

DPI announces €60 million investment in leading financial services business, Groupe COFINA, to accelerate SME market in West and Central Africa

- Groupe Cofina is helping drive financial inclusion across Africa, by providing critical financial services to support entrepreneurs and help SMEs scale
- The company has grown rapidly across the region with presence now in eight African countries and in France
- The SME and consumer finance market remains underpenetrated across West and Central Africa, with demand for products to service it rapidly growing
- DPI will be active investors, supporting the business to execute its ambitious growth strategy

London, 24 May 2022 – Development Partners International (“DPI”), a premier investment firm focused on Africa with \$2.8bn in assets under management including co-investments, today announced it is investing €60 million for a significant minority stake in high-growth financial services business, Groupe Cofina. This transaction will support the Company in its mission to accelerate growth for Francophone West and Central Africa’s small and medium enterprises (SMEs) – a critical sector helping to drive economic development in the region.

Founded in 2014 by Jean-Luc Konan and headquartered in Abidjan, Côte d’Ivoire, Groupe Cofina is developing solutions to bridge the “missing-middle” – the gap between microfinance and traditional institutional financing – and to serve consumer finance customers across Francophone West and Central Africa. Since creation, the business has grown rapidly, developing new, innovative products while providing companies the ability to scale, with almost 1.5 billion euros of credit allocated to date. Groupe Cofina has also significantly expanded its reach across the region – with presence today in Senegal, Côte d’Ivoire, Guinea, Gabon, Mali, Congo, Burkina Faso and Togo, through subsidiaries operating in each country. The business also has operations in France through a subsidiary approved by the local supervisory authority ACPR (Autorité de Contrôle Prudentiel et de Résolution).

SME lending and microfinance is still relatively nascent in the region, and the sector remains underpenetrated with entrepreneurs and SMEs lacking access to high quality loans to scale their businesses. Today, it is estimated that only 20% of African SMEs have access to bank loans. Prior to the COVID-19 pandemic, the IFC estimated the financing gap for African SMEs at \$331 billion. This, combined with positive market trends such as a youthful and fast-growing population, a rapidly emerging middle class, and increasing financial inclusion, has driven demand for Groupe Cofina’s products and services while providing significant runway for further growth.

The investment from DPI will support Groupe Cofina as it looks to cement itself as a regional leader – continuing its ambitious expansion plan and bringing the successful model from existing markets into new countries with similar demand in SME and consumer finance markets. The company will also look to increase investment in innovation, creating new flexible products that are both scalable and adaptable to evolving customer needs. As part of this, the partnership will also enable Groupe Cofina to launch new and differentiated services, gaining access to an even greater pool of potential customers.

Jean-Luc KONAN, Founder and Group Managing Director, Groupe COFINA, commented: *“Despite the difficulties linked to the pandemic, Groupe Cofina has demonstrated its resilience and above all the relevance of its business model adapted to African ecosystems. It is on the strength of this success that we now have DPI, a highly*

experienced and trusted investor, by our side. As Groupe Cofina enters this next chapter, this transaction will allow us to strengthen our foundations to consolidate our positioning and accelerate our digital transformation.”

The announcement reaffirms DPI's commitment to creating sustainable economic and societal impact across Africa, with financial inclusion critical to Africa's social and economic development. By applying its Impact and ESG assessment framework, DPI will support Groupe Cofina to build greater resilience and sustainability by assessing the company's broader impacts and helping it progress against the UN sustainable development goals.

As an active investor, DPI will partner with the experienced Groupe Cofina management team to accelerate its strategy while also supporting the company in creating lasting impact. Groupe Cofina has already demonstrated significant progress and commitment to areas such as gender diversity, and since 2014 has supported more than 250 000 clients of which 43% are women. The company has also achieved 2X status, as part of the global 2X initiative on gender, in recognition of the high proportion of women in senior leadership and the positive impact its products contribute towards female empowerment.

Babacar KA, Partner at DPI, stated: *“Groupe Cofina is an exciting business that has seen significant evolution since it was founded, and under Jean-Luc's leadership, has established itself as one of the leading players in the region. There is significant demand in the SME market for the products and services Groupe Cofina provides, that will help entrepreneurs grow their businesses, while also driving financial inclusion and creating a positive impact on African economies. The business is fast evolving into a technology-powered provider of financial solutions to the under-served mass market and we are excited to partner with Jean-Luc and his management team to accelerate this journey and bring his vision to life.”*

DPI was advised by ASAFO & Co and KPMG.

Groupe Cofina was advised by ADNA.

ENDS

Notes to editors

Media contacts:

Development Partners International (Edelman)
Alex Simmons, Olivia Adebo, Chloe Payne
M: +44 (0)7787 284 441 | +27 72 673 0535
E: DPI@edelman.com

Groupe Cofina
Yalis SANE – Communication Director
E: yalis.sane@cofinacorp.com
Léonard LIFAR (Agence 35°Nord)
M : +337 68 68 76 06
E : ll@35nord.com

About DPI

DPI is a premier investment firm focused on Africa, that has successfully advised funds through “up” and “down” cycles. Its first two funds, African Development Partners I and II (ADP I and ADP II), are ranked in the top quartile for performance by Cambridge Associates. DPI currently has US\$2.8bn in assets under management across its funds and committed co-investments.

The ADP funds’ strategy is to build a diversified pan-African portfolio of private equity investments in established and growing companies benefiting from the continent’s fast-growing middle class, innovation, and digital transformation. Since DPI’s founding in 2007, its funds have invested in 23 portfolio companies across 29 African countries and 17 industries. ADP portfolio companies employ over 49,000 people. During DPI’s investment, 18,000 jobs have been created.

In 2020, ADP III became the first 2X Flagship Fund, as part of the global 2X Challenge, committing to integrate a gender lens into its investment process, and reflecting DPI’s long-standing commitment to gender equity. DPI has a female co-founder and CEO, one-third of the partners are women, and 50% of the firm are women. As a signatory to the UN Principles for Responsible Investment (PRI) and the Operating Principles for Impact Management, DPI promotes high ESG and Impact standards and seeks to contribute to the UN Sustainable Development Goals.

About Groupe Cofina

Founded in 2014, Groupe Cofina is the first African financial institution dedicated to mesofinance, the “missing middle” between microfinance and traditional banking that offers African SMEs easy access to credit. Groupe Cofina is present in eight African countries (Burkina Faso, Congo-Brazzaville, Côte d’Ivoire (Ivory Coast), Gabon, Guinea, Mali, Senegal, Togo) and has a subsidiary approved by ACPR in Paris (France), dedicated to the African diaspora. In recent years, Groupe Cofina has become the reference in SME financing in West and Central Africa, with almost 1,400 employees, managing a portfolio of more than 250,000 clients (43% women entrepreneurs) and more than 125,000 financed business projects in its nine countries. As of December 31, 2021, the institution had a total balance sheet of €465 million.