

 Early Warning System

FMO-60112

EQUITY BANK (KENYA) LIMITED NASIRA PORTFOLIO



### Quick Facts

Countries	Kenya
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	A
Voting Date	2020-12-23
Borrower	Equity Bank
Sectors	Finance
Investment Type(s)	Guarantee
Investment Amount (USD)	\$ 69.13 million



## Project Description

Equity Bank (Kenya) Limited ("EBK") is a fully owned subsidiary of Equity Group Holdings Plc ("EGH"), a non-operating holding company (the "Group"), one of the largest financial service groups in East Africa. Since 2006, the Group is listed on the Nairobi Securities Exchange and operates in seven markets in East and Central Africa (Kenya, DRC, Uganda, Tanzania, Rwanda and South Sudan, including a representative office in Ethiopia). EBK, which is the flagship Bank of the Group, was founded in 1984 in Nairobi and originally acted as a provider of mortgage financing for the low-income population. In 2004, it transformed into a commercial bank becoming today the No. 2 Bank in Kenya by size. The Bank offers a broad range of financial products and services for retail and business clients and historically has a special focus on SME's and Micro SME's.

FMO will provide a revolving unfunded (NASIRA) portfolio guarantee covering loans provided to MSMEs affected by the COVID-19 crisis (including female, young and agricultural entrepreneurs).

FMO aspires to build a strong relationship with EBK along the mutual strategy of sustainable commercial development through financing MSMEs in Kenya's real economy (including Young, Female and COVID-19 affected entrepreneurs), thereby enabling those companies to invest in their businesses, create jobs and contribute to the overall economic development and growth of the economy.

Equity Bank (Kenya) Limited is a longstanding client of FMO. EBK is classified as E&S Category A in accordance with the EDFI E&S Standards. The clients in EBK's portfolio are active in sectors which have potential significant and adverse environmental and social impacts, such as mining & quarrying, agriculture and energy & water. E&S risk management is maturing at EBK, which will be enhanced following actions agreed in the E&S action plan that is part of this facility. EBK recently set up an E&S risk department which resulted in a significant increase in internal E&S capacity to mitigate the negative E&S impacts of its financing activities. New hires and a focus on ESG communications and reporting are expected to further strengthen ESMS implementation.



---

## Investment Description

- Netherlands Development Finance Company (FMO)

## Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- [EQUITY BANK KENYA LIMITED](#) (Financial Intermediary) **is owned by** [Equity Group Holdings Plc](#) (Parent Company)



---

## Private Actor Relationship

FMO NV

## Private Actors Description

Equity Bank (Kenya) Limited ("EBK") is a fully owned subsidiary of Equity Group Holdings Plc ("EGH"), a non-operating holding company (the "Group"), one of the largest financial service groups in East Africa. Since 2006, the Group is listed on the Nairobi Securities Exchange and operates in seven markets in East and Central Africa (Kenya, DRC, Uganda, Tanzania, Rwanda and South Sudan, including a representative office in Ethiopia). EBK, which is the flagship Bank of the Group, was founded in 1984 in Nairobi and originally acted as a provider of mortgage financing for the low-income population. In 2004, it transformed into a commercial bank becoming today the No. 2 Bank in Kenya by size. The Bank offers a broad range of financial products and services for retail and business clients and historically has a special focus on SME's and Micro SME's.



---

## Contact Information

South Africa  
+27 11 507 2500  
[joburg-office@fmo.nl](mailto:joburg-office@fmo.nl)

## ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: [disclosure@fmo.nl](mailto:disclosure@fmo.nl)

## ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW). A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: <https://www.fmo.nl/independent-complaints-mechanism>



---

## Bank Documents

- [Project Information](#)