



## KCB GROUP PLC.

(Incorporated in Kenya under the Companies Act)  
(Registration Number C 9/88)

### CAUTIONARY NOTICE

The Capital Markets Act, Chapter 485A, Laws of Kenya  
The Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002

## PROPOSED ACQUISITION BY KCB GROUP PLC OF:

I. 62.06% of the issued share capital of Banque Populaire Du Rwanda PLC

II. 100% of the issued share capital of African Banking Corporation Tanzania Limited

Pursuant to regulation 19(2) of the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002, KCB Group PLC ("KCB") hereby announces to the public THAT:

#### 1. The proposed acquisition of 62.06% of the issued share capital of Banque Populaire Du Rwanda PLC ("Rwanda Transaction")

- 1.1. On 25 November 2020, KCB entered into a share purchase agreement ("Rwanda Agreement") with, inter alia, Atlas Mara Limited ("ATMA") and Atlas Mara Mauritius Limited ("AMM"), for the purchase of 62.06% of the issued share capital of Banque Populaire Du Rwanda PLC, a company incorporated in Rwanda with registration number 100162830 whose registered address is at KN 67 Street, 2, P.O. Box 1348, Kigali, Rwanda ("BPR").
- 1.2. BPR is a public limited company incorporated in Rwanda and licensed by the National Bank of Rwanda to provide banking services in the Republic of Rwanda. BPR is partially owned by AMM, the legal and beneficial owner of 62.06% of the issued share capital of BPR ("BPR Shares").
- 1.3. AMM is wholly owned by ATMA, a financial institution with banking operations in several markets in Sub-Saharan Africa.
- 1.4. KCB will pay a cash consideration for the BPR Shares determined based on the net asset value of BPR at completion of the transaction and using a price to book multiple of 1.09x.
- 1.5. In addition, KCB intends to make an offer to the remaining Shareholders of BPR to acquire additional shares from the remaining shareholders. KCB will offer the same acquisition price applicable to the shares to be acquired from AMM.
- 1.6. The Rwanda Agreement is subject to conditions that are customary for transactions of this nature including receipt of shareholders' approvals and all regulatory approvals from, amongst others, the Central Bank of Kenya, the National Bank of Rwanda, the COMESA Competition Commission and the Capital Markets Authority. Upon completion, BPR will become a subsidiary of KCB, to be integrated with KCB's existing subsidiary in Rwanda.

#### 2. The proposed acquisition of 100% of the issued share capital of African Banking Corporation Tanzania Limited ("Tanzania Transaction")

- 2.1. In addition, on 25 November 2020, KCB also entered into (i) a share purchase agreement with, inter alia, ABC Holdings Limited ("ABCH") and ATMA for the purchase of 96.6% of the issued share capital of African Banking Corporation Tanzania Limited ("ABC Tanzania") KCB also separately intends to make an offer to Tanzania Development Finance Company Limited for the purchase of the other 3.4% of the issued share capital of ABC Tanzania (together "Tanzania Agreement").
- 2.2. ABC Tanzania is a company incorporated in Tanzania and is licensed by the Bank of Tanzania to provide banking services in the Republic of Tanzania.
- 2.3. ABCH is the parent company of several banks operating in sub-Saharan Africa under the "BancABC" brand that offer a diverse range of financial services. ABCH is a wholly owned subsidiary of ATMA, and the ultimate beneficial owner of 96.6% of the share capital issued by ABC Tanzania.
- 2.4. KCB will pay a cash consideration for the Tanzania Transaction determined based on the net asset value of ABC Tanzania at completion of the transaction and using a price to book multiple of 0.42x.
- 2.5. The Agreement is subject to conditions that are customary to transactions of this nature including receipt of shareholders' approval and all regulatory approvals from, amongst others, the Central Bank of Kenya, the Bank of Tanzania, the COMESA Competition Commission, the Fair Competition Commission in Tanzania and the Capital Markets Authority. Upon completion, ABC Tanzania shall be a subsidiary of KCB, to be integrated with KCB's existing subsidiary in Tanzania.

Further information will be circulated to KCB's shareholders prior to a shareholders' meeting to consider and approve the transactions and a further announcement will be made on completion of the transactions.

Pending completion of the Rwanda Transaction and the Tanzania Transaction, the shareholders of KCB Group PLC and other investors are advised to exercise caution when dealing in the shares of KCB Group PLC on the Nairobi Securities Exchange, the Uganda Securities Exchange, the Rwanda Stock Exchange and the Dar es Salaam Stock Exchange.

#### KCB GROUP PLC

JOSEPH KANIA  
GROUP COMPANY SECRETARY  
25 NOVEMBER 2020

**DISCLAIMER:** This announcement is for informational purposes only and is not intended to constitute, and may not be construed as, a public offering. 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 a matter of policy, the Capital Markets Authority of Kenya, the Capital Markets Authority of Rwanda and the Capital Markets and Securities Authority of Tanzania assume no responsibility for the correctness of the statements appearing in this announcement.

#### Legal Adviser



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