

R1.2 Billion funding initiative set to supercharge black-owned SMEs

Empowering black-owned SMEs through innovative finance, governance, and scalable transformation support

JOHANNESBURG, South Africa, 18 November 2025 – Absa is partnering with HEINEKEN Beverages to transform the landscape for black-owned small and medium-sized enterprises (SMEs) in South Africa, through a significant R1.2 billion funding initiative. The SME sector contributes approximately 34% to South Africa's GDP and 60% of national employment, a driving force to inclusive economic growth and transformation.

Recent reports show South Africa's economy under mounting pressure, with over 620 business closures already recorded in 2025 and GDP growth downgraded to below 1%. A sharp rise in court-enforced liquidations highlights the growing financial distress among SMEs. In a tough economic climate, this intervention provides a notable boost for black-owned SMEs, giving them access not only to capital but the structured, well-governed support needed to withstand economic shocks, and scale sustainably.

The R1.2 billion initiative includes R600 million in Enterprise and Supplier Development (ESD) funding from HEINEKEN, administered by Absa, and additional R600 million in co-lending for qualifying SMEs from Absa. The programme is expected to benefit more than 100 black-owned SMEs, with a focus on entrepreneurs who face persistent barriers to accessing mainstream finance.

This initiative forms part of HEINEKEN Beverages' broader Ukukhula Fund, which comprises two strategic investment funds – the Supplier Development (SD) Fund and the Growth and Localisation (G&L) Fund – designed to drive inclusive economic growth and transformation in South Africa.

The ESD Fund, with R400 million allocated over five years, empowers SMEs and historically disadvantaged suppliers, especially Black-Owned and Black Women-Owned businesses, across the full alcoholic beverages value chain. Its focus includes expanding supplier participation, strengthening the agricultural value chain, advancing research and development, and supporting women entrepreneurs.

Complementing this, the R200 million G&L Fund promotes localisation by developing historically disadvantaged enterprises and SMEs within HEINEKEN Beverages' supply chain, building local capacity, encouraging import replacement, and co-investing in national initiatives that strengthen South Africa's economic resilience.

Millicent Maroga, Corporate Affairs Director at HEINEKEN Beverages, says, "This fund is a large-scale demonstration of our commitment to South Africa's growth and to creating shared value across the country. We are privileged to be investing a total of R775 million over five years in local growth, through supplier development, SME support, and local businesses – through our Supplier Development Fund, Growth and Localisation Fund, and the Tavern Transformation project."

Central to this deal is Absa's capability and expertise to structure, manage, and deliver purpose-led funding with precision and impact.

Stephen Seaka, Managing Executive, Public Sector and Growth Capital Solutions at Absa CIB says, "this transaction reflects our commitment to redefining transformation finance, not merely through capital deployment, but by embedding governance, transparency, and measurable outcomes into every layer of the solution. Through this funding deal with HEINEKEN, we are enabling real social impact by driving supply chain access, localisation, and financial inclusion in a way that is scalable, sustainable, and aligned to South Africa's long-term economic and transformation goals,"

The programme is more than funding - it's a full-scale empowerment engine. Participating SMEs will gain access to non-financial support, including business development services, financial literacy training, and integration into markets via Absa's national ESD platforms and agri-sector networks. To reinforce this support, Absa is contributing R1.5 million annually to HEINEKEN's business development budget, and R100,000 toward financial education initiatives.

Vignesh Subramani, Managing Executive (Interim): SME Business at Absa Business Banking, says that "small businesses are the heartbeat of our economy, and their success is vital to South Africa's future. Through this partnership, we're not only unlocking much-needed capital for black-owned SMEs but also creating an ecosystem of support that helps them scale, compete, and thrive sustainably. As the Bank of the Entrepreneur, we believe transformation is most powerful when it is practical and measurable and this initiative is a bold step in that direction."

As South Africa's economy continues to evolve, Absa remains at the forefront of bridging capital with purpose.

This HEINEKEN collaboration signals a bold step forward in driving inclusive economic growth, fostering financial inclusion, and building long-term resilience for black-owned businesses.

ENDS

About Absa Group Limited

Absa Group Limited ('Absa Group') is listed on the Johannesburg Stock Exchange and is one of Africa's largest diversified financial services groups. Absa Group offers an integrated set of products and services across personal and business banking, corporate and investment banking, wealth and investment management and insurance. Absa Group owns majority stakes in banks in Botswana, Ghana, Kenya, Mauritius, Mozambique, Seychelles, South Africa, Tanzania (Absa Bank Tanzania and National Bank of Commerce), Uganda and Zambia and has insurance operations in Kenya and South Africa. Absa also has offices in the People's Republic of China, Namibia, Nigeria and the United States, as well as securities entities in the United Kingdom and the United States, along with technology support colleagues in the Czech Republic.

For further information about Absa Group Limited, visit www.absa.africa.

About HEINEKEN Beverages

HEINEKEN Beverages is an alcohol beverages business that blends deep African heritage with global expertise. Formed through the coming together of three leading companies - Heineken, Distell and Namibia Breweries Limited - it draws on more than a century of international experience, innovation and excellence across a portfolio of 70 iconic brands. Operating in 13 African markets, HEINEKEN Beverages is driven by strong people and partnerships committed to sustainable growth. Its multi-category range spans premium beer, wine, cider and spirits, offering something for every taste and occasion.