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Common Market for Eastern
and Southern Africa

Date: 25th January 2021

CCC Merger Inquiry Notice No. 2 of 2021

Notice of Inquiry into the Proposed Merger Involving KCB Group Plc and Banque Populaire du Rwanda Plc

It is hereby notified in terms of Article 26(6) of the COMESA Competition Regulations (the “**Regulations**”) that the COMESA Competition Commission (the “**Commission**”), after receiving a notification in terms of Article 24 of the Regulations on the proposed merger involving KCB Group Plc (“**KCB**” or the “**acquiring undertaking**”) and Banque Populaire du Rwanda Plc (“**BPR**” or the “**target undertaking**”), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties have submitted that following a Share Purchase Agreement entered into on 25th November 2020 between inter alia, KCB, Atlas Mara Limited (“**ATMA**”) and Atlas Mauritius Limited (“**AMM**”), KCB agreed to purchase from AMM 62.06% of the issued share capital of BPR. In addition, KCB has made an offer to the remaining shareholders of BPR to acquire additional shares from the remaining shareholders. Further, on 25th November 2020, KCB entered into a share purchase agreement with, inter alia, ABC Holdings Limited (“**ABCH**”) and ATMA for the purchase of 96.6% of the issued share capital of Africa Banking Corporation Tanzania Limited (“**BancABC Tanzania**”). Further, KCB also separately intends to make an offer to Tanzania Development Finance Company Limited for the purchase of the remaining 3.4% of the issued share capital of BancABC Tanzania.

The parties have submitted that in terms of the strategic economic rationale, KCB anticipates that, in addition to creating long term value for its shareholders, the investment would help to enhance financial inclusivity and diversification in the region as well as increase competition through efficient offering and the availability of various banking products and opportunities to its customers. This is expected to have several positive multiplier effects to the economy both in the short and long term including increasing stability to the financial sector.

The Parties

KCB

The parties have submitted that the acquiring undertaking, KCB, is a public company incorporated in Kenya and is listed on the Nairobi Securities Exchange and cross listed on the Dar es Salaam Stock Exchange, Uganda Securities Exchange and Rwanda Stock Exchange. It

holds several banking and other financial services subsidiaries in the region. It has operations in the following COMESA Member States: Kenya, Rwanda and Uganda.

BPR

The parties have submitted that the target undertaking, BPR is a public limited company incorporated in Rwanda and licensed by the National Bank of Rwanda to provide banking services in the Republic of Rwanda. It is currently controlled by AMM, the legal and beneficial owner of 26,975,175 ordinary shares in BPR which represents 62.06% of the issued share capital of BPR. AMM is wholly owned by ATMA, a public company listed on the London Stock Exchange (LSE). Upon completion of the transaction, AMM would cease being a parent of BPR. BPR has operations in one Member State namely Rwanda.

BancABC Tanzania

The parties have submitted that BancABC Tanzania is a company incorporated in Tanzania and is licensed by the Bank of Tanzania to provide banking services in the Republic of Tanzania. ABCH is the parent company of several banks operating in sub-Saharan Africa under the "BancABC" brand that offer a diverse range of financial services. ABCH, which owns 96.6% of the issued share capital of BancABC Tanzania, is a wholly owned subsidiary of ATMA.

The Commission will, in accordance with the provisions of the Regulations, determine among other things whether or not the merger is likely to substantially prevent or lessen competition within the Common Market and whether the merger is or would be contrary to the public interest as provided for under Article 26 of the Regulations. In view of this, the Commission hereby gives notice to all interested stakeholders, including competitors, suppliers and customers of the merging parties to submit written representations to the Commission with regard to the subject matter of the proposed inquiry by emailing them to: akamanga@comesa.int. All written representations should be sent to the Commission not later than **15th February 2021**.

If you wish to seek further details and/or clarifications on any aspect of this proposed transaction or need assistance you may get in touch with **Mr. Ali Kamanga, Senior Analyst - Mergers and Acquisitions on Tel: +265 (0) 1 772 466 or E-mail akamanga@comesa.int**.

All written representations submitted to the Commission will be treated with the strictest confidentiality and will only be used for the purpose of this inquiry.