



PRESS RELEASE

EQUITY GROUP HOLDINGS SUPPORT TEACHERS' BANK IN RECOVERY AND RESILIENCE IN A POST COVID WORLD.

- *Equity Group Holdings Plc through Equity Bank (Kenya) Ltd. has entered into an Assets and Liabilities Purchase Agreement with Spire Bank for purchase of certain assets and liabilities*
- *Equity Bank will take on Spire Bank's 20,000 existing depositors with a deposit of approximately Kshs 1,322 Million and approximately 3,700 loan customers with a loan book of approximately Kshs 945 Million*

Nairobi, September 12th 2022 - Equity Bank (Kenya) Ltd, a subsidiary of Equity Group Holdings has today signed an Assets and Liabilities Purchase Agreement with Spire Bank Limited for the purchase of certain assets and liabilities of Spire Bank Limited. This Transaction is anchored in Equity's Plan to support the recovery of the economy post covid.

In its un-audited half year financial report as at June 2022, Spire Bank reported total customer deposits liabilities of Kshs. 1,938 million and net loans and advances to customers of Kshs.1, 745 million together with additional statutory loan loss reserves of Kshs. 800 million that reduce the net loan and advances after applying statutory loan loss provisions of Kshs. 945 million.

In this transaction, Equity Bank Kenya Limited is acquiring approximately 20,000 deposit customers holding deposits of approximately KES 1,322 million which represents approximately 0.25% of EBKL's customer deposits of KES 522,753 million and approximately 0.14% of Equity Group's consolidated customer deposits of KES 970,943 million, as reported in their un-audited half year financial statements as at 30 June 2022.

Similarly, Equity Bank Kenya is likely to acquire approximately 3,700 loan customers that have outstanding loan balances reported at a net carrying value after statutory loan loss provisions of KES 945 million by Spire Bank in its un-audited half year financial statements as at 30 June 2022 which represents approximately 0.23% of EBKL's reported net loans and advances to customers of KES 417,482 million and approximately 0.15% of Equity Group's reported consolidated net loans and advances to customers KES 650,556 million as at 30 June 2022.

Speaking when announcing Equity Group's decision at the partnership signing ceremony, Dr. James Mwangi, Group Managing Director and CEO said, "We feel honoured to extend a hand of partnership to teachers with whom we have had a long and strong relationship. With the 20,000 teachers who we will be inheriting from Spire bank, Equity will become home to over 100,000 teachers spread throughout the country and accessing our services through our branches, our agent network and digital banking channels. Currently Equity processes a total monthly remittance of Kshs 1.8 billion in teachers' salaries. 43,000 teachers have borrowed loans valued at Kshs 33 billion with a monthly repayment of Kshs.800 million. In addition, Equity is home to over 24,000 ECDE institutions and primary schools, and over 4,000 secondary schools."

Dr. Mwangi continued, "We appreciate the commitment that the teachers have shown to our partnership in moulding the future generations through our *Wings to Fly* program where they continue to serve as mentors and champions to over 47,000 secondary school scholars with an annual completion rate averaging 97% with 82% attaining university entry grades and 86% taking up leadership roles. We take this partnership as our gesture of gratitude and an opportunity to deepen our relationship with the teaching fraternity by ensuring that they continue to enjoy uninterrupted access to banking services. We commit to work with Mwalimu Sacco to achieve their dreams of a Front Office Services Activities (FOSA)



by offering tailor made products, services and relationship that will make Equity the teachers' bank of choice and a platform for shared prosperity.

Dr. Mwangi added, "The proposed transaction will mean that Spire Bank's deposit and loan customers will enjoy uninterrupted access to banking services. By delivering this, Equity Bank Kenya is taking a thought leadership role in enhancing the stability of the Kenyan banking sector. This transaction is in line with our vision of championing the socio-economic prosperity of the people of Africa," concluded Dr Mwangi

Speaking after signing the agreement, Spire Bank Board Chairman, William Rahedi said, "We are pleased to have reached this agreement which on completion will ensure that our esteemed deposit and loan customers will continue to enjoy uninterrupted access to banking services through Equity Bank Kenya Ltd. In view of Spire Bank's current market position, the board of directors is of the view that this development is in the best interest of Spire Bank's customers and shareholders.

The Chairman of Mwalimu National Sacco, Joel Gachari said, "On completion of the proposed transaction on 30th November 2022, all existing depositors of Spire Bank (other than remaining deposits from Mwalimu National Sacco) will become customers of Equity Bank Kenya and enjoy a wide range of products and services through Equity's extensive infrastructure and channels including branches, agent network and digital self-service channels. We shall also explore other areas of collaboration for the benefit of both institutions and their members.

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About Equity Group

Equity Group Holdings (EGH) Plc is a non-operating holding company licensed by the Central Bank of Kenya (CBK). EGH holds interests in banking subsidiaries in Kenya, Rwanda, Tanzania, Uganda, South Sudan, Democratic Republic of Congo and a Commercial Representative office in Ethiopia. EGH has other subsidiaries in investment banking, insurance, telecom, fintech and social impact investments. EGH is listed on the National Securities Exchange (NSE) and cross –listed on the Uganda Securities Exchange and the Rwanda Stock Exchange.

About Equity Bank (Kenya) Limited

EBKL is licensed to undertake the business of a bank by the CBK under the provisions of the Banking Act (Chapter 488, Laws of Kenya) (the **Banking Act**). In its unaudited half year financial statements as at 30 June 2022, EBKL reported total customer deposits of KES 522,753 million and net loans and advances to customers of KES 417,482 million. EBKL serves approximately 11.97 million customers through a wide array of digital channels supported by 190 branches.

About Spire Bank

Spire Bank is licensed by the CBK to undertake the business of a bank under the provisions of the Banking Act. In the Bank Supervision Annual Report for 2021 published by CBK, Spire Bank was ranked 39 out of 39 banks in terms of composite market share as at 31 December 2021 and reported to have approximately 20,000 deposit accounts and 10 branches. In its un-audited half year financial report as at 30 June 2022, Spire Bank reported total customer deposit liabilities of KES 1,938 million and net loans and advances to customers of KES 1,745 million together with additional statutory loan loss reserves of KES 800 million that reduce the net loan and advances after applying statutory loan loss provisions of KES 945 million.

Website Link: <https://equitygroupholdings.com>

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