



Equity Banque Commerciale du Congo S.A.

A public limited company (société anonyme) incorporated in the Democratic Republic of Congo, with registration number CD/KIN/RCCM/ 14-B-3364

Directors' Report

Directors' Report on the proposed rights issue by Equity Banque Commerciale du Congo S.A.

This Directors' Report is being issued by the Board of Directors of Equity Banque Commerciale du Congo S.A. under the provisions of Article 588 of the Uniform Act Relating To Commercial Companies And Economic Interest Groups 2014.

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Important Information

A notice of the Extraordinary General Meeting (the “**EGM**”) for Equity Banque Commerciale du Congo S.A. to be held at 09.00 am DRC time on 10th June 2022 at the registered office of the Company, 15, Boulevard du 30 Juin, Commune de la Gombe/Kinshasa, DRC, is set out at the end of this Document. A form of Proxy for use by shareholders is also enclosed.

If you have disposed of all your shares in Equity Banque Commerciale du Congo S.A., please forward this document and the attached form of proxy to the stockbroker, banker or other agent through whom you have disposed your shares.

If you are currently a shareholder of Equity Banque Commerciale du Congo S.A. and are unable to attend the EGM, please complete and return the attached form of proxy in accordance with the instructions printed thereon and send it to the Company Secretary.

The distribution of this Directors’ Report, and any subsequent documents such as the Rights Issue Documents (as defined below) into jurisdictions other than the Democratic Republic of Congo may be restricted by law. Persons into whose possession these documents may come should and are required by the Company to inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction for which Equity Banque Commerciale du Congo S.A. will not be held liable in any way whatsoever.

This Directors’ Report contains “forward-looking statements” relating to the Company’s business. These forward-looking statements can be identified by the use of forward-looking terminology such as “believes”, “expects”, “may”, “is expected to”, “will”, “will continue”, “should”, “would be”, “seeks” or “anticipates” or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions. These statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements that may be expressed or implied by such forward-looking statements. Some of these factors are discussed in more detail under Section 8 (Information on Equity BCDC) that highlights the Company’s strategy and outlook and Section 10 (Key Risk Factors). Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Directors’ Report as anticipated, believed, estimated or expected.

Pursuant to Article 593 of the Uniform Act Relating To Commercial Companies and Economic Interest Groups, this is a Rights Issue where an Eligible Shareholder (as defined below) has the right to Renounce (as defined below) in favour of designated persons or without mentioning any beneficiaries and relates to shares that are to be in all respects uniform with shares previously issued. Unsubscribed shares will not be offered to members of the public but will, instead, only be allotted to those Accepting Shareholder (as defined below) and Renouncees (as defined below) who apply for Additional Shares. Consequently, this Directors’ Report may not contain all the information generally required of a prospectus or form of application.

Directors Responsibility: The individual members of the Board of directors of EBCDC (the “**Directors**”) being the persons named in Section 8.4 (Board and Governance) of this Report have taken all reasonable care to ensure that the facts stated and the opinions expressed herein are true and accurate in all material respects, and there are no other material facts the omission of which would make any statement herein, whether of fact or opinion, misleading. All the Directors of Equity Banque Commerciale du Congo S.A. accept responsibility accordingly.

Definitions

The following definitions apply throughout this Directors' Report, unless the context requires otherwise:

Subject	Definition
Accepting Shareholders	Eligible Shareholders who agree to take up their Entitlement in full.
Additional Shares	New Shares applied for by Accepting Shareholders in excess of their Entitlement.
AFD	Agence Française de Développement.
ALCO	Assets and Liability Committee.
Application Money	The amount paid in USD by Accepting Shareholders (or Renounees) in respect of New Shares comprising (i) their Entitlement that they have accepted in full and (ii) Additional Shares that the Accepting Shareholders (or Renounees) wish to apply for (if any).
ATM	Automated teller machine.
Banking Law	Law n° 003/2002 of 02 February 2002 relating to the activity and control of credit institutions.
BBB	Banker's blanket bond – a fidelity bond purchased from an insurance broker that protects against losses from a wide range of criminal acts (such as dishonesty and fraud) carried out by employees.
BCC	Banque Centrale du Congo that is the Central Bank of DRC.
Board	means the board of directors of EBCDC.
Billion or Bn	One thousand million i.e.1,000,000,000.
Business Day	A day (other than a Saturday or a Sunday or gazetted public holiday) on which commercial banks are open for business in DRC.
CDF	Congolese Francs, the official currency of the DRC.
Completion Date	The date on which the Rights Issue is completed and the New Shares are issued to the relevant Subscribers being 11 th August 2022.
Closing Date	The last day for receipt of the Subscription Agreement and Application Money being 21 st July 2022.
Des Aviateurs	Des Aviateurs S.A. a public limited company (société anonyme) incorporated in DRC, with registration number CD/KIN/RCCM/ 14B – 3390 and whose registered address is at 4B, Av. Des Aviateurs, Gombe/ Kinshasa, DRC.
DRC	Democratic Republic of Congo.
EBCDC or Equity BCDC or the	Equity Banque Commerciale du Congo S.A. – a public limited company (société anonyme) licensed by the BCC to provide banking services in DRC; with registration number

Subject	Definition
Company or the Bank	CD/KIN/RCCM/ 14-B-3364 and whose registered address is at 15, Boulevard du 30 Juin, Commune de la Gombe/Kinshasa, DRC (See Section 8 (Information on EBCDC) for additional details).
EBCDC Board	The persons named on in Section 8.4 (Board and Governance) as Directors of EBCDC.
EBCDC Group	EBCDC and the EBCDC Subsidiaries.
EBCDC Subsidiaries	IAG, Des Aviateurs and Matadi Vangu S.A. that are each wholly owned subsidiaries of EBCDC engaged in property investment.
EFT	Electronic Funds Transfer.
EGH	Equity Group Holdings Plc, a public limited liability company organised and existing under the laws of the Republic of Kenya, with Company Number 5/2004 and whose registered address is at Equity Centre 9 th Floor, Hospital Road, Upper Hill, Nairobi, Kenya.
EGM	The Extraordinary General Meeting of EBCDC to be held on 10 th June 2022.
EGM notice	The Notice of the EGM set out in Section 11 (Notice of the Extraordinary General Meeting) of this Directors' Report.
Eligible Shareholders	Those Shareholders who (i) are registered as holders of shares as at the Record Date and (ii) are in the process of converting their shares that are yet to be registered subject to presenting either the certificates for the conversion of their shares to registered shares in accordance with Section 7.7 (Entitlement Details) of this Directors' Report or any piece of evidence testifying that they hold shares in EBCDC.
e-money	Electronic money.
Entitlement	The entitlement to New Shares of an Eligible Shareholder as at the Record Date, pursuant to the Rights Issue at the Entitlement Ratio.
Entitlement Ratio or Rights Issue Ratio	Four (4) New Shares for every Fifteen (15) Existing Shares.
EPS	Earnings per share.
EUR	Euro, a currency used by some members of the European Union.
Existing Shares	One million five hundred and fifty-six thousand, three hundred and twenty-three (1,556,323) ordinary shares with a par value of Congolese Francs five thousand three hundred (CDF 5,300) each of EBCDC and held by Eligible Shareholders as of the Record Date and the term "Existing Share" shall be construed accordingly.
FSDA	Financial Sector Deepening Africa.
FY	Financial year.
GAAP	Generally Accepted Accounting Principles in DRC.

Subject	Definition
GBP	British Pounds, the official currency of the United Kingdom
GDP	Gross domestic product.
IAG	L'Immobilière De L'Agence De la Gombe SARL, a private limited company incorporated in the Democratic Republic of Congo, with registration number CD/KIN/RCCM/ 14-B-3399, and whose registered address is 15, Boulevard du 30 Juin, Gombe/Kinshasa, DRC.
IFC	The International Finance Corporation, an international organization established by Articles of Agreement among its countries and whose address is 2121 Pennsylvania Avenue, NW Washington, DC 20433 USA.
IFRS	International Financial Reporting Standards.
ILO	International Labour Organisation.
Matadi Vangu	Matadi Vangu S.A. a public limited company (société anonyme) incorporated in DRC, with registration number CD/KIN/RCCM/ 14B – 3385 and whose registered address is at 4B, Av. des Aviateurs, Gombe / Kinshasa, DRC.
Net Asset Value	Total assets less total liabilities.
New Shares	The four hundred and fifteen thousand and eighteen (415,018) new ordinary shares with a par value of Congolese Francs five thousand three hundred (CDF 5,300) each in the capital of EBCDC to be issued pursuant to the Rights Issue and the term “New Share” shall be construed accordingly.
Offer Period	The period from the Open Date to the Closing Date.
OHADA	Organization for the Harmonization of Business Law in Africa of which DRC became the 17 th member state on 13 th September 2012.
Open Date	The day the Rights Issue opens which is planned to be on or about 22 nd June 2022.
Permitted Person	has the meaning ascribed to it in Section 7.10 (Renunciation Procedures) of this Directors' Report.
Person	Includes any individual, firm, company, corporation, body corporate or any joint venture, association or partnership (whether or not having separate legal personality).
Record Date	The date for determining the Entitlements being 10 th June 2022.
Renounce	The act of giving up or abandoning an Eligible Shareholder's Rights formally.
Renouncee	The named beneficiary to whom an Eligible Shareholder elects to renounce their Entitlement under the Rights Issue.
Right	The right to subscribe for New Shares under the terms of the Rights Issue.
Rights Issue	The issue of four hundred and fifteen thousand and eighteen (415,018) new ordinary shares each with a par value of Congolese Francs five thousand three hundred (CDF

Subject	Definition
	5,300) by Equity Banque Commerciale Du Congo S.A. by way of Rights as described in this Directors' Report.
Rights Issue Documents	has the meaning ascribed to it in Section 7.6.
Rights Issue Price or Offer Price	United States Dollar one hundred and seventy (USD 170) per New Share.
RTGS	Real time gross settlement.
Shareholder	A person holding shares in the capital of the Company.
SSA	Sub-Saharan Africa.
Subscriber	An Accepting Shareholder or Renouncee that has submitted a valid Subscription Agreement form accepting Rights Entitlement and applying for Additional Shares (if any).
Subscription Agreement	The Subscription Agreement issued to Eligible Shareholders indicating an Eligible Shareholder's Entitlement and providing for full acceptance/ renunciation in favour of a named beneficiary who is a Permitted Person or no beneficiary.
SWIFT	A system operated by the Society for Worldwide Interbank Financial Telecommunications that provides a secure messaging system for financial transactions between participating banks including EBCDC.
Telco	Telecommunications company.
Uniform Act	Uniform Act Relating to Commercial Companies and Economic Interest Groups issued in 2014 by OHADA that came into effect in DRC on 5 th May 2014.
Untaken Shares	The aggregate of Entitlement not subscribed for by Accepting Shareholders or Renouncees before the Closing Date, howsoever that may occur.
USD	United States Dollars, the official currency of the United States of America.
VWAP	Volume weighted average price.

1 Chairman's Letter



Dear Shareholders

1.1 Strategic plans and vision for EBCDC

Following the successful merger of Equity Bank Congo S.A. and Banque Commerciale du Congo S.A. to form Equity Banque Commercial du Congo S.A on 31st December 2020, EBCDC announced that its central focus will be the Bank's efforts and commitment to boost financial inclusion in DRC and support the transformation of lives and livelihoods of the Congolese population. The Bank also re-iterated its intention to deepen relationships with corporate customers and roll out unique banking innovations that would see seamless end-to-end integration to enhance business operations.

This focus has borne fruit immediately. EBCDC customer deposits amounted to Congolese Francs six trillion, four hundred and forty nine billion, one hundred million (CDF 6,449.1 billion) in the financial year ending 31st December 2021 ("FY2021") and EBCDC reported profits after tax of Congolese Francs eighty billion, four hundred million (CDF 80.4 billion) in its GAAP financial statements. The business has continued to grow in the three-month period to 31st March 2022 ("Q1 2022") with a reported unaudited profit after tax of Congolese Francs twenty billion, seven hundred million (CDF 20.7 billion) compared to Congolese Francs eight billion, three hundred million (CDF 8.3 billion) in the three-month period to 31st March 2021 ("Q1 2021") in its GAAP financial statements

1.2 Proposed Rights Issue by EBCDC and purpose of the Rights Issue

In line with its strategic focus, your Board has initiated a Rights Issue process. The primary objective of the Right Issue of United States Dollars seventy million, six hundred thousand (USD 70.6 million) equivalent to approximately Congolese Francs one hundred and forty-four billion, six hundred million (CDF 144.6 billion¹) is to fund the Bank's expansion plans in DRC including boosting asset growth and investment in digital infrastructure to serve the evolving requirements of EBCDC's client base.

The additional capital will also boost EBCDC's regulatory capital base to ensure that the Bank complies with the capital requirements and capital adequacy ratios set out by Banque Centrale du Congo ("BCC") as well as create sufficient headroom to ensure compliance even as the Bank continues to deploy its strategic initiatives and achieve balance sheet growth in the future.

¹ Using an estimated exchange rate of Congolese Francs two thousand and fifty (CDF 2,050) per USD on the Closing Date

1.3 Salient features of the Rights Issue

EBCDC is looking to issue four hundred and fifteen thousand and eighteen (415,018) New Shares at a Rights Issue Price of United States Dollars one hundred and seventy (USD 170) per share based on a Rights Issue Ratio of four (4) New Shares for every fifteen (15) issued and fully paid-up Existing Shares held by Shareholders. These New Shares when issued will rank *pari passu* in all respects to the Existing Shares.

Each Eligible Shareholder will have the option to fully subscribe to their full Entitlement and partial subscription will not be permitted under this Rights Issue. Eligible Shareholders who take up their full Entitlement will have an option to apply for Additional Shares capped at thirty percent (30%) of their total Entitlement.

As at 31st December 2021, EBCDC's issued and paid-up share capital was eight billion two hundred and forty-eight million five hundred and eleven thousand nine hundred Congolese Francs (CDF 8,248,511,900) comprising one million five hundred and fifty-six thousand, three hundred and twenty-three (1,556,323) ordinary shares of Congolese Francs five thousand three hundred (CDF 5,300) per share. In addition, EBCDC reported total shareholders' funds of Congolese Francs four hundred and thirty-two billion, five million (CDF 432.5 billion) in its GAAP financial statements and reported a consolidated NAV of United States Dollars two hundred and seventy-four million, nine hundred thousand (USD 274.9 million) in its IFRS financial statements for EBCDC Group as at 31st December 2021.

If the rights issue is fully subscribed:

- i. EBCDC's issued and paid-up share capital will increase to Congolese Francs ten billion four hundred and forty-eight million (CDF 10.448 billion) and the Bank will have a total of one million, nine hundred and seventy-one thousand, three hundred and forty-one (1,971,341) issued and full paid up ordinary shares.
- ii. EBCDC expects to record an increase in share premium of approximately Congolese Francs one hundred and forty billion, five hundred million (CDF 140.5 billion) in its GAAP financial statements.
- iii. The above additional investment of Congolese Francs one hundred and forty-two billion, seven hundred million (CDF 142.7 billion) would have generated additional profit after tax of Congolese Francs eight billion one hundred million (CDF 8.1 billion).
- iv. The above (i) to (iii) would lead to a total increase in shareholders' funds of Congolese Francs one hundred and fifty billion, nine hundred million (CDF 150.9 billion).

In addition, EBCDC's reported Tier 1 regulatory capital is expected to increase by Congolese Francs one hundred and fifty billion, nine hundred million (CDF 150.9 billion), to Congolese Francs five hundred and twenty three billion, six hundred million (CDF 523.6 billion) translating into a Tier 1 Ratio of fourteen point six percent (14.6%) which implies a buffer of six point one percent (6.1%) above the regulatory minimum Tier 1 Ratio of ten percent (10.0%).

Further information on the proforma effect of the Rights Issue, including implications for shareholders, can be found in Section 9 (Proforma Impact of Rights Issue).

The Board decided on the Rights Issue price of United States Dollars one hundred and seventy (USD 170) per New Share based on the result of applying valuation methodologies such as sum-of-parts method to estimate the investment value of the combined EBCDC Group as the aggregate of investment value of the banking business and that of the investment property business that EBCDC Group entities are engaged in. Further, the Board considered the result of applying a dividend discount method to estimate the intrinsic value of the banking business and estimated the intrinsic value of the investment property business by applying the Adjusted Net Assets Value method. The resulting estimates of investment value were compared to the results of applying the market price method.

The Rights Issue Price represents a Price to FY2021 reported Net Asset Value in GAAP financial statements of 1.25x and a Price to FY21 reported group consolidated Net Asset Value in IFRS financial statements of 0.99x. The Rights Issue Price is significantly higher than the volume weighted average price at which shares of EBCDC traded on the Euroclear over-the-counter market in the one hundred and eighty (180) days to 31 March 2022 of Euros thirty four and eighty cents (EUR 34.80) (equivalent to United States Dollars thirty eight

and sixty six cents (USD 38.66) at an exchange rate of EUR 1.11 per USD). While a comparison could have been made between the Rights Issue Price and the volume weighted average price at which shares of EBCDC traded on the Euronext over-the-counter market in the one hundred and eighty (180) days to 31 March 2022, the traded prices for the EBCDC shares are no longer relevant because trading in the EBCDC shares on this market (a) ceased in October 2021, (b) was infrequent and when it occurred, involved the transfer of only a small number of shares between retail investors and, (c) given the length of time that has passed since trading ceased, the traded prices are now out of date. Consequently, the volume weighted average price at which the EBCDC shares traded on the Euronext is not a reliable indicator of the fair value of EBCDC shares

The EBCDC Board resolved at its meeting held on 6 May 2022 to appoint Deloitte Services SARL (“**Deloitte**”) as an independent valuation expert to provide an independent valuation review of the proposed Rights issue Price. Although this is not required by the Uniform Act, the Directors are of the view that obtaining an Independent Valuation Review is in line with strong corporate governance practices and provides an abundance of caution that the proposed Rights Issue Price is in line with the fair value of EBCDC’s shares.

The EBCDC Board also resolved to request PricewaterhouseCoopers RDC SAS (“**PwC**”) to provide an Auditor’s Report in accordance with Articles 564, 588 and 591 of the Uniform Act. The purpose of the Auditor’s Report is to set out the following:

- the Rights Issue Price;
- the conditions governing the determination of the Rights Issue Price;
- the impact of the Rights Issue on the situation of Shareholders, in particular as concerns their share of the Shareholders’ equity as at the close of the Company’s last Financial Year i.e. 31st December 2021; and
- verification of the accuracy of the data from the Company’s accounts on which the Directors’ Report is based.

Both the Independent Valuation Review and Statutory Auditor’s Report will be made available to each Shareholder.

1.4 Additional information

Included in Sections 2 – 12 of this Directors’ Report is additional important information and disclosures regarding the Rights Issue as follows:

Section 2 – Corporate Directory

Section 3 – Transaction Advisors

Section 4 – Proposed Timetable

Section 5 – Investment Data

Section 6 – Key Features of Rights Issue

Section 7 – Terms and Conditions

Section 8 – Information on Equity BCDC

Section 9 – Proforma Impact of Rights Issue

Section 10 – Key Risk Factors

Section 11 – Notice of the EGM

1.5 Recommendation


EBCDC has maintained its position as one of the market leaders in the banking sector in DRC, a country for which the International Monetary Fund (“IMF”) is forecasting real gross domestic product (“GDP”) growth of between six-point four percent (6.4%) and six point nine (6.9%) each year in the period 2022 to 2027² reflecting increased investment, recovery in the mining sector post the Covid-19 pandemic and attractive demographic dynamics.

The Bank is well positioned to continue to enjoy steady growth in the coming years and achieve its objective to enhance financial inclusion in DRC and significantly improve business operations by leveraging on its unique innovation and digital initiatives that will continue to deploy.

The Board has confidence in EBCDC’s strategy and business model in DRC and the Bank’s ability to continue to increase its earnings and enjoy consistent growth. It is for these reasons that the EBCDC Board unanimously recommends that the Shareholders vote in favour of the resolutions to be proposed at the upcoming EGM to be held on 10th June 2022. The proposed resolutions are provided in Section 7.2 (Shareholder Resolutions Proposed to be Passed with Respect to the Rights Issue) of this Directors’ Report.

Should you require advice as to what action to take, it is recommended that you seek independent professional advice from your stockbroker, investment adviser, accountant, banker, lawyer or any other professional adviser.

Yours sincerely

A handwritten signature in black ink, appearing to read "Nestor", with a stylized flourish at the end.

Nestor Ankiba Yar.

