

DATE: 31<sup>st</sup> December, 2019

The Chief Executive Officer  
Rwanda Stock Exchange Limited  
Kigali City Tower, 1st Floor,  
KN 81 St, Kiyovu, Nyarugenge  
Kigali, Rwanda



Attention: Mr. Celestin Rwabukumba

Dear Sir,

## Suspension of proposed purchase of banking businesses in Rwanda, Tanzania, Zambia and Mozambique by Equity Group Holdings Plc

We refer to the above matter and to the public announcement issued on 29 April 2019 by Equity Group Holdings Plc (EGH) relating to the entry by EGH into a binding term sheet (the **Binding Term Sheet**) for the proposed acquisition of banking assets in Rwanda, Tanzania, Zambia and Mozambique from Atlas Mara Limited (ATMA) in exchange for allotment of shares in EGH (the **Proposed Transaction**).

The announcement stated that the Proposed Transaction was subject to completion of confirmatory due diligence, the entering of detailed transaction agreements and obtaining regulatory and shareholder approvals. By way of update, as of the date of this letter, the parties have yet to sign detailed transaction agreements and the Binding Term Sheet has expired. However, EGH and ATMA expect to 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. There is currently no certainty that a transaction will materialise.

Please find attached a copy of the cautionary announcement relating to the suspension of the Proposed Transaction, as approved by the Kenya Capital Markets Authority. Kindly have the cautionary announcement published on the Rwanda Stock Exchange on 2 January 2020.

Please do not hesitate to contact the undersigned should you require any clarification.

Yours faithfully,



Dr. James Mwangi  
Group Managing Director and Chief Executive Officer

Encl.

# PUBLIC ANNOUNCEMENT

## Equity Group Holdings Plc

Company Number C.4/2005  
Equity Centre, 9th Floor, Hospital Road, Upper Hill  
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 29 April 2019, EGH announced that it had entered into a binding term sheet (the Binding Term Sheet) pursuant to which EGH had agreed to exchange certain banking assets of Atlas Mara Limited (ATMA) in four countries for shares in EGH as follows: (i) 62% of the share capital of Banque Populaire du Rwanda Plc (BPR); (ii) 100% of the share capital of African Banking Corporation Zambia Limited (ABCZam); (iii) 100% of the share capital of African Banking Corporation Tanzania Ltd (ABCTz); and (iv) 100% of the share capital of African Banking Corporation (Mozambique), SA (ABCMoz) (the Proposed Transaction).

The announcement stated that the Proposed Transaction was subject to completion of confirmatory due diligence, the entering of detailed transaction agreements and obtaining regulatory and shareholder approvals. By way of update, EGH hereby confirms that, as of the date of this announcement, the parties have yet to sign detailed transaction agreements and the Binding Term Sheet has expired.

However, EGH and ATMA expect to 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. There is currently no certainty that a transaction will materialise.

EGH 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.

EGH will make further announcements upon conclusion of any fresh binding transaction agreements. Until further announcements regarding the Proposed Transaction 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

Group Managing Director and Chief Executive Officer  
Equity Group Holdings Plc  
31st December, 2019

*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 Equity Group Holdings PLC



Transaction Advisor:  
Stanbic Bank Kenya Limited



Legal Advisor:  
Anjarwalla & Khanna LLP

