

NEDBANK GROUP LIMITED

(Incorporated in the Republic of South Africa)

Registration number: 1966/010630/06

JSE share code: NED

NSX share code: NBK

A2X share code: NED

ISIN: ZAE000004875

JSE alpha code: NEDI

(Nedbank Group or the Company)



ANNOUNCEMENT REGARDING AN OFFER BY NEDBANK GROUP TO ACQUIRE C. 66% OF THE ISSUED SHARE CAPITAL OF NCBA GROUP PLC ("NCBA")

1. Introduction

Shareholders and noteholders of Nedbank Group are advised that on 21 January 2026 the Company submitted to the board of directors of NCBA ("NCBA Board"), the Kenyan Capital Markets Authority ("CMA"), the Nairobi Securities Exchange ("NSE") and the Competition Authority of Kenya ("CAK") its Notice of Intention to acquire c. 66% of the entire issued share capital of NCBA from NCBA shareholders, amounting to 1,087,362,891 (par value per share of KES 5.00) ordinary NCBA shares (the "Offer Shares") (the "Offer" or "Proposed Transaction").

The Offer is intended to be structured as a partial *pro rata* offer to acquire c. 66% of the issued NCBA ordinary shares ("NCBA Shares") from all NCBA shareholders, such that each shareholder is entitled to tender 66% of its beneficial holding, with the opportunity to tender excess NCBA Shares subject to scaling/allocation mechanics to be set out in the Offer document.

The successful completion of the Offer will result in Nedbank Group acquiring effective control of NCBA. After completion of the Offer, the shareholders of NCBA will be Nedbank Group (66%) with the remainder being held by public investors on the NSE (34%). There may be an alternative scenario where such shareholding by Nedbank Group in NCBA may increase but shall not exceed its targeted shareholding of 66% by more than 5%, as set out in paragraph 7 below.

Nedbank Group does not currently hold any NCBA Shares and other than as set out in the Irrevocable Undertakings referred to in paragraph 6 below and any additional irrevocable undertakings that may be provided by other NCBA shareholders, it has no existing rights or options to acquire NCBA Shares.

Shareholders and noteholders are also referred to the press notice by Nedbank Group to be published in the Kenyan press on 21 January 2026, and which will be available at:

<https://group.nedbank.co.za/explore-investor-relations/results-and-reports.html> under Circulars.

2. Rationale

Nedbank Group has identified East Africa as a region of significant strategic importance, underpinned by strong macroeconomic fundamentals; the size of its economy; a large and growing population; attractive growth prospects; and the primary trade corridor that links Africa with the Middle East, India and Asia, all supported by a robust regulatory environment and stable operating environment. By partnering with NCBA, a top tier-1 Kenyan bank with a growing presence in Rwanda, Tanzania and Uganda and a unique digital approach to Ghana and Ivory Coast, Nedbank Group is executing on its communicated strategy to diversify and grow its presence on the broader African continent, with a clear focus on the SADC and East Africa regions.

NCBA is one of East Africa's most prominent financial institutions, operating across Kenya, Uganda, Tanzania, Rwanda, Ivory Coast and Ghana. With 122 branches and serving over 60 million customers, NCBA has an established reputation for innovation, advanced digital banking services, excellence in asset finance, investment banking expertise and a strong regional presence. NCBA currently manages KES 665 billion (c. ZAR 84.4bn¹) in assets, disburses more than KES 1 trillion (c. ZAR 126.9bn¹) in digital loans annually, and has delivered an average return on equity of approximately 19% since 2021.

The Proposed Transaction brings together two organisations with highly complementary strengths. NCBA's strong brand, regional network, digital capabilities and deep customer reach naturally align with Nedbank Group's established Corporate and Investment Banking expertise, cross-border structuring capabilities, and strong balance sheet. The combination positions NCBA as the cornerstone investment vehicle for Nedbank Group's East African expansion while allowing it to retain its independent governance structures, local leadership, brand identity, and NSE listing. As Nedbank Group currently operates only a representative office in the region, no in-country operational integration is required.

The Proposed Transaction offers Nedbank Group the opportunity to participate in NCBA's growth trajectory and attractive shareholder returns, while enhancing NCBA's access to capital and long-term sustainability. Access to an increased resource base will reinforce NCBA's existing infrastructure and support the scaling of operations within Kenya and the broader East African region to continue its growth trajectory.

Jason Quinn commented, *"Nedbank has a strategic objective to grow and diversify outside of its core Southern Africa market, and we identified East Africa as a key growth region. We are therefore excited to partner with a strong and leading financial services firm such as NCBA to deliver on our growth ambitions."*

Kenya's role as a regional financial hub, supported by strong institutions, sophisticated markets and a dynamic technology sector, makes it a natural anchor for Nedbank's East African ambitions, including Rwanda, Tanzania and Uganda. The region's stable operating environment, consistent macroeconomic performance, a young, growing urbanizing population, and vibrant business community further reinforce its attractiveness and growth potential."