Chairman

² International Monetary Fund, World Economic Outlook Database, April 2022 available on www.imf.org/Publications/WEO/weo-database/2022/April

2 Corporate Directory

Company	Equity Banque Commerciale Du Congo S.A.
Registration Number	CD/KIN/RCCM/ 14-B-3364
Date of Incorporation	16 th September 1952
Registered Office	15, Boulevard du 30 Juin, Commune de la Gombe/Kinshasa, DRC
Financial Calendar	1 st January – 31 st December
Company Secretary	Auguste Kanku Kadiosha
Auditors	PricewaterhouseCoopers RDC SAS, Immeuble Midema, 13, Avenue Mongala, Gombe, B.P. 10195 Kinshasa République Démocratique du Congo
Legal Advisors	Proxima Loft II-3 Concession UTEX No 372 Av. Colonel Mondjiba Kinshasa – Ngaliema DRC
Principal Bankers	<p>1. Citibank N.A. Centre d'affaire Flatters 96 Rue Flatters – Bonanjo BP4571 Douala Cameroun</p> <p>2. Commerzbank AG 60261 Frankfurt am Main Kaiserplatz, Frankfurt am Main, Germany</p>
Subsidiaries	<p>L'Immobilière De L'Agence De la Gombe SARL, Registration number 14-B-3399, Registered address is 15, Boulevard du 30 Juin, Gombe/Kinshasa, DRC.</p> <p>Des Aviateurs S.A Registration number CD/KIN/RCCM/ 14B – 3390, Registered address is at 4B, Av. Des Aviateurs, Gombe/Kinshasa, DRC.</p> <p>Matadi Vangu S.A. Registration number CD/KIN/RCCM/ 14B – 3385, Registered address is 4B, Av. des Aviateurs, Gombe/Kinshasa, DRC;</p>
Website (French)	https://equitygroupholdings.com/cd/
Website (English)	https://equitygroupholdings.com/cd/en/

3 Transaction Advisors

Lead Transaction Advisors	Lead Legal Advisor
Stanbic Bank Kenya Limited Stanbic Centre, Westlands Road P.O. Box 72833-00200, Nairobi, Kenya	Anjarwalla & Khanna LLP ALN House, Off Eldama Ravine Close Eldama Ravine Road P.O. Box 200 – 00606, Nairobi, Kenya
DRC Law Advisor	Statutory Company Auditor
Proxima Loft II-3 Concession UTEX No 372 Av. Colonel Mondjiba Kinshasa – Ngaliema DRC	PricewaterhouseCoopers RDC SAS, Immeuble Midema, 13, Avenue Mongala, Gombe, B.P. 10195 Kinshasa République Démocratique du Congo
Independent Fair Value Reviewer	Depository
Deloitte Services SARL Immeuble le Prestige, 3ieme étage, 4239, Tombalbaye KINSHASA, B.P. 2001 DRC	Auguste Kanku Company Secretary Equity Banque Commerciale Du Congo S.A. Head Office Branch 15, Boulevard du 30 Juin, Commune de la Gombe/Kinshasa, DRC
Receiving Bank	Notary
Equity Banque Commerciale Du Congo S.A. Head Office Branch 15, Boulevard du 30 Juin, Commune de la Gombe/Kinshasa, DRC	Mrs. Nyembo Fatuma Marie 150, Colonel Ebeya Commune de la Gombe /Kinshasa, DRC
Authorised Agent	
DALDEWOLF Avenue Louise 81 Louizalaan 1050 Brussels Belgium	

4 Proposed Timetable

No.	Event	Time	Date
1.	Record Date (Register Closing Date)	3.00pm	10th June 2022
2.	Distribution of Rights Issue Documents to Eligible Shareholders	By 5.00pm	15 th June 2022
3.	Rights Issue Opening Date (Open Date)	9.00am	22nd June 2022
4.	Last date and time for the declaration and conversion to registered shares for those shareholders who are yet to complete the conversion process and provide information for issuance of Registered Shares	By 4.00pm	11 th July 2022
5.	Last date and time for Renunciation by private transfer	By 4.00pm	21 st July 2022
6.	Rights Issue Closes (Closing Date)	4.00pm	21st July 2022
7.	Last date and time for acceptance of rights and payment by Internal Funds Transfer or SWIFT payment to Depository for New Shares and Additional Shares	By 4.00pm	21 st July 2022
8.	Allocation of New Shares by the Board of EBCDC	By 5.00pm	8 th August 2022
9.	Public announcement of the Rights Issue results	By 5.00pm	9 th August 2022
10.	Issue of fully paid new shares and processing and dispatch of payment of refunds by Internal Funds Transfer or by SWIFT payment (Completion Date)	By 5.00pm	11th August 2022

Notes:

1. All references to times are DRC local time.
2. If any date falls on a Gazetted public holiday, the applicable date shall be the next working day.
3. These dates are subject to change and are indicative only. EBCDC's Board reserves the right to amend this indicative timetable.
4. Any changes or amendments shall be announced/published in the public media.

5 Investment Data

No.	Data Element	Unit	Data
1.	Par value of each Existing Share	CDF per share	5,300
2.	Rights Issue Ratio	ratio	4 New Shares for every 15 Existing Shares
3.	Rights Issue Price	USD per share	170
4.	Estimated Rights Issue Price per share in CDF equivalent at Closing Date ⁽¹⁾	CDF per share	348,500
5.	Number of New Shares available for subscription pursuant to the Rights Issue	number	415,018
6.	Number of issued and fully paid ordinary shares of EBCDC prior to the Rights Issue	number	1,556,323
7.	Number of issued and fully paid ordinary shares of EBCDC post-Rights Issue assuming full subscription	number	1,971,341
8.	Gross proceeds of the Rights Issue	USD	70,553,060
9.	Estimated expenses of the Rights Issue ⁽²⁾	USD	920,531
10.	Net proceeds of the Rights Issue	USD	69,632,529
11.	Estimated Net Proceeds of the Rights Issue translated to CDF ⁽¹⁾	CDF	142,746,685,270
12.	EBCDC separate company Profit after Tax for year 2021 reported in GAAP financial statements	CDF	80,353,225
13.	Earnings Per Share (EPS) for the year ended 31 st December 2021 based on 1,556,323 issued and fully paid-up ordinary shares	CDF per share	51,630
14.	EBCDC separate company Net Asset Value on 31 st December 2021 reported in GAAP financial statements	CDF	432,457,461,000
15.	EBCDC separate company GAAP NAV per ordinary share on 31 st December 2021 based on 1,556,323 issued and fully paid-up ordinary shares	CDF / share	277,871
16.	Rights Issue Price to 2021 BCDC GAAP EPS	multiple	6.75
17.	Rights Issue Price to EBCDC GAAP NAV per ordinary share	multiple	1.25
18.	Proforma 2021 EPS including Rights Issue assuming full subscription attributable to shareholders of EBCDC and investment of proceeds (see Section 9 (Proforma Impact of Rights Issue) for further details of assumptions)	CDF per share	44,894
19.	Proforma 2021 EBCDC separate company GAAP Net Asset Value after Rights Issue assuming full subscription	CDF per share	583,352,146,540

No.	Data Element	Unit	Data
20.	Proforma 2021 EBCDC separate company GAAP NAV per ordinary share after Rights Issue assuming full subscription	CDF per share	295,916

Notes:

1. *Exchange rates used to translate Rights Issue Price and Gross and Net Proceeds 1 USD = CDF 2,050.00. This exchange rate is merely an estimate of the forward rate and is applied for illustrative purposes. The actual exchange rate applied will be the daily rate applicable on the Completion Date.*
2. *Expenses include tax equivalent to 1% of gross proceeds, fees paid to the Advisors and administration fees e.g. printing Right Issue Documents.*

6 Key Features of the Rights Issue

EBCDC

Equity Banque Commerciale du Congo S.A. is a public limited company (société anonyme) licensed by the BCC to provide banking services in DRC; with registration number CD/KIN/RCCM/ 14-B-3364 and whose registered address is at 15, Boulevard du 30 Juin, Commune de la Gombe/Kinshasa, DRC.

Shareholders

Shareholders of EBCDC as at 31st March 2022 were as follows:

Shareholder	Shares	%
Equity Group Holdings Plc (EGH)	1,206,282	77.51%
Government of DRC	240,000	15.42%
IFC	35,395	2.27%
Other Shareholders	74,646	4.80%
Total	1,556,323	100%

License

EBCDC is licensed by the BCC to undertake banking business in DRC pursuant to the provisions of the Banking Law.

Par Value

Congolese Francs five thousand three hundred (CDF 5,300) per share.

Total No. of Authorised Shares

One million five hundred and fifty-six thousand, three hundred and twenty-three (1,556,323) shares with a par value of Congolese Francs five thousand three hundred (CDF 5,300) per share.

Total No. of Issued Shares

One million five hundred and fifty-six thousand, three hundred and twenty-three (1,556,323) shares with a par value of Congolese Francs five thousand three hundred (CDF 5,300) per share.

Total No. of Shares on Offer

Four hundred and fifteen thousand and eighteen (415,018) New Shares.

Total No. of Issued Shares post-Rights Issue assuming full subscription

one million, nine hundred and seventy-one thousand, three hundred and forty-one (1,971,341) ordinary shares.

Eligible Shareholders

Existing Shareholders who as of the Record Date (Register Closing Date) are (i) on the EBCDC Shareholder register and (ii) have not yet finalized the process of conversion of their shares but subsequently present the certificates for their shares for conversion to registered shares.

Eligible Shareholders are only permitted to accept all their rights or none of the rights i.e. partial uptake of rights will not be permitted under this Rights Issue. Eligible Shareholders wishing to take up all their Rights are required to observe the procedures set out in Section 7.9 (Acceptance Procedure) while those wishing to renounce all their Rights to named beneficiaries or no beneficiary are invited to follow the steps set out in Section 7.10 (Renunciation Procedure).

Eligible Shareholders may only renounce their full entitlement in favour of a named beneficiary if that beneficiary meets the definition of a Permitted Person as set out in Section 7.10 (Renunciation Procedures).

Acceptance Procedure

Acceptance of the Entitlement, once given by an Eligible Shareholder, is irrevocable in respect of the Rights accepted. Eligible Shareholders that wish to apply for their New Shares must complete their Subscription Agreement, the format which is set out in Annexe 3 (Sample Subscription Agreement).

Acceptance of the Entitlement may only be communicated by submitting a duly completed Subscription Agreement together with the Application Money in respect of the number of the New Shares and Additional Shares applied for, which cannot be withdrawn and constitutes a binding application for the number of New Shares specified in the Subscription Form. The Subscription Form must be signed to be binding. The Company reserves the right to reject any Subscription Agreement which is not signed.

The Subscription Agreement, once duly completed and signed must be returned to the Company either directly or through any authorised agent together with the Application Money in respect to the number of New Shares and all Additional Shares applied for. Payment of the Application Money by an eligible shareholder must be made as specified in the section below titled "Application Money"

If an Eligible Shareholder or Renounee fails to submit a completed Subscription Agreement by the Closing Date, that Shareholder or Renounee will be deemed to have renounced their rights in favour of no beneficiary and the Directors will be at liberty to deal with the resulting Untaken Shares as specified in Section 7.15 (Untaken Shares) of this Directors' Report.

Application for Additional Shares and Allocation Policy

Eligible Shareholders who take up their full Entitlement will also have the option to apply for Additional Shares limited to the equivalent of thirty percent (30%) of their Entitlement. Eligible Shareholders and Renounees wishing to apply for Additional Shares are required to duly complete the section entitled "Application for Additional Shares" in the Subscription Agreement as well as other relevant sections of the Subscription Agreement.

Renunciation of Rights

The Rights are renounceable. Accordingly, the Eligible Shareholders may elect to renounce their Rights in favour of designated a Renounee(s). They may also renounce this right without naming beneficiaries.

The renunciation made in favour of a Renounee must be accompanied by the Form of Renunciation (Form R) that has been completed by the Renounee to signify the Renounee's acceptance. The named beneficiary, if any, must submit the information and supporting documents specified in Form R.

Eligible Shareholders who have not yet converted their Shares to registered shares may renounce their rights in favour of a named beneficiary after first converting their shares to registered shares using the

process specified in Section 7.7 (Entitlement Details) for accepting their rights.

Eligible Shareholders may only renounce their rights in favour of named beneficiaries that are Permitted Persons as defined in 7.10 (Renunciation Procedures) of this Directors' Report.

Application Money

Payment of an Eligible Shareholder's Application Money for the New Shares shall be made in USD by Internal Funds Transfer, where a shareholder has an account with EBCDC, or by SWIFT payment..

Payments made in accordance with the above paragraph will upon receipt by the Company of the relevant amount in cleared funds, constitute acceptance of the Rights Issue upon the terms and conditions set out herein and in the Subscription Agreement.

Rejection Policy

Any application will be rejected for the following reasons:

- (i) the Subscriber is not a Permitted Person;
- (ii) the number of New Shares applied for are below the minimum or not in multiples set out in this Directors' Report.
- (iii) missing or illegible name of primary applicant/joint applicant/corporate applicant in any application;
- (iv) missing or illegible identification number, including company registration number;
- (v) missing account number or name for nominee applications;
- (vi) missing or illegible postal address and postal code;
- (vii) missing or inappropriately signed Application Form including:
 - primary signature missing from signatures box;
 - joint signature missing from signature box; or
 - one or both of the two directors/official or a director and company secretary has/have not signed in the case of a corporate application;
- (viii) insufficient documentation;
- (ix) the payment is less than the value of the shares applied for;
- (x) payment by cash/cheque; or

amount on Internal Funds Transfer or SWIFT payment slip is inconsistent with amount on the Subscription Agreement.

Rights Issue Ratio

Ratio of four (4) New Shares for every issued and fully paid up fifteen (15) Existing Shares.

Rights Issue Price

United States Dollar one hundred and seventy (USD 170) per New Share. There will be no Rights Issue Discount.

Gross amount being raised

United States Dollar seventy million, five hundred and fifty-three thousand and sixty (USD 70,553,060).

Net amount being raised

The estimate of fees and expenses associated with the Rights Issue are United States Dollar nine hundred and twenty thousand five hundred and thirty one (USD 920,531) Congolese Francs one billion eight hundred eighty seven million four hundred and forty one million (CDF 1.887 billion) hence net gross proceeds will be United States Dollar sixty nine million,

six hundred and thirty two thousand and five hundred and twenty nine (USD 69,632,529).

Use of Proceeds

The primary objective of the Right Issue is to fund the Bank's expansion plans in DRC including boosting asset growth and investment in digital infrastructure to serve the evolving requirements of EBCDC's client base.

The additional capital will also boost the capital base of EBCDC to help ensure that the Bank complies with the capital requirements and capital adequacy ratios set out by the BCC as well as create sufficient headroom to ensure compliance even as the Bank continues to deploy its strategic initiatives and achieve balance sheet growth in the future.

Intention of Majority Shareholders

EGH that owns 77.51% equity stake in EBCDC has informed the Board of EBCDC in writing that it intends to take up its full Entitlement in the Rights Issue of three hundred and twenty-one thousand, six hundred and seventy-four (321,674) New Shares. In addition, EGH intends to submit an application for the maximum number of Additional Shares allowable to EGH of ninety-six thousand, five hundred and two (96,502) shares.

Minimum Success

There is no minimum threshold of the Rights Issue that will be required to be accepted for the Rights Issue to be declared successful. However, as set out above, EGH has given an undertaking to apply for an aggregate of four hundred and eighteen thousand one hundred and seventy-six (418,176) shares that exceeds four hundred and fifteen thousand and eighteen (415,018) New Shares being offered for subscription under the Rights Issue.

Ranking of New Shares

The New Shares and Additional Shares will be allocated and transferred subject to the provisions of the Articles of Association of EBCDC and will rank pari passu in all respects with the Existing Shares of EBCDC including the right to receive in full all dividends and other distributions declared, made or paid in respect of the Existing Shares.

Voting

Each New Share will be entitled to one (1) vote per share at Shareholder meetings.

Basis of Rights Issue Price

The proposed Rights Issue Price has been determined based on the results of valuation analyses to determine the investment value per ordinary share of EBCDC by applying the following valuation methodologies:

- Sum-of-parts approach to estimate investment value directly: Recognising that EBCDC operates both a banking business and an investment property business (conducted both in EBCDC and its subsidiaries), the EBCDC Board agreed that the intrinsic investment value attributable to 100% of the issued shares of EBCDC should be the sum of the intrinsic investment value estimates of the banking business and its investment property business with each business valued using the valuation methods best suited for those respective businesses:
 - The Dividend Discount Method to value the banking operations of EBCDC; and
 - The Adjusted Net Asset Value method to estimate the intrinsic Investment Value of the investment property business operated by EBCDC and its subsidiaries.

- The comparable market multiples method: based on an analysis of the market price of a sample of companies in Sub-Saharan Africa (SSA) comparable to EBCDC.

The EBCDC Board has decided to base the Rights Issue price at equal to the estimated investment value per share to ensure that Shareholders who may choose not to participate in the Rights Issue do not face excessive dilution of their shareholding percentage in EBCDC.

Summary of Independent Valuation Review

Deloitte has undertaken an independent valuation review of the valuation methods and assumptions used in arriving at the conclusion that the estimated equity value per EBCDC share is United States Dollars one hundred seventy point eight eight (USD 170.88). Following its independent review process, Deloitte has confirmed that this estimated equity value per share falls within the range of the fair value of the investment value per ordinary share of EBCDC.

Based on the results of the valuation exercise, the EBCDC Board decided to set the Rights issue Price at United States Dollars one hundred and seventy (USD 170) per new share.

EBCDC Share Data (based on very limited trading on Euronext OTC)

The below summarises the trading performance of the EBCDC share on the Euronext OTC. It should be noted that there is extremely limited trading of the EBCDC share on the Euronext OTC and there were no trades in the quarter ending 31st March 2022 and only EUR 1,044 worth of shares were traded in the 6 months ending 31st March 2022.

	Past 30 trading days to 31/03/22	Past 3 months to 31/03/22	Past 180 calendar days to 31/03/22	Past 12 months to 31/03/22
Period start date	18-Feb-22	31-Dec-21	03-Oct-21	31-Mar-21
Period end date	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
Number of trading days in the period	30	65	129	260
Sum of number of shares traded in the period	-	-	30	1,742
Sum of value of shares traded in the period (EUR)	0	0	1,044	81,759
Volume weighted average price (VWAP) for period (EUR / share)	n/a	n/a	34.80	39.29

Source: Refinitiv



Over-acceptance

In the event of over-acceptance, EBCDC will make refunds as detailed in Section 7.17 (Refund Procedure).

Dividends

The New Shares will rank *pari passu* in all respects for dividends as with fully paid-up Existing Shares.

7 Terms and Conditions

7.1 Use of proceeds

The primary objective of the Rights Issue is to fund the Bank's expansion plans in DRC including boosting asset growth and investment in digital infrastructure to serve the evolving requirements of EBCDC's client base.

The additional capital will also boost the capital base of EBCDC to ensure that the Bank complies with the capital requirements and capital adequacy ratios set out by BCC as well as create sufficient headroom to ensure compliance even as the Bank continues to deploy its strategic initiatives and achieve balance sheet growth in the future.

7.2 Shareholder resolutions proposed to be passed with respect to the Rights Issue

As provided in the EGM Notice, the following are the resolutions proposed to be passed at the EGM with respect to the Rights Issue:

- a) To approve – the increase of the nominal share capital of EBCDC from eight billion two hundred and forty eight million five hundred and eleven thousand nine hundred Congolese Francs (CDF 8,248,511,900) comprising of one million five hundred and fifty six thousand, three hundred and twenty three (1,556,323) ordinary shares of five thousand three hundred Congolese Francs (CDF 5,300) per share to a share capital of ten billion four hundred and forty eight million Congolese Francs (10.448 billion CDF) by the creation of four hundred and fifteen thousand and eighteen (415,018) new ordinary shares each with a nominal value of five thousand three hundred Congolese Francs (CDF 5,300) per share (the **New Shares**)(the **Capital Increase**) in accordance with the Directors' Report and the Auditor's Report adopted by the Board of Directors.
- b) To approve – as a result of the preceding resolution, the issue of the New Shares at a price of one hundred and seventy (USD 170) per share to the holders of the issued ordinary shares in the capital of EBCDC registered at the close of business on such date as shall be determined by the Board of Directors and notified to the shareholders through the press or otherwise in proportion to the shareholders' respective holdings in the issued share capital of EBCDC; and subject to the Articles of Association of EBCDC, at such rate and upon such terms as the Board of Directors shall think fit.
- c) To approve – as a result of the preceding resolution, the Board of Directors to issue the New Shares and to do all such things as may be necessary to give effect to the preceding resolution and to deal with fractions of shares in such a manner as they think fit subject to the Articles of Association of EBCDC and in accordance with the Directors' Report and the Auditor's report adopted by the Board of Directors.
- d) To approve – as a result of the preceding resolutions, and subject to the Central Bank of Congo's approval, the amendment of Article 6 and Article 7 of the articles of association as follows:

By amending Article 6 to state – “The share capital is set at the sum of ten billion four hundred and forty-eight million Congolese Francs (10.448 billion CDF). It is divided into one million nine hundred and seventy-one thousand, three hundred and forty-one (1,971,341) shares of five thousand three hundred Congolese francs (CDF 5,300) each with a nominal value, subscribed and fully paid, all of the same rank and numbered from I to, and enjoying the rights and benefits defined by the Articles of Association.”

By amending Article 7 to add the following paragraph – “and by resolution of the shareholders of EBCDC on 10th June 2022 to ten billion four hundred and forty-eight million Congolese Francs (10.448 billion CDF).”

- e) To note that (i) simultaneous with the process of the issue of the New Shares, Equity Group Holdings Plc (**EGH**) shall make an offer to all the holders of the issued ordinary shares in the capital of EBCDC registered at the close of business on such date as shall be determined by the Board of Directors and notified to the shareholders through the press, for the acquisition of up to six thousand five hundred shares each (6,500) from shareholders who choose not to participate in the Rights Issue by EGH at a price of one hundred and seventy (USD 170) per share (the **EGH Offer**) and (ii) that the EGH Offer is not subject to any pre-emption rights under the laws of the DRC or the Articles of Association.
- f) To grant full power to the Managing Director and/or the Deputy Managing Director for purposes of executing such documents and effecting such filings as may be required to give effect to the decisions of the extraordinary general meeting.

7.3 Features of the Rights Issue

EBCDC proposes to raise additional capital amounting to United States Dollars seventy million, five hundred and fifty three thousand (USD 70.553 million) via a Rights Issue. The Rights Issue will see the Bank issue up to four hundred and fifteen thousand and eighteen (415,018) New Shares at a price of United States Dollars one hundred and seventy (USD 170) per share.

The Rights Issue Ratio is four (4) New Shares for every issued and fully paid up fifteen (15) Existing Shares. The Entitlement Ratio, once declared, will not be altered.

Only persons/parties deemed as Eligible Shareholders as of the Record Date can participate in the Rights Issue offer through acceptance of their Entitlement and full payment no later than 4.00pm DRC time on the Closing Date.

Rights are renounceable to third parties as covered in detail in Section 7.10 (Renunciation Procedures).

7.4 Status of new shares

The New Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Shares including the right to receive in full all dividends and other distributions declared, made or paid in respect of the ordinary shares, for FY 2022. EBCDC did not declare any dividends for FY 2021.

7.5 Key timetable events

The Rights Issue Offer Period will start at 9.00am DRC time on Wednesday 22nd June 2022 and close at 4.00pm DRC time on Thursday 21st July 2022.

