

PUBLIC ANNOUNCEMENT

THE CO-OPERATIVE BANK OF KENYA LIMITED

(Public Limited Liability Company incorporated in Kenya under the repealed Companies Act under Registration number C23/2008)

Capital Markets Act Chapter 485A of the Laws of Kenya
Capital Markets (Securities) (Public offers, Listing and Disclosures) Regulations, 2002 (as amended)

COMPLETION OF THE ACQUISITION OF 90% OF JAMII BORA BANK LIMITED BY THE CO-OPERATIVE BANK OF KENYA LIMITED

1. On 10th March 2020, The Co-operative Bank of Kenya Limited ("Co-op Bank") published a Cautionary Announcement on discussions to acquire 100% shareholding in Jamii Bora Bank Limited, subject to due diligence, approvals of the respective Board of Directors and Shareholders, and approvals of the regulatory authorities notably Capital Markets Authority, Competition Authority of Kenya and Central Bank of Kenya.
2. The Board of Directors of Co-op Bank made an offer expressing interest to subscribe for a New Class of Ordinary Shares (Class A) in Jamii Bora Bank for an aggregate Subscription Price of Kshs 1 billion and which would result in Co-op Bank owning 90% of the issued share capital of Jamii Bora Bank. These are 224,153,541 New ordinary shares at a total cost of Kshs 1 billion. The Board of Directors of Jamii Bora Bank accepted the offer made by Co-op Bank on 3rd June 2020.
3. Jamii Bora Bank shareholders pursuant to a Special General Meeting held on 1st July, 2020 unanimously resolved to allot 224,153,541 Class A ordinary shares to Co-op Bank for an aggregate subscription price of Kshs 1 billion which on completion of the Proposed Transaction in accordance with the terms of the Share Subscription Agreement, Co-op Bank would own 90% of the issued share capital of the Company, and such New Shares shall rank pari passu in all respects with the existing ordinary shares. Upon allotment of the New Shares, Co-op Bank would be entitled to 90% of the voting rights in the Company, 90% of the distributable profits of the Company, the right to appoint all the members of the Board of Directors' of Jamii Bora Bank in order to drive the needed Transformation Agenda.
4. The Capital Markets Authority and the Competition Authority of Kenya each approved the Proposed Transaction on 6th July, 2020 and 3rd August, 2020 respectively. The acquisition will be ratified in the next Annual General Meeting of Co-op Bank.
5. Co-op Bank Group is one of the largest banks in the region with an asset base of over Kes 513 billion, pre-dominantly owned by the over 15 million member Kenya Co-operative movement. The following are the related companies;

Subsidiaries

- The Co-operative Bank of Kenya Limited.
- Co-optrust Investment Services Limited – 100%.
- Co-op Consultancy & Insurance Agency Limited – 100%
- Kingdom Securities Limited – 60%.
- Co-operative Bank of South Sudan Limited – 51%.

Associates

- CIC Insurance Group – 24.7%.
- Co-op Bank Fleet Africa Leasing Limited – 25%.

The Group reported a Profit before Tax of Kshs 9.6 Billion as at 30th June, 2020

6. Central Bank of Kenya vide a Gazette Notice No. 5475 issued on 7th August, 2020 confirmed that pursuant to section 9 (1) of the Banking Act, the Cabinet Secretary Treasury, had approved the acquisition as above of 90% shareholding with effect from 21st August, 2020.
7. The Transaction has now been completed and Co-op Bank appointed a new Board as hereunder to drive the needed Transformation Agenda; -
 - i) Mrs. Margaret Karangatha - Chairperson.
 - ii) Mr. Macloud Malonza – HSC.
 - iii) Mr. Julius Sitienei.
 - iv) Dr. Gideon Muriuki – CBS, MBS.
 - v) Mr. Anthony Mburu – Managing Director & CEO.

Anthony Mburu joins from Co-op Bank Group where he was the Director – Credit Management and is a respected Senior Executive in the banking industry with over 25 years' experience in the region notably in Risk and Credit Management.

8. Pursuant to Central Bank of Kenya approvals, the former Jamii Bora Bank has changed its name and will now operate as "Kingdom Bank Limited"

FOR AND ON BEHALF OF THE BOARD.

DR. GIDEON MURIUKI – CBS, MBS
GROUP MANAGING DIRECTOR AND CEO
24th August 2020

DISCLAIMER: This announcement is for information purposes only. It has been issued with the approval of the Capital Markets Authority pursuant to the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations 2002 as amended. As a matter of policy, the Capital Markets Authority of Kenya assumes no responsibility for the correctness of the statements appearing in this announcement.

Advisors to The Co-operative Bank of Kenya



Financial Advisor:
PwC Kenya



Legal Advisor:
IKM Advocates



Transaction Advisor:
NCBA Capital