

ACQUISITION OF 90% OF JAMII BORA BANK LIMITED BY CO-OPERATIVE BANK OF KENYA

1. Co-op Bank has been pleased to note that the shareholders of Jamii Bora Bank, have pursuant to an Extra Ordinary General Meeting held on 1st July 2020 unanimously approved Co-op Bank's offer to acquire 90% of the bank. This will be through the subscription of 224,153,154 new class of Ordinary Shares that would enable Co-op Bank inject Kshs.1 Billion and appoint a Board to run the business.
2. The Co-operative Bank Group is one of the largest banks in the region with an asset base of over Kshs.470 billion, pre-dominantly owned by the over 15 million member Kenya Co-operative movement. The following are the related companies;

Subsidiaries

- . The Co-operative Bank of Kenya Limited.
- . Co-optrust Investment Services Limited - 100%.
- . Co-op Consultancy & Insurance Agency Limited - 100%
- . Kingdom Securities Limited - 60%.
- . Co-operative Bank of South Sudan Limited - 51%.

Associates

- . CIC Insurance Group - 24.7%.
 - . Co-op Bank Fleet Africa Leasing Limited - 25%.
3. Jamii Bora Bank is a fully-fledged Commercial Bank, licensed and regulated by the Central Bank of Kenya, with over 444,000 customers in 17 branches and employs over 190 staff. The Bank has a strategic niche in MSME banking, offering working capital and trade finance solutions. Jamii Bora Bank has also the following businesses;
 - . Jamii Bora Leasing Limited.
 - . Jamii Bora Insurance Agency Limited.

4. The next steps will now be the regulatory approvals notably from Central Bank of Kenya, Capital Markets Authority and the Competition Authority of Kenya.
5. **The strategic entry of Co-op Bank coming in as a 90% strategic owner is an “Inclusive Growth Model” that particularly safeguards the existing shareholders of Jamii Bora; in that they will now share in the expected future Transformation gains/profitability growth.**

This acquisition will strengthen both institutions leveraging on the Co-operative Bank’s well-established Universal Banking model as well as our successful business Transformation Agenda/Turnaround riding on the bedrock of the 15 million member co-operative movement and a Kshs.470 Billion balance sheet.

Co-op Bank had a profit of Kshs.20.7 Billion as at 31st December 2019 and on 23rd April 2020 paid out over Kshs.5.9 Billion in dividends to our shareholders.

Dr. Gideon Muriuki - CBS, MBS
Group Managing Director & CEO

Date: 2nd July 2020