



EQUITY GROUP ACQUIRES 91.93% OF COGEBANQUE IN RWANDA

- *Equity Group Holdings Plc enters into a binding term sheet with the Government of Rwanda, Rwanda Social Security Board, and other investors to acquire 91.93% of the issued share capital of Compagnie Générale de Banque (Cogebanque) PLC Ltd.*
- *Cogebanque is a public limited company licensed by the central bank of Rwanda (BNR) to provide banking services in Rwanda and ranks as the fifth largest bank in Rwanda.*
- *Equity Group will pay a cash consideration of USD 48.1 million for the 91.93% stake.*
- *Equity Group intends to make an offer to the remaining shareholders to own 100% of Cogebanque*
- *Completion of the Cogebanque acquisition is subject to conditions that are customary to transactions of this nature*

Nairobi, 14th June 2023 Equity Group Holdings Plc, in keeping with its strategic regional expansion, today announced its intention to acquire Compagnie Générale de Banque (Cogebanque) PLC Ltd in Rwanda after signing a binding term sheet that will mean that, upon completion of the transaction, EGH will pay an aggregate cash consideration of RWF 54.68 billion (USD 48.1 million) for a 91.93% controlling equity stake. The acquisition of the fifth largest bank, and subsequent amalgamation of the business with that of Equity Group’s existing banking subsidiary in Rwanda, would position Equity Bank as the 2nd largest bank in Rwanda after the merger with a total combined assets market share of 18% and a deposits market share of 19% based on audited accounts as at 31st December 2022. The transaction would solidify Equity Group’s systemic status in the region with the amalgamated Rwanda subsidiary joining Equity Bank Kenya and EquityBCDC in the Democratic Republic of Congo as banks with the second largest market share in their respective markets.

Equity Group’s investment and capital allocation is guided by the Company’s strong growth history and robust outlook. Dr James Mwangi, Group Managing Director and CEO, Equity Group Holdings Plc said, “Rwanda’s 5-year average GDP growth rate at 6.5% ranks it amongst the 10 fastest growing countries in the world.” He added, “Rwanda’s economic growth is expected to be supported by a continued ease of doing business, recovery of global travel that will underpin its tourism and Meetings, Incentives, Conferences and Exhibitions (MICE) strategy targeting Foreign Direct Investments, regional integration, supporting trade and increasing contribution to its manufacturing sector. An underpenetrated financial services sector, with private sector credit and GDP being below 30% provides a well-defined secular growth opportunity for the financial services Group.”

“Equity Group's acquisition of Cogebanque reflects the trust and confidence placed in Rwanda's economic prospects and the resilience of our financial industry. The consolidation of these two institutions will undoubtedly contribute to the growth and stability of Rwanda's banking sector, enabling us to provide better financial services to our citizens and facilitate economic empowerment,” said Dr Uzziel Ndagijimana, Rwanda’s Minister of Finance and Economic Planning.



Rwanda has been Equity Group's highest return business whilst generating high growth and sustained efficient operations. The acquisition and amalgamation of Cogeбанque will help shore and transform Equity Rwanda's economies of scale with the resulting 54% growth in balance sheet, positioning it to play a more meaningful role across the economy and the region in line with Equity Group's Africa Recovery and Resilience Plan (ARRP). The larger balance sheet with an enhanced single lending obligor limit will better support the financing needs and requirements of businesses in the high growth sectors further enhancing capacity for syndicated lending with other large banks in Rwanda to support economic growth of Rwanda as envisioned under Vision 2050 and facilitate growth in key sectors of Tourism, MICE and manufacturing.

Through combining Cogeбанque's existing network of 28 branches with that of Equity Rwanda, the combined bank will achieve countrywide distribution and coverage while acquiring and strengthening its Micro-, Small- and Medium-sized Enterprise (MSME) franchise, which is its core strength. The MSME segment of the Rwanda economy will greatly benefit from Equity's strong product offering and innovative technology solutions for the segment.

"This acquisition and proposed amalgamation of Cogeбанque with Equity Bank Rwanda will result in a strengthened National and Regional Commercial bank in line with, and underpinning Rwanda's aspirations of being an international financial and business center. Strong Local, National and Regional commercial banks will be the foundation of such a regional and International Financial Services Center status", said Dr. Mwangi

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About Cogeбанque:

Cogeбанque is a public limited company licensed by the National Bank of Rwanda to provide banking services in Rwanda. At the end of 2022, Cogeбанque was the fifth largest bank in Rwanda as measured by reported book value of total assets and shareholders' equity and served customers in the corporate, small- and medium-sized enterprise and retail customer segments through twenty-eight (28) branches, approximately six hundred (600) active bank agents and thirty-six (36) automated teller machines. As at 31st December 2022, Cogeбанque reported net assets of RWF 47.35 billion and profit after tax of RWF 9.06 billion.

Additional information may be found at: <https://www.cogebanque.co.rw/>

About Equity Bank Rwanda Plc:

Equity Bank Rwanda Plc is a wholly owned subsidiary of Equity Group Holdings Plc and is licensed by the National Bank of Rwanda to provide banking services in Rwanda. Equity Bank Rwanda ranked third amongst Rwandan banks in terms of reported total assets as at 31 December 2022 and served over 978,000 customers through a network of 18 branches, 3666 agents, 22 ATMs and 1384 merchants.



As at 31st December 2022, Equity Bank Rwanda Plc reported net assets of RWF 66.24 billion, and profit after tax of RWF 24.22 billion.

Website: <https://equitygroupholdings.com/rw/>

About Equity Group Holdings Plc and Equity Group:

Equity Group Holdings Plc is a non-operating holding company with banking subsidiaries in Kenya, Rwanda, Tanzania, Uganda, South Sudan and Democratic Republic of Congo, a Commercial Representative Office in Ethiopia and non-banking subsidiaries in Kenya that are engaged in providing investment banking and stock-broking, insurance, custodial services, payment services and telecommunication services. Equity Group Holdings Plc is listed at the Nairobi Securities Exchange and other regional exchanges with a market capitalization of USD 1.02bn. Equity Group Holdings Plc and its subsidiaries comprise Equity Group that reported a consolidated asset base of KES 1.53 trillion (USD 11.6bn), deposits of KES 1.11trillion (USD 8.4bn) and a customer base of over 18.1 million customers as at 31st March 2023. Equity Group has a footprint of 358 branches, 67,979 Agents, over 800,000 Pay With Equity (PWE) Merchants, 42,304 Point-of-Sale (POS) Merchants, 683 ATMs and an extensive adoption of digital and mobile banking channels.

Brand Finance 2023 ranked Equity Group the 4th strongest banking brand in the world and 291 overall among the top 500 banking brands, with a Brand Strength Index (BSI) of 92.4 and a brand ranking score of AAA+, the highest rating that a brand can attain.

The Banker Top 1000 World Banks 2021 index ranked Equity Bank Kenya Limited (Equity Group's largest subsidiary) 22nd in Africa and 761 overall in its global ranking, 149th in soundness (Capital Assets to Assets ratio), 71st in terms of Profits on Capital and 39th on Return on Assets.

In the same year, Moody's rated Equity Bank Kenya Limited the same as the sovereign rating of the Kenyan Government due to the Bank's strong brand recognition, solid liquidity buffers, resilient funding profile, established domestic franchise and extensive adoption of digital and alternative distribution channels.