



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 TRUST MERCHANT BANK SA

The Board of Directors of KCB Group Plc (**KCB**) wishes to advise shareholders and investors that on 2 August 2022, KCB entered into a share purchase agreement (**Agreement**) with the existing shareholders of Trust Merchant Bank SA (**TMB**), which if the proposed transaction completes, would see KCB acquire control of TMB and thus enter the market in the Democratic Republic of Congo (**DRC**).

TMB is a public company limited by shares, duly incorporated in the DRC with its registered address at 1223, Avenue Lumumba, Commune and City of Lubumbashi, Katanga Province.

Initially, KCB will acquire 85% of the shares of TMB while the existing shareholders will continue to hold the balance for a period of not less than two years, after which KCB may acquire their shares. Retaining the existing shareholders in the business post-acquisition is advantageous to KCB in that it provides management and business continuity to TMB's business and support for KCB as it enters the new markets in DRC.

KCB will pay a cash consideration for the TMB shares determined based on the net asset value of TMB at completion of the proposed transaction and using a price to book multiple of 1.49.

Completion of the proposed transaction is subject to satisfaction of conditions that are customary for transactions of this nature, including receipt of shareholder's approval and all regulatory approvals from, amongst others, the Central Bank of Kenya, the Banque Centrale du Congo, the COMESA Competition Commission and the Capital Markets Authority. Upon completion, TMB will become a subsidiary of KCB.

Further information will be circulated to KCB's shareholders prior to a general meeting to consider and, if thought fit, approve the proposed transaction. A further announcement will be made on completion of the proposed transaction. Pending completion of the proposed transaction, shareholders of KCB and other investors are advised to exercise caution when dealing in the shares of KCB on the Nairobi Securities Exchange, the Uganda Securities Exchange, the Rwanda Stock Exchange and the Dar es Salaam Stock Exchange.

By order of the board

KCB Group PLC

Bonnie Okumu
Group Company Secretary
2 August 2022

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 a matter of policy, the Capital Markets Authority of Kenya assumes no responsibility for the correctness of the statements appearing in this announcement.

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