Early Warning System

IFC-41982

EBK Green

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Quick Facts

Countries	Kenya
Financial Institutions	International Finance Corporation (IFC)
Status	Proposed
Bank Risk Rating	U
Voting Date	2019-03-28
Borrower	EQUITY BANK KENYA LIMITED
Sectors	Finance
Ring Fence	Small & Medium Enterprises
Investment Type(s)	Loan
Investment Amount (USD)	$ 100.00 million

Project Description

The project consists of an up to US$100 million subordinated loan to Equity Bank (Kenya) Limited (“EBK” or the “Bank”) to strengthen the Bank’s regulatory capital and support its lending program to the underserved micro, small and medium enterprises (MSMEs) segment in Kenya. The project also aims at supporting the Bank’s growing sustainable energy finance operations.

Investment Description

- International Finance Corporation (IFC)

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)
- EQUITY BANK KENYA LIMITED (Financial Intermediary) **is owned by** Equity Group (Parent Company)

Private Actor Relationship

There is often limited information publicly available about what development banks are funding through financial intermediaries. In 2021, the Early Warning System partnered with Oxfam International to incorporate information on high-risk projects being funded by financial intermediaries receiving funding from the International Finance Corporation (IFC) and the Dutch Development Bank (FMO).

The information listed below describes the relationship between the different private actors linked to high-risk sectors and subprojects of IFC and FMO's financial intermediary investments and/or the financial intermediary's parent companies made from 2017 through 2020, including any associated ring fences.

The database, however, does not explicitly or implicitly imply that IFC or FMO have material exposure to or are contractually or legally accountable to the sub-projects financed by their financial intermediaries or the financial intermediary's parent companies. It only shows a seemingly financial relationship among the different private actors, the financial intermediaries, and IFC or FMO.

Private Actors Description

EBK is the second-largest bank in Kenya, with total assets of US$4.2bn as of September 30, 2018. The Bank was established in 1984 as a mortgage provider for low-income individuals in Kenya, named Equity Building Society, and was converted into a full-service commercial bank in 2005. The Bank has a substantial nationwide presence in Kenya through its network of 177 branches, 502 ATMs, and 31,280 banking agents, serving over 10 million customers as of December 2017.

EBK’s is the Kenyan banking subsidiary of Equity Group Holdings Plc (“Equity Group”), a leading banking group in East Africa present in Kenya, Uganda, South Sudan, Rwanda, Tanzania and Democratic Republic of Congo. Equity Group is listed on the Nairobi Securities Exchange, Uganda Securities Exchange and Rwanda Securities Exchange.

Contact Information

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ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

Bank Documents

- Project Information