¹ Converted using the spot KES/ZAR exchange rate of 7.8830 as at 19 January 2026

3. Description of NCBA

NCBA is a leading financial services group headquartered in Nairobi, Kenya and is listed on the NSE, with operations across Kenya, Tanzania, Uganda and Rwanda, and a digital offering in Ghana and Ivory Coast. NCBA is a full-service banking group providing a broad range of financial products and services to corporate, institutional, SME and consumer customers.

Formed in 2019 through the merger of NIC Group Plc and Commercial Bank of Africa Limited, NCBA has since become one of East Africa's strongest and most diversified financial institutions, leveraging its strengths to build a robust franchise with scale, strong customer relevance and a market-leading position in digital banking.

NCBA operates a network of 122 branches and serves over 60 million customers, being the largest banking group in Africa by customer numbers. NCBA is also among the region's leading banks by assets, and is a market leader in corporate banking, asset finance and digital banking. NCBA continues to play a key role in supporting Africa's economic ambitions.

4. The Offer

4.1. The consideration payable per 100 NCBA Shares under the Offer (which will be adjusted on a *pro rata* basis as required) will comprise, as to 80% thereof, 4.02994 Nedbank Group ordinary shares and, as to 20% thereof, a cash amount of KES 2,100.00 (the "**Cash Portion**"), according to the terms and subject to the conditions to be set out in the Offer document. The Nedbank Group ordinary shares ("**Nedbank Group Shares**") to be issued as part of the Offer shall be issued at a price of ZAR 250.00 per Nedbank Group Share and by applying the KES/ZAR spot exchange rate of 7.7143 as at the close of business in South Africa on 18 December 2025 ("**Fixed Exchange Rate**"). In accordance with the Listings Requirements of the JSE Limited ("**JSE**") ("**JSE Listings Requirements**"), any fractional entitlements will be rounded down to the nearest whole number, and the value of the fraction will be settled in cash.

4.2. All NCBA shareholders who accept the Offer will receive the portion of the consideration payable under the Offer other than the Cash Portion in the form of Nedbank Group Shares, except in the following cases:

- i. NCBA shareholders who are institutional shareholders and have accepted the Offer, but due to applicable laws or regulations in Kenya binding on them cannot invest offshore and would therefore be restricted from taking up shares listed on the JSE, shall be paid their full consideration in cash, subject to such inability being confirmed to Nedbank Group's satisfaction and the estimated aggregate quantum of NCBA Shares expected to be affected being acceptable to Nedbank Group; and
- ii. NCBA shareholders who have accepted the Offer and would receive less than 200 Nedbank Group Shares, shall be paid their full consideration in cash,

and for this purpose the amount payable per 100 NCBA Shares (which will be adjusted on a *pro rata* basis as required) shall be deemed to be KES 10,500.00.

- 4.3. The Offer will include a dividend parity mechanism to ensure that, in addition to receiving the Offer consideration, an accepting NCBA shareholder receives the economic benefit of either an NCBA dividend or a Nedbank Group dividend relating to the same financial period, but not both, with the detailed adjustment mechanics to be set out in the Offer document.
- 4.4. The Offer Shares will be acquired free from all liens, charges, encumbrances and other interests, with all current and future rights attaching thereto, including, save as provided in paragraph 4.3, the right to receive all dividends/other distributions declared, made or paid following the completion of the Offer.
- 4.5. A maximum number of 43,820,136 Nedbank Group Shares will be issued in respect of the Offer, for which the Company has sufficient authorised but unissued Nedbank Group Shares available and the aggregate Cash Portion will be funded by existing cash resources. Having regard to the terms of Offer and the Irrevocable Undertakings referred to in paragraph 6 below, the total cash amount that could be paid under the Offer will not exceed the sum of KES 31,590,800,000 (equivalent to approximately ZAR 4bn at the KES/ZAR exchange rate as at 19 January 2026).

5. Salient terms and conditions of the Offer

The Offer is subject to the fulfilment/waiver of certain conditions, being:

- 5.1. By no later than 31 May 2026, or such other date as may be proposed by Nedbank Group and agreed to by NCBA (and to the extent required to ensure that the Irrevocable Undertakings remain valid, by the Designated Shareholders as defined in paragraph 6 below), the CMA having granted an exemption ("**CMA Exemption**") from the requirement for Nedbank Group to extend a mandatory takeover offer for 100% of NCBA Shares in terms of the Capital Markets (Takeovers and Mergers) Regulations, 2002 failing which this condition shall be waived by Nedbank Group and, the Offer will convert to an alternative offer for 100% of all NCBA Shares, details of which are set out in paragraph 7 below.
- 5.2. Unless waived by Nedbank Group, the obtaining of all applicable regulatory approvals in all applicable jurisdictions, either unconditionally or subject to such conditions as Nedbank Group may be prepared to accept, by not later than 31 December 2026, or such other date as may be proposed by Nedbank Group and agreed to by NCBA (and to the extent required to ensure that the Irrevocable Undertakings remain valid, by the Designated Shareholders as defined in paragraph 6 below).
- 5.3. NCBA having complied with certain specified interim conduct principles throughout the Offer period.
- 5.4. No material adverse event (excluding any change in the KES/ZAR exchange rate) occurring, affecting either NCBA or Nedbank Group, prior to closing of the Proposed Transaction. To be materially adverse, the effect or reasonably expected effect must represent a negative impact on the book value of either of NCBA or Nedbank Group of 5% or more, measured with reference to their respective June 2025 book values. If such an event occurs in relation to Nedbank Group, subject to CMA approval, NCBA may require Nedbank Group to declare that the Offer has not become unconditional and will not be proceeded with.

6. Irrevocable Undertakings

Nedbank Group has procured irrevocable undertakings from certain NCBA shareholders ("Designated Shareholders") representing approximately 71.2% of the total number of issued NCBA Shares ("Irrevocable Undertakings") to accept the Offer in respect of their *pro rata* entitlement (and, where applicable, to participate in excess applications) and confirms that all Irrevocable Undertakings are signed as at the date of this announcement.

7. Alternative Offer

In the event that the CMA Exemption is not obtained by 31 May 2026 (or such other date as may be proposed by Nedbank Group and agreed to by NCBA), the Offer will convert to an offer to acquire 100% of the NCBA Shares from all NCBA shareholders ("Alternative Offer"), rather than a *pro rata* 66% offer, provided that Nedbank Group is satisfied that:

- 7.1. the Irrevocable Undertakings (which include commitments by the relevant NCBA shareholders to exercise their rights in respect of the Alternative Offer in such manner and to such extent as may be required to ensure that Nedbank Group will achieve not less and not materially more than its targeted 66% shareholding pursuant to the Alternative Offer) and the number of NCBA Shares subject to such undertakings;
- 7.2. any additional similar irrevocable undertakings in favour of Nedbank Group that may have been obtained by NCBA from NCBA shareholders other than the Designated Shareholders; and
- 7.3. a simulation showing the likely outcome based on the anticipated response of the remaining NCBA shareholders to the Alternative Offer,

the resultant shareholding by Nedbank Group in NCBA will not exceed its targeted shareholding of 66% by more than 5%.

8. Financial Information

	Full Year ending 31 December 2024 (FY24)		Half-Year period ending on 30 June 2025 (HY25)	
	KES (Million)	ZAR (Million)	KES (Million)	ZAR (Million)
Total Shareholders' Equity¹	109,730	15,991	118,446	16,267
Profit Attributable to Equity Holders²	21,881	2,981	11,047	1,569

¹ FY24 and HY25 converted using the spot KES/ZAR exchange rate of 6.8622 as at 31 December 2024 and 7.2815 as at 30 June 2025 respectively

² FY24 and HY25 converted using the average KES/ZAR exchange rate of 7.3405 for the year ending on 31 December 2024 and 7.0395 for the six month period ending on 30 June 2025 respectively

- 8.1. The financial information has been extracted from NCBA's audited and unaudited results for the twelve and six months ended 31 December 2024 and 30 June 2025 respectively, which were prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board and the Kenyan Companies Act, 2015 and the Kenyan Capital Markets Act (Chapter 485A of the Laws of Kenya) where applicable.
- 8.2. The Company confirms, for purposes of the JSE Listings Requirements, that nothing in the constitutional documents of NCBA will, in any way, frustrate or relieve Nedbank Group from complying with its obligations in terms of the JSE Listings Requirements.

9. Offer Document and Timetable

- 9.1. Full information on the Offer will be contained in the Offer document, which will include a detailed timetable setting out the period within which shareholders of NCBA will be able to accept the Offer, being not less than

30 days from publication of the Offer document, or such longer period as may be specified by Nedbank Group (with the approval of the CMA).

9.2. Subject to obtaining all the requisite approvals, it is estimated that the Offer will be completed by not later than the third quarter of 2026.

10. Categorisation

The Proposed Transaction is classified as a Category 2 transaction in terms of the JSE Listings Requirements, involves no related parties and is accordingly not subject to shareholder approval.

Johannesburg

21 January 2026

Exclusive South African Investment Bank, Corporate Advisor and Transaction Sponsor to Nedbank Group Limited

Nedbank Corporate and Investment Banking, a division of Nedbank Limited

Sponsor to Nedbank Group in Namibia

Old Mutual Investment Services (Namibia) (Pty) Ltd

Legal Advisor to Nedbank Group Limited

Cliffe Dekker Hofmeyr Inc.

Kenyan Investment Bank and Stockbroker to Nedbank Group Limited

Dyer and Blair Investment Bank