

PRESS RELEASE

Equity Group and African Guarantee Fund Scale Up Transformative Partnership With USD 500 Million (Kes 64 Billion) Framework to Accelerate MSME Financing

- The initiative aims to create and preserve jobs for young people and women in the East and Central Africa region.
- AGF and Equity's previous partnership has already unlocked over USD 160 million in loans for nearly 2,000 MSMEs, including 500 women-led and 900 youth-led businesses.

Nairobi, Kenya – 9th May 2025: Equity Group Holdings Plc and the African Guarantee Fund (AGF) have strengthened their commitment to supporting Micro, Small, and Medium Enterprises (MSMEs) by renewing and expanding their strategic partnership through a USD 500 million framework. This facility will enable Equity Group to scale its lending activities to MSMEs, unlocking USD 1 billion in financing for these businesses. The initiative is projected to create or sustain over 50,000 jobs.

Building on a robust collaboration established in 2018, which was later enhanced in 2020 with a USD 75 million facility, this renewed partnership represents the largest single guarantee engagement in AGF's history. It targets MSMEs in Kenya, Uganda, Rwanda, Tanzania, and the Democratic Republic of Congo (DRC), with plans to extend to future Equity Group subsidiaries over the next 10 years.

The framework will be implemented in three phases, starting with an initial USD 115 million tranche already committed to the five core subsidiaries. It will cover loans to MSMEs, with a focus on women-owned, youth-led, and green enterprises. To date, the AGF–Equity partnership has unlocked over USD 160 million in loans for nearly 2,000 MSMEs, including 500 women-led and 900 youth-led businesses.

Equity Group Managing Director and CEO, Dr. James Mwangi said, "This expanded partnership with the African Guarantee Fund underscores our shared vision of empowering MSMEs, which are the backbone of African economies. By enhancing access to finance and promoting sustainable business practices, we are investing in the future of our communities, preserving jobs and driving inclusive growth across the region. We see a unique opportunity to deepen our focus on high-impact SME sub-sectors, including agriculture, women- and youth-led enterprises, among others. These are central to our Africa Recovery and Resilience Plan (ARRP), which emphasizes the power of collaboration and strategic partnerships to unlock transformative growth."

Noting the anticipated impact of the renewed partnership, AGF Group CEO, Jules Ngankam, said, "Our renewed partnership with Equity Group further increases our footprint and impact in the region. By supporting the Bank to accelerate SME financing, we envision several development impact indicators, including increasing the number of people employed and engaged in businesses and growth of enterprises from one stage to another, for instance, from Small to Medium enterprises," he said.

The partnership leverages Equity's African Development Bank partnership under the Affirmative Finance Action for Women in Africa (AFAWA) Guarantee for Growth program, which aims to unlock up to USD 3 billion in financing for women SMEs in Africa through financial institutions. A substantial portion of the risk-sharing mechanism between AGF and Equity will offer women entrepreneurs increased guarantee cover along with technical assistance as provided by the Equity Group Foundation, to help reduce the gender finance gap.

The two institutions are also collaborating to support Green Financing and Blue Economy activities, demonstrating their joint commitment to environmental and nature sustainability by promoting green and blue projects, through AGF's Green Guarantee Facility and Equity Group's pioneering solutions for sustainable coastal and freshwater livelihoods.

In addition, AGF will continue supporting Equity Group through its Capacity Development initiative, by offering comprehensive training programs for the bank's staff with a special focus on enhancing gender-smart investing.

Equity Group and AGF remain committed to working collaboratively to ensure that this enhanced facility delivers measurable value to the region's MSMEs and aligns with the UN Sustainable Development Goals (SDGs) and Africa's Agenda 2063, reinforcing both institutions shared vision to transform lives through inclusive finance.