7.6 List of Rights issue documents

Copies of the following documents (the “**Rights Issue Documents**”) may be inspected at the registered office of the Company during normal working hours on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this Directors’ Report up to and including the Closing Date:

- A copy of this Directors’ Report;
- A copy of the Auditors’ Report;
- A copy of the EBCDC Board Resolution approving the Rights Issue;
- A copy of the EGM Notice;
- The Register of Shareholders of the Company as at 10th June 2022 to be used to determine the Eligible Shareholders;
- The audited financial statements of EBCDC for the financial year ended 31 December 2021; and
- The unaudited financial statements of the Company for the quarter ended 31st March 2022.

7.7 Entitlement details

Persons who are not existing Eligible Shareholders as of the Record Date will not be entitled to participate in the Rights Issue.

EBCDC will send a Subscription Agreement by registered post with notification of reception to the address appearing on EBCDC's Shareholders' register to all Eligible Shareholders who live abroad and by hand-delivered letter against acknowledgement of receipt for those who are in DRC. Shareholders who have not yet converted their shares to registered shares as at the Record Date shall first be required to convert their Shares to registered shares and consequently be regarded as Eligible Shareholders and for this purpose:

- a) EBCDC shall make a public announcement of the intention to undertake a Rights Issue and informing Shareholders have not yet converted their shares to registered shares that they shall first be required to convert their shares to registered shares for them to be eligible to participate in the Rights Issue.
- b) Each such Shareholder shall be required to provide their full name, contact details, copies of identification documents to the Company Secretary and submit the certificates for their shares for cancellation to the Company Secretary on or before 4.00pm DRC time on 11th July 2022 so that the Company Secretary is able to enter the shareholders' name on the EBCDC Shareholders' register and provide the shareholder with a Subscription Agreement setting out that shareholders' Entitlement.

The number of New Shares that an Eligible Shareholder is entitled to (i.e. Entitlement) will be as shown on the Subscription Agreement provided to each Eligible Shareholder.

The number of New Shares offered to Eligible Shareholders has been calculated based on the Entitlement Ratio and no restrictions are placed on the number of Existing Shares to be held before the Entitlement accrues. However, mathematically, this might result in fractional entitlements to New Shares and in such an event, fractions shall be rounded down to the nearest whole number and the Entitlement for the affected Eligible Shareholder shall be the number computed after rounding down to the nearest whole number. Eligible Shareholders are required to verify the correctness of the Entitlement.

These fractions that result from applying the Entitlement Ratio shall then form part of the Untaken Shares.

Eligible Shareholders can only take up their full Entitlement and cannot partially subscribe for the Rights Issue. Eligible Shareholders that take up their full Entitlement will also have the option to apply for Additional Shares up to a maximum of thirty percent (30%) of their Entitlement.

7.8 Options for Eligible Shareholders

The following actions are available to Eligible Shareholder in the Rights Issue:

- Take up the Entitlement in full – refer to Section 7.9 (Acceptance Procedures).
- Renounce all the Rights to a named beneficiary that must be a Permitted Person – refer to Section 7.10 (Renunciation Procedures).
- Allow the Entitlement to lapse by doing nothing – refer to Section 7.15 (Untaken Shares).
- Accept Additional Shares i.e. in addition to the Entitlement, provided the Entitlement has been accepted in full – refer to Section 7.11 (Additional Shares).

Eligible Shareholders are not permitted to:

- Accept part of the Entitlement and sell the balance.
- Accept part of the Entitlement and renounce the balance.
- Accept part of the Entitlement and allow the balance to lapse.
- Combinations of the above.

The following actions are possible by a Renounee in the Rights Issue:

- Take up the Entitlement in full – refer to Section 7.9 (Acceptance Procedures).
- Allow the Entitlement to lapse by doing nothing – refer to Section 7.15 (Untaken Shares).
- Accept Additional Shares i.e. in addition to the Entitlement, provided the Entitlement has been accepted in full – refer to Section 7.11 (Additional Shares).

A Renouncee is not permitted to:

- Renounce all the Rights to a third party.
- Accept part of the Entitlement and sell the balance.
- Accept part of the Entitlement and renounce the balance.
- Accept part of the Entitlement and allow the balance to lapse.
- Combinations of the above.

7.9 Acceptance procedures

Acceptance of the Rights Issue, once given is irrevocable. Please note that partial acceptance will not be permitted.

Full details of the procedure for acceptance and payment are set out below:

- Acceptance may ONLY be communicated by submitting a duly completed Subscription Agreement together with Application Money for the number of New Shares (including where applicable any Additional Shares) specified in the Subscription Agreement.
- Once submitted, the application cannot be withdrawn and shall constitute a binding application for the number of New Shares (including any Additional Shares) specified in the Subscription Agreement by the Accepting Shareholder.
- The Subscription Agreement must be correctly executed so as to be binding, while the Application Money must be received in cleared funds.
- The Subscription Agreement, once duly completed and executed, must be returned to the Company Secretary or Authorised Agent, together with proof of transfer of Application Money, in the form of Internal Funds Transfer or SWIFT payment slips correctly indicating the bank account per Section 7.12 (Application Payments) and the Application Money for the number of New Shares (including where applicable for any Additional Shares).
- Eligible Shareholders who wish to take up their full Entitlement are required to duly complete Part 1A of the Subscription Agreement together with other relevant sections of the Subscription Agreement.
- Note that partial acceptance will not be permitted.
- If the Subscription Agreement is not completed correctly, EBCDC may in its sole and absolute discretion reject it or treat it as valid, and EBCDC's decision as to whether to accept or reject, or how to construe, amend or complete the Subscription Agreement shall be final.
- The Subscription Agreement and Application Money should be received by the Receiving Bank by 4.00pm DRC time on the Closing Date in line with procedures laid out in Section 7.12 (Application Payments).
- Save in the case of negligence or wilful default on the part of EBCDC, their Advisors, the Notary or the Agent, neither EBCDC, nor any of the Advisors nor the Notary nor the Agent shall be under any liability whatsoever should the Subscription Agreement not be received by the Closing Date. In such an instance, the New Shares will be deemed not to have been duly subscribed for and any Rights in connection with the same will have lapsed.
- The Subscription Agreement can be rejected as detailed below in Section 7.14 (Rejection Policy).
- Acceptance is subject to regulatory restrictions and obligations as detailed below in Section 7.13 (Regulatory Restrictions).

7.10 Renunciation procedures

Eligible Shareholders may individually renounce their pre-emptive subscription rights in favour of designated beneficiaries ("Renouncee"). They may also renounce this right without naming beneficiaries.

The renunciation made in favour of designated beneficiaries must be accompanied by the Form of Renunciation (Form R) that has been completed by the Renouncee to signify the Renouncee's acceptance and must be returned to the Company Secretary or Authorised Agent. The named beneficiary, if any, must submit the information and supporting documents specified in Form R.

Shareholders who have not yet converted their shares to registered shares may renounce their rights in favour of a named beneficiary after first converting their shares to registered shares using the process specified in Section 7.7 (Entitlement Details) for accepting their rights.

Eligible shareholders may only renounce their rights in favour of named beneficiaries that are Permitted Persons as defined below.

Permitted Persons are Persons who:

- a. have provided complete and accurate information to EBCDC sufficient to enable EBCDC to conduct sufficient due diligence on prospective registered shareholders including but not limited to:
 - a. for corporate or unincorporated persons – name and address of registered office, incorporation/registration documents, names of directors and ultimate shareholders and identification documents for directors and shareholders; or
 - b. For natural persons – full name, current residential address and identification documents;
- b. are not subject to sanctions by any of the DRC, the United States of America, the United Kingdom of Great Britain and Northern Ireland, the European Union, United Nations Security Council or its committees pursuant to any resolution under Chapter VII of the United Nations Charter, nor any international organisation;
- c. meet the criteria set out in any guidelines set by any applicable regulatory authority on suitability of persons involved in ownership of EGH and its subsidiaries, including EBCDC; and
- d. to whom the allotment of New Shares would not result in a breach of laws applicable to EBCDC.

EBCDC will carry out checks on information contained in acceptance forms and supporting documentation provided by named beneficiaries to assess if the proposed named beneficiary meets the definition of Permitted Persons. If EBCDC in its sole discretion determines that the proposed beneficiary does not meet this definition, then it is entitled to reject the renouncement in favour of that beneficiary and treat the renouncement by the Eligible Shareholders as having been made in favour of no beneficiary for the purpose of the Rights Issue.

7.11 Additional shares

Accepting Shareholders shall use the Subscription Agreement to apply for Additional Shares while Renouncees shall use the Form R.

Accepting Shareholders and Renouncees can only apply for Additional Shares if they have accepted their Entitlement in full. The maximum number of Additional Shares an Accepting Shareholder can apply for is limited to a maximum of thirty percent (30%) of their Entitlement. If an Accepting Shareholder or a Renouncee submits an application for Additional Shares that exceeds this limit, the allotment of Untaken Shares will be based on the applicable limit for that Accepting Shareholder or Renouncee. EBCDC will refund Application Moneys relating to the Additional Shares in excess of the limit to the Accepting Shareholder or Renouncee as set out in Section 7.17 (Refunds Procedure).

Accepting Shareholders may apply for Additional Shares by completing Part 1A on their Subscription Agreement or Part 1A of their Form R (in the case of Renouncees) and signing and returning the duly completed Subscription Agreement together with the Application Money. These should be received by the Company Secretary or Authorised Agent not later than 4:00pm DRC time on the Closing Date.

Applications for Additional Shares should be in multiples of 1.

Acceptance of Additional Shares is subject to regulatory restrictions and obligations as detailed below in Section 7.13 (Regulatory Restrictions).

7.12 Application payments

Subscribers must make payment in full for the aggregate New Shares that they are applying for on or before the Closing Date.

The aggregate Application Money to be paid by each Subscriber should be computed as the aggregate of **A** plus **B** where:

- **A** equals the number of New Shares that the Subscriber has accepted in respect of the Entitlement (noting that acceptance can only be for the Entitlement in full and not part of the Entitlement) multiplied by the Rights Issue Price specified in USD: and
- **B** equals the number of Additional Shares, if any, that the Subscriber wishes to apply for (noting that the number of Additional Shares is limited to a maximum of thirty percent (30%) of the Entitlement) multiplied by the Rights Issue Price specified in USD.

Subscribers should make payment by Internal Funds Transfer or SWIFT payment in United States Dollars to the following bank account in:

Account number: 00011 15051 12000345451 74 USD

Beneficiary name: EQUITY BCDC SA / AUGMENTATION DU CAPITAL

Bank: EQUITY BANQUE COMMERCIALE DU CONGO SA

Branch: KINSHASA – SIEGE

Swift code: BCDCCDKI

Reference to be included on EFT message: Unique shareholder reference number (shown on the subscription form), Full name of the Shareholder and number of shares applied for

Subscribers should attach a copy of the Internal Funds Transfer or SWIFT confirmation to their completed Subscription Agreement or Form R that they submit to the Company Secretary or Authorised Agent.

7.13 Regulatory restrictions

Eligible Shareholders are requested to note that EBCDC is subject to the provisions of the Banking Law and regulations made thereunder. Eligible Shareholders are required to seek their own advice in connection with these matters. Kindly, note that the EBCDC Board may take the said provisions into account when determining the allocation of any Untaken Shares to applicants for Additional Shares.

7.14 Rejection policy

a) Applications will be rejected at the sole discretion of EBCDC, for the following reasons:

Issues relating to the Subscriber:

The Subscriber is not a Permitted Person.

Issues relating to the Subscription Agreement:

- (i) the number of New Shares applied for are below the minimum or not in multiples set out in this Directors' Report.
- (ii) missing or illegible name of primary applicant/joint applicant/corporate applicant in any application;
- (iii) missing or illegible identification number, including company registration number;
- (iv) missing account number or name for nominee applications;
- (v) missing or illegible postal address and postal code;
- (vi) missing or inappropriately signed Subscription Agreement including:
 - a. primary signature missing from signatures box;
 - b. joint signature missing from signature box;
 - c. one or both of the two directors/official or a director and company secretary has/have not signed in the case of a corporate application;

- (vii) insufficient documentation; or
- (viii) Subscription Agreement not received before the close of the Rights Issue at 4.00pm DRC time on Thursday 21st July 2022.

Issues relating to Application Moneys

- (i) the payment is less than the value of the shares applied for;
- (ii) payment by cash/cheque;
- (iii) Application Moneys is received in a currency other than USD;
- (iv) (Application Moneys is not received before the close of the Rights Issue at 4.00pm DRC time on Thursday 21st July 2022; or
- (v) amount on Internal Funds Transfer or SWIFT payment slip is inconsistent with amount on the Subscription Agreement.

7.15 Untaken shares

EBCDC will compute Untaken Shares as:

- a. the number of New Shares; minus
- b. the aggregate of New Shares for which a valid Subscription Agreement or Form R and full Application Money have been received from Subscribers on or before the Closing Date.

EBCDC will, in its sole discretion, assess the validity of applications, whether Renounees meet the definition of Permitted Persons and whether or not applicable Application Money has been received. EBCDC may, at its sole discretion, accept Application Money received after the Closing Date but before the Completion Date.

7.16 Allocation policy

EBCDC will compile a list of Subscribers that have submitted valid applications for Additional Shares, together with applicable Application Money, on or before the Closing Date.

Allocation of Additional Shares will be done as follows:

- Scenario 1 – Aggregate of valid applications for Additional Shares is less than the number of Untaken Shares: then the Untaken Shares shall be allocated to each Accepting Shareholder or Renounee that has submitted a valid application for Additional Shares in full.
- Scenario 2 – Aggregate of valid applications for Additional Shares is more than the number of Untaken Shares – then each Accepting Shareholder or Renounee that submitted a valid application for Additional Shares will be allotted Untaken Shares equal to:
 - a) the number of Additional Shares that Accepting Shareholder or Renounee applied for multiplied by;
 - b) a number equal to Untaken Shares divided by the aggregate number of valid applications for Additional Shares computed to four decimal places; and
 - c) the result of (a) multiplied by (b) rounded down to the nearest whole number.

Any remaining Untaken Shares in both scenarios will be allotted to the Accepting Shareholder that has submitted a valid application for the largest number of Additional Shares.

EBCDC reserves the right to modify the allocation policy set out above such that Subscribers who have submitted valid applications for one thousand (1,000) or fewer Additional Shares are each allocated Untaken Shares equal to the amount they have applied for and the allocation process set out above applied in respect of the remaining Untaken Shares amongst the remaining Subscribers that submitted applications for more than one thousand (1,000) Additional Shares.

7.17 Refunds procedure

EBCDC will compute refund payments due to:

- Subscribers who may have remitted cash in excess of the Application Moneys due for valid acceptances of their Entitlement;
- Subscribers who have remitted cash in excess of the Application Moneys due for valid applications for Additional Shares;
- Subscribers that applied for Additional Shares for which they received an allotment of Untaken Shares that is less than the number of Additional Shares they applied for; and
- Subscribers whose application (either in respect of their Entitlement or for Additional Shares) has been rejected by EBCDC for the reasons stated in Section 7.14 (Rejection Policy).

EBCDC will make payment of these refunds to the bank account specified in the Subscription Agreement or Form R by Internal Funds Transfer or SWIFT payment on or about 11th Aug 2022. No interest will be paid on any Application Money refunded to any Eligible Shareholder or Permitted Person.

7.18 Receipt of New Shares

EBCDC will within eight (8) days of the Closing Date, prepare and maintain a list stating the identity of Subscribers and, for each of them, the amount of the Application Moneys. After that date and until the Completion Date, any Subscriber may request the Company Secretary in writing (via e-mail or letter addressed to the Company Secretary), after showing proof of their subscription, to examine the list and obtain a copy of the list at the Subscriber's expense.

After completion of the allocation and reconciliation process, EBCDC shall prepare:

- a Certificate of Funds attesting the deposit of funds; and
- a Notarial Statement of Subscription and Payment.

The Notary shall examine the Subscription Agreement and the Notarial Statement of Subscription and Payment to ensure that the amount of the reported subscriptions is consistent with the amounts shown in the Certificate of Funds deposited.

On the Completion Date, the proceeds of the Rights Issue will be released to EBCDC and the Company Secretary will update the shareholders' register to reflect the allotment of New and Additional Shares to Subscribers.

7.19 Foreign investors

Foreign Investors wishing to apply for New Shares and Additional Shares (if any) must satisfy themselves as to the full observance of the laws of the relevant territory and governmental and other consents to ensure that all requisite formalities are adhered to, and pay any issue, transfer or other taxes due in such territory. Before applying for and purchasing New Shares and Additional Shares (if any), foreign investors are advised to consult their own professional advisors as to whether they require any governmental or other approvals or need to observe any applicable legal or regulatory requirements.

The offer by EBCDC in respect of the Rights Issue is not, and is not intended to, constitute an offer for the New Shares and Additional Shares in any place outside DRC or in any circumstances where such offer or solicitation is not authorized or is unlawful. In that regard, the Rights Issue Documents may not be used for or in connection with any offer to, or solicitation by, anyone in any jurisdiction or in any circumstances where such offer or solicitation is not authorized or is unlawful. The distribution of the Rights Issue Documents outside of DRC may be restricted by law and persons who come into possession of the Rights Issue Documents should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws. Any such recipient must not treat the Rights Issue Documents as constituting an offer to them, unless in the relevant jurisdiction, such invitation or offer could be made lawfully to them without

contravention of any unfulfilled registration or legal requirements. Without limitation, the Rights Issue Documents may not be sent or passed or otherwise distributed outside DRC.

7.20 Tax implications of the Rights Issue

Eligible Shareholders interested in participating in the Rights Issue should consult their tax advisors of any possible tax implications connected with the Rights Issue. Therefore, EBCDC and the EBCDC Board consider it inappropriate to provide detailed advice in respect of taxation consequences in connection with the Rights Issue save for what is expressly set out in this Directors' Report.

Neither EBCDC, the EBCDC Board, EBCDC's officers nor EBCDC's Advisors accept any liability for any taxation implications of Eligible Shareholders in connection with the Rights Issue.

Local investors are subject to withholding tax on dividends at the rate of fifteen percent (15%). Foreign Investors will also be subject to a withholding tax rate of fifteen percent (15%). The Bank will assume responsibility of payment of withholding tax at source.

7.21 Governing law

The Rights Issue, any documents in respect thereof and any contract resulting from the acceptance of an application to purchase the New Shares shall be governed by and construed in accordance with the laws of the DRC including but not limited to OHADA law and regulations set out by the BCC.

7.22 Dispute resolution

Any dispute arising out of or in connection with the Rights Issue shall be adjudged in accordance with the provisions of the Uniform Act and the parties thereto and all other interested parties shall submit to the exclusive jurisdiction of the competent courts of the registered office of the Company.

8 Information on Equity BCDC

8.1 History and significant milestones

Equity Banque Commerciale du Congo S.A. (“**EBCDC**”) is a leading bank that has operated in DRC for over one hundred and thirteen (113) years. Formerly known as Banque Commerciale du Congo, BCDC, a company incorporated by notarial act 80 on 16th September 1952 as a limited liability company.

EBCDC is established according to the banking legislation of the Democratic Republic of Congo as stipulated by Ordinance-Law n° 72/004 of 14th January 1972 relating to the protection of savings and the control of financial intermediaries and as amended by Law 003/2002 of 2nd February 2002 relating to activity and control of credit institutions.

On 7th August 2020, Equity Group Holdings Plc (“**EGH**”) acquired the shares in EBCDC held by Mr G.A. Forrest and his family that represented a majority shareholding in Banque Commerciale du Congo S.A.

On 27th November 2020, the following decisions were ratified by an Extraordinary General Meeting of shareholders:

- The approval of the proposed merger absorption between Equity Bank Congo S.A. and Banque Commerciale du Congo S.A;
- The approval of the resolution to increase the share capital of Banque Commerciale Du Congo S.A. to reach the total of CDF 8,248,511,900 by issuing 616,323 new ordinary shares in accordance with the terms of the merger proposal; and
- The approval of the change of the corporate name of Banque Commerciale du Congo to Equity Banque Commerciale du Congo, in short, Equity BCDC.

On 29th December 2020, the Central Bank of Congo authorized the merger operation by absorption of Equity Banque Congo S.A. by Banque Commerciale du Congo S.A.

The merged entity is the second largest financial institution in DRC with a total asset base in excess of Congolese Francs seven billion, nine hundred and twenty-five million, eighty-nine thousand, seven hundred and sixty-eight (CDF 7,925,089,768) as at 31st December 2021 GAAP financials which represents a market share of approximately twenty-six (26%) total banking assets held by licenced banks in the country. Indeed, EBCDC is a key player in supporting DRC’s economic ambitions and expanding the level of financial inclusion amongst DRC’s population.

8.2 Corporate structure

The shareholders of EBCDC are EGH with seventy-seven point five one percent (77.51%) and the remaining twenty-two point four nine percent (22.49%) owned by the Congolese Government, IFC and other individuals.

EBCDC has three fully owned subsidiaries, IAG, Des Aviateurs and Matadi Vangu that are property investment companies.

8.3 Business overview

EBCDC’s credit portfolio has historically focused on large enterprises, which comprised sixty-four (64%) of the total loan portfolio as at 31st December 2021, whilst other customer segments include: consumer (seventeen percent (17%)), small and medium enterprises (sixteen percent (16%)), agriculture (two percent (2%)) and micro enterprises (one percent (1%)).

As at 31st March 2022, EBCDC served its one million and eight four thousand (1.084 million) customers via a network of seventy (70) branches, two hundred and six (206) automated teller machine (“**ATMs**”) and four

thousand, four hundred and fifteen (4,415) agents and employed one thousand, one hundred and eighty-eight (1,188) staff members.

