

Early Warning System

AFDB-P-KE-HAB-030

Kenya - Equity Group Holdings Plc

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Quick Facts

Countries	Kenya
Financial Institutions	African Development Bank (AFDB)
Status	Approved
Bank Risk Rating	U
Voting Date	2019-11-28
Borrower	Equity Group Holdings Plc
Sectors	Finance
Investment Amount (USD)	$ 52.70 million

Project Description

The proposed project relates to the provision of USD 100 million subordinated debt funding, tier II qualifying debt, to Equity Group Holdings Plc (EGH). It seeks to enhance the borrower's capacity to expand its lending activities to MSMEs and local corporates across various countries in Africa. The subdebt will have a tenor of eight years inclusive of a grace period of five years in order to align with tier II qualifications as guided by Central Bank of Kenya Prudential Guidelines. The subdebt will bolster EGH's interventions in key sectors including agriculture, manufacturing and trade across countries of operation through its prowess of delivering funding to otherwise financially excluded business segments/ groups such as MSMEs, women and youth. EGH was initially known for its lending to SMEs and its focus on this business segment at a time when hitherto mainstream lenders were downsizing and scaling down on SME lending. EGH has widened its coverage to include micro enterprises as evidenced by its service offering to the unbanked in camps for internally displaced persons and refugees in Uganda, Rwanda and Kenya.

The purpose of the project is to facilitate the regional expansion of the Equity Group Holdings Plc ("EGH") with a view to expanding its support to Micro, Small and Medium Enterprises (MSMEs) businesses across East, Central and Southern Africa, contributing to regional integration, industrialization, job creation and inclusive growth.

The direct beneficiary of the intervention is the EGH. Indeed, the facility will complement the support of the African Development Bank (AfDB) to EGH in the form of long-term project financing through the Kenyan subsidiary. The facility will also improve the provision of long-term financing to worthy market segments, including MSMEs, women and young people.

Investment Description

- African Development Bank (AFDB)

Contact Information

private-sector@afdb.org

ACCOUNTABILITY MECHANISM OF AfDB

The Independent Review Mechanism (IRM), which is administered by the Compliance Review and Mediation Unit (CRMU), is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an African Development Bank (AfDB)-financed project. If you submit a complaint to the IRM, it may assist you by either seeking to address your problems by facilitating a dispute resolution dialogue between you and those implementing the project and/or investigating whether the AfDB complied with its policies to prevent environmental and social harms. You can submit a complaint electronically by emailing crmuinfo@afdb.org, b.kargougou@afdb.org, b.fall@afdb.org, and/or s.toure@afdb.org. You can learn more about the IRM and how to file a complaint at https://www.afdb.org/en/independent-review-mechanism/.

Bank Documents

- Project Information