**For Immediate Release**

**EQUITY GROUP HOLDINGS PLC AND ATLAS MARA (ATMA) DISCONTINUES WITH PROPOSED TRANSACTION FOR THE ACQUISITION OF BANKING BUSINESSES FROM ATMA IN FOUR COUNTRIES**

**Equity Center, Nairobi (June 23, 2020**)……The Board of Directors of Equity Group Holdings Plc, the largest bank on the Nairobi Securities Exchange by market capitalization, has mutually agreed with Atlas Mara (ATMA) to discontinue discussions on the proposed transaction where EGH had expressed the intention to acquire banking businesses from ATMA in Rwanda, Tanzania, Zambia and Mozambique. This decision is consistent with the Board's view of uncertainty of risk which precipitated the proposed withdrawal of Kshs 9.5 billion dividend pay-out to shareholders.

In January 2020, the Board announced the extension of discussions with ATMA following the expiry of the transaction period before the two parties could sign a detailed transaction agreement. During the extended period, the two parties would continue further discussions to try and reach mutually acceptable commercial terms with respect to the proposed transaction or a variant of it.

Speaking while announcing the Board's decision, Dr. James Mwangi, Managing Director and CEO of EGH Plc said, "The Board has considered the events that have taken place since January when the two parties agreed to extend transaction discussions and particularly the impact of the COVID-19 pandemic to the world and the economies in which EGH operates. After careful consideration, EGH and ATMA have mutually agreed to discontinue discussions on the transaction for the foreseeable future." The Board's decision is in line with its Business Continuity Management that speaks to risk assessment, approach to prudent risk mitigation and management in the prevailing economic slow-down occasioned by the COVID-19 pandemic in the region and globally.

Dr. Mwangi added, "The Board's Business Continuity Management is focused on conserving cash and liquidity and deploying it to support our customers to survive during this economic crisis and to recover and thrive post the crisis. A strong capital and liquidity position gives us the strength and capacity to cushion our business, accommodate and walk with our customers during these challenging times. We have deployed a defensive and offensive mechanism through loan accommodations and rescheduling/restructuring of up to 25% of the total loan book for periods of up to 36 months. This will enable our customers to go through the prevailing turbulence, while at the same time preserving cash to shore up the financial revival and growth of their businesses post the COVID-19 crisis."

On the offensive approach the Group is focused on accelerating the push to digital channels and growing the various non-funded income franchises while re-evaluating the acquisition of new businesses where significant capital injection and managerial attention is required.

Dr. Mwangi concluded by saying that, "The Group is committed to its strategic objective of expanding its footprint in Africa to provide access to competitive, tailored financial services to improve people's lives and livelihoods whilst also delivering significant value to its stakeholders. At the same time, the Group continues with its vision of building sub-Saharan Africa's premier financial institution through delivering innovative products and services to customers including in particular the effective use of technology self-service banking."

| **For more information, please contact:**<br><br>Alex Muhia<br>Equity Group Holdings Plc.<br>T : Office - 0763 026007 : Mobile - 0763 618871<br>E : CorporateCommunications@equitybank.co.ke<br>E: Alex.Muhia@equitybank.co.ke | Carol Wairugu<br>Ogilvy PR<br>T : 0764 515797<br>E: Carol.Wairugu@ogilvy.co.ke |
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