



## ANNOUNCEMENT

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## **NORFUND AND NORFINANCE AGREE TO PURCHASE 12.223% STAKE IN EQUITY GROUP HOLDINGS LIMITED (FORMERLY EQUITY BANK) FROM HELIOS INVESTMENT PARTNERS**

LONDON, January 16<sup>th</sup>, 2015 – Norfund and NorFinance AS (a joint venture investment company between Norfund and Norwegian private investors) have agreed terms with Helios Investment Partners (“Helios”) to purchase from Helios an effective stake equivalent to 12.223% in Equity Group Holdings Ltd. (“Equity”), representing half of Helios’ interest in Equity, subject to receipt of regulatory approvals.

Equity is the leading inclusive banking group in East Africa with nearly 10 million customer accounts and approximately \$4 billion in assets. The largest listed bank on the Nairobi Securities Exchange and the Uganda Securities Exchange, Equity has subsidiaries across the region and is engaged in the provision of banking, insurance agency, investment banking, securities brokerage and information and telecommunications technology outsourcing services.

Equity has consistently delivered exceptional performance, with profit after tax growing in excess of 30% annually through the global financial crisis spanning from 2007 to 2013. Over this period, the bank has expanded its business and customer segments to become fully inclusive, and extended its operations regionally into Uganda, Tanzania, Rwanda and South Sudan. Equity has recently embarked on a new phase of development, a corporate growth strategy entitled “Equity 3.0”, and is well positioned to maintain its impressive performance trajectory by further leveraging technology and leading in innovation.

Babatunde Soyoye, Managing Partner of Helios, commented:

“Helios is delighted to introduce Norfund and NorFinance as new, like-minded investors. Norfund and NorFinance share Equity’s core values of partnership, promoting financial inclusion and strong corporate governance. We are proud to have played a role in the bank’s growth and success to date, and look forward to continuing to partner with Equity in the next phase of its development and to support its direct positive impact on the lives of people in the communities within which it operates.”

Kjell Roland, Managing Director of Norfund, highlighted Norfund’s strong interest in Equity, saying:

“Equity is an attractive business with a best-in-class global management team and an established track record within the banking industry. We look forward to working with all stakeholders to grow the business further in particular as the bank embarks on its new phase of strategic development.

This investment is strongly in line with Norfund's strategy to support banks targeting entry level and mass-market retail banking, and SMEs, and strengthens our financial institutions investment portfolio in Africa."

Dr James Mwangi, Group CEO and Managing Director Equity Group Holding, expanded on the reasons for Equity seeking an alliance with Norfund:

"Equity has always aimed to be an innovative and inclusive provider of financial solutions. We are excited by the expanded opportunities this development presents, to combine our market leading position with two strong international partners who bring along their substantial resources as well as expertise which we believe will be invaluable in accelerating the growth of our business. This transaction which is currently the largest of its kind in Sub Saharan Africa brings diversification to Equity's capital base which is important for the Group."

Helios' transaction advisors were Goldman Sachs International and Anjarwalla and Khanna. Norfund was advised by Norton Rose Fulbright LLP, KPMG and McKinsey & Company.

### **Notes to Editors**

**Norfund** is the Norwegian Investment Fund for Developing Countries. Established by the Norwegian Parliament in 1997, the organisation is the government's main instrument for combatting poverty through private sector development. Norfund's objective is to contribute to sustainable commercial businesses in developing countries. Funding is provided via capital allocations from Norfund's development assistance budget. Norfund provides equity, other risk capital, and loans to companies in selected countries and sectors. The sectors in which Norfund invests are clean energy, financial institutions and agribusiness, in addition to small and medium sized companies through investment funds.

Further details on Norfund can be found at: [www.norfund.no](http://www.norfund.no)

**NorFinance** is a specialized long-term investment company established by Norfund and other Norwegian investors, targeting investments in African financial institutions.

**Helios Investment Partners** is an Africa-focused investment firm managing funds totalling over \$3 billion. Helios' diverse LP base comprises a broad range of the world's leading investors, including sovereign wealth funds, corporate and public pension funds, endowments and foundations, funds of funds, family offices and development finance institutions across the US, Europe, Asia and Africa. Established in 2004, led and managed by a predominantly African team and based in London, Lagos and Nairobi, Helios has completed investments in countries across the African continent, including Nigeria, Ghana, Kenya, Tanzania, Angola, South Africa and Morocco. Helios' portfolio companies operate in more than 35 countries in all regions of the continent. Helios bridges international capital and know-how to African talent and enterprise. The firm has a record of successful investment in businesses from start-ups to large corporate carve-outs, building African market leaders in core economic sectors and driving strong returns via portfolio operations.

Further details on Helios Investment Partners can be found at: [www.heliosinvestment.com](http://www.heliosinvestment.com)

### **Equity Group Holdings Ltd.**

Equity Group Holdings Limited is a public company listed on the Nairobi Securities Exchange and the Uganda Securities Exchange. Its registered office is Equity Centre, Hospital Road, Upper Hill, P.O.Box 75104 - 00200 Nairobi, Kenya. Equity changed its name from Equity Bank Limited on 31 December 2014 and is now registered as a non-operating holding company with the Central Bank of Kenya. Equity has subsidiaries across the region engaged in provision of banking, insurance agency, investment banking, securities brokerage and information and telecommunications technology outsourcing services.

Further details on Equity Group Holdings Ltd can be found at: [www.equitybankgroup.com](http://www.equitybankgroup.com)