8.4 Board and governance

	Name	Title
1.	M. Nestor Ankiba	Chairman /Independent
2.	M. Célestin Mukeba Muntuabu	Managing Director
3.	M. Jean-Claude Tshipama	Executive Director
4.	Dr. James Mwangi	Non-Executive Director
5.	M. John Wilson	Independent Director
6.	M. Ignace Mabanza	Independent Director
7.	M. Louis Watum	Independent Director
8.	M. Wolfgang Bertelsmeier	Independent Director
9.	Mme Mary Wamae	Non-Executive Director
10.	M. Brent Malahay	Non-Executive Director
11.	M. Auguste Kanku Kadiosha	Company Secretary

8.5 Management team

Name	Position
Célestin Mukeba Muntuabu	Managing Director
Auguste Kanku Kadiosha	Deputy Managing Director
Jean-Claude Tshipama	Deputy Managing Director
Allan Waititu Maina	IT & Digitalization Director
Pierre Ezan Djan	Chief Financial Officer
Guillaume Kra Kouadio	Credit Director
Marc-Antoine Mitima Djuma Hamani	Social Investment Director

8.6 Activity report

During the year 2021, the Bank accelerated its growth strategy increasingly offering to customer's quality financial services. The Bank delivered a robust performance and has contributed largely to the financial national economy and increase in GDP. The credit portfolio has grown by twenty two percent (22%).

The Bank has multiplied its reported profit after tax for FY 2021 in its GAAP financial statements by ten (10) times reaching Congolese Francs eighty billion and four hundred million (CDF 80.4 billion) (equivalent to United States Dollar forty million and four hundred thousand (USD 40.4 million), a great achievement; notwithstanding the difficulties relating to a year impacted by the effects of the COVID-19 pandemic, which has impacted the domestic economic context adversely.

8.7 Highlights

8.7.1 Banking sector

BCC revised the key interest rate during 2021 from eighteen point five percent (18.5%) to eight point five percent (8.5%) in order to facilitate the holding of liquidity by banks to support economic activity, reduce refinancing costs to BCC and allow licensed banks to easily rebalance their positions and improve the conditions for their contribution to the economy.

Regarding mandatory reserve requirement, during the year 2021, the coefficient of the compulsory reserve applied to demand deposits in national currency has almost been nil (zero point zero percent (0.0%)). The other coefficients remain unchanged from their 2020 levels, namely: zero point zero percent (0.0%) for term deposits in national currency, thirteen percent (13.0%), and twelve (12.0%) respectively for demand and term deposits in foreign currencies.

8.7.2 EBCDC's strategic initiatives

EBCDC Digital Products and Services:

The Bank has continued its strategy of digitizing services and developing digital products whose objective is to make customers independent, by being free to carry out transactions from mobile and web banking solutions.

During Q1 2022, the focus has been on the finalization of projects in partnership with telecommunications companies (Telcos) and e-money institutions:

- The transfer of money from an electronic wallet (Orange Money, Afrimoney) to an EBCDC account and vice versa;
- The development of solutions for accessing bank accounts via the Unstructured Supplementary Service Data or USSD that is a syntax allowing EBCDC customers to access banking services on phones without internet access;
- The implementation of automated acquiring of electronic money. This offer allows Telcos' distributors to make deposits in Equity BCDC branches and obtain stock in return; and
- The Equity Pay payment solution: allows EBCDC customers and those of Orange Money (project to be extended with other Telcos) to make payments to merchants (supermarkets, restaurants, neighborhood shops, taxis and other points of sale) without a bank card, via mobile channels.
 - This easy-to-use solution will have the advantage of aggregating all payment methods and directing them to the merchant's EBCDC account. A single account with the Bank will allow merchants to avoid a multiplication of collection tools.
 - A mass campaign to spread this offer within the market will be launched in the second half of 2022 because the Bank believe it is able to transform customers' payment habits.
 - Diaspora-oriented solutions have also been implemented to facilitate money transfers via digital channels.

Since the Congolese economy is still cash oriented as a whole, EBCDC is looking to capture most of the flow of international transfers via the Bank's ecosystem (branches, banking agents and sub-agents).

In this context, the MoneyGram service has been added to Western Union; these two brands are the main transfer operators in DRC.

8.7.3 Additional information

The Equity Group Foundation has been set up with defined pillars, priorities and departmental structure. Some actions continued during 2021 mostly related to the development of financial inclusion setting in motion the Financial Sector Deepening Africa ("FSDA") and the MasterCard Foundation. Contacts were also made within the framework of the foundation with the International Labour Organisation ("ILO"), Agence Française de

Développement (“AFD”), PROPARCO and the Embassy of the Netherlands in line with future financial inclusion projects.

Several activities took place during 2021 and targeted schools in Haut Katanga, Kasai, Kinshasa and Goma. Several fellows were selected at the end of the project.

The resources of the equity foundation could be summarized as follows:

8.7.3.1 FSDA

- Initial duration: 3-year project (1st February 2019 – 31st December 2021); Project budget: Pound Sterling one million, two hundred and eighty thousand (GBP 1,280,000) (FSDA) and Pound Sterling nine hundred and sixty thousand (GBP 960,000) (EBCDC Cash Contribution).
- Extended duration: until December 2022
- Revised budget: Project budget: Pound Sterling one million, one hundred and sixty-nine thousand and one (GBP 1,169,001) (FSDA) and Pound Sterling one million, eight hundred and fifty-seven thousand, eight hundred and fifty-three (GBP 1,857,853) (EBCDC)
- Disbursement obtained Pound Sterling eight hundred and forty-three thousand, four hundred and thirty-four (GBP 843,434)
- Remaining disbursement: Pound Sterling three hundred and twenty-five thousand, five hundred and sixty-six (GBP 325,566)

8.7.3.2 MasterCard Foundation

- Initial duration: 3-year project (24th October 2018 – 31st December 2021)
- Extended duration: until March 2022
- Project budget: United States Dollar one million, five hundred thousand, six hundred and forty-one (USD 1,500,641) (MC FRP) and United States Dollar one million, five hundred thousand, six hundred and forty-one (USD 1,500,641) (EBCDC cash contribution)
- Disbursement obtained: United States Dollar two hundred and seventeen thousand, nine hundred and twenty-three (USD 217,923)
- Secure disbursement: United States Dollar nine hundred and seventy-eight thousand, four hundred and forty-eight (USD 978,448)
- Remaining disbursement: United States Dollar three hundred and four thousand, two hundred and seventy-one (USD 304,271)

As part of the financial inclusion projects undertaken, the Bank has:

- reached a total of more than (one thousand 1,000) new banking agents deployed especially in rural and peri-urban areas;
- trained more than four thousand (4,000) people in financial education and entrepreneurship, one thousand, four hundred and twenty-two (1,422) women in rural entrepreneurship; and
- sensitized more than two million, seven hundred thousand (2.7 million) people to financial education through the broadcasting of educational capsules and rags in fifteen (15) provinces.

The projects have also enabled the banking of more than two hundred thousand (200,000) people in rural areas by the end of 2021.

8.7.4 Risk management

Risk management is a key component of the Bank's strategic management. It helps to identify, assess, control and monitor the risks facing the Bank and, in so doing, increases the likelihood of successfully achieving the Bank's objectives.

Inspired by the standards defined in Instruction No. 22 issued by BCC and sound risk management practices, EBCDC has adopted a general risk management policy that has been approved by the Board of Directors and this policy consists of ten components below:

- Market Risk Policy

- Operational Risk Policy
- Technological Risk Policy
- User Acceptance Policy
- Information Classification Policy
- Business Continuity Plan
- Information Security Policy
- Fraud Risk Policy
- Risk Appetite Policy
- Risk Mapping (Operational, Credit, Foreign Exchange, Liquidity and Interest Rate Risk)

These components present the mechanisms put in place by the Bank to meet regulatory requirements and to control risks.

At the end of the fiscal year 2021, some of regulatory requirements related to prudential ratios were not fully met, including the basic solvency ratio, the overall solvency ratio, the leverage ratio and the leverage ratio position, which stood at six point seven percent (6.70%), eight point two five percent (8.25%) and three point nine four percent (3.94%) respectively, before integrating the 2021 result.

After taking into account the fiscal year 2021 profit after tax, these ratios will be eight point five four (8.54%), ten point zero nine percent (10.09%) and five point zero three percent (5.03%) respectively for (minimum) thresholds of seven point five percent (7.5%), ten percent (10%) and five percent (5%) respectively.

The purpose of the Rights Issue is to increase regulatory capital to improve the regulatory ratios and help ensure compliance for the remainder of 2022 and into the future.

The overall liquidity ratio was one hundred and sixty eight percent (168%) compared to a (minimum) limit of one hundred percent (100%). The capital-hedging ratio was three hundred and sixty one percent (361%) compared to a (minimum) threshold of one hundred percent (100%) and the transformation ratio was two hundred and forty eight percent (248%) compared to a (minimum) standard of eighty (80%), indicating the strength of the Bank's financial position.

It is worth emphasizing that the restrictive policy on financial risks put in place by the Bank has helped to contain the negative effects of the fluctuation of the CDF/USD exchange rate on its foreign exchange positions as well as price fluctuations on the international financial market.

Despite the current conditions of the global financial market weighed down by weak growth, the Bank has not recorded any defaults on financial market counterparties reflecting the Bank's rigor in choosing counterparties.

Thanks to the effectiveness of its risk control and management system as well as the effective collaboration with its customers, the Bank has managed to contain the effects of increased competition in the financing of the Congolese economy, the tightening of economic activities and the difficulties experienced by its customers on the quality of its credit portfolio. The Bank continues to strengthen its teams involved in its credit process to control the related risk.

8.7.5 Evolution and prospects for business continuity

Considering the business plan established for the period covering the years 2021 to 2025 and building on the work carried out in 2020 setting the foundations, the Bank intends to continue its expansion through a regional strategy in order to meet the aspirations and wishes expressed by its various customers. On this basis, the Bank plans to open branches in targeted cities according to its expansion program taking into account the existing network.

In addition to the traditional branch network, the Bank intends to strengthen its value propositions to its customers giving them the freedom to do their operation according to their convenience with the Cash Express covering self-service points operating twenty four (24) hours a day; seven (7) days a week, the expansion of the fleet of ATMs and payment terminals, all innovative and the development of mobile solutions with the involvement of telecommunications operators (Telcos) as well as the digitalization of services and products.

Objectives are included in the planning to effectively support the bank's business objectives on the growth of the client portfolio, the credit portfolio and that of deposits, as described above.

8.7.6 Conclusion

The Bank is satisfied regarding the good development of its activities during the year 2021 setting the right foundations to a better future. An even more efficient strategy will be deployed with the objective of increasing banking penetration, improving the quality of services offered to customers for better management of the quality of the portfolio.

These objectives can only be achieved by supporting the potential of the Bank's resources, which prioritizes training as a central point of the Bank in order to better serve its customers and reach them everywhere it is located.

The Bank will continue with its regional expansion for a more effective and geo-strategic representation across the Republic, as well as the deployment of its alternative channels including the Cash Express service

8.8 Consolidated historical financial statements

8.8.1 EBCDC Group consolidated IFRS financial statements for FY20 and FY21

EBCDC produces consolidated financial statements for EBCDC and its subsidiaries in compliance with IFRS for each financial year primarily for the purposes of enabling EGH to prepare group consolidated financial statements for the EGH group. These IFRS financial statements are reported in US Dollars that is the same as the functional currency for EBCDC and its subsidiary and are audited by the Company's auditors.

The tables below include extracts from these audited IFRS financial statements for the years ended 31st December 2020 and 31st December 2021

Table 1: EBCDC Group IFRS Consolidated Statement of Profit or Loss

IFRS consolidated statement of profit or loss for year ended 31 December	-----USD million-----	
	FY20	FY21
Interest income on loans & advances	99.2	101.3
Interest income on government securities	0.2	6.1
Income from cash and placements	13.6	20.2
Total Interest Income	113.0	127.6
Interest expense on deposits	(30.1)	(32.5)
Interest expense on borrowed funds	(3.3)	(2.9)
Interest expense on placements	(7.2)	(18.1)
Total Interest Expense	(40.6)	(53.5)
Net Interest Income	72.4	74.0
Total non-funded income	111.8	122.4
Total Income	184.2	196.4
Provisions	(29.7)	(8.8)
Staff costs and other costs	(132.6)	(142.7)
Total Expenses	(162.3)	(151.5)
Profit Before Tax	21.9	44.9

Accounting Tax	(2.2)	(8.5)
Profit After Tax	19.7	36.4

Source: EBCDC audited IFRS consolidated financial statements for FY20 to FY21

Table 2: EBCDC Group IFRS Statement of Financial Position

IFRS consolidated statement of financial position as at 31 December	-----USD million-----	
	FY20	FY21
Cash	1,573.5	2,309.5
Placements	0.0	51.1
Government securities	0.0	156.8
Loans and advances	828.5	985.3
Fixed assets	149.1	141.4
Other assets	58.4	66.0
Total Company Assets	2,609.5	3,710.0
Deposits	2,181.5	3,193.8
Borrowings	21.9	65.6
Other (non-interest bearing) liabilities	163.9	175.8
Total Liabilities	2,367.3	3,435.2
Total shareholder funds	242.2	274.9
Total liabilities and Shareholder Funds	2,609.5	3,710.0

Source: EBCDC audited IFRS consolidated financial statements for FY20 to FY21

8.8.2 EBCDC GAAP financial statements for FY20 and FY21

EBCDC produces financial statement in accordance with GAAP (Guide Comptable des Etablissements de Crédit, the local GAAP for banks) for each financial year. These financial statements set out the results and financial position for EBCDC only and do not consolidate the results and financial position of its subsidiaries and are audited by the company's auditors. The reporting currency for the GAAP financial statements is the Congolese Franc.

The tables below set out extracts from these audited GAAP financial statements for the years ended 31st December 2020 and 31st December 2021. In addition, the tables below include extracts from the unaudited quarterly management accounts for the three-month period ended 31st March 2022 and for the equivalent three month period ended 31st March 2021.

The figures presented in USD are for illustrative purposes only.

Table 3: EBCDC GAAP Statement of Profit or Loss

GAAP statement of profit or loss for year ended 31 December	-----CDF billion-----		-----USD million-----	
	FY20	FY21	FY20	FY21
Interest income on loans & advances	100.8	207.2	54.5	104.2
Interest income on government securities	--	12.1	--	6.1
Income from cash and placements	12.1	48.9	6.5	24.6
Total Interest Income	112.9	268.2	61.0	134.8
Interest expense on deposits	(34.6)	(64.8)	(18.7)	(32.6)
Interest expense on borrowed funds	(14.1)	(49.9)	(7.6)	(25.1)
Interest expense on placements	(0.1)	(1.0)	(0.0)	(0.5)
Total Interest Expense	(48.8)	(115.7)	(26.4)	(58.2)
Net Interest Income	64.1	152.5	34.7	76.7
Total non-funded income	125.4	214.1	67.8	107.6
Total Income	189.6	366.6	102.4	184.3
Provisions	(39.3)	3.0	(21.3)	1.5
Staff costs and other costs	(135.2)	(270.4)	(73.1)	(136.0)
Total Expenses	(174.6)	(267.4)	(94.3)	(134.5)
Profit Before Tax	15.0	99.1	8.1	49.8
Accounting Tax	(6.4)	(18.8)	(3.4)	(9.4)
Profit After Tax	8.6	80.4	4.7	40.4

Source: EBCDC audited GAAP financial statements for FY20 to FY21

Table 4: EBCDC GAAP Statement of Financial Position

GAAP statement of financial position as at 31 December	-----CDF billion-----		-----USD million-----	
	FY20	FY21	FY20	FY21
Cash	733.8	1,212.1	614.8	606.1
Placements	2,377.7	3,505.1	2,090.4	1,752.6
Government securities	--	357.1	181.2	178.6
Loans and advances	1,634.3	1,995.2	1,012.1	997.7
Fixed assets	140.1	134.6	68.3	67.3
Other assets	92.1	105.2	53.4	52.6
Total Company Assets	4,978.0	7,309.3	4,020.2	3,654.8
Deposits	4,347.4	6,449.1	3,587.0	3,224.7
Borrowings	43.0	134.5	68.3	67.3
Other (non-interest bearing) liabilities	242.4	293.2	145.6	146.6
Total Liabilities	4,632.8	6,876.8	3,800.8	3,438.6
Total shareholder funds	345.2	432.5	219.4	216.2
Total liabilities and Shareholder Funds	4,978.0	7,309.3	4,020.2	3,654.8

Source: EBCDC audited GAAP financial statements for FY20 to FY21

Table 5: Exchange Rates Applied to translate CDF GAAP financial statements to USD equivalent

Exchange Rates	2020	2021
Exchange rate (CDF/USD) average 1 Jan – 31 Dec	1,850.3	1,988.9
Exchange rate (CDF/USD) as at 31 Dec	1,971.3	1,999.9

Source: Capital IQ

8.8.3 EBCDC Group consolidated IFRS financial statements for Q122 (3 months ending 31 Mar)

Table 6: EBCDC Group IFRS Consolidated Statement of Profit or Loss

IFRS consolidated statement of profit or loss for quarter ended 31 March	-----USD million-----	
	Q121	Q122
Interest income on loans & advances	23.9	27.3
Interest income on government securities	--	3.1
Income from cash and placements	4.8	5.5
Total Interest Income	28.7	35.9
Interest expense on deposits	(6.9)	(8.4)
Interest expense on borrowed funds	(0.5)	(0.0)
Interest expense on placements	(5.5)	(4.1)
Total Interest Expense	(12.9)	(12.5)
Net Interest Income	15.7	23.2
Total non-funded income	28.2	31.4
Total Income	43.9	54.6
Provisions	(1.6)	(3.2)
Staff costs and other costs	(36.3)	(35.6)
Total Expenses	(37.9)	(38.8)
Profit Before Tax	5.9	15.7
Accounting Tax	(2.4)	(3.3)
Profit After Tax	3.5	12.4

Source: EBCDC IFRS consolidated financial statements for Q1 2021 and Q2 2022

Table 7: EBCDC Group IFRS Statement of Financial Position

IFRS consolidated statement of financial position as at 31 March	-----USD million-----	
	Q121	Q122
Cash	1,903.3	1,699.7
Placements	0.0	--
Government securities	0.1	139.7
Loans and advances	786.0	1073.4
Fixed assets	145.5	143.9
Other assets	92.0	84.8
Total Company Assets	2,926.8	3,141.7

Deposits	2,431.8	2,609.3
Borrowings	21.8	67.2
Other (non-interest bearing) liabilities	227.6	191.2
Total Liabilities	2,681.1	2,867.6
Total shareholder funds	245.7	274.0
Total liabilities and Shareholder Funds	2,926.8	3,141.7

Source: EBCDC IFRS consolidated financial statements for Q1 2021 and Q1 2022.

8.8.4 EBCDC GAAP financial statements for Q122 (3 months ending 31 Mar)

Table 8: EBCDC GAAP Statement of Profit or Loss

GAAP statement of profit or loss for quarter ended 31 March	-----CDF billion-----		-----USD million-----	
	Q121	Q122	Q121	Q122
Interest income on loans & advances	46.9	54.5	23.7	27.2
Interest income on government securities	0	6.2	--	3.1
Income from cash and placements	9.5	11	4.8	5.5
Total Interest Income	56.4	71.7	28.5	35.8
Interest expense on deposits	13.8	16.9	7.0	8.4
Interest expense on borrowed funds	0	0	--	--
Interest expense on placements	11.4	8.3	5.8	4.1
Total Interest Expense	25.1	25.1	12.7	12.5
Net Interest Income	31.2	46.5	15.8	23.2
Total non-funded income	55.6	63.8	28.1	31.8
Total Income	86.8	110.3	43.8	55.0
Provisions	5.6	12.3	2.8	6.1
Staff costs and other costs	68.1	70.9	34.4	35.4
Total Expenses	73.7	83.2	37.2	41.5
Profit Before Tax	13.1	27.1	6.6	13.5
Accounting Tax	4.8	6.4	2.4	3.2
Profit After Tax	8.3	20.7	4.2	10.3

Source: EBCDC GAAP financial statements for Q1 2021 and Q2 2022

Table 9: EBCDC GAAP Statement of Financial Position

GAAP statement of financial position as at 31 March	-----CDF billion-----		-----USD million-----	
	Q121	Q122	Q121	Q122
Cash	4,329.20	4,086.90	2,160.5	2,043.3
Placements	0	0	--	--
Government securities	0	360.8	--	180.4
Loans and advances	1,156.70	2,147.50	577.3	1,073.7
Fixed assets	127.4	126.1	63.6	63.0

Other assets	144.1	95.9	71.9	47.9
Total Company Assets	5,757.50	6,817.20	2,873.3	3,408.4
Deposits	4,984.40	5,905.00	2,487.5	2,952.3
Borrowings	43.1	134.4	21.5	67.2
Other (non-interest bearing) liabilities	375.3	327.2	187.3	163.6
Total Liabilities	5,402.90	6,366.50	2,696.4	3,183.0
Total shareholder funds	354.6	450.7	177.0	225.3
Total liabilities and Shareholder Funds	5,757.50	6,817.20	2,873.3	3,408.4

Source: EBCDC GAAP financial statements for Q1 2021 and Q1 2022.

Table 10: Exchange Rates Applied to Translate CDF management accounts to USD equivalent

Exchange Rates	2021	2022
Exchange rate (CDF/USD) average 1 Jan – 31 Mar	1,980.1	2,003.8
Exchange rate (CDF/USD) as at 31 Mar	2,003.8	2,000.1

Source: Capital IQ

9 Proforma Impact of Rights Issue

9.1 Proforma impact of financial situation of Shareholders

Under the Rights Issue, each Eligible Shareholder is entitled to subscribe for four (4) New Shares for every fifteen (15) Existing Shares that they owned as at the Record Date. In addition, each Eligible Shareholder has the right to apply for Additional Shares up to a maximum number equal to thirty percent (30%) of their Entitlement. Eligible Shareholders also have the right to renounce their rights in favour of a named beneficiary or in favour of no beneficiary.

The impact on the financial situation of individual EBCDC shareholders will depend on the course of action they choose with respect to the Rights Issue as described in the sections below.

