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NEWS RELEASE

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FIRST MERCHANT BANK TO ACQUIRE OPPORTUNITY INTERNATIONAL BANK OF MALAWI

First Merchant Bank pledges to continue Opportunity International's legacy of promoting financial inclusion

LILONGWE AND CHICAGO – 28 June 2017 – First Merchant Bank (FMB) has announced that it has agreed with the U.S., U.K. and Canadian affiliates of Opportunity International to acquire their ownership of Opportunity International Bank of Malawi (OIBM), the global microfinance network's banking operations in Malawi.

The transaction is the second major corporate action announced by FMB this year, following its recent acquisition of a majority stake in Barclays Bank of Zimbabwe. FMB has operations in four southern African countries and total assets (at the end of 2016) of K327 billion. The OIBM transaction is subject to regulatory and statutory approval by the Reserve Bank of Malawi and the Competition and Fair Trading Commission of Malawi.

FMB Chairman Hitesh Anadkat promised that OIBM's 400 000+ customers would be seamlessly integrated into FMB while enjoying even wider access to banking services, products and infrastructure. "This is a historic development for all of us at FMB, for Opportunity International and, most importantly for the hundreds of thousands of Malawians who have come to depend on OIBM for small-scale transactional, savings and loan services," Anadkat said. "In welcoming these individuals, professionals, merchants and small and medium-sized enterprises (SMEs) to the FMB family, we commit ourselves 100 percent to continuing the excellent work OIBM has done over the last 14 years in promoting financial inclusion and social impact in Malawi."

Speaking at the announcement of the transaction in Lilongwe today, Frazer Hume, chairman of the board of OIBM, said: “Opportunity International's Malawi affiliate, OIBM, has been a pioneer in Malawi since it opened its doors as a regulated commercial bank in 2003. The philanthropic support of OIBM by Opportunity International and its supporters over the last 14 years has gone to serving people living in poverty, and serving them well.”

He thanked the outstanding members of the OIBM team for the impact of their hard work on economically marginalized Malawians. “At the start of our work we innovated and brought savings – and loans – to hundreds of thousands of people who had no access to those services by using innovative technologies, such as mobile phone banking, mobile banks, biometrics, and smart cards to help people living in poverty gain access to financial services. It’s now time to use the platform we’ve built to extend and expand our reach to even more people by bringing in additional capital and expertise to further our mission. This agreement not only allows Opportunity International to accelerate growth and expand our impact and effectiveness in Malawi, but also enables us to focus more time on our core strength of developing innovative financial products and services which enable families living in poverty to earn a sustainable livelihood and achieve a life free from poverty, with dignity and purpose. Opportunity International is moving towards operating banks in partnership with other financial institutions focused on financial inclusion to maximize its leverage and impact, and end extreme poverty in our lifetime.”

Anadkat explained that a key element of the transaction agreement signed between OIBM and FMB provided for Opportunity International continuing to enjoy access to a (strengthened) platform from which it can keep delivering its social impact programmes across Malawi. “This is tremendously good news for Malawi and for OIBM customers,” Anadkat said. “It’s precisely because of the large investments FMB has recently made in a world-class, extremely robust but adaptable IT platform that OIBM customers will be quickly and easily transferred to FMB. Opportunity International will be able to tap into our infrastructure and our network to continue adding great value to our country.”

Anadkat predicted that FMB investors, customers and staff would derive “a great many” benefits from the transaction. These, he said, would include an expanded branch/agency/ATM network supported by a substantial agent banking platform of OIBM. “OIBM’s agencies are woven into the fabric of Malawian society; often they are very small businesses that enjoy trusted on-the-ground relationships with local communities. We will be looking very closely at the OIBM agency network to see how we can adapt and extend this intimate form of service delivery to assist our clients in Malawi and elsewhere,” Anadkat said.

Another exciting prospect for FMB, he said, related to OIBM's strength in agri-finance. "I have no doubt that we will learn a great deal from our new OIBM colleagues about this sector and about how to carry out FMB's strategic intent of growing our structured finance business with, especially smallholder farmers.". He added that OIBM's many savings account holders would bolster FMB's transactional banking strategy while merging the two entities would unlock significant economies of scale.

About First Merchant Bank

First Merchant Bank Limited (FMB) is a public limited liability company incorporated in Malawi under the Malawi Companies Act, 1984. It is registered as a commercial bank under the Banking Act 2010 and was listed on the Malawi Stock Exchange in June 2006. It has two wholly-owned subsidiaries incorporated in Malawi, The Leasing and Finance Company of Malawi Limited, a licensed financial institution engaged in deposit taking and asset finance, and FMB Capital Markets Limited, a licensed portfolio manager. FMB also holds a 70% shareholding in Capital Bank Limited, a licensed commercial bank incorporated in Mozambique, a 38.60% shareholding in Capital Bank Limited, a licensed commercial bank incorporated in Botswana, and 49% in First Capital Bank Limited, a licensed commercial bank incorporated in Zambia. Find out more at www.fmbmalawi.com or by following [@fmb_malawi](https://twitter.com/fmb_malawi)

About Opportunity International

Opportunity International is a global non-profit organisation that helps people in developing countries work their way out of poverty. Founded in 1971, the organization has provided more than \$10 billion in loans to help clients launch and expand businesses, feed and educate their children and create jobs in their communities. At the end of 2016, more than 10 million clients in 22 countries across Africa, Asia, Latin America and Europe were using an Opportunity International loan, savings account, insurance policy or training to improve their lives. Through microfinance and complementary products and services in education, agriculture and health, the organisation has helped clients create or sustain 17 million jobs on its way to achieving its goal of 20 million jobs by 2020. More than 95% of Opportunity's loan clients are women who would otherwise likely not have access to financial services because of legal and cultural gender inequities. The global headquarters of Opportunity International are in Chicago, with other key offices in Australia, Canada, Germany, Hong Kong, Singapore, Switzerland and the United Kingdom. The organisation serves clients through a network of more than 23 000 people worldwide. Discover more at opportunity.org or oibm.mw/index.html, or join the conversation on facebook.com/opportunityintl and twitter.com/opportunityintl

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