

# Mercantile Bank sets R1bn target for rental finance book

Mercantile Bank has announced plans to expand its rental finance business to R1bn in the next three years, following the acquisition of a 75% stake in Custom Capital in 2011, which will now be a subsidiary of the bank known as Mercantile Rental Finance.



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Following the acquisition with Mercantile Bank, the Custom Capital client book has grown in size by 15 times to date.

"Entrepreneurs are hamstrung by the lack of capital in the asset finance market for their everyday business equipment. Typically, South African banks don't understand the risk profile of these entrepreneurs," said Chris du Toit, joint MD and co-founder of Mercantile Rental Finance.

With approximately R300 million rental finance business being written every month in South Africa, the new credit facility will allow companies to tap a fresh line of funding instead of using their existing credit facility at their primary bank. The Mercantile Rental Finance funds will be used primarily to support growing, medium-sized businesses, providing funding for business assets for a wide range of items including technology and specialised medical equipment.

Coralie Rademan, with more than 25 years' experience in rental finance, joins the team as GM for Johannesburg and Pretoria. She will work closely with both founders, entrepreneurs in their own right, Pierre and Chris du Toit.