9.1.1 Implications for Shareholders who subscribe for their Entitlement in full

Eligible Shareholders who choose to accept their Entitlement in full will:

- i. Be required to make a cash payment to EBCDC equal to the Rights Issue Price multiplied by the number of Entitlement shares on or before the Closing Date. For example, an Eligible Shareholder that owns one thousand five hundred (1,500) ordinary shares in EBCDC will be entitled to subscribe for four hundred (400) New Shares in EBCDC under the terms of the Rights Issue and will be required to remit Application Moneys of United States Dollar sixty-eight thousand (USD 68,000) to the Receiving Bank.
- ii. On completion of the Rights Issue, the Shareholder will hold the same percentage of EBCDC's share capital as before the Rights Issue, assuming all Shareholders take up their full Entitlement. For example, a shareholder that holds one thousand five hundred (1,500) ordinary shares has a shareholding percentage of point zero nine six percent (0.096%) of current issued shares. After completion of the rights issue, that Shareholder would own one thousand nine hundred (1,900) shares that will also represent point zero nine six percent (0.096%) of the post Rights Issue share capital of EBCDC.

9.1.2 Implications for Shareholders who choose to subscribe for their Entitlement in full and apply for the maximum number of Additional Shares

An Eligible Shareholder who chooses to accept their Entitlement in full and also apply for the maximum number of Additional Shares will:

- i. Be required to make a cash payment to EBCDC equal to the Rights Issue Price multiplied by the number of Entitlement shares and the number of Additional Shares they apply for on or before the Closing Date. For example, an Eligible Shareholder that owns one thousand five hundred (1,500) ordinary shares in EBCDC will be entitled to subscribe for four hundred (400) New Shares in EBCDC under the terms of the Rights Issue and may apply for up to one hundred (120) Additional Shares. Such a Shareholder would be required to remit Application Moneys of United States Dollar eighty-eight thousand four hundred (USD 88,400).
- ii. On completion of the Rights Issue, the Shareholder will hold a higher percentage of EBCDC's share capital compared to before the Rights Issue depending on how many New Shares that Shareholder receives in respect of its application for Additional Shares. For example, a Shareholder that holds one thousand five hundred (1,500) ordinary shares has a shareholding percentage of point zero nine six percent (0.096%) of current issued shares. After completion of the rights issue, assuming that the Shareholder is allocated four hundred (400) New Shares in respect of its entitlement and one hundred

(100) New Shares in respect of its application for Additional Shares – that Shareholder would own two thousand (2,000) shares that represent point one zero one percent (0.101%) of the of the post Rights Issue share capital of EBCDC.

- iii. EBCDC will make a refund to the Shareholder to the extent that the actual number of shares allotted falls short of the number of shares applied for. In the example above, the Shareholder would receive a refund of Application Moneys for twenty (20) shares i.e. an amount of United States Dollar three thousand four hundred (USD 3,400).

9.1.3 Implications for Shareholders choosing to renounce their Entitlement in full to a named beneficiary

Eligible Shareholders who choose to renounce their Entitlement in full to a named beneficiary will:

- i. Not be required to pay in any Applications Moneys to EBCDC. Instead, the named beneficiary will be required to make a cash payment to EBCDC equal to the Rights Issue Price multiplied by the number of Entitlement shares on or before the Closing Date. For example, an Eligible Shareholder that owns one thousand five hundred (1,500) ordinary shares in EBCDC will be entitled to subscribe for four hundred (400) New Shares in EBCDC under the terms of the Rights Issue and will be required to remit Application Moneys of United States Dollar sixty-eight thousand (USD 68,000).
- ii. On completion of the Rights Issue, the Eligible Shareholder will hold a smaller percentage of EBCDC's issued share capital compared to before the Rights Issue. In the example above, the Eligible Shareholder will continue to own one thousand five hundred (1,500) ordinary shares that now represent point zero seven six percent (0.076%) of the post Rights Issue share capital of EBCDC. The named beneficiary would own four hundred (400) shares that represent point zero two percent (0.020%) of the post Rights Issue share capital of EBCDC if the named beneficiary meets the specified criteria and is successful in its application.

9.1.4 Implications for shareholders choosing to renounce their Entitlement in full in favour of no named beneficiary or choosing to take no action

Eligible Shareholders who choose to renounce their Entitlement in full in favour of no named beneficiary or choose not to take any action in respect of the Rights Issue will:

- i. Not be required to pay in any Application Moneys to EBCDC.
- iii. On completion of the Rights Issue, the Eligible Shareholder will hold a smaller percentage of EBCDC's issued share capital compared to before the rights issue. For example, an Eligible Shareholder that holds one thousand five hundred (1,500) ordinary shares has a shareholding percentage of point zero nine six percent (0.096%) of EBCDC's issued share before the Rights Issue will continue to own one thousand five hundred (1,500) ordinary shares that still represents point zero seven six percent (0.076%) of the post Rights Issue share capital of EBCDC.

9.2 Proforma impact of Rights Issue on statement of profit or loss

Table 11: EBCDC Group Proforma Statement of Profit or Loss for the Financial Year ended 31st December 2021

<i>Figures in CDF billion</i>	-----Before-----		-----After-----
Proforma consolidated statement of profit or loss for year ended 31 December	EBCDC income statement for the financial year ended 31 Dec 2021	Illustrative incremental interest income assuming proceeds had been invested in income generating assets	Post-Investment proforma income statement for the financial year ended 31 Dec 2021
Total Interest Income	268.2	11.8	280.0
Total Interest Expense	(115.7)	--	(115.7)
Net Interest Income	152.5	11.8	164.3
Total Non-Funded Income	214.1	--	214.1
Total Income	366.6	11.8	378.4
Total Expenses	(267.4)	--	(267.4)
Profit before tax	99.1	11.8	110.9
Accounting Tax	(18.8)	(3.5)	(22.3)
Profit after tax	80.4	8.3	88.6

Notes:

- 1 This pro-forma income statement has been prepared assuming that the Rights Issue was fully subscribed and had been completed and the net proceeds of CDF 142.7bn received on 1 January 2021.
- 2 The pro-forma income statement is prepared on the assumption that the full proceeds from the Rights Issue were invested in a portfolio of income generating assets (i.e. Cash and placements - 67.93%, Gov. Securities - 2.87%, Loans & Advances - 29.20%) as at 1 January 2021.
- 3 The pro-forma income statement is prepared on the assumption that the full proceeds from the yield of income generating assets was as follows:
 - Average interest income yield on cash and placements - 1.16% p.a,
 - Average interest income yield on government securities - 6.76% p.a; and
 - Average interest income yield on loans & advances - 11.42%.
- 4 The pro-forma income statement is prepared assuming estimated costs of the Rights Issue are CDF 1.887billion.

Source: EBCDC audited GAAP consolidated financial statements for FY21, Stanbic estimates

9.3 Proforma impact of rights issue on statement of financial position

Table 12: EBCDC Group Proforma Statement of Financial Position as at 31st December 2021

<i>Figures in CDF billion</i>	-----Before-----		-----After-----
Proforma consolidated statement of financial position as at ended 31 December	EBCDC statement of financial position for the financial year ended 31 Dec 2021	Allotment of new shares, receipt of proceeds and additional income from investment	Post-Investment pro-forma statement of financial position for the financial year ended 31 Dec 2021
Income generating assets	7,069.5	142.7	7,212.2
Fixed Assets	134.6	--	134.6
Other Assets	105.2	8.3	113.3
Total Company Assets	7,309.3	151.0	7,460.2
	--	--	--
Deposits	6,449.1	--	6,449.1
Borrowings	134.5	--	134.5
Other (non-interest bearing) liabilities	293.2	--	293.2
Total Liabilities	6,876.8	--	6,876.8
Ordinary share capital	8.2	2.2	10.4
Share Premium and Reserves	162.7	140.5	303.2
Other equity	261.6	8.1	269.7
Total equity	432.5	150.9	583.4
Total Liabilities and Shareholder Funds	7,309.3	150.9	7,460.2

Notes:

- 1 The pro-forma statement of financial position has been prepared assuming that the Rights Issue was fully subscribed and completed on 31 December 2021 with the Bank allotting 415,018 shares at a subscription price of USD 170 per share (comprised of par value of USD 2.20 and share premium of USD 167.41) resulting in net proceeds of USD 142.7 million after expenses.
- 2 The increase in Other Assets and Other Equity represents the additional profit after tax of CDF 8.4 billion generated from the additional investment in income generating assets
- 3 The pro-forma statement of financial position is prepared assuming estimated costs of the Rights Issue are CDF 1.877 billion.
- 4 The proforma statement of financial position assumes that the entire Rights Issue proceeds are invested in income generating assets.

Source: EBCDC audited GAAP consolidated financial statements for FY21, Stanbic estimates

9.4 Proforma impact of Rights Issue on capital adequacy ratios

Table 13: EBCDC Group Proforma Capital Adequacy Ratios as at 31st December 2021

<i>Figures in CDF billion</i>	-----Before-----		-----After-----
Proforma consolidated capital adequacy ratios as at ended 31 December	EBCDC capital ratios for the financial year ended 31 Dec 2021	Allotment of new shares, receipt of proceeds and additional income from investment	Post-Investment proforma capital ratios for the financial year ended 31 Dec 2021
Risk Weighted Assets	3,661.2	60.5	3,594.3
Tier 1 capital	372.7	150.9	523.6
Total regulatory capital	440.2	150.9	581.1
Tier 1 capital to RWA	10.2%	-	14.6%
Total Regulatory capital to RWA ratio	12.0%	-	16.2%

Notes:

- 1 The pro-forma capital adequacy ratios have been prepared assuming that the Rights Issue was fully subscribed and completed on 31 December 2021.
- 2 The risk weightings applied to the incremental income operating assets are as follows:
 - Average risk weighting of Cash - 0%
 - Average risk weighting of Placements - 21%
 - Average risk weighting of Government Securities - 100%; and
 - Average risk weighting of Loans and advances - 94%.
- 3 The pro-forma capital ratios have been prepared assuming estimated costs of the Rights Issue are CDF 1.877billion.

Source: EBCDC audited GAAP consolidated financial statements for FY21, Stanbic estimates

10 Key Risk Factors

EBCDC's operating results, financial condition and prospects could be materially and adversely affected by any of the risks described below. In that event, the value of the ordinary shares of the Company could decline and investors could lose all or part of their investment in the ordinary shares.

This section describes the risk factors that are considered by EBCDC and the Board to be material in relation to EBCDC, its Industry, the Rights Issue and in investment in shares of the Company. Where risks are described in terms of a risk to an investment in ordinary shares, these apply and are equally relevant to the Existing Shares and New Shares.

These risks should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. Additional risks and uncertainties that are not presently known to EBCDC and the Directors, or which they currently deem immaterial, may also have an adverse effect on EBCDC's operating results, financial condition and prospects. The information given is as of the date of this document and, except as required by OHADA Law, regulations by BCC or any other applicable law or regulation, will not be updated. Any forward looking statements are made subject to the reservations specified under the Important Notice section at the beginning of this Document.

Investing in equity of any entity entails some investment risks. In considering the participation in the Rights Issue, Eligible Shareholders should consider carefully the risks and uncertainties described in this Section together with all other information contained in this Directors Report, including any documents available for inspection and the information incorporated by reference herein, along with their personal circumstances, before making any investment decision.

10.1 Overview of risk management framework

Please see Section 8.7.4 (Risk Management) for detailed description of EBCDC's risk management framework.

Factors that the Board of EBCDC believes may be material for the purpose of assessing the market risks associated with an investment in ordinary shares of the Bank are described below. The Board of EBCDC believes that the factors described below represent the principal risks inherent in investing in ordinary shares of the Bank. Greater detail of how specific risks are managed is also provided in the PwC Auditors Report included in the Annexures in Section 11 below.

EBCDC has taken insurance policies to cover the following risk: general liabilities insurance, fire insurance, political violence insurance, vehicle insurance, bankers blanket bond (BBB).

10.2 General risks

10.2.1 EBCDC Group's business is affected by general, financial, economic and external events beyond its control

10.2.1.1 *Political and social developments*

EBCDC Group's market position and the demand for its products and services are dependent on the overall political, social and economic situation in DRC. Potential political unrest is a risk to the operations of any bank or business operating in DRC including EBCDC as it could adversely impact the economy and consequently the demand for credit and banking services.

The political situation in DRC may become increasingly volatile in the run up to the legislative and presidential elections scheduled to take place in September 2023 and December 2023 respectively. There is therefore a possibility that political volatility may rise as campaigns start to gain momentum.

The DRC Country Report dated 1st April 2022 published by the Economist Intelligence Unit (“**EIU**”) states that a “...large portion of territory in the eastern DRC that is mostly under the control of multiple militia groups will remain a source of political risk and insecurity for the DRC... The troubled provinces are the focus of a ramped-up counter-insurgency offensive by the Congolese and Ugandan armies. However, counter-insurgency operations are facing an escalation in violent attacks by militias...which in turn stokes public distrust in the forces. Intensifying conflict will continue to fuel public distrust of the security forces and of the UN peacekeeping mission stationed there, prompting periodic protests...”.

EIU however notes that “...Despite political volatility, policy reforms targeting fiscal and financial supervision will progress under an extended credit facility (ECF) with the IMF, which runs until 2024...”

10.2.1.2 Economic developments

EBCDC’s operational results, income and growth of assets depend to an extent on the stability of DRC’s economy. The Country Report number 21/168 on DRC issued by the International Monetary Fund in July 2021 notes that “...DRC is a fragile state with recurring health and security crises, high macroeconomic volatility, and weak institutions...”.

Unfavourable economic and external conditions may impact negatively on EBCDC’s operations. In particular, demand for its products and services would decrease significantly as a result of such unfavourable conditions.

Performance of DRC’s economy is dependent on continued economic reforms and if the reforms slow down or stop then this may adversely affect economic growth. DRC as a key exporter of copper and cobalt also remains vulnerable to commodity price trends that are driven by global supply and demand dynamics.

EBCDC has put in place some measures to mitigate economic risks:

- EBCDC’s management team has put in place a robust business strategy, systems and procedures to minimise EBCDC’s exposure to adverse economic conditions; and
- The Bank has a diversified client portfolio across various sectors in the economy including clients in cyclical and non-cyclical sectors.

However, this cannot provide an assurance that adverse economic conditions will not hamper EBCDC’s performance.

10.3 Industry specific risks

10.3.1 EBCDC Group may fail to manage the risks inherent in its use of financial instruments and its operations adequately

10.3.1.1 Credit risk

EBCDC by the very nature of its business takes on exposure to credit risk i.e., the current or prospective risk to earnings and capital arising from a counterparty or obligor’s failure to discharge an obligation in full when it falls due:

- In lending transactions, credit risk arises through loans and advances, the advancement of securities and contracts to support clients’ obligations (letters of credit and guarantees).
- In trading activities credit risk includes settlement risk and replacement risk, for example the possibility that the party with whom EBCDC is trading will be unable to fulfil its obligation on a contract on or before the settlement date.

Significant changes in the DRC economy, or in the health of a particular industry segment that represents a concentration of EBCDC’s portfolio, could result in losses that are different from those provided for at the balance sheet date.

Credit risk management is an ongoing process throughout the duration of the credit facilities and some of the measures EBCDC takes to mitigate credit risk includes:

- Adhering to a credit policy which has been carefully crafted and approved and which clearly defines the nature of business to be undertaken by the Bank and the minimum risk acceptance criteria;
- EBCDC undertakes a detailed analysis of counter parties to determine creditworthiness with primary consideration being the counterparty's ability to pay and where necessary, enhancing credit structures through obtaining appropriate collateral e.g. mortgage interests over property, other registered securities over assets, guarantees and cash collateral;
- EBCDC structures the level of credit risk it undertakes by placing limits on amounts of risk accepted in relation to one borrower or sector or in the case of portfolio credit risk management a group of borrowers or customers having similar characteristics;
- EBCDC also ensures separation of the origination of credit risk and the approval to ensure independent judgment of the level of risk taken and to ensure its alignment with EBCDC's risk appetite and limits;
- EBCDC undertakes regular analysis of the ability of borrowers to meet interest and capital repayment obligations and proactively takes remedial actions which are agreed with the counterparties and monitored until complete. Remedial actions include, but are not limited to, exposure reduction, security enhancement, exit of the account or, in the case of default accounts, immediate movement of such accounts to EBCDC's Amicable Recovery Department;
- EBCDC also undertakes credit portfolio stress testing as and when required e.g. when there are significant adverse events in the economy or in any sector to which it has exposure and takes remedial actions where appropriate; and
- EBCDC Conducts training of staff members who are the first line of defence to ensure they have the requisite knowledge, competency, tools and resources to ensure adherence to credit policies and processes.

10.3.1.2 Liquidity risk

Liquidity risk crystallises when a bank is unable to meet its payment obligations when they fall due both during normal and stressed conditions. This may be caused by EBCDC's inability to:

- liquidate assets;
- obtain funding to meet its liquidity needs; or
- replace funds when they are withdrawn;

Alternatively, such risks may crystallise in circumstances where EBCDC can only access the financial resources listed above at excessive cost.

Liquidity risk may not be seen in isolation because it is often triggered by consequences of other financial risks such as credit risk, market risk etc. and similarly, liquidity problems may have significant implications on the whole financial system.

EBCDC is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, and calls on cash settled contingencies. EBCDC does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty.

In addition, demand deposits may be withdrawn by depositors at any time. There can be no assurance that if unexpected withdrawals of deposits by EBCDC's customers result in liquidity gaps, EBCDC will be able to cover such gaps.

The matching and/or controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of EBCDC's banking operations. An unmatched position potentially enhances profitability but can also increase the risk of losses. The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of EBCDC's banking operations and its exposure to changes in interest and exchange rates.

EBCDC's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to EBCDC's reputation. The Bank manages liquidity risk both on a (i)

short-term basis with the focus being on ensuring that the cash flow demands can be met through asset maturities, customer deposits and wholesale funding where required; and (ii) on a medium-term basis by focusing on ensuring the statement of financial position remains structurally sound.

The Assets and Liability Committee (**ALCO**) is responsible for ensuring that EBCDC is self-sufficient and is able to meet all its obligations as they fall due by operating within the set liquidity limits. It also has primary responsibility of ensuring compliance with regulations, bank policies and maintaining a liquidity crisis contingency plan and prepares quarterly status reports to the Board of Directors.

10.3.1.3 Market risk

EBCDC takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and rates. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. In particular, EBCDC takes on significant exposure to interest rate risk and foreign currency risk as described below.

10.3.1.4 Interest rate risk

Interest rate risk is defined as the reduction in net interest income and/or reduction in the market value of equity due to changes in interest rates.

EBCDC takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. The Bank is exposed to risks resulting from mismatches between the interest rates on its interest-bearing liabilities and interest-earning assets.

While EBCDC monitors interest rates with respect to its assets and liabilities, and generally matches its interest rate positions, interest rate movements may adversely affect the Bank's financial position. EBCDC's financial results largely depends on its net interest income. Net interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise.

There can be no assurance that EBCDC's strategies will protect the Bank from the negative effects of a future decrease in interest rates. Interest rates are highly sensitive to a number of factors beyond the Bank's control, including BCC's reserve policy as well as domestic and international economic and political conditions. A significant decrease in market interest rates could reduce EBCDC's net interest income and adversely affect EBCDC's business, financial condition and financial results.

10.3.1.5 Foreign currency risk

EBCDC takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. An adverse movement in foreign currency exchange rates on an open position could have a negative impact on EBCDC's financial condition.

Market risk exposures as a result of trading activities are contained within EBCDC's foreign exchange trading operations. If EBCDC's risk management procedures and limits do not minimise the impact of market risks on the Bank, its business, financial condition and financial results may be adversely affected.

Overall responsibility for managing market risk is vested in ALCO that works under the direction of the Board Risks Committee. The ALCO approves EBCDC's market risk appetite which takes into account the market volatility, the range of traded products and asset classes, business volumes and transaction sizes. ALCO uses various tools, policies and procedures to manage the market risk to within the appetite levels set for the business. These include stress loss limits for market risk, sensitivity analysis, and stress testing to ensure the risk exposure remains within EBCDC's risk appetite. It is also responsible for complying with Board approved policies and other standards for the control of market risk and overseeing their effective implementation. These policies cover both the trading and nontrading books of EBCDC.

EBCDC also mitigates market risk through the following measures:

- Maintaining an appropriate mix between fixed and floating rate deposit base;
- Ensuring interest rates on advances to customers and other risk assets are either pegged to the Bank's base lending rate or Treasury bill rate. The base rate is adjusted from time to time to reflect the cost of deposits;
- Interest rates on customer deposits are negotiated between EBCDC and the customer with EBCDC retaining the discretion to adjust the rates in line with changes in market trends. The interest rates, therefore, fluctuate depending on the movement in the market interest rates;
- Hedging activities are evaluated regularly in line with the average interest rate and the defined risk appetite. Optimal hedging strategies are applied, by positioning the balance sheet or protecting interest expense through different interest rate cycles;
- On a daily basis, the overall foreign exchange risk exposure is measured using spot mid-rates as availed by BCC and should not exceed 15% of EBCDC's core capital;
- The single currency exposure, irrespective of short or long position should not exceed the limit of 10% of core capital and this is monitored on a frequent basis; and
- Intra-day foreign exchange exposures are limited within strictly defined limits set by the Board of EBCDC.

10.3.1.6 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events such as third-party fraud.

EBCDC recognises the significance of operational risk, which is inherent in all areas of EBCDC's business. EBCDC is exposed to many types of operational risks, including the risk of fraud by employees or outsiders, unauthorised transactions by employees or operational errors, including clerical or record keeping errors or errors resulting from faulty computer or telecommunications systems. Given EBCDC's high transaction volume, errors may be repeated or compounded before they are discovered and rectified.

EBCDC seeks to ensure that key operational risks are managed in a timely and effective manner through an effective, integrated operational risk management framework that (i) incorporates a clearly defined organizational structure and ensures that each department has well defined roles and responsibilities for all aspects of operational risk management; and (ii) ensures that appropriate policies, procedures and tools that support the identification, assessment, control and reporting of key risks are deployed

Compliance with operational risk policies and procedures is the responsibility of all managers, with overall coordination provided by EBCDC's compliance department. EBCDC has in place an Audit Committee (AC), a management committee working under the direction of the Board of EBCDC, that has the responsibility of ensuring that an appropriate and robust risk management framework is in place to monitor and manage operational risk.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This is supported by the development of overall standards for the management of operational risk in areas such as compliance with regulatory requirements, ethical and business standards, training and professional development, documentation of controls and procedures and requirements for the reconciliation and monitoring of transactions amongst others.

