

## **Equity Group Holdings Limited set to enter vast Democratic Republic of Congo market with acquisition of ProCredit Bank**

**Nairobi 26<sup>th</sup> May 2014** ..... Equity Group Holdings Limited ("EGHL") has entered into an agreement with ProCredit Holding AG & Co. KGaA (PCH), Belgische Investeringsmaatschappij Voor Ontwikkelingslanden N.V ("BIO") and Stichting DOEN ("DOEN") to acquire 79% of the issued share capital of ProCredit Bank Congo S.A. ("ProCredit"), a public limited liability company established in the Democratic Republic of Congo ("DRC").

Completion of the transaction is subject to regulatory approval in Kenya and the Democratic Republic of Congo.

ProCredit is the leading bank in the SME sector in the DRC. The Bank is the 7<sup>th</sup> largest bank by assets in the market with total assets exceeding US\$ 200million, net assets of US\$ 25million and a customer base of over 170,000. It was established in 2005 and has amongst its shareholders the German Development Bank KfW ("KfW") and the International Finance Corporation ("IFC") who currently hold 12% and 9% of the Bank's issued share capital respectively. The Bank is well positioned for growth in the vast and resource rich country as the market scales up its banking penetration across the over 85 million population from current levels of under 4% towards the regions average banking penetration level of over 20%.

Dr. James Mwangi, Group Managing Director and CEO of EGHL said the proposed acquisition of ProCredit , an SME focused bank in the DRC, provides Equity Group a great platform to further the Group's growth objectives while extending its mission of financial inclusion across Africa. "We are excited about our entry into Sub Sahara Africa's third most populous country through the investment in a fast growing, well established and highly regarded Bank. We see enormous scope for development in the DRC and, together with the well trained and dedicated team of staff at Pro Credit Bank, we look forward to actualizing the great ambitions we share for the DRC market" he added.

Pro Credit Bank is an acknowledged leader in SME finance, innovation & transparency, human capacity and technological advancement in the market. Equity Group intends to leverage on ProCredits' strong business strategy, institutional capacity as well as its world-class risk management heritage to step up the Bank's growth in its existing core sector of SME banking in the DRC while at the same time launch an aggressive drive to develop the largely underserved retail market segment drawing on Equity Group's experience in Agency and other technology led innovative banking services. Procredit is also poised to benefit from the ongoing regulatory driven reforms in the DRC market including government led efforts to

extend financial inclusion by requiring all public sector workers and state officials payments to be made through the banking system.

“At EGHL, we are excited to announce the proposed acquisition of a majority stake in ProCredit which is one of the fastest growing banks in the DRC. This acquisition dovetails with our Equity 3.0 growth strategy as part of our commitment to deepen banking services and enhance financial inclusion in Africa,” said Dr Mwangi.

“ProCredit Holding, DOEN and BIO are proud to have built ProCredit Bank Congo since its foundation in 2005. ProCredit Bank has played a pioneering role in serving small and medium-sized enterprises and bringing banking services to DRC in general and the SME sector in particular. After evaluating various bids, ProCredit Holdings was clear that Equity Group provided the right strategic fit to support the further development of ProCredit Bank Congo S.A. We are very confident that Equity Group will offer excellent prospects for our clients, staff and most importantly for DRC’s economy.” said Helen Alexander, Manager, ProCredit Holding AG & Co. KGaA.

Philip Sigwart, Executive Chairman of ProCredit Bank Congo commented “This is an exciting new development for ProCredit Bank and indeed for the banking sector as a whole in the Democratic Republic of Congo. Equity Group is one of the strongest banking groups in the region with exciting expansion plans. We look forward to drawing on Equity’s Group’s depth in experience and resources to scale up our operation into a top leadership position in the market in the near future.”

Equity Group was advised by Equity Investment Bank as the transaction advisor while Anjarwalla & Khanna acted as the legal counsel.

### **Ends**

*For more information, kindly contact:*

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### **Note to the Editors**

#### **About ProCredit Bank Congo S.A.**

*ProCredit Bank Congo S.A is a leading SME-focused financial institution in the Democratic Republic of Congo and part of the international ProCredit Group which is headquartered in Frankfurt, Germany. The Bank commenced operations in 2005 focused on providing financial solutions to support small and medium-sized enterprises. It is currently amongst the top 10 banks in the Democratic Republic of Congo by total assets and deposits, has over 170,000 active accounts and is a leader in technology and transparency. Additional information may be found at: <http://www.procreditbank.cd>.*