

CAUTIONARY STATEMENT

The Directors of First Merchant Bank Limited (“FMB”) wish to advise its shareholders and members of the public the following:

Corporate Restructuring

We have been advised by three principal shareholders, collectively representing 55% of the issued capital of FMB, that they intend to transfer their shares in FMB to FMB Capital Holdings Plc (“FMBCH”), a company incorporated in Mauritius, in exchange for shares in FMBCH. Subsequently, FMBCH will make an offer on the same terms to acquire the remaining 45% of the issued shares of FMB by way of an offer document complying with the MSE Listings Requirements and the Companies (Panel on Takeovers and Mergers) Rules 2016. On conclusion of the offer period, an application will be made to the Malawi Stock Exchange to list the shares of FMBCH and delist the shares of FMB.

Acquisition of a controlling shareholding in Barclays Bank Zimbabwe Limited

Further to the above, the Directors also advise that FMB is engaged in exclusive discussions with Barclays Bank PLC (“BB PLC”), in relation to the potential acquisition of its interests in Barclays Bank Zimbabwe Limited (“BBZ”). Discussions with BB PLC are ongoing and may or may not result in the announcement of a transaction involving the acquisition by FMBCH of the interest of BB PLC in BBZ. Such transaction would also be subject to obtaining approval of the banking regulators in Malawi and Zimbabwe.

The Directors therefore advise shareholders of FMB and the public to exercise caution and to consult their professional advisers when dealing in the shares of FMB. Further announcements will be made in due course.

By order of the Board

Oswald Mtokale
Company Secretary