10.3.1.7 Compliance and regulatory risk

EBCDC operates in a highly regulated environment with BCC empowered to impose guidelines on banks operating in DRC. Any change in the regulatory environment that imposes onerous obligations on EBCDC may adversely affect EBCDC Group's business, results of operations or its financial condition.

In addition, compliance and regulatory risk includes the risk of non-compliance with regulatory requirements as set out by the Government of DRC, BCC and/or any other relevant authority.

The Bank has in place a compliance function which is responsible for establishing and maintaining an appropriate framework of Bank compliance policies and procedures that ensures the Bank at all times remains compliant with all relevant laws, regulations and market standards. Compliance with such policies and procedures is the responsibility of all managers and is embedded in the processes and procedures of conducting the Bank's business.

10.3.2 Unfavourable publicity could damage EBCDC's Group's ability to retain and generate business

Reputational risk is the risk of failing to meet the standards of performance or behaviour required or expected by various stakeholders in commercial activities or the way in which business is conducted. Reputational risks arise as a result of poor management of problems occurring in one or more of the primary banking risk areas and/or from social, ethical or environmental risk issues.

All members of staff have a responsibility of maintaining EBCDC's reputation. EBCDC manages reputational risk through the Board Risks Committee which identifies potential sources of reputational risk and puts in place control measures to prevent these risks.

10.3.3 EBCDC Group is exposed to tax risk

Tax risk is the risk associated with changes in taxation rates or law, or misinterpretation of the law. This could result in increased charges, financial loss including penalties, and reputational damage for EBCDC Group. Changes in taxation rates or law, or misinterpretation of the law, or otherwise failure to manage tax risk adequately, could have a material adverse impact on EBCDC Group's operating results, financial condition and prospects.

10.3.4 EBCDC Group enters into related party transactions with other entities forming part of the Equity Group

EBCDC is a subsidiary of EGH that also owns and operates other subsidiaries engaged in banking, fintech, insurance and investment banking businesses in Kenya, Uganda, Tanzania, Rwanda and South Sudan. EGH and its subsidiaries comprise the Equity Group.

EBCDC enters into related party transactions with other entities forming part of the Equity Group. These related party transactions are entered into in the course of banking operations, including lending, acceptance of interbank deposits and corresponding banking transactions as well as transactions relating to use of technology and management services. The transactions are priced at the prevailing market rates at the time of the transactions. A significant portion of this activity involves the placement of excess liquidity by EBCDC with other members of the Equity Group.

10.4 Risks relating to investment in ordinary shares

In the five years ended 31 March 2022, Shareholders holding ordinary shares of EBCDC have received dividends from EBCDC's predecessor entities. Further, holders of shares that have not been registered have been able to trade their shares on an over-the-counter market operated by Euronext and, in 2020, the former major shareholder of Banque Commerciale du Congo S A (as it was then), completed the sale of a controlling stake held by himself and his family to EGH by way of a private negotiated sale for cash consideration with the transfer of shares approved by the Shareholders of the Company.

Consequently, Shareholders of EBCDC have been able to realise investment returns from holding ordinary shares of EBCDC through both receipt of dividends and by trading their shares for cash consideration.

10.4.1 EBCDC may not resume payment of dividends in the foreseeable future

The Board of EBCDC elected not to recommend payment of dividends for the financial years 2019, 2020 and 2021. There is no assurance that the Board will resume payment of dividends in the foreseeable future after completion of the right issue because the Bank's strategic focus is on growing its business in DRC and, consequently, it wishes to retain profits to build its regulatory capital base to support this growth in the Bank's business activity.

10.4.2 An active market in EBCDC ordinary shares may not develop

In addition, on 21st April 2021 the Shareholders of EBCDC resolved to amend the Company's articles of association such that holders of shares in the Company that have not been registered were required to undertake and complete the conversion to registered shares. The process is ongoing.

The Board of Directors of EBCDC does not intend to list the shares of EBCDC on a public securities market and there is no assurance that the Board of EBCDC will develop an alternative mechanism (such as an over-the-counter market) to enable shareholders to find willing buyers for their shares and to complete the sale of shares using standardised documentation and processes.

Further, there is no assurance that there will be willing buyers for the ordinary shares that shareholders own in the future.

The Board of EBCDC is aware that EGH has made a restricted tender offer to purchase up to six thousand five hundred (6,500) ordinary shares from other Shareholders for cash consideration equivalent to United States Dollar one hundred and seventy (USD 170) per share and that this offer expires on 21st July 2022. There is no assurance that such an offer will be repeated by EGH or other EBCDC shareholders in the future.

10.4.3 Prices achieved on any subsequent sale of ordinary shares may be materially lower than the Rights Issue Price

The Rights Issue Price was based on the result of application of valuation methodologies to estimate the fair investment value per share from the perspective of a long-term investor. The Board further made the assumption that the fair value (i.e. the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date would be close to the investment value that primarily reflects the value of an asset to the owner or a prospective owner given individual investment or operational objectives.

The resulting Rights Issue Price of United States Dollar one hundred and seventy (USD 170) per share is close to the reported IFRS NAV per share as at 31 December 2021 of USD 176.65 per share and the CDF equivalent of the Rights Issue Price of Congolese Francs three hundred and forty-eight thousand, five hundred (CDF 348,500) higher than the reported GAAP NAV per share of Congolese Francs two hundred and seventy-seven thousand, eight hundred and seventy-one (CDF 277,871) per share.

As set out in Section 1.3, the ordinary shares of EBCDC ceased trading on the over-the-counter market on Euronext in October 2021 and were trading at prices that were significantly below the Rights Issue Price in the six-month period to 31st March 2022. This is reflective of the fact that trading on the over-the-counter market is infrequent and, when it occurs, involves the transfer of only a small number of shares between retail investors and, consequently, is not a reliable indicator of the fair value of EBCDC shares.

There is no assurance that if the price achieved on any subsequent sale of ordinary shares will be at or higher than the Rights Issue Price. As set out above, the circumstances of the Company are such that there may be no active market for EBCDC shares in the future and, consequently, the price achieved on any subsequent sale may be materially lower than the Rights Issue Price.

10.5 Risks relating to the Rights Issue and New Shares

10.5.1 Foreign currency risk

The share premium arising on allotment of New Shares will be denominated in United States Dollar (USD) whereas the par value of the New Shares is denominated in Congolese Francs (CDF). An investment in New Shares by an investor whose principal currency is not the USD exposes the investor to foreign currency rate risk. Any depreciation of the USD in relation to the investors' respective currency (e.g. CDF or EUR) will reduce the value of their investment in EBCDC shares and any appreciation of the USD will increase the value in relation to the investors' respective currency.

10.5.2 Dilution

If Eligible Shareholders do not take up their entitlements to New Shares under the Rights Issue by the latest date for application and payment in full in respect of their entitlements to New Shares that are set out in this Document, their proportionate ownership and voting interest in EBCDC will be reduced, and the percentage that their ordinary shares represent of the ordinary share capital of EBCDC will be reduced accordingly.



11 Notice of the Extraordinary General Meeting

Please see Section 7.2 on the Shareholder resolutions proposed to be passed with respect to the Rights Issue.

12 Annexures

Annex 1: Proxy Form

Annex 2: Sample Notice of Rights Issue

Annex 3: Sample Subscription Agreement

Annex 4: Sample Renunciation Letter (Form R)

Annex 5: Power of Attorney (Form Z)

Annex 6: PwC Auditors Report

Annex 1

The Company Secretary
Equity Banque Commerciale du Congo
15, Boulevard du 30 Juin,
Commune de la Gombe
Kinshasa, DRC

PROXY

I, [surname, first name, profession, residence or, in the case of a legal person, name, legal form and registered office], the undersigned

owner of [insert number of shares in words]

shares of Equity Banque Commerciale du Congo, a public limited company with board of directors and having its registered office in Kinshasa, n°15, Boulevard du 30 Juin, Gombe municipality (the **Company**), hereby appoint as special proxy:

Mr or Mrs

residing at.....

for the purpose of representing me at the extra-ordinary general meeting of shareholders of the Company, which will be held at the Company's registered office in Kinshasa on **10 June 2022** as well as at any extra-ordinary general meeting which would be convened subsequently following postponement or adjournment, in relation to the agenda set out in notice for the extra-ordinary general meeting.

For the above purposes, to take part in all deliberations, to cast all votes, to sign all deeds and documents, to elect domicile, to substitute and, in general, to do all that is useful and necessary.

Dated this..... day of2022

By
[name of shareholder] (*)

(*) The principal is requested to write the date in his own handwriting and to precede his signature with the handwritten mention "*Good for power of attorney*".



NOTICE OF RIGHTS ISSUE

Company Name	Equity Banque Commerciale Du Congo SA, abbreviated as EBCDC
Form of Company	Public Limited Company (Societe anonyme)/SA
Amount of Share Capital	CDF 8,248,511,900 divided into 1,556,323 ordinary shares of CDF 5,300
Address of the Company	5, Boulevard du 30 Juin, Commune de la Gombe, Kinshasa, Democratic Republic of Congo (DRC)
RCCM Number	CD/KIN/RCCM/14-B-3364
Capital Increase	The share capital of the Company will be increased to ten billion four hundred and forty eight million Congolese Francs (10.448 billion CDF) by the creation of four hundred and fifteen thousand and eighteen (415,018) new ordinary shares each with a nominal value of five thousand three hundred Congolese Francs (CDF 5,300) per share (the New Shares)
Issue Price	United States Dollars one hundred and seventy (USD 170) Per New Share.
Places and Dates of Commencement of Subscription	22 June 2022
Places and Dates of Closing of Subscription	21 July 2022
Amount Payable Per Share Subscribed	United States Dollars one hundred and seventy (USD 170) Per New Share.
Bank/Notary Responsible for Receiving Funds	Equity Banque Commerciale Du Congo SA

Notice is hereby given, pursuant to Article 598 of the Ohada Uniform Act Relating to Commercial Companies and Economic Interest Groups, to each person registered as a holder of shares in the Company as at the close of business on 10 June 2022 (the **Rights Issue Record Date**) (the **Shareholders**, and each a **Shareholder**) that the following documents, being copies of the documents issued or to be issued to the Shareholders in connection with and constituting the offer by way of rights (the **Rights Issue**) of 415,018 new ordinary shares each with a nominal value of CDF 5,300 per share and with a Rights Issue price of United States Dollars one hundred and seventy (USD 170) per share (the **New Shares**) on the basis of a ratio of four (4) New Shares for every fifteen (15) issued and fully paid-up existing shares held by Shareholders on the Rights Issue Record Date, may be inspected or (subject as provided below) obtained on personal application by or on behalf of the Shareholder at the registered offices of the Company during usual business hours on any weekdays (except for Saturdays, Sundays and DRC public holidays) from the date of this notice until 04:00pm DRC time on 21 July 2022:

1. a copy of this Gazette Notice;
2. a copy of the Subscription Agreement and the draft Form of Renunciation (**Form R**);
3. a copy of the Directors Report relating to the issue of the New Shares, issued pursuant to Article 588 of the Uniform Act Relating to Commercial Companies And Economic Interest Groups 2014 (the **Uniform Act**);
4. a copy of the Auditor's Report relating to the issue of the New Shares prepared under Article 588 and Article 590 of the Ohada Uniform Act;
5. a copy of the resolution of the board of directors of EBCDC recommending the approval of the Rights Issue to the shareholders of EBCDC;
6. a copy of the resolution of the shareholders of EBCDC approving the Rights Issue;
7. the register of Shareholders of the Company as at 10 June 2022 to be used to determine the Eligible Shareholders;
8. the audited financial statements of EBCDC for the financial year ended 31 December 2021; and
9. the unaudited financial statements of EBCDC for the quarter ended 31st March 2022.

The Rights Issue is conditional upon the matters set out in the Annexure to this Notice (the **Terms and Conditions of the Rights Issue**) (so far as not already satisfied or waived).

**THE BOARD OF DIRECTORS
EQUITY BANQUE COMMERCIALE DU CONGO SA**

ANNEXURE
TERMS AND CONDITIONS OF THE RIGHTS ISSUE

1 Use of proceeds

- 1.1 The primary objective of the Right Issue is to fund the Bank's expansion plans in DRC including boosting asset growth and investment in digital infrastructure to serve the evolving requirements of EBCDC's client base.
- 1.2 The additional capital will also boost the capital base of EBCDC to ensure that the Bank complies with the capital requirements and capital adequacy ratios set out by BCC as well as create sufficient headroom to ensure compliance even as the Bank continues to deploy its strategic initiatives and achieve balance sheet growth in the future.

2 Shareholder resolutions passed with respect to the Rights Issue

2.1 The following are the resolutions passed at the EGM with respect to the Rights Issue:

- a) To approve – the increase of the nominal share capital of EBCDC from eight billion two hundred and forty eight million five hundred and eleven thousand nine hundred Congolese Francs (CDF 8,248,511,900) comprising of one million five hundred and fifty six thousand, three hundred and twenty three (1,556,323) ordinary shares of five thousand three hundred Congolese Francs (CDF 5,300) per share to a share capital of ten billion four hundred and forty eight million Congolese Francs (10.448 billion CDF) by the creation of four hundred and fifteen thousand and eighteen (415,018) new ordinary shares each with a nominal value of five thousand three hundred Congolese Francs (CDF 5,300) per share (the **New Shares**)(the **Capital Increase**) in accordance with the Directors' Report and the Auditor's Report adopted by the Board of Directors.
- b) To approve – as a result of the preceding resolution, the issue of the New Shares at a price of one hundred and seventy (USD 170) per share to the holders of the issued ordinary shares in the capital of EBCDC registered at the close of business on such date as shall be determined by the Board of Directors and notified to the shareholders through the press or otherwise in proportion to the shareholders' respective holdings in the issued share capital EBCDC; and subject to the Articles of Association of EBCDC, at such rate and upon such terms as the Board of Directors shall think fit.
- c) To approve – as a result of the preceding resolution, the Board of Directors to issue the New Shares and to do all such things as may be necessary to give effect to the preceding resolution and to deal with fractions of shares in such a manner as they think fit subject to the Articles of Association of EBCDC and in accordance with the Directors' Report and the Auditor's report adopted by the Board of Directors.
- d) To approve – as a result of the preceding resolutions, and subject to the Central Bank of Congo's approval, the amendment of Article 6 and Article 7 of the articles of association as follows:

By amending Article 6 to state – “The share capital is set at the sum of ten billion four hundred and forty-eight million Congolese Francs (10.448 billion CDF). It is divided into one million nine hundred and seventy-one thousand, three hundred and forty-one (1,971,341) shares of five thousand three hundred Congolese francs (CDF 5,300) each with a nominal value, subscribed and fully paid, all of the same rank and numbered from I to, and enjoying the rights and benefits defined by the Articles of Association.”

By amending Article 7 to add the following paragraph – “and by resolution of the shareholders of EBCDC on 10 June 2022 to ten billion four hundred and forty-eight million Congolese Francs (10.448 billion CDF).”

- e) To note that (i) simultaneous with the process of the issue of the New Shares, Equity Group Holdings Plc (**EGH**) shall make an offer to all the holders of the issued ordinary shares in the capital of EBCDC registered at the close of business on such date as shall be determined by the Board of Directors and notified to the shareholders through the press, for the acquisition of up to six thousand five hundred shares each (6,500) from shareholders who choose not to participate in the Rights Issue by EGH at a price of one hundred and seventy (USD 170) per share (the **EGH Offer**) and (ii) that the EGH Offer is not subject to any pre-emption rights under the laws of the DRC or the Articles of Association.
- f) To grant full power to the Managing Director and/or the Deputy Managing Director for purposes of executing such documents and effecting such filings as may be required to give effect to the decisions of the extraordinary general meeting.

3 Features of the Rights Issue

- 3.1 EBCDC proposes to raise additional capital amounting to United States Dollars seventy million, five hundred and fifty three thousand (USD 70.553 million) via a Rights Issue. The Rights Issue will see the Bank issue up to four hundred and fifteen thousand and eighteen (415,018) New Shares at a price of United States Dollars one hundred and seventy (USD 170) per share.
- 3.2 The Rights Issue Ratio is four (4) New Shares for every issued and fully paid up fifteen (15) Existing Shares. The Entitlement Ratio, once declared, will not be altered.
- 3.3 Only persons/parties deemed as Eligible Shareholders as of the Record Date can participate in the Rights Issue offer through acceptance of their Entitlement and full payment no later than 4.00pm DRC time on the Closing Date.
- 3.4 Rights are renounceable to third parties as covered in detail in Section 10 (**Renunciation Procedures**).

4 Status of new shares

The New Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Shares including the right to receive in full all dividends and other distributions declared, made or paid in respect of the Ordinary Shares, for FY 2022. EBCDC did not declare any dividends for FY 2021.

5 Key timetable events

5.1 The Rights Issue Offer Period will start at 9.00am DRC time on Wednesday 22nd June 2022 and close at 4.00pm DRC time on Thursday 21st July 2022.

6 Transaction Advisors

Lead Transaction Advisors	Lead Legal Advisor
Stanbic Bank Kenya Limited Stanbic Centre, Westlands Road P.O. Box 72833-00200, Nairobi, Kenya	Anjarwalla & Khanna LLP ALN House, Off Eldama Ravine Close Eldama Ravine Road P.O. Box 200 – 00606, Nairobi, Kenya
DRC Law Advisor	Statutory Company Auditor
Proxima Loft II-3 Concession UTEX No 372 Av. Colonel Mondjiba Kinshasa – Ngaliema DRC	PricewaterhouseCoopers RDC SAS, Immeuble Midema, 13, Avenue Mongala, Gombe, B.P. 10195 Kinshasa République Démocratique du Congo
Independent Fair Value Reviewer	Depository
Deloitte Services SARL Immeuble le Prestige, 3ieme étage, 4239, Tombalbaye KINSHASA, B.P. 2001 DRC	Auguste Kanku Company Secretary Equity Banque Commerciale Du Congo S.A. Head Office Branch 15, Boulevard du 30 Juin, Commune de la Gombe/Kinshasa, DRC
Receiving Bank	Notary
Equity Banque Commerciale Du Congo S.A. Head Office Branch 15, Boulevard du 30 Juin, Commune de la Gombe/Kinshasa, DRC	Mrs. Nyembo Fatuma Marie 150, Colonel Ebeya Commune de la Gombe /Kinshasa, DRC
Authorised Agent	
Daldewolf Avenue Louise 81 Louizalaan 1050 Brussels Belgium	

7 Entitlement details

7.1 Persons who are not existing Eligible Shareholders as of the Record Date will not be entitled to participate in the Rights Issue.

7.2 EBCDC will send a Subscription Agreement by registered post with notification of reception to the address appearing on EBCDC's shareholders' register to all Eligible Shareholders who live

abroad and by hand-delivered letter against acknowledgement of receipt for those who are in DRC. Shareholders who have not yet converted their shares to registered Shares as at the Record Date shall first be required to convert their Shares to registered shares and consequently be regarded as Eligible Shareholders and for this purpose:

- a) EBCDC shall make a public announcement of the intention to undertake a Rights Issue and informing Shareholders have not yet converted their shares to registered Shares that they shall first be required to convert their shares to registered shares for them to be eligible to participate in the Rights Issue.
 - b) Each such Shareholder shall be required to provide their full name, contact details, copies of identification documents to the Company Secretary and submit the certificates for their shares for cancellation to the Company Secretary on or before 4.00pm DRC time on 11th July 2022 so that the Company Secretary is able to enter the shareholders' name on the EBCDC shareholders' register and provide the shareholder with a Subscription Agreement setting out that shareholders' Entitlement.
- 7.3 The number of New Shares that an Eligible Shareholder is entitled to (i.e. **Entitlement**) will be as shown on the Subscription Agreement provided to each Eligible Shareholder.
- 7.4 The number of New Shares offered to Eligible Shareholders has been calculated based on the Entitlement Ratio and no restrictions are placed on the number of Existing Shares to be held before the Entitlement accrues. However, mathematically, this might result in fractional entitlements to New Shares and in such an event, fractions shall be rounded down to the nearest whole number and the Entitlement for the affected Eligible Shareholder shall be the number computed after rounding down to the nearest whole number. Eligible Shareholders are required to verify the correctness of the Entitlement.
- 7.5 These fractions that result from applying the Entitlement Ratio shall then form part of the Untaken Shares.
- 7.6 Eligible Shareholders can only fully take up their full Entitlement and cannot partially subscribe for the Rights Issue. Eligible Shareholders that take up their full Entitlement will also have the option to apply for Additional Shares up to a maximum of thirty percent (30%) of their Entitlement.

8 Options for Eligible Shareholders

- 8.1 The following actions are available to Eligible Shareholder in the Rights Issue:
- a) Take up the Entitlement in full – refer to Section 9 (Acceptance Procedures).
 - b) Renounce all the Rights to a named beneficiary that must be a Permitted Person – refer to Section 10 (Renunciation Procedures).
 - c) Allow the Entitlement to lapse by doing nothing – refer to Section 15 (Untaken Shares).
 - d) Accept Additional Shares i.e. in addition to the Entitlement, provided the Entitlement has been accepted in full – refer to Section 11 (Additional Shares).
- 8.2 Eligible Shareholders are not permitted to:

- a) Accept part of the Entitlement and sell the balance.
- b) Accept part of the Entitlement and renounce the balance.
- c) Accept part of the Entitlement and allow the balance to lapse.
- d) Combinations of the above.

8.3 The following actions are possible by a Renouncee in the Rights Issue:

- a) Take up the Entitlement in full – refer to Section 9 (Acceptance Procedures).
- b) Allow the Entitlement to lapse by doing nothing – refer to Section 15 (Untaken Shares).
- c) Accept Additional Shares i.e. in addition to the Entitlement, provided the Entitlement has been accepted in full – refer to Section 11 (Additional Shares).

