Exchange. The Group has banking subsidiaries in Kenya, Rwanda, Uganda, South Sudan, Tanzania, and DRC and a representative office in Ethiopia. It has other subsidiaries in investment banking, insurance, telecom, fintech and social impact investments. Equity Group has an asset base of nearly USD \$9.3 billion. With over 14.2 million customers, the Group is one of the biggest banks in customer base in the region. Since 2008, the Group’s corporate foundation, Equity Group Foundation (EGF), has delivered humanitarian programs in Education and Leadership, Food and Agriculture, Social Protection, Health, Clean Energy and the Environment, Enterprise Development and Financial Inclusion to millions of Africans. EGF has a networked health care provider, Equity Afia which has been supporting COVID-19 relief efforts.

For more information, please visit: <https://equitygroupholdings.com/>

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### **About DEG:**



For almost 60 years DEG has been a reliable partner to private-sector enterprises operating in developing and emerging-market countries. DEG provides its customers with tailor-made solutions, including financing, promotional programmes and advice tailored to individual needs. They can thus develop successfully and sustainably, while generating local added value and creating qualified jobs. With a portfolio of around EUR 9 billion in approximately 80 countries DEG is one of the world's largest private-sector development financiers.

Learn more: [www.deginvest.de](http://www.deginvest.de)

### **About CDC**

1. [CDC Group](#) is the UK's first impact investor with over 70 years of experience of successfully supporting the sustainable, long-term growth of businesses in South Asia and Africa.
2. Kenya is a priority market for CDC. Currently, it receives more CDC investment than any other East African nation. CDC has invested in 76 local businesses, with a current portfolio value of over \$290 million.
3. We are a long-term partner to Kenya: We have had a presence in Kenya since 1948, investing here for more than 70 years. Our Kenya office is led by Tenbite Ermias, Africa Managing Director, and Seema Dhanani, Head of Office and Coverage Director.
4. We are committed to strengthening the private sector's contribution to the achievement of Vision 2030, the country's long-term development blueprint, which aims to transform Kenya into a newly-industrialising, middle income country providing a high quality of life to all its citizens in a clean and secure environment.
5. CDC is a leading player in the fight against climate change and a UK champion of the UN's Sustainable Development Goals – the global blueprint to achieve a better and more sustainable future for us all.
6. The company has investments in over 1,200 businesses in emerging economies and a total portfolio value of \$6.2bn. This year CDC will invest multibillion of dollars in companies in Africa and Asia with a focus on fighting climate change, empowering women and creating new jobs and opportunities for millions of people.
7. CDC is funded by the UK government and all proceeds from its investments are reinvested to improve the lives of millions of people in Africa and South Asia.

### **About FMO:**

FMO (Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.) is a Dutch development bank structured as a bilateral private-sector international financial institution based in the Hague, the Netherlands. FMO manages funds for the Ministries of Foreign Affairs and Economic Affairs of the Dutch government to maximize the development impact of private sector investments. Working with partners ranging from partner European Development Finance Institutions (EDFI's) to civil society organizations and investors, FMO serves many entrepreneurs all over the world who have set up their companies to contribute to positive change.