



## PRESS RELEASE

### EQUITY BANK COMPLETES THE ACQUISITION OF CERTAIN ASSETS AND LIABILITIES OF SPIRE BANK

- ***The transaction was completed on 31<sup>st</sup> January 2023 following receipt of regulatory approvals.***
- ***Equity Bank Kenya will acquire approximately 20,000 deposit customers and 3,700 loan customers.***

**Nairobi, Kenya 1<sup>st</sup> February , 2023...** Equity Bank (Kenya) Limited (EBKL), has completed the acquisition of certain assets and liabilities of Spire Bank Limited following receipt of regulatory approvals from the Cabinet Secretary Treasury and Planning under Section 9 (1) of the Banking Act, the Central Bank of Kenya under Section 9, ( 5) of the Banking Act, the Sacco Societies Regulatory Authority, the Competition Authority of Kenya, and corporate approvals from the board and shareholders of EBKL, Mwalimu National Savings & Credit Co-operative Society Limited (Mwalimu Sacco) and Spire Bank.

The completion of the acquisition follows an announcement that was made in September 2022 indicating that EBKL had entered into a transaction with Spire Bank for the proposed acquisition of approximately 20,000 deposit customers holding deposits of Kes 