



Media Release

USAID, DFC Join Hands with Kotak to Support Financing to Women Entrepreneurs and Micro, Small, and Medium Enterprises in India through a US \$50 million Loan Guaranty Program

Mumbai, 20th August, 2021: The United States Agency for International Development (USAID) and the U.S. International Development Finance Corporation (DFC) announced today that they are jointly sponsoring a US \$50 million loan portfolio guaranty to Kotak Mahindra Bank (KMBL) to support increased access to finance for women borrowers, and micro, small and medium enterprises (MSMEs) across India. Against the backdrop of the pandemic, this partnership will help MSMEs that have been impacted by COVID-19 access loans to rebuild and scale their businesses.

Under this program, Kotak Mahindra Bank will provide loans for on-lending to Non-Banking Financial Companies (NBFCs) operating in the MSME and Microfinance (MFI) space. This will help provide much-needed credit to end borrowers and will promote sustained and inclusive economic growth. This program will play a crucial role in women's economic empowerment as at least 50% of the loans are earmarked to be lent to women-led or women-managed MSMEs, or MSMEs that employ a certain percentage of women or that produce a good or service that disproportionately benefits women. It is likely to benefit more than 30,000 individual women borrowers and 7,500 MSME firms.

The program will be supported by Chennai-based NBFC, Vivriti Capital, which will provide a US \$1 million first loss guaranty, as well as extensive analytical and sourcing support through leading debt platform CredAvenue. The DFC will provide KMBL with a pari passu guaranty, which is financially sponsored by USAID, of up to 50% of the remaining uncovered line (i.e. US \$24.5 million).

D Kannan, Group President – Commercial Banking, Kotak Mahindra Bank said, “Kotak Mahindra Bank is committed to the cause of fostering financial inclusion and making credit available from formal sources to MSMEs and women entrepreneurs belonging to lower socio-economic segments. These two segments have been impacted by the ongoing pandemic, and this program will provide credit and help women entrepreneurs and MSMEs to not only scale up their businesses, but also generate employment.”

Veena Reddy, USAID/India Mission Director said, “At USAID, we believe gender equality and women's empowerment are not just a part of development but are the core of development. Women in India have been disproportionately impacted by the COVID-19 pandemic, facing economic hardships that directly impact the livelihoods of their families and communities. USAID is happy to



support this new initiative that will help facilitate access to the much-needed financial resources to women-owned businesses and entrepreneurs and help them reach their full potential.”

“Empowering women-owned MSMEs is critical to fostering inclusive growth in India, and will also help bolster India’s post-pandemic recovery,” said Algene Sajery, Vice President of the Office of External Affairs and Head of DFC’s Global Gender Equity Initiatives. “DFC is proud to support this program, which brings together key players in the Indian financial system to help amplify the reach and development impact of our loan guaranty.”

“We are proud to support this initiative to create a dedicated funding line targeted towards empowering women entrepreneurs and borrowers. CredAvenue’s ability to bring in the entire ecosystem for a large-scale programme such as this gives our partners a unique advantage,” said Anita Ferreira – Chief Capital Markets Officer, CredAvenue, a subsidiary of Vivriti Capital.

About DFC

U.S. International Development Finance Corporation (DFC) is America’s development bank. DFC partners with the private sector to finance solutions to the most critical challenges facing the developing world today. It invests across sectors including energy, healthcare, critical infrastructure, and technology. DFC also provides financing for small businesses and women entrepreneurs to create jobs in emerging markets.

About Kotak Mahindra Bank Limited

Established in 1985, Kotak Mahindra Group is one of India's leading financial services conglomerates. In February 2003, Kotak Mahindra Finance Ltd. (KMFL), the Group's flagship company, received banking license from the Reserve Bank of India (RBI), becoming the first non-banking finance company in India to convert into a bank - Kotak Mahindra Bank Ltd.

The Bank has four Strategic Business Units – Consumer Banking, Corporate Banking, Commercial Banking and Treasury, which cater to retail and corporate customers across urban and rural India. The premise of Kotak Mahindra Group’s business model is *concentrated India, diversified financial services*. The bold vision that underscores the Group’s growth is an inclusive one, with a host of products and services designed to address the needs of the unbanked and insufficiently banked. As on 30th June, 2021, Kotak Mahindra Bank Ltd has a national footprint of 1,612 branches and 2,591 ATMs, and branches in GIFT City and DIFC (Dubai). For more information, please visit the company’s website at <https://www.kotak.com/>.



About USAID

USAID is a world premier international development agency and a catalytic actor driving development results. USAID works to help lift lives, build communities, and advance democracy. USAID's work advances U.S. national security and economic prosperity; demonstrates American generosity; and helps countries progress along their development journey.

About CredAvenue

CredAvenue is a comprehensive debt platform connecting issuers and investors and manages the end-to-end engagement from discovery, structuring, execution and post-disbursement portfolio monitoring. Incorporated in 2017, the platform has facilitated over INR 60,000 crore of debt and has a network of over 500+ Lenders and 1000+ FIs, corporate borrowers. It has specialised sub platforms for pool transactions, loans, bonds, fulfilment, analytics and risk management solutions.

For further information, please contact:

Phiroza Choksi Kotak Mahindra Bank Phone: +91 98203 63681 Phiroza.Choksi@kotak.com	Sakshi Denis Kotak Mahindra Bank Phone: +91 70454 74287 Sakshi.Denis@kotak.com	Rakesh Sharma Fortuna PR Mobile: +91 98335 37679 Rakesh@fortunapr.com	Himadri Buch Fortuna PR Mobile: +91 98203 46715 himadri@fortunapr.com
---	---	--	---