

PRESS RELEASE

Co-op Bank receives US\$100 Million Facility from DEG-Led Consortium

*Nairobi, Friday 14 July 2023....*The Co-operative Bank of Kenya has received a long-term 7-year funding facility amounting to **USD 100 million** (Kshs 14 Billion) from a consortium of financial institutions led by DEG for on-lending mainly to Micro, Small and Medium-sized Enterprises (MSMEs) in Kenya.

The loan is a Tier II Facility that has already been fully disbursed, where DEG acted as Lender, Mandated Lead Arranger and Facility Agent while the Consortium included The Africa Agriculture & Trade Investment Fund (AATIF), Symbiotics and European Development Finance Institutions namely Finfund, Norfund and the co-financing facility European Financing Partners (EFP).

Commenting upon the disbursement of the facility, Co-operative Bank Group Managing Director & CEO Dr. Gideon Muriuki said, “The funding by DEG and the Consortium is most timely in view of the great need to better support our business customers. In addition, the long-term tenure of the facility has significantly boosted the bank’s ability to offer solutions that are better structured to fulfil the long-term financing needs of MSMEs.”

Monika Beck, Member of DEG’s Management Board said, “By acting as lead arranger and providing [the](#) subordinated loan to Co-op Bank, DEG [contributes](#) to the further development of Kenya’s financial sector and the wider economy through the creation of jobs and local income, all geared towards the attainment of Sustainability Development Goals.”

Co-op Bank continues to leverage its strong balance sheet to access funding and allied partnerships with global development partners to enhance the bank’s opportunities for growth and overall performance as here under;

- Enhance the bank’s assets and liability match where long-term loans can be financed using the long-term debt.
- Diversify the bank’s asset and funding portfolio.
- Expand the bank’s client base especially among MSMEs.
- Boost the bank’s competitive position on account of affordable lending.

The DEG-led facility is a significant support to the bank especially at this point in time when the bank's digitization journey is moving full steam ahead with the recent transition to a new, robust core banking system.

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Editors Notes

- The Co-operative Bank Group ('Co-op Bank') is incorporated in Kenya under the Company's Act and is licensed to carry out the business of banking under the Banking Act. The Bank was listed in year 2008 wherein it is now the largest Co-operative Bank in Africa. The Group has 5 subsidiaries namely, Kingdom Securities Ltd, Co-optrust Investment Services Limited, Co-op Consultancy & Bancassurance Intermediary Ltd, Kingdom Bank Limited and Co-operative Bank of South Sudan; The Bank holds a 24.8 per cent stake in CIC Insurance Group and a 25% equity stake in Co-op Bank Fleet Africa Leasing Limited. The Bank's footprint across Kenya and the region includes: 183 branches in Kenya, 4 in South Sudan, 543 ATMs and over 17000 Co-op Kwa Jirani agency banking outlets supporting our growing client base.
- DEG - Deutsche Investitions- und Entwicklungsgesellschaft is part of KfW Group and headquartered in Cologne, Germany. With a strong focus on climate and impact, it offers financing, advice and support to private sector enterprises operating in developing and emerging-market countries. As an experienced partner, it supports its customers with in-depth market knowledge, impact and climate expertise and its international network to advance forward-looking investments.
- The Africa Agriculture and Trade Investment Fund is a public-private partnership dedicated to promoting the sustainable development of the food / agri sector across Africa by providing patient capital and technical assistance and by sharing lessons learned with the international development finance community for replication. The fund provides debt financing to small, medium, and large-scale agribusinesses along the entire agriculture value chain, as well as financial institutions active in the sector. More information and contact details can be found on www.aatif.lu

- Finnfund is a Finnish development financier and impact investor. We build a sustainable future and generate lasting impact by investing in businesses that solve global development challenges. We invest 200-250 million euros in 20-30 companies in developing countries each year. Our focus sectors include renewable energy, sustainable forestry, sustainable agriculture, financial institutions, and digital infrastructure and solutions. Today Finnfund's investments, commitments, and investment decisions total about 1.22 billion euros, half of them in Africa. The company has 100 employees based in Helsinki and Nairobi. For more information, please visit <https://www.finnfund.fi/en/>
- Norfund is the Norwegian Investment Fund for developing countries. Our mission is to create jobs and to improve lives by investing in businesses that drive sustainable development. Norfund is owned and funded by the Norwegian Government and is the Government's most important tool for strengthening the private sector in developing countries, and for reducing poverty. Norfund's committed portfolio totals 3.1 billion USD in Sub-Saharan Africa, South-East Asia, and Central America. Norfund has four investment areas: Renewable Energy, Financial Inclusion, Scalable Enterprises and Green Infrastructure. For more information, please visit: www.norfund.no
- Symbiotics is the leading market access platform for impact investing, dedicated to private markets in emerging and frontier economies. The group offers investment, asset management and capacity building services. Since 2005, Symbiotics Investments has originated over 7,400 investments representing more than USD 9.3 billion for 574 companies in 94 countries.