



MEGHRAJ

## DEAL ANNOUNCEMENT

**Meghraj Capital:**



**Debt Raise for  
Victoria Commercial Bank, Kenya  
From Swedfund, Sweden**

**Swedfund**

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On 18 April, 2018, **Victoria Commercial Bank Ltd, Kenya (“VCB”)** finalised a placement of USD 5m of a Subordinated Tier 2 Compliant Loan from **Swedfund**, the Swedish development finance institution. VCB will use the seven-year loan to increase its capitalisation and for lending to SMEs.

**Meghraj Capital** was appointed by VCB as its exclusive financial advisor for the transaction. Meghraj led the process of identifying a prominent lender for VCB, and advised on the terms of the financing.

VCB is a premier Kenyan corporate and private bank which is widely known for its successful relationship based banking model. VCB is renowned for its excellent credit history and extremely low non-performing loans.

Swedfund is a highly respected financier in the development of the private sector in developing countries, and finances businesses which contribute to creating economic growth, decent jobs and sustainable development.

Swedfund decided to finance VCB due to its focus on offering award winning corporate banking services to its clients, and its robust performance in a challenging business environment. With the newly formed partnership between Swedfund and VCB, it further demonstrates the confidence development finance institutions have in the financial services sector in Kenya.

**Dr. Yogesh K. Pattni, Chief Executive Officer, Victoria Commercial Bank:**

“I am delighted with this financing from Swedfund, a renowned institution whose ownership is with the Swedish state. This is not only an important strategic milestone for VCB but also a reflection of VCB as a stable financial institution. This Subordinated Tier 2 Capital will help to continue our growth strategy whilst maintaining our core vision of providing quality financial services with a keen focus on clients, integrity and professionalism. We greatly respect Swedfund, and this partnership with them is a strong validation of our business and position in our market.”

**Maria Håkansson, CEO, Swedfund:**

“As a Development Finance Institution, Swedfund is convinced the financial sector and well-run banks play a crucial role in creating jobs, economic growth and sustainable development. VCB is a high performing bank well aligned with Swedfund’s three pillars; sustainability, societal impact and financial viability. VCB has a quality portfolio and its loans to SME-clients are crucial for further economic growth and job creation in Kenya. I am very pleased we have found an opportunity to cooperate. From Swedfund’s perspective this is a long-term commitment, not only to VCB and its SME clients, but also to Kenya and East Africa, this is why more than 60 percent of our investments are in Sub-Saharan Africa.”

**Binoy R. V. Meghraj, Chairman, Meghraj Capital:**

“VCB is a highly respected client, and we are honoured to have been chosen to advise VCB and Dr. Pattni on finding a partner as part of VCB’s growth plans. We had a clear brief about what VCB wanted to achieve, and we are pleased to see the results of our work in the forging of this partnership between VCB and the eminent Swedfund, and see this as the start of a long-term relationship between them.”

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**About Meghraj Capital**

Meghraj Capital is an investment banking business advising clients on mergers and acquisitions, finding strategic partners, and debt and equity fund raising. Meghraj Capital’s experienced team operates from offices in Kenya, Japan, UK, USA, India and Dubai. Over their careers, team members have successfully closed more than 300 transactions with a value of over USD 35 billion. ([www.meghraj.com](http://www.meghraj.com))

**About Victoria Commercial Bank**

VCB is a premier corporate and private bank incorporated in 1987 and has impressively grown over the years whilst retaining a stable outlook. The Bank is widely known for its successful relationship based niche private banking model with a focus on corporate and high net worth clients. It is supported by a strong governance structure, robust asset quality, good capitalisation, strong liquidity and sound profitability. The institution has successfully achieved several milestones and recognition awards for its visionary and exemplary performance. ([www.victoriabank.co.ke](http://www.victoriabank.co.ke))

**About Swedfund**

Swedfund, is the Swedish state’s Development Finance Institution with a strong strategic focus on Sub-Saharan Africa. Its mission is poverty reduction through sustainable business, contributing to economic and environmental development as well as a positive impact to society. Swedfund’s investment strategy rests on three main pillars: impact on society, sustainability and financial viability. Since 1979 Swedfund has been engaged as an active, responsible and long-term investor in more than 260 companies worldwide. ([www.swedfund.se/en](http://www.swedfund.se/en))