

CAUTIONARY ANNOUNCEMENT

THE CO-OPERATIVE BANK OF KENYA LIMITED (Public Limited Liability Company incorporated in Kenya under the repealed Companies Act Cap 486 under registration number C23/2008)

Capital Markets Act Chapter 485A of the Laws of Kenya
Capital Markets (Securities) (Public offers, Listing and Disclosures) Regulations, 2002 (as amended)

PROPOSED ACQUISITION BY CO-OPERATIVE BANK OF KENYA OF 100% SHARES OF JAMII BORA BANK LIMITED

1. The Board of Directors of Co-operative Bank of Kenya Limited has approved the progression of discussions with Jamii Bora Bank Limited which, if successful, would lead to the Co-operative Bank of Kenya Limited acquiring the 100% shareholding in Jamii Bora Bank Limited.
2. The Co-operative Bank Group is one of the largest banks in the region with an asset base of over 450 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 Kenyan bank incorporated under the Companies Act with over 350,000 customers in 17 branches and an asset base of Kshs 12.5 billion. The bank has a strategic niche in MSME banking and microfinance. Jamii Bora Bank has also the following businesses; -
 - Jamii Bora Leasing Limited.
 - Jamii Bora Insurance Agency Limited.
4. In accordance with the standard process, the transaction is subject to successful completion of the following;
 - Usual Due Diligence by the relevant professionals.
 - Board of Directors and Shareholders' approval by both Co-operative Bank of Kenya Limited and Jamii Bora Bank.
 - Regulatory approvals notably by the following;
 - Central Bank of Kenya.
 - Capital Markets Authority.
 - Competition Authority of Kenya.
5. The acquisition will strengthen both institutions leveraging on their respective well established domestic and regional corporate public sector, retail business and the 15 million member co-operative movement.
6. This transaction, if successfully concluded, may have a material effect on the price of the Company's securities. Accordingly, Shareholders and the investing public are advised to exercise caution when dealing with the Company's securities. Further announcements will be made in accordance with the regulatory requirements as and when there are any material developments.

BY THE ORDER OF THE BOARD

SAMUEL M. KIBUGI

COMPANY SECRETARY

Date 10th March 2020

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 assumes no responsibility for the correctness of the statements appearing in this announcement.