



Proparco and DEG strengthen their partnership with MCB, in favour of climate finance in Mauritius.

To support the scaling of climate finance in Mauritius, Proparco and DEG announced a new partnership with The Mauritius Commercial Bank Ltd (MCB) to support the bank in expanding its climate finance offering in Mauritius and Sub-Saharan Africa.

Proparco and DEG will provide MCB with a loan of up to USD120 million to support the bank in its ambition to unlock further opportunities to finance climate mitigation, adaptation and climate resilient measures. This new investment continues the success of the AFD Group's SUNREF lending programme, which has been active in Mauritius since 2009. This transaction also marks the fourth joint operation between Proparco, DEG and MCB, which is testimony to the long-standing relationship between these institutions.

The largest bank in Mauritius, and growing regional player, MCB has notably embarked on an ambitious sustainability and climate journey over the last few years. This journey includes the development of a dedicated governance structure to improve sustainable outcomes, and a transition workforce to mainstream climate-risk analysis and reinforce the bank's sustainable and climate financing offer for local, regional and international players in Mauritius and Africa. A key focus for MCB is to grow its presence in the energy and infrastructure sectors, guided by its approach to responsibly finance affordable energy while helping economies transition to cleaner solutions.

This new investment by Proparco and DEG (USD 60 million each) is testament to the trust placed on MCB, and its active role in supporting Mauritius and the African continent's transition to low-carbon, resource-efficient and climate-resilient economies. Furthermore, MCB remains strongly committed to advancing gender equality and workplace diversity. With more than 50% of employees being women, and demonstrated commitment to

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improve women representation at middle and senior management, this project will qualify for the 2X challenge initiative.

SUNREF is the Green finance programme of the AFD Group, which provides solutions to promote the renewable energy and environmental transition of private players. **Since 2009, AFD has been supporting Mauritius in its transition to a green and climate-resilient economy, notably** through three successive SUNREF programmes, with total credit commitments of over EUR 175 million.

Alain Law Min, Chief Executive Officer, MCB Ltd: “MCB and AFD Group have a long standing relationship since 2009 through MCB’s active participation in the successive SUNREF lines I, II and III, and important lines of credit from Proparco alongside DEG. The first one, amounting to EUR75m was provided to MCB in 2011 and was repaid in October 2019, followed by another USD150m in 2018 which will be fully repaid in October 2030, a third line of credit of USD65m negotiated during the pandemic in 2020 and has been fully repaid in November 2023. Today, this facility of USD120m with a tenor of 10 years consolidates our relationship further.

This line of credit will finance climate projects in Mauritius, in the Sub-Saharan and Indian Ocean regions, in line with our sustainable development agenda and ‘Success Beyond Numbers’ strategy. Our partnership with AFD Group is anchored on the alignment of our respective strategies, notably since the AFD Group is an active proponent in Mauritius and in the region, for the promotion of sustainable development, mitigation of and adaptation to climate change, preservation of biodiversity and gender equality. The successful closing of this facility reflects the confidence placed by Proparco and DEG in MCB’s strategy, its investment grade ratings and its growth potential.”

Steven Gardon, Regional Director - Southern Africa and Indian Ocean at Proparco welcomed the signature of the agreement saying that *“Proparco is pleased to be renewing its partnership with MCB, and specifically supporting the Bank in its climate journey. This project is fully aligned with AFD Group’s ambitious climate strategy, and further illustrates Proparco’s strong commitment to Mauritius and the region.”*

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Michael Fischer, Director Financial Institutions Africa at DEG is very happy to continue this important partnership with MCB as a leading financial institution in Mauritius and Sub-Saharan Africa: *“This Climate Facility will be an important contribution to Mauritius in achieving its goals towards climate neutrality and is perfectly aligned with DEG’s climate and impact strategy.”*

The project is expected contribute to the following Sustainable Development Goals SDG 5 (“achieve gender equality and empower all women and girls”), SDG 7 (“Clean and Affordable Energy”), SDG 8 (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all) and SDG 13 (“Climate Action”).

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About MCB

Founded in 1838, MCB is the longest-standing and leading banking institution in Mauritius and a prominent regional player. Serving a client base of over 1 million customers, MCB operates a universal banking business model locally whilst having a targeted approach when conducting cross-border operations by focusing on market segments where it has built expertise. It services its customers across four main customer segments, namely, retail, business banking, corporate and institutional banking, as well as private wealth management.

MCB is the main subsidiary of MCB Group Ltd, which encompasses local and foreign banking entities as well as non-banking subsidiaries and associates. The Group has some 23,000 shareholders, and is one of the most traded stocks on the Official Market of the Stock Exchange of Mauritius (SEM). It is a constituent of the SEM Sustainability Index and forms part of the MSCI Frontier Markets Africa & EMEA Index (USD). It is the largest blue chip listed on the SEM with a market capitalisation of USD 1.9 billion, representing a market share of 32% as at end of September 2023.

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Over its 185 years of existence, MCB has been a catalyst in the socio-economic development of Mauritius by supporting the development of all pillars of the economy, as well as fulfilling its corporate responsibilities vis-à-vis the community by promoting social welfare.

MCB is investment-grade rated by Moody's Investors Service and among the few financial institutions rated as such in Africa. MCB's Baa3 deposit and issuer ratings reflect its importance to Mauritius' domestic financial system, strong capital levels, robust liquidity buffers, stable funding profile as well as solid earnings generation capacity.

Further information about MCB may be obtained from its website at www.MCB.mu/en/about-us

About Proparco

Proparco, a subsidiary of Agence Française de Développement Group, has been working with the private sector for over 45 years for a more just and sustainable world. With an international network of 23 local offices, Proparco works closely with its partners to build sustainable solutions in response to environmental and social challenges in Africa, the Middle East, Asia and Latin America. Proparco benefits from sector-based expertise as well as a wide range of financial solutions tailored to the different stages of business development, notably thanks to its Digital Africa subsidiary, and its Propulse technical assistance offering designed to scale up the impacts and performance of its partners.

Proparco's new "Acting together for greater impact" Strategy 2023-2027 enables, strengthens and amplifies the different ways in which it works with its partners. To learn more: <http://www.proparco.fr/en/strategy>.

More information: <http://www.proparco.fr>

About DEG

For more than 60 years, DEG has been financing and advising private enterprises operating in developing and emerging-market countries. With a portfolio of around EUR 9.9 billion we're one of the world's largest private-sector development financiers. As an impact and climate investor we accompany companies that are addressing transformation and aiming to seize their opportunities. Our customers not only receive financing and advisory solutions

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tailored to their needs: they can build on our market knowledge, our impact and climate expertise and our international network. In this way, DEG, a subsidiary of KfW, contributes to creating more skilled jobs and local income and to improving value creation on the ground in line with the SDGs.

Learn more: www.deginvest.de

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