8.4 A Renouncee is not permitted to:

- a) Renounce all the Rights to a third party.
- b) Accept part of the Entitlement and sell the balance.
- c) Accept part of the Entitlement and renounce the balance.
- d) Accept part of the Entitlement and allow the balance to lapse.
- e) Combinations of the above.

9 Acceptance procedures

9.1 Acceptance of the Rights Issue, once given is irrevocable. Please note that partial acceptance will not be permitted.

9.2 Full details of the procedure for acceptance and payment are set out below:

- a) Acceptance may ONLY be communicated by submitting a duly completed Subscription Agreement together with Application Money for the number of New Shares (including where applicable any Additional Shares) specified in the Subscription Agreement.
- b) Once submitted, the application cannot be withdrawn and shall constitute a binding application for the number of New Shares (including any Additional Shares) specified in the Subscription Agreement by the Accepting Shareholder.
- c) The Subscription Agreement must be correctly executed so as to be binding, while the Application Money must be received in cleared funds.
- d) The Subscription Agreement, once duly completed and executed, must be returned to the Company Secretary or Authorised Agent, together with proof of transfer of Application Money, in the form of Internal Funds Transfer or SWIFT payment slips correctly indicating the bank account per Section 12 (Application Payments) and the Application Money for the number of New Shares (including where applicable for any Additional Shares).
- e) Eligible Shareholders who wish to take up their full Entitlement are required to duly complete Part 1A of the Subscription Agreement together with other relevant sections of the Subscription Agreement.
- f) Note that partial acceptance will not be permitted.

- g) If the Subscription Agreement is not completed correctly, EBCDC may in its sole and absolute discretion reject it or treat it as valid, and EBCDC's decision as to whether to accept or reject, or how to construe, amend or complete the Subscription Agreement shall be final.
- h) The Subscription Agreement and Application Money should be received by the Receiving Bank by 4.00pm DRC time on the Closing Date in line with procedures laid out in Section 12 (Application Payments).
- i) Save in the case of negligence or wilful default on the part of EBCDC, their Advisors, the Notary or the Agent, neither EBCDC, nor any of the Advisors nor the Notary nor the Agent shall be under any liability whatsoever should the Subscription Agreement not be received by the Closing Date. In such an instance, the New Shares will be deemed not to have been duly subscribed for and any Rights in connection with the same will have lapsed.
- j) The Subscription Agreement can be rejected as detailed below in Section 14 (**Rejection Policy**).
- k) Acceptance is subject to regulatory restrictions and obligations as detailed below in Section 13 (Regulatory Restrictions).

10 Renunciation procedures

- 10.1 Eligible Shareholders may individually renounce their pre-emptive subscription rights in favour of designated beneficiaries ("**Renounee**"). They may also renounce this right without naming beneficiaries.
- 10.2 The renunciation made in favour of designated beneficiaries must be accompanied by the Form of Renunciation (**Form R**) that has been completed by the Renounee to signify the Renounee's acceptance and must be returned to the Company Secretary or Authorised Agent. The named beneficiary, if any, must submit the information and supporting documents specified in Form R.
- 10.3 Shareholders who have not yet converted their Shares to registered shares may renounce their rights in favour of a named beneficiary after first converting their shares to registered shares using the process specified in Section 6 (**Entitlement Details**) for accepting their rights.
- 10.4 Eligible shareholders may only renounce their rights in favour of named beneficiaries that are Permitted Persons as defined below.
- 10.5 Permitted Persons are Persons who:
 - a) have provided complete and accurate information to EBCDC sufficient to enable EBCDC to conduct sufficient due diligence on prospective registered shareholders including but not limited to:

- (i) for corporate or unincorporated persons – name and address of registered office, incorporation/registration documents, names of directors and ultimate shareholders and identification documents for directors and shareholders; or
 - (ii) For natural persons – full name, current residential address and identification documents;
- b) are not subject to sanctions by any of DRC, United States of America, United Kingdom of Great Britain and Northern Ireland, the European Union, United Nations Security Council or its committees pursuant to any resolution under Chapter VII of the United Nations Charter, nor any international organisation;
 - c) meet the criteria set out in any guidelines set by any applicable regulatory authority on suitability of persons involved in ownership of EGH and its subsidiaries, including EBCDC; and
 - d) to whom the allotment of New Shares would not result in a breach of laws applicable to EBCDC.
- 10.6 EBCDC will carry out checks on information contained in acceptance forms and supporting documentation provided by named beneficiaries to assess if the proposed named beneficiary meets the definition of Permitted Persons. If EBCDC in its sole discretion determines that the proposed beneficiary does not meet this definition, then it is entitled to reject the renouncement in favour of that beneficiary and treat the renouncement by the Eligible Shareholders as having been made in favour of no beneficiary for the purpose of the Rights Issue.

11 Additional shares

- 11.1 Accepting Shareholders shall use the Subscription Agreement to apply for Additional Shares while Renounees shall use the Form R.
- 11.2 Accepting Shareholders and Renounees can only apply for Additional Shares if they have accepted their Entitlement in full. The maximum number of Additional Shares an Accepting Shareholder can apply for is limited to a maximum of thirty percent (30%) of their Entitlement. If an Accepting Shareholder or a Renounee submits an application for Additional Shares that exceeds this limit, the allotment of Untaken Shares will be based on the applicable limit for that Accepting Shareholder or Renounee. EBCDC will refund Application Moneys relating to the Additional Shares in excess of the limit to the Accepting Shareholder or Renounee as set out in Section 17 (**Refunds Procedure**).
- 11.3 Accepting Shareholders may apply for Additional Shares by completing Part 1A on their Subscription Agreement or Part 1A of their Form R (in the case of Renounees) and signing and returning the duly completed Subscription Agreement together with the Application Money. These should be received by the Company Secretary or Authorised Agent not later than 4:00pm DRC time on the Closing Date.
- 11.4 Applications for Additional Shares should be in multiples of 1.

11.5 Acceptance of Additional Shares is subject to regulatory restrictions and obligations as detailed below in Section 13 (**Regulatory Restrictions**).

12 Application payments

12.1 Subscribers must make payment in full for the aggregate New Shares that they are applying for on or before the Closing Date.

12.2 The aggregate Application Money to be paid by each Subscriber should be computed as the aggregate of **A** plus **B** where:

- a) **A** equals the number of New Shares that the Subscriber has accepted in respect of the Entitlement (noting that acceptance can only be for the Entitlement in full and not part of the Entitlement) multiplied by the Rights Issue Price specified in USD: and
- b) **B** equals the number of Additional Shares, if any, that the Subscriber wishes to apply for (noting that the number of Additional Shares is limited to a maximum of thirty percent (30%) of the Entitlement) multiplied by the Rights Issue Price specified in USD.

12.3 Subscribers should make payment by Internal Funds Transfer, where a shareholder has an account with EBCDC, or by SWIFT payment to the following bank account:

Account number: 00011 15051 12000345451 74 USD

Beneficiary name: EQUITY BCDC SA / AUGMENTATION DU CAPITAL

Bank: EQUITY BANQUE COMMERCIALE DU CONGO SA

Branch: KINSHASA – SIEGE

Swift code: BCDCCDKI

Reference to be included on EFT message: Unique shareholder reference number (shown on the subscription form), Full name of the Shareholder and number of shares applied for

12.4 Subscribers should attach a copy of the Internal Funds Transfer or SWIFT confirmation to their completed Subscription Agreement or Form R that they submit to the Company Secretary or Authorised Agent.

13 Regulatory Restrictions

Eligible Shareholders are requested to note that EBCDC is subject to the provisions of the Banking Law and regulations made thereunder. Eligible Shareholders are required to seek their own advice in connection with these matters. Kindly, note that the EBCDC Board may take the said provisions into account when determining the allocation of any Untaken Shares to applicants for Additional Shares.

14 Rejection policy

14.1 Applications will be rejected at the sole discretion of EBCDC, for the following reasons:

- a) **Issues relating to the Subscriber:**

The Subscriber is not a Permitted Person.

b) Issues relating to the Subscription Agreement:

- (i) the number of New Shares applied for are below the minimum or not in multiples set out in this Directors' Report.
- (ii) missing or illegible name of primary applicant/joint applicant/corporate applicant in any application;
- (iii) missing or illegible identification number, including company registration number;
- (iv) missing account number or name for nominee applications;
- (v) missing or illegible postal address and postal code;
- (vi) missing or inappropriately signed Subscription Agreement including:
 - A. primary signature missing from signatures box;
 - B. joint signature missing from signature box;
 - C. one or both of the two directors/official or a director and company secretary has/have not signed in the case of a corporate application;
- (vii) insufficient documentation; or
- (viii) Subscription Agreement not received before the close of the Rights Issue at 4:00pm DRC time on Thursday 21st July 2022.

c) Issues relating to Application Moneys

- (i) the payment is less than the value of the shares applied for;
- (ii) payment by cash/cheque;
- (iii) Application Moneys received in a currency other than USD;
- (iv) Application Moneys not received before the close of the Rights Issue at 4.00pm DRC time on Thursday 21st July 2022; or
- (v) amount on Internal Funds Transfer or SWIFT payment slip is inconsistent with amount on the Subscription Agreement.

15 Untaken shares

15.1 EBCDC will compute Untaken Shares as:

- a) the number of New Shares; minus
- b) the aggregate of New Shares for which a valid Subscription Agreement or Form R and full Application Money have been received from Subscribers on or before the Closing Date.

15.2 EBCDC will, in its sole discretion, assess the validity of applications, whether Renounees meet the definition of Permitted Persons and whether or not applicable Application Money has been received. EBCDC may, at its sole discretion, accept Application Money received after the Closing Date but before the Completion Date.

16 Allocation policy

16.1 EBCDC will compile a list of Subscribers that have submitted valid applications for Additional Shares, together with applicable Application Money, on or before the Closing Date.

16.2 Allocation of Additional Shares will be done as follows:

- a) **Scenario 1** – Aggregate of valid applications for Additional Shares is less than the number of Untaken Shares: then the Untaken Shares shall be allocated to each Accepting Shareholder or Renouncee that has submitted a valid application for Additional Shares in full.
- b) **Scenario 2** – Aggregate of valid applications for Additional Shares is more than the number of Untaken Shares – then each Accepting Shareholder or Renouncee that submitted a valid application for Additional Shares will be allotted Untaken Shares equal to:
 - (i) the number of Additional Shares that Accepting Shareholder or Renouncee applied for multiplied by;
 - (ii) a number equal to Untaken Shares divided by the aggregate number of valid applications for Additional Shares computed to four decimal places; and
 - (iii) Result of (a) multiplied by (b) rounded down to the nearest whole number.
- c) Any remaining Untaken Shares in both scenarios will be allotted to the Accepting Shareholder that has submitted a valid application for the largest number of Additional Shares.

16.3 EBCDC reserves the right to modify the allocation policy set out above such that Subscribers who have submitted valid applications for one thousand (1,000) or fewer Additional Shares are each allocated Untaken Shares equal to the amount they have applied for and the allocation process set out above applied in respect of the remaining Untaken Shares amongst the remaining Subscribers that submitted applications for more than one thousand (1,000) Additional Shares.

17 Refunds procedure

17.1 EBCDC will compute refund payments due to:

- a) Subscribers who may have remitted cash in excess of Application Moneys due for valid acceptances of their Entitlement;
- b) Subscribers who have remitted cash in excess of Application Moneys due for valid applications for Additional Shares;
- c) Subscribers that applied for Additional Shares for which they received an allotment of Untaken Shares that is less than the number of Additional Shares they applied for; and
- d) Subscribers whose application (either in respect of their Entitlement or for Additional Shares) has been rejected by EBCDC for the reasons stated in Section 14 (Rejection Policy).

17.2 EBCDC will make payment of these refunds to bank account specified in the Subscription Agreement or Form R by Internal Funds Transfer or SWIFT payment on or about 11 August 2022. No interest will be paid on any Application Monies refunded to any Eligible Shareholder or Permitted Person.

18 Receipt of New Shares

- 18.1 EBCDC will within eight (8) days of the Closing Date, prepare and maintain a list stating the identity of Subscribers and, for each of them, the amount of the Application Moneys. After that date and until the Completion Date, any Subscriber may request the Company Secretary in writing (via e-mail or letter addressed to the Company Secretary), after showing proof of their subscription, to examine the list and obtain a copy of the list at the Subscriber's expense.
- 18.2 After completion of the allocation and reconciliation process, EBCDC shall prepare:
- a) a Certificate of Funds attesting the deposit of funds; and
 - b) a Notarial Statement of Subscription and Payment.
- 18.3 The Notary shall examine the Subscription Agreement and the Notarial Statement of Subscription and Payment to ensure that the amount of the reported subscriptions is consistent with the amounts shown in the Certificate of Funds deposited.
- 18.4 On the Completion Date, the proceeds of the Rights Issue will be released to EBCDC and the Company Secretary will update the shareholders' register to reflect the allotment of New and Additional Shares to Subscribers.

19 Foreign investors

- 19.1 Foreign Investors wishing to apply for New Shares and Additional Shares (if any) must satisfy themselves as to the full observance of the laws of the relevant territory and governmental and other consents to ensure that all requisite formalities are adhered to, and pay any issue, transfer or other taxes due in such territory. Before applying for and purchasing New Shares and Additional Shares (if any), foreign investors are advised to consult their own professional advisors as to whether they require any governmental or other approvals or need to observe any applicable legal or regulatory requirements.
- 19.2 The offer by EBCDC in respect of the Rights Issue is not, and is not intended to, constitute an offer for the New Shares and Additional Shares in any place outside DRC or in any circumstances where such offer or solicitation is not authorized or is unlawful. In that regard, the Rights Issue Documents may not be used for or in connection with any offer to, or solicitation by, anyone in any jurisdiction or in any circumstances where such offer or solicitation is not authorized or is unlawful. The distribution of the Rights Issue Documents outside of DRC may be restricted by law and persons who come into possession of the Rights Issue Documents should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws. Any such recipient must not treat the Rights Issue Documents as constituting an offer to them, unless in the relevant jurisdiction, such invitation or offer could be made lawfully to them without contravention of any unfulfilled registration or legal requirements. Without limitation, the Rights Issue Documents may not be sent or passed or otherwise distributed outside DRC.

20 Tax implications of the rights issue

- 20.1 Eligible Shareholders interested in participating in the Rights Issue should consult their tax

advisors of any possible tax implications connected with the Rights Issue. Therefore, EBCDC and the EBCDC Board consider it inappropriate to provide detailed advice in respect of taxation consequences in connection with the Rights Issue save for what is expressly set out in this Directors' Report.

20.2 Neither EBCDC, the EBCDC Board, EBCDC's officers nor EBCDC's Advisors accept any liability for any taxation implications of Eligible Shareholders in connection with the Rights Issue.

20.3 Local investors are subject to withholding tax on dividends at the rate of fifteen percent (15%). Foreign Investors will also be subject to a withholding tax rate of fifteen percent (15%). The Bank will assume responsibility of payment of withholding tax at source.

21 Governing law

The Rights Issue, any documents in respect thereof and any contract resulting from the acceptance of an application to purchase the New Shares shall be governed by and construed in accordance with the laws of the DRC including but not limited to OHADA law and regulations set out by the BCC.

22 Dispute resolution

Any dispute arising out of or in connection with the Rights Issue shall be adjudged in accordance with the provisions of the Uniform Act and the parties thereto and all other interested parties shall submit to the exclusive jurisdiction of the competent courts of the registered office of the Company.

THIS DOCUMENT IS IMPORTANT. PLEASE READ THE DETAILS IN THE NOTICE OF RIGHTS ISSUE DATED 15 JUNE 2022 AND NOTES ON THE REVERSE OF THIS SUBSCRIPTION AGREEMENT BEFORE TAKING ANY ACTION. THE RIGHTS ISSUE OPENS AT 9:00 AM DRC TIME ON 22 JUNE 2022 AND CLOSSES AT 4:00PM DRC TIME ON 21 JULY 2022.

Date of this Subscription Agreement:		Insert Serial No.		OFFICIAL USE ONLY
<h1>SAMPLE</h1>	BOX 1 Ordinary Shares registered in your name as at 10 June 2022			
	BOX 2 Number of New Shares you are entitled to			
	BOX 3 Amount payable (USD) in full by 4.00 pm DRC time on 21 July 2022			
	BOX 4 Maximum number of Additional Shares you may apply for			
Email Address:	Details			

POWER OF ATTORNEY:- Eligible Shareholders who wish to appoint an attorney to deal with the Rights Issue may do so via Form Z (Form of Appointment of Attorney) hereby enclosed or available from an Authorised Agent.

PART 1A	ACCEPTANCE IN FULL I/We hereby accept in full, subject to the terms of the Notice of Rights Issue dated 11 June 2022, this Subscription Agreement and the Memorandum and Articles of Association of Equity Banque Commerciale Du Congo S.A. ("the Company"), the number of New Shares above in BOX 2 for the value in BOX 3 above.	Tick (✓) <input type="checkbox"/>	
	ADDITIONAL SHARES Having accepted all the New Shares in PART 1A above, I/We hereby apply for Additional Shares, subject to the terms of the Notice of Rights Issue dated 15 June 2022, this Subscription Agreement and the Memorandum and Articles of Association of the Company, the number of Additional Shares in BOX 5 for the value in BOX 6 herein	BOX 5 Number of Additional New Shares (must not be more than the maximum number of Additional Shares shown in Box 4)	BOX 6 Amount payable (USD) (multiply figure in Box 5 by USD 170)
PART 1B			
PART 1C	TOTAL SHARES (NEW SHARES PLUS ADDITIONAL SHARES) Having accepted all the New Shares in PART 1A above and applied for Additional Shares in PART 1B above (Optional), I/we hereby apply for the total New Shares in BOX 7 for the value in BOX 8 herein.	BOX 7 Number of total New Shares (BOX 2 + BOX 5)	BOX 8 Amount payable (USD) (Add BOX 3 + BOX 6)
NOTE	RENUNCIATION TO PERMITTED PERSONS OR IN FAVOUR OF NO BENEFICIARY:- For detailed information refer to Section 10 (Renunciation Procedures) of the Notice of Rights Issue dated 15 June 2022, Eligible Shareholders who wish to renounce all their Entitlement in BOX 2 above in favor of a Permitted Person or No Beneficiary are required to fill in Form R (Form of Renunciation) hereby enclosed or available from the Company or an Authorised Agent.		

PART 2	PAYMENT (PLEASE SELECT ONLY ONE OPTION)		
	FROM AN ACCOUNT HELD AT EQUITY BANQUE COMMERCIALE DU CONGO S.A.: INTERNAL FUND TRANSFER		
	FROM AN ACCOUNT HELD WITH ANOTHER BANK : NATIONAL OR INTERNATIONAL TRANSFER BY SWIFT*		
	BENEFICIARY DETAILS		AUTHORISED AGENT
	Name of the account: EQUITY BCDC SA/AUGMENTATION DU CAPITAL		Tick (✓) <input type="checkbox"/> Tick if you have forwarded the signed Subscription Form to the Authorised Agent to forward to the Company. Please note you must make payment directly to EBCDC
	Account number*: 00011 15051 12000345451 74 USD		
	Name of bank and branch: EQUITY BCDC / KINSHASA-SIEGE		
	Swift routing code: BCDCCDKI		
	REMITTER DETAILS		
	Name of the Account:		
Account Number:			
Name of Bank and Branch:			
Amount in figures (USD) that you have remitted (should equal amount in Box 8):			
Narration: Number of Shares and Serial Number of this Subscription Agreement			

REFUNDS: Eligible Shareholders with proper bank account details will receive any refund via the same bank account from which payment was made and via the same method through which they made the payment being an Internal Funds Transfer or SWIFT Payment. For purposes of processing any refunds, please provide below your bank account details. All foreign exchange and correspondent banking charges will be for the account of the Eligible Shareholder

PART 3	SIGNATURE OF ELIGIBLE SHAREHOLDER OR AUTHORISED ATTORNEY		
	Signature 1	Signature 2	Company Seal (if applicable)
	Date: _____	Date: _____	

Tear off

ACKNOWLEDGEMENT SLIP—EQUITY BANQUE COMMERCIALE DU CONGO S.A. RIGHTS ISSUE 2022			
Eligible Shareholder name and registration number	Subscription Agreement Serial number	Total Shares applied for	Authorised Agent Stamp /

NOTES TO THE SHAREHOLDER

If you do not wish to take action on your Rights, do not submit this form to the Company/your Authorised Agent. Your Rights will be considered untaken and be disposed of as per the Notice of Rights Issue accompanying this Subscription Agreement. If you wish to take action, please follow the steps below.

PART 1: ACCEPTANCE IN FULL AND APPLICATION FOR NEW SHARES AND ADDITIONAL SHARES

- a. Tick PART 1A if accepting in full all New Shares as in BOX 2
- b. If you wish to **purchase Additional Shares (PART 1B)**, follow the directions below. Otherwise, please skip to instruction (e).
 - To apply for **Additional Shares**, fill in the box labeled BOX 5, with the number of **Additional Shares** that you would like to purchase. You may not apply for more Additional Shares than are shown in BOX 4. **Please note that** Shareholders may receive none or a fewer number of **Additional Shares** than they applied for.
 - Fill in the amount due for these **Additional Shares** in BOX 6. To calculate the amount due, multiply the number in BOX 5 by CDF USD 170 per Additional Share.
- d. If you have chosen not to purchase Additional Shares, write "nil" in both BOX 5 and BOX 6.
- e. Fill out the total number of New Shares and Additional Shares accepted/applied for in BOX 7 in PART 1C. You should add the values of BOX 2 and BOX 5 i.e. $BOX\ 7 = BOX\ 2 + BOX\ 5$
- f. Fill out the total amount payable for New Shares and Additional Shares accepted/applied for in BOX

PART 2: PAYMENT — Please select only one payment option

For making a **DIRECT PAYMENT** by way of Internal Funds Transfer/SWIFT Payment, please be sure to include the Name of the Account, Account Number, Name of Bank and Branch, Amount payable, in the area captioned Payment. For SWIFT Payments, please also attach a copy of the SWIFT confirmation to the Subscription Agreement.

