

BELGIAN INVESTMENT COMPANY FOR DEVELOPING COUNTRIES PROVIDES USD 10 MILLION TIER II CAPITAL TO VICTORIA COMMERCIAL BANK PLC



Nairobi, 28th June 2022

USD 10M funding strengthens Victoria Commercial Bank's lending position to SMEs

Victoria Commercial Bank (VCB) PLC has secured a nine-year USD 10 million subordinated Tier II compliant loan from the Belgian Investment Company for Developing Countries (BIO). The loan is a strategic development goal to increase the Bank's capitalization and strengthen its lending position to SMEs.

"VCB has sought funding from BIO, a company limited by shares and incorporated under the laws of Belgium. BIO has accepted to issue the said funding to grow the Bank's asset base, especially the foreign currency-denominated loan book, in line with our strategic goals. The loan qualifies for Subordinated Tier II funding," stated VCB CEO, Dr Yogesh K. Pattni.

Dr Pattni further reiterated the Bank's commitment to boost Kenya's economic development post-Covid-19 by facilitating the financial resilience of its corporate clientele.

"BIO is known for its role in supporting financial institutions and other enterprises, contributing to socio-economic growth in developing

countries. We are delighted to partner with BIO to achieve this purpose," stated Dr Pattni.

"BIO is delighted to partner with Victoria Commercial Bank and assist it in its support of the development of Kenyan MSMEs. Our subordinated loan is aimed at strengthening VCB's capital base and further expanding its outreach to MSMEs - fully in line with BIO's mandate," said BIO Regional Manager for East Africa, Alexis Losseau.

BIO is the fourth Development Finance Institution (DFI) that Victoria Commercial Bank has secured funding from. BIO extended this funding to VCB due to its focus on the growth of SMEs and its commitment to sustainable development. This new partnership will further boost the confidence of DFIs in Kenya's financial services sector.

The transaction was structured by Alpen Capital (ME) Limited, an investment banking advisory firm which offers solutions in the areas of Debt, M&A and Equity to institutional and corporate clients across the GCC, Africa, South Asia and Levant.

VICTORIA COMMERCIAL BANK

Victoria Commercial Bank (VCB) PLC is an SME focused bank licensed and regulated by the Central Bank of Kenya. Incorporated in 1987 as a finance company, VCB transitioned to a commercial bank in April 1996. In the last 35 years, VCB has grown steadily to achieve an asset base of Kshs 46 billion. The Bank's structure is supported by a strong governance framework, adequate capitalisation and strong funding and liquidity.

VCB has established a strategic nationwide footprint with five operational branches within Nairobi. Through its niche private banking model, comprising of business entities and high net-worth individuals, the Bank has attained an award-winning status for customer-centricity.

BELGIAN INVESTMENT COMPANY FOR DEVELOPING COUNTRIES (BIO)

Founded in 2001, BIO is a Development Finance Institution that supports private sector growth in developing countries. It provides long-term financing to enterprises, financial institutions, and private infrastructure projects, as well as grants for feasibility studies and technical assistance programmes. BIO operates as an additional partner to financial institutions and aims to strike a balance between return on investment and development impact.

BIO is a member of EDFI (European Development Finance Institutions) and has more than 1 billion Euros of assets under management. For more information, please visit us at www.bio-invest.be or follow us on LinkedIn.

