



Press Release

October 4th, 2018

AfricInvest's FIVE achieves its second close bringing Norfund, IFU and CBK Pension Fund as investors

AfricInvest, a leading pan-African private equity firm, today announced the second close of FIVE, an evergreen platform for investing in financial institutions in Africa. Through its investments, FIVE aims to improve access to financial services for the growing African population, while achieving attractive financial returns for its investors.

Norfund, the Norwegian investment fund for developing countries; IFU, the Danish investment fund for developing countries; and Central Bank of Kenya Pension Fund, together, joined this investment round. FMO and BIO, the development finance institutions of the Netherlands and Belgium, respectively, anchored the fund as initial investors in December 2017.

The second closing brings FIVE's total commitments to EUR61m. The fund is targeting a third closing in the next few months with the African Development Bank and other institutional investors that have already confirmed their commitment to FIVE. Subsequent closings will also take place over the next three to five years to reach the fund's target size of EUR 200m.

"The new commitments of Norfund, IFU and CBK Pension Fund represent an important step in the life of FIVE. Each institution brings with them long and valuable experience investing in financial institutions in Africa. Their collective commitments will help support FIVE's objective of universal access to financial services on the African continent, where the current banking penetration still remains below 20%," said Mehdi Gharbi, Senior Partner at AfricInvest.

Erik Sandersen, EVP Financial Institutions in Norfund, added, "Norfund invests in financial institutions in developing countries to strengthen their ability to supply capital and financial services to micro-, small- and medium-sized companies. We appreciate the partnership with AfricInvest and believe that FIVE's investments will contribute to increased financial inclusion and economic development in Sub Saharan Africa."

"In Africa, many entrepreneurs – especially female – are prevented from improving their business and livelihood due to the lack of access to finance. By investing in FIVE, we have teamed up with an experienced and responsible partner that can promote financial inclusion and access to



finance for African SMEs, which will help Africa to grow,” said Morten Elkjær, Vice President Finance Sector at IFU.

Erik Bosman, FIVE’s Supervisory Committee Chairman, commented, “This second close confirms that well-reputed investors see the financial sector in Africa as an attractive investment opportunity, both for its financial returns and its impact on society. FIVE’s aim of realizing universal access to financial services in Africa is one step closer to being accomplished. Together with the investors, the team will continue to work relentlessly on finding outstanding opportunities to deliver this promise. I am convinced FIVE will play an important role in the further development of the continent.”

About FIVE

FIVE stands for Financial Inclusion Vehicle. The number five represents the aspiration of AfricInvest and FIVE’s investors to contribute to achieving universal access to financial services in Africa. As the current level of banking penetration on the continent is a mere 20%, achieving universal access will require a fivefold increase. Digital transformation is one of the key drivers toward the universal access and as such, FIVE seeks to enhance the digital strategies of its portfolio companies.

FIVE has been designed to fully align the interests of investors and the manager. Its evergreen structure enables it to support its portfolio companies in achieving meaningful strategic transformations. Moreover, its permanent capital structure provides regulators and partners with the assurance that the fund has the capacity to make longer-term commitments. Appropriate liquidity provisions have been incorporated to allow investors to adjust their exposure to FIVE.

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About AfricInvest

AfricInvest was founded in 1994 and is today among the leading private equity firms in North and Sub-Saharan Africa with around 1.5 billion USD of assets under management across 18 PE funds and sponsored by prestigious DFIs, private and institutional investors from Africa, Asia, Europe and North America. AfricInvest relies on a team of 70 highly skilled investment professionals with over 130 years of cumulative PE experience, operating out of nine offices in Algiers, Cairo, Casablanca, Abidjan, Lagos, Nairobi, London, and Paris.

AfricInvest is a co-founder of the Tunisian Private Equity and Venture Capital Association (ATIC, www.atc.org.tn), the Moroccan Private Equity Association (AMIC, www.amic.org.ma), the African Venture Capital Association (www.avca-africa.org), the East African Venture Capital and Private Equity Association (www.eavca.org), and the Emerging Markets Private Equity Association (www.empea.org), and is a member of the Euromed Capital Forum (www.euromed-capital.com).

www.africinvest.com

About Norfund

The Norwegian Investment Fund for Developing Countries, Norfund is Norway's Development Finance Institution and has a mandate to support the building of sustainable businesses in developing countries and thereby contribute to economic growth and poverty reduction.

With a portfolio of USD 2.4bn, Norfund invests in three main sectors: financial institutions, clean energy and agribusiness, in addition to small and medium sized companies through third-party investment funds. Funding is provided via capital allocations from Norway's development assistance budget. Norfund provides equity, other risk capital, and loans to companies in selected countries in Southern, Eastern and Western Africa, as well as in selected countries in South-East Asia and Central America.

For more information visit: www.norfund.no



About IFU

IFU – The Danish Investment Fund for Developing Countries provides risk capital and advice to companies wishing to set up business in Africa, Asia, Latin America and parts of Europe. Investments are made on commercial terms in the form of equity and loans. The purpose is to promote economic and social development in the investment countries.

In total, IFU has invested in more than 1,250 companies in over 100 countries.

IFU acts as fund manager for several public-private funds including the Danish SDG Investment Fund and the Danish Agribusiness Fund.

For more information, see www.ifu.dk

About CBK Pension Fund

The CBK Pension Fund is one of the leading retirement schemes in Kenya with investments in the regional and overseas markets. By investing in FIVE, the CBK Pension Fund seeks to diversify into Private Equity while at the same time supporting growth in the Financial Sector in Africa.

About FMO

FMO is the Dutch development bank. As a leading impact investor, FMO supports sustainable private sector growth in developing countries and emerging markets by investing in ambitious projects and entrepreneurs. FMO believes that a strong private sector leads to economic and social development, and has a more than 45-year proven track-record of empowering people to employ their skills and improve their quality of life. FMO focuses on three sectors that have high development impact: financial institutions, energy, and agribusiness, food & water. With a committed portfolio of EUR 9.0 billion spanning over 92 countries, FMO is one of the larger bilateral private sector development banks globally. For more information: please visit www.fmo.nl

About BIO

The Belgian Investment Company for Developing Countries (BIO) is a Development Finance Institution established in 2001 within the framework of the Belgian Development Cooperation. BIO is tasked with enabling and managing finance allocations from the government's development cooperation budget to the private sector in least developed, low and middle income countries.

BIO provides tailor-made financial solutions to entrepreneurs, private infrastructure projects, financial institutions and investment companies and funds, combined with support for capacity building



programmes. BIO helps expand businesses, develop new products, improve processes, but also introduce environmental, social and governance standards that will attract additional sources of investment. To maximise effectiveness, BIO operates on commercial grounds and conforms to normal market usage. Investments must demonstrate a balance between financial return and development impact and are not tied to the interests of the Belgian private sector. BIO is a member of EDFI (European Development Finance Institutions).

www.bio-invest.be

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