MULTIPLE PAYMENT METHODS FOR A SINGLE SUBSCRIPTION AGREEMENT ARE NOT ACCEPTED

You must ensure this Subscription Agreement and payment arrives at the Receiving Bank, on or before 4:00pm on 21 July 2022. Alternatively, ensure that the payment arrives at the Receiving Bank by the specified time and that the Subscription Agreement is delivered to the Authorised Agent by the specified time. If no action is taken by then, the rights will lapse.

PART 3: SIGNATURE — Please ensure this is completed in all cases

Signature(s) - For Institutions Please Ensure that the form is signed by the General Director (for a Public Limited Company), the Manager (for a Private Limited Company) or the President/the duly authorised General Director (for a Joint Stock Company) or in all cases by the duly authorized signatory on behalf of the institution. **For Individuals**— please ensure that the Eligible Shareholder signs the form. For shares held in joint names— all joint owners must sign the form.

Equity Banque Commerciale Du Congo S.A. has appointed a specific Authorised Agent (DALDEWOLF) in connection with the Rights Issue under an agency agreement. The Authorised Agent is listed in Section 6 (Transaction Advisors) of the Notice of Rights Issue dated **15 June 2022**.

ACKNOWLEDGEMENT SLIP

You may ask your Authorised Agent to tear off and give you the perforated section of this application form as proof of delivery of the Subscription Agreement to the Authorised Agent. The Receipt must be stamped by the accepting Authorized Agent, and **should** be used for purposes of tracking a Subscription Agreement.

IN ALL CASES You must ensure this Subscription Agreement and Payment arrives at the Authorised Agent or the Company on or before 4:00 p.m. on 21 July 2022

Annex 4 FORM OF RENUNCIATION OF SUBSCRIPTION AGREEMENT – ('FORM R')

THIS DOCUMENT IS IMPORTANT PLEASE READ THE DETAILS IN THE NOTICE OF RIGHTS ISSUE DATED 15 JUNE 2022 AND NOTES ON THE REVERSE OF THIS FORM AND THE SUBSCRIPTION AGREEMENT BEFORE TAKING ANY ACTION. THE RIGHTS ISSUE OPENS AT 9:00AM DRC TIME ON 22 JUNE 2022 AND CLOSSES AT 4:00PM DRC TIME ON 21 JULY 2022

Part 1: Details of Eligible Shareholder who wishes to renounce his/her rights

1A	BOX 1 Subscription Agreement Number	BOX 2 Number of Rights Renounced (i.e. New Shares)	BOX 3 Amount Payable for Renounced Rights (i.e. New Shares) in USD	BOX 4 Maximum number of Additional Shares that Renouncee may apply for
1B	Renouncer's Full Name		Renouncer's Full Mailing Address	
	Renouncer's ID / Passport Number / Company incorporation number			
1C	PART 1C— Renunciation in favour of No Beneficiary: For NIL consideration, I/We hereby renounce my/our Rights to subscribe for all the New Shares and Additional Shares on the attached Subscription Agreement, details of which appear herein to No Beneficiary. I/We certify that this renunciation is made for no consideration as per the terms set out in the Notice of Rights Issue dated 15 June 2022 . I/We further agree that accordingly, all my/our Entitlement Shares on the Subscription Agreement will lapse.			Tick (✓) <input type="checkbox"/>
1D	PART 1D— Renunciation in favour of Permitted Beneficiary For NIL consideration, I/We hereby renounce my/our Rights to subscribe for all the New Shares and Additional Shares on the attached Subscription Agreement, details of which appear herein to the person (s) named as Renouncee(s) on this form. I/We certify that this transfer is made for no consideration as per the terms set out in the Notice of Rights Issue dated 15 June 2022 . I/We further agree that any unrenounced Entitlement Shares on the Subscription Agreement will lapse.			Tick (✓) <input type="checkbox"/>
1E	Part 1E: Renouncer's Signatures as per mandate	Signature 1	Signature 2	Company Seal (if applicable)

PART 2: Renouncee's details

Renouncee's Full Name	Renouncee's Full Mailing Address
Renouncee's ID/Passport Number and Place of Issue (individuals)	<h1>SAMPLE</h1>
Renouncee's Registration Number (Corporate/incorporated bodies)	
Resident of: <input type="checkbox"/> DRC <input type="checkbox"/> Other East African Country <input type="checkbox"/> Non Resident	
Renouncee's Relationship to Renouncer	

PART 3: Renouncee's acceptance of New Shares and application for Additional Shares (if any)

PART 3A	I/We hereby accept in full, subject to the terms of the Notice of Rights Issue dated 15 June 2022 , this Form of Renunciation, the attached Subscription Agreement and the Memorandum and Articles of Association of Equity Banque Commerciale Du Congo S.A., the number of Rights specified in Box 2, and for the value in BOX 3 above.	Tick (✓) <input type="checkbox"/>
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Documents to be Provided by Renouncee

Individuals - copy of identification card/passport, passport photograph, proof of address (utility bill)
Corporate entities - certificate of incorporation, names & addresses and passport photographs of directors, proof of address for the entity and each director (e.g. utility bill),
Unincorporated entities - certificate of registration, names & addresses and passport photographs of proprietor(s)/persons in control of the entity (e.g. utility bill)

PART 3B	ADDITIONAL SHARES Having accepted in full all the New Shares in PART 1A above, I/We hereby apply for Additional Shares, subject to the terms of the Notice of Rights Issue dated 15 June 2022 , this Form of Renunciation, the attached Subscription Agreement and the Memorandum and Articles of Association of Equity Banque Commerciale Du Congo S.A., the number of Additional Shares in BOX 5 for the value in BOX 6 herein.	Box 5 Number of Additional Shares (must not exceed the number in BOX 4)	Box 6 For the value of USD (Multiply value in Box 5 by USD 170)

PART 3C	TOTAL SHARES (NEW SHARES PLUS ADDITIONAL SHARES) AND PAYMENT DUE I/We have indicated herein the total number of Shares in BOX 7 comprising the New Shares in BOX 2 and Additional Shares applied for, if any, in BOX 5 I/we have made the payment in full, shown in BOX 8, to Equity Banque Commerciale Du Congo S.A., or my/our Authorised Agent	Box 7 Number of total shares (Box 2 + Box 5)	Box 8 Amount payable (USD) (Add BOX 3 + BOX 6)

PART 4: PAYMENT (PLEASE SELECT ONLY ONE OPTION)

PART 4	FROM AN ACCOUNT HELD AT EQUITY BANQUE COMMERCIALE DU CONGO S.A.: INTERNAL FUND TRANSFER	
	FROM AN ACCOUNT HELD WITH ANOTHER BANK : NATIONAL OR INTERNATIONAL TRANSFER BY SWIFT*	
	BENEFICIARY DETAILS	
	Name of the account: EQUITY BCDC SA/AUGMENTATION DU CAPITAL	AUTHORISED AGENT Tick (✓) Tick if your Authorised Agent will forward the form on your behalf
	Account number*: 00011 15051 12000345451 74 USD	
	Name of bank and branch: EQUITY BCDC / KINSHASA-SIEGE	
	Swift routing code: BCDCCDKI	
	REMITTER DETAILS	
	Name of the Account:	Account Number:
	Name of Bank and Branch:	
Amount in figures (USD) that you have remitted (should equal amount in Box 8):		
Narration: Number of Shares and Serial Number of this Subscription Agreement		

REFUNDS: Renouncees with proper bank account details will receive any refund via the same bank account from which payment was made and via the same method through which they made the payment being an Internal Funds Transfer or SWIFT Payment. For purposes of processing any refunds, please provide below your bank account details. All foreign exchange and correspondent banking charges will be for the account of the Eligible Shareholder

Renouncee's Signatures as per

Renouncee Signature 1
Date:

Joint Renouncee Signature 2/Company Seal
Date:

NOTES TO THE SHAREHOLDERS

If you do not wish to renounce your shares, you do not need to complete this form. Otherwise if you are renouncing your Rights, please follow the instructions below:

You may only renounce all the number of the Rights you are entitled to as indicated on the Subscription Agreement, provided that such renunciation is done for no additional consideration.

To Complete this form:

- a. Fill out the details in Part 1A i.e. (i) Fill out your Subscription Agreement Number in Box 1; (ii) Enter the number of Rights (i.e. New Shares) you wish to renounce into Box 2 (Equal to Box 2 on the Subscription Agreement); (iii) Enter the value for the Rights/New Shares into Box 3. (Multiply the number in Box 2 by USD 170); and (iv) enter the maximum number of Additional Shares that you are entitled to apply for in BOX 4.
- b. Fill out the details in Part 1B: Write your Full Name, and the name of any joint shareholders in the box labeled 'Renouncer's Full Name'; Write your Full Mailing Address, including P.O. Box and Postal code if applicable, in the space provided next to the caption 'Renouncer's Full Mailing Address'; and Write your ID or Passport Number in the space provided, next to the caption 'Renouncer's ID/Passport Number'.
- c. If you wish to renounce your rights in favour of no specific beneficiary—please tick the box alongside Part 1C.
- d. If you wish to renounce your rights in favour of a specific named beneficiary— please tick the box alongside Part 1D. Note you may choose to tick only one of 1C and 1D. If you choose to renounce in favour of a named beneficiary and tick the box in Part 1D— then you must also complete Part 2 of the form and your named beneficiary must complete Part 3 and return the form plus the payment to the Receiving Bank before the date and time specified in the form. Please also deliver a copy of the original Subscription Form to the named beneficiary.
- e. Please sign the form in Part 1E provided. Please ensure that all joint shareholders sign the form.
- f. Fill out the Full Names of the entity(ies) to whom you are renouncing (giving) your shares in Part 2 the space provided next to the caption 'Renounee's Full Name'.
- g. Fill out the Renounee's full mailing address in the space provided for in Part 2 next to the caption 'Renounee's Full Mailing Address'.
- h. Fill out the Renounee's ID or Passport number and place of issue in the space provided for next to the caption 'Renounee's ID/Passport Number and place of issue'. Please also indicate the Renounees residency status.
- i. It is very important that you fill out your relationship (e.g. Father, Mother, Brother, Sister etc) to the Renounee in the space provided for next to the caption 'Renounee's Relationship to renouncer'.

PART 3: RENOUNCEE'S ACCEPTANCE IN FULL AND APPLICATION FOR ADDITIONAL SHARES

- a. Tick PART 3A if accepting in full all New Shares as in BOX 2 for the value in BOX 3
- b. If the Renounee wishes to purchase Additional Shares (**PART 3B**), follow the directions below. Otherwise, please skip to instruction (e)
 - To apply for Additional Shares, fill in the box labeled BOX 5, with the number of Additional Shares that you would like to purchase. **Please note that** Shareholders may receive none or a fewer number of Additional Shares than the number they applied for
 - Fill in the amount due for these Additional Shares in BOX 6 To calculate the amount due, multiply the number in BOX 5 by USD 170 per new Share.
- d. If you have chosen not to purchase Additional Shares, write "Nil" in both BOX 5 and BOX 6.
- e. Fill out the total number of shares (i.e. New Shares and Additional Shares) accepted/applied for in BOX 7 in PART 3C. You should add the values of BOX 2 and BOX 5 . I.e. $BOX 7 = BOX 2 + BOX 5$
- f. Fill out the total amount payable for New Shares and Additional Shares accepted/applied for in BOX 8, in PART 3C. You should add the values of BOX 3 and BOX 6. I.e. $BOX 8 = BOX 3 + BOX 6$.

PART 4: PAYMENT — Please select only one payment option

For making a **DIRECT PAYMENT** by way of Internal Funds Transfer/SWIFT Payment, please be sure to include the Name of the Account, Account Number, Name of Bank and Branch, Amount payable, the in the area captioned Payment. For SWIFT Payments, please also attach a copy of the SWIFT confirmation to the Form of Renunciation and also attach a copy of the original Subscription Agreement.

MULTIPLE PAYMENT METHODS FOR A SINGLE APPLICATION ARE NOT ACCEPTED

You must ensure this Form R and payment arrives at the Receiving Bank, on or before 4:00pm DRC time on 21 July 2022. Alternatively, ensure that the payment arrives at the Receiving Bank by the specified time and that the Subscription Agreement is delivered to the Authorised Agent by the specified time. If no action is taken by then, the rights will lapse.

Signature (s) - Please ensure this part is completed. For Institutions Please Ensure that the form is signed by the General Director (for a Public Limited Company), the Manager (for a Private Limited Company) or the President/the duly authorised General Director (for a Joint Stock Company) or in all cases by the duly authorized signatory on behalf of the institution.

Equity Banque Commerciale Du Congo S.A. has appointed specific Authorised Agent (DALDEWOLF) in connection with the Rights Issue under an agency agreement. The Authorised Agent is listed in Section 6 (Transaction Advisors) of the Notice of Rights Issue dated **15 June 2022**.

**FORM Z
(FORM OF APPOINTMENT OF ATTORNEY)**

This power of attorney is made on _____ by _____ of
Insert Date *Insert Name of Shareholder*

Insert Address

1. AUTHORITY

1.1. I/We appoint _____ and _____
Insert Name of 1st Attorney *Insert Name of 1st Attorney (Optional)*

as my/our attorney(s) (the **Attorney(s)**) and in my/our name or otherwise and on my/our behalf:

- a) to consider, settle, approve, sign, execute and deliver and/or issue all agreements, documents, letters, consents, certificates and instruments (all whether as a deed or not) in connection with the proposed issue of new ordinary shares in Equity Banque Commerciale Du Congo (the **Company**) which the Attorney(s) in their absolute discretion consider(s) necessary or desirable to be considered, settled, approved, signed, executed or delivered and/or issued by the me/us; and
- b) any and all other documents to be despatched or released by or my/our behalf in connection with the Rights Issue,
(together, the **Documents**) subject to such amendments or variations as the Attorney(s) may agree.
- c) to do and perform all matters and things to be done and performed by me/us as the Attorney(s) in their absolute discretion considers necessary or desirable in connection with the implementation of the Rights Issue or the implementation and/or execution of the Documents.

2. TERM

This power of attorney shall expire two (2) months from today's date.

3. RATIFICATION

I/We undertake to ratify and confirm whatever the Attorney(s) do or purport(s) to do in good faith in the exercise of any power conferred by this power of attorney.

4. INDEMNITY

I/We undertake to indemnify the Attorney(s) fully against all claims, losses, costs, expenses, damages or liability which they sustain or incur as a result of any action taken in good faith pursuant to this power of attorney (including any cost incurred in enforcing this indemnity).

5. JURISDICTION

This power of attorney and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this agreement, its subject matter or formation or any act performed or claimed to be performed under it (including non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of the Democratic Republic of Congo.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Box A: Execution by individual(s)			
Signed and delivered as a deed by: Holder 1 signature <input style="width: 100%; height: 20px;" type="text"/>	Witnessed by: Witness 1 name <input style="width: 100%; height: 20px;" type="text"/>		Date <input style="width: 100%; height: 20px;" type="text"/>
Holder 2 signature <input style="width: 100%; height: 20px;" type="text"/>	Witness 1 Signature <input style="width: 100%; height: 20px;" type="text"/>	Witness 2 name <input style="width: 100%; height: 20px;" type="text"/>	Witness 2 Signature <input style="width: 100%; height: 20px;" type="text"/>
Holder 3 signature <input style="width: 100%; height: 20px;" type="text"/>	Witness 3 name <input style="width: 100%; height: 20px;" type="text"/>	Witness 3 Signature <input style="width: 100%; height: 20px;" type="text"/>	
Holder 4 signature <input style="width: 100%; height: 20px;" type="text"/>	Witness 4 name <input style="width: 100%; height: 20px;" type="text"/>	Witness 4 signature <input style="width: 100%; height: 20px;" type="text"/>	
<i>Note: The signature of each registered holder who is an individual should be witnessed in accordance with the instructions set out below. The witness must be over 18 years of age and must not be one of the joint holders.</i>			
BOX B: Execution by a company			
Executed and delivered as a deed by: Name of Company <input style="width: 100%; height: 20px;" type="text"/>			
Director 1 Name: <input style="width: 100%; height: 20px;" type="text"/>	Director 2 / Company Secretary / Witness name <input style="width: 100%; height: 20px;" type="text"/>		Company Seal <input style="width: 100%; height: 20px;" type="text"/>
Director 1 Signature: <input style="width: 100%; height: 20px;" type="text"/>	Director 2 / Company Secretary / Witness Signature <input style="width: 100%; height: 20px;" type="text"/>		
Date: <input style="width: 100%; height: 20px;" type="text"/>	Date: <input style="width: 100%; height: 20px;" type="text"/>		

Signing Instructions

- a) *If you are an individual, you must sign Box A in the presence of a witness who must also sign Box A where indicated. In case of a joint holding, arrange for all other joint holders to do likewise. The same witness may witness the signatures of all the joint holders.*
- b) *If you are a company, you must execute Box 2B. The name of the company must be inserted alongside the signatures. A company incorporated within the DRC may either execute under seal, the seal being affixed and witnessed in accordance with its articles of association or other regulations, or in accordance with Article [Insert] of the Ohada Uniform Act, i.e. by two directors, one director and a company secretary, or one director and a witness. A body corporate incorporated outside the DRC should execute this Form in accordance with the laws of the territory in which the body corporate is incorporated.*
- c) *In all cases, each signatory must state the office which they hold in the company.*



**EQUITY BANQUE COMMERCIALE DU CONGO S.A.
"EQUITY B.C.D.C."**

**STATUTORY AUDITOR'S SPECIAL REPORT
TO THE EXTRAORDINARY GENERAL ASSEMBLY
ON THE CAPITAL INCREASE WITH PREFERENTIAL SUBSCRIPTION RIGHTS
OF 10 JUNE 2022**

25 May 2022

To the Shareholders' Extraordinary General Assembly
of
EQUITY BANQUE COMMERCIALE DU CONGO S.A.
"Equity B.C.D.C"
Kinshasa/Gombe

**STATUTORY AUDITOR'S SPECIAL REPORT
TO THE EXTRAORDINARY GENERAL ASSEMBLY
ON THE CAPITAL INCREASE WITH PREFERENTIAL SUBSCRIPTION RIGHTS**

"This is a free translation into English of the statutory auditor's special report to the extraordinary general assembly on the capital increase with preferential subscription issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, professional auditing standards and Congolese law applicable in the Democratic Republic of Congo".

Dear Sirs,

In our capacity as Statutory Auditor of your Bank and in execution of the assignment prescribed by Articles 564 and following of the OHADA Uniform Act relating to commercial companies and Economic Interest Groups (EIG), we hereby present you our special report on the project of capital increase of CDF 2,199,595,400 (USD 1,072,973) by issuing ordinary shares with maintenance of the preferential subscription right, operation on which you are called upon to decide. This capital increase will give rise to the issue of 415,018 shares with a nominal value of CDF 5,300 (USD 2.59) per share and a total gross issue premium of CDF 142,434,177,600 (USD 69,480,087), i.e. CDF 343,200 (USD 167.41) per share.

The new shares will be subject to all statutory provisions assimilated to the existing ordinary shares and will have the same rights as from their issue.

The 415,018 new shares are valued, including the share premium, at CDF 144,633,773,000 equivalent to USD 70,553,060 on the basis of USD 170 per share. And, if this capital increase operation is carried out under the conditions described above, the structure of the share capital and the share premium will be as follows:

Shareholders	Status after proposed increase			Current Status			Proposed increase		
	Number of shares	CDF value	%	Number of shares	CDF value	%	Number of shares	USD value	CDF value
1. Share capital									
Equity Group Holdings Plc (EGH)	1 527 957	8 098 172 100	77,51%	1 206 282	6 393 294 600	77,51%	321 675	831 648	1 704 877 500
Congolese State	304 000	1 611 200 000	15,42%	240 000	1 272 000 000	15,42%	64 000	165 463	339 200 000
SFI	44 833	237 614 900	2,27%	35 395	187 593 500	2,27%	9 438	24 401	50 021 400
Other	94 551	501 120 300	4,80%	74 646	395 623 800	4,80%	19 905	51 462	105 496 500
Total	1 971 341	10 448 107 300	100%	1 556 323	8 248 511 900	100%	415 018	1 072 974	2 199 595 400
2. Share premium									
Equity Group Holdings Plc (EGH)							321 675	53 853 102	110 398 860 000
Congolese State							64 000	10 714 537	21 964 800 000
SFI							9 438	1 580 059	3 239 121 600
Other							19 905	3 332 388	6 831 396 000
Total							415 018	69 480 086	142 434 177 600
Total capital and share premium (Gross of the issue of shares)								70 553 060	144 633 773 000
3. Share premium after deduction of costs									
Estimated costs of the share issue								920 531	1 887 088 550
Total								920 531	1 887 088 550
Total Share premium after deduction of costs								68 559 555	140 517 089 050
Net amount of shares issued								69 632 529	142 746 684 450

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It is the responsibility of the Board of Directors to prepare a report in accordance with Articles 564 and following of the OHADA Uniform Act relating to Commercial Companies and Economic Interest Groups. It is our responsibility to report on the fairness of the financial information derived from the annual financial statements as at 31 December 2021, on the proposed maintenance of the preferential subscription right and on certain other information relating to the capital increase, given in this report.

We performed the procedures that we considered necessary in accordance with professional standards of the Statutory Auditor relating to this engagement. These procedures consisted in particular in verifying:

- The information provided in the Board of Directors' report on the reasons for the proposal to maintain preferential subscription rights and on the justification for the choice of items for calculating the issue price and its amount;
- The fairness of the financial information derived from the annual financial statements as at 31 December 2021 approved by the Board of Directors. These annual financial statements have been audited by us in accordance with the professional standards applicable in the Democratic Republic of Congo.

We do not have any comments on:

- The fairness of the data derived from the annual financial statements as at 31 December 2021 and included in the Board of Directors' report;
- The choice of items for the calculation of the issue price and its amount;
- The presentation of the impact of the issue on the situation of the shareholders, assessed in relation to share capital;
- The proposal to maintain preferential subscription rights made to you.

The Statutory Auditor
PricewaterhouseCoopers RDC SAS

Jean Jacques MUKULA
ONEC registered accountant
EC/16.000351



25 May 2022