



## PUBLIC NOTICE

### Equity Group Holdings Plc

Company Number C.4/2005

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P.O. Box 75104-00200 Nairobi, Kenya

The Capital Markets Act, Chapter 485A of the Laws of Kenya

The Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002

## UPDATE ON PROPOSED TRANSACTION FOR THE ACQUISITION OF BANKING BUSINESSES IN RWANDA, TANZANIA, ZAMBIA AND MOZAMBIQUE BY EQUITY GROUP HOLDINGS PLC (EGH)

On 2 January 2020, EGH published an update on the proposed acquisition of banking assets from Atlas Mara Limited (**ATMA**) in Rwanda, Tanzania, Zambia and Mozambique in exchange for shares in EGH (the **Proposed Transaction**). In the update, EGH announced that while EGH and ATMA were yet to sign a detailed transaction agreement and the binding term sheet in respect of the Proposed Transaction had expired, EGH and ATMA would continue further discussions in early 2020 to try to reach mutually acceptable commercial terms with respect to the Proposed Transaction, or a variant of it. EGH also announced that there was no certainty that a transaction would materialise.

By way of update, EGH has continued to engage with ATMA regarding the Proposed Transaction or a variant of it. The board of directors of EGH (the **Board**) have however considered the events that have taken place since the date of the above public announcement and particularly the effects of the COVID-19 pandemic to both the world and the economies in which EGH Group entities operate. After careful consideration, EGH and ATMA have mutually agreed to discontinue discussions on the Proposed Transaction, or a variant of it, for the foreseeable future.

The reasons for this decision include the need to refine EGH's strategy given the COVID-19 pandemic. This refinement entails conserving cash and liquidity (including the non-declaration of dividend for the financial year ended 31 December 2019) and deploying it to support customers in existing businesses. At the same time management will continue to place focus on accelerating the push to digital channels and growing the Equity Group's various non-funded income franchises while re-evaluating the acquisition of new businesses where significant capital injection and managerial attention is required.

EGH however remains committed to its strategic objective of expanding its footprint in Africa to provide access to competitive, tailored financial services to improve people's lives and livelihoods whilst also delivering significant value to its stakeholders and to its vision of building sub-Saharan Africa's premier financial institution through delivering innovative products and services to customers, including, in particular, the effective use of technology. Consequently, EGH will continue to evaluate opportunities to expand its footprint. EGH will in the usual manner ensure that it keeps the shareholders and the investing public informed of any developments in this regard.

Therefore, the shareholders of the Company and other investors are advised to exercise caution when dealing in EGH ordinary shares on the Nairobi Securities Exchange, the Uganda Securities Exchange and the Rwanda Stock Exchange.

### Mary Wangari Wamae

Group Executive Director  
Equity Group Holdings Plc  
22 June, 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.*