

PUBLIC ANNOUNCEMENT

Equity Group Holdings Plc | Equity Centre, 9th Floor, Hospital Road, Upper Hill,
Company Number C.4/2005 | 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 91.93% OF THE ISSUED SHARE CAPITAL OF COMPAGNIE GÉNÉRALE DE BANQUE (COGEBANQUE) PLC LTD

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 that it has entered into a binding term sheet (the **Binding Term Sheet**) with the Government of Rwanda, Rwanda Social Security Board, Sanlam Vie Plc and Ms. Judith Mugirasoni (collectively the **Sellers**) for the purchase of 91.93% of the issued shares in the capital of Compagnie Générale De Banque (**Cogebanque**) PLC Ltd (the **Cogebanque Acquisition**) with a view to eventually amalgamating the business of Cogebanque with that of EGH's existing banking subsidiary in Rwanda, Equity Bank Rwanda Plc. EGH intends to make an offer to the remaining shareholders to acquire all their shares in Cogebanque at the same price per share referred to below with the intent that EGH will become the holder of 100% of the issued shares of Cogebanque.

Completion of the Cogebanque Acquisition is subject to conditions that are customary to transactions of this nature including completion of confirmatory due diligence, signature of definitive agreements, receipt of all regulatory approvals from, amongst others, the Central Bank of Kenya, Banque Nationale du Rwanda (BNR), the COMESA Competition Commission and receipt of all applicable board and shareholder approvals. On completion, Cogebanque will become a subsidiary of EGH.

Cogebanque is a public limited company licensed by the BNR to provide banking services in Rwanda. At the end of 2022, Cogebanque was the fifth largest bank in Rwanda as measured by reported book value of total assets and shareholders' equity and served customers in the corporate, small- and medium-sized enterprise and retail customer segments through twenty-eight (28) branches, approximately six hundred (600) active bank agents and thirty-six (36) automated teller machines.

In its audited financial statements for the year ended 31st December 2022, prepared in accordance with International Financial Reporting Standards, Cogebanque reported:

1. Net assets of RWF 47,351,179,000 (equivalent to RWF 236,756 per issued ordinary share); and
2. Profit after tax of RWF 9,056,876,000 (equivalent to earnings per issued share of RWF 45,284 per share).

The Binding Term Sheet specifies that EGH will pay a cash consideration of RWF two hundred and ninety seven thousand four hundred and six (RWF 297,406) per ordinary share for the 183,854 ordinary shares to be purchased and that EGH will be entitled to all dividends declared after 1st January 2023 other than the final dividend for the year ended 31st December 2022 of RWF fifteen thousand (RWF 15,000) per ordinary share that Cogebanque declared in May 2023 that will be paid to the current shareholders of Cogebanque before completion of the Cogebanque Acquisition. The Binding Term Sheet further provides that the Government of Rwanda, or its nominee, will purchase Cogebanque's head office building from Cogebanque or its successor entity within twelve months of completion of the Cogebanque Acquisition for consideration that results in net after-tax proceeds of RWF eleven billion four hundred and eighty-eight million (RWF 11,488,000,000).

By acquiring Cogebanque, EGH will be able to expand its footprint and consolidate its position in Rwanda. Further, EGH through the combined businesses of Equity Bank Rwanda Plc and Cogebanque, aims to provide even better access to competitive, tailored financial services to improve lives and livelihoods of the people of Rwanda, expand opportunities for wealth creation whilst also delivering significant value to its stakeholders. The Cogebanque Acquisition is also an opportunity for EGH to take further steps towards the attainment 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.

Until further announcements regarding the Cogebanque Acquisition 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
14th June 2023

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, the Capital Markets Authority of Uganda and the Capital Market Authority of Rwanda assume no responsibility for the correctness of the statements appearing in this announcement.

 **AstuteLogic**
Advisory

Transaction Advisor for Equity Group Holdings Plc:
AstuteLogic Advisory

 **ALN**
KENYA

Legal Advisor for Equity Group Holdings Plc:
Anjarwalla & Khanna Advocates LLP

 **EQUITY**

