

PUBLIC ANNOUNCEMENT



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

PROPOSED ACQUISITION BY EQUITY GROUP HOLDINGS PLC OF: (i) 66.53% OF THE ISSUED SHARE CAPITAL OF BANQUE COMMERCIALE DU CONGO; AND (ii) THE SHARES HELD BY KREDITANSTALT FÜR WIEDERAUFBAU (KfW) IN EQUITY BANK CONGO S.A (THE TRANSACTIONS)

Pursuant to Regulation 19(2) of the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002 (as amended), Equity Group Holdings PLC (EGH) hereby announces to the public:

1 The proposed acquisition of 66.53% of the issued share capital of Banque Commercial Du Congo

1.1 EGH has entered into a share purchase agreement with George Arthur Forrest (the **Agreement**), for the purchase of 66.53% of the shares in the capital of Banque Commercial du Congo (**BCDC**) (the **BCDC Acquisition**) with a view to eventually amalgamating the business of BCDC with that of EGH's existing banking subsidiary in the Democratic Republic of Congo (**DRC**), Equity Bank Congo S.A.

1.2 The Agreement is subject to conditions that are customary to transactions of this nature including all regulatory approvals from, amongst others the Central Bank of Kenya, Banque Centrale du Congo and the COMESA Competition Commission and the board approvals of BCDC and EGH. On completion, BCDC will become a subsidiary of EGH.

1.3 BCDC is a public limited company (*société anonyme - S.A.*) licensed by the Banque Central du Congo (the Central Bank of the Democratic Republic of Congo) to provide banking services in DRC. BCDC owns one wholly-owned subsidiary company engaged in property investment and reports group consolidated financial statements.

1.4 In its audited financial statements for the year ended 31 December 2018, prepared in accordance with International Financial Reporting Standards, BCDC reported:

14.1 consolidated group net assets of CDF 191,534,000,000 (equivalent to USD 117,100,000 and USD 124.58 per issued ordinary share at the 31 December 2018 exchange rate of CDF 1635.621 per USD); and

14.2 consolidated group profit after tax of CDF 26,314,000,000 (equivalent to USD 16,090,000 that translates to earnings per share of USD 17.12)

1.5 The Agreement specifies that EGH will pay a cash consideration of USD 105,000,000 for the 625,354 shares to be purchased inclusive of dividends declared after 1 January 2019 in respect of the financial year ending on 31 December 2019 i.e. a cum-dividend price per share of USD 167.9.

1.6 By acquiring BCDC, EGH will be able to expand its footprint in DRC. Further, through the BCDC Acquisition, EGH aims to provide access to competitive, tailored financial services to improve people's lives and livelihoods, expand opportunities for wealth creation whilst also delivering significant value to its stakeholders. The BCDC acquisition is an opportunity for EGH to take further steps towards the delivery of its vision of being sub-Saharan Africa's premier financial institution through delivering innovative products and services to customers, including, in particular, the effective use of technology.

2 The proposed increase in EGH's shareholding in Equity Bank Congo S.A (EBC)

2.1 EGH proposes to increase its shareholding in EBC. EGH has in this regard agreed to purchase 192,000 shares held by Kreditanstalt Für Wiederaufbau (KfW) comprising 7.67% of the issued share capital of EBC, following the exercise of a put option granted to KfW under a shareholders agreement relating to EBC, entered into between, among others EGH and KfW (**Exercise of KfW Put Option**).

2.2 EGH will pay a cash price for the KfW shares (the **Option Price**) which equates to USD 9,061,721.

2.3 The Exercise of the KfW Put Option is subject to the approval of Banque Centrale du Congo.

2.4 The shareholders of EGH approved the acquisition of the shares held by KfW as part of the acquisition of EBC.

Until further announcements regarding the Transactions are made, the shareholders of EGH 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.

Dr. James Mwangi, CBS

Group Managing Director and Chief Executive Officer

Equity Group Holdings Plc

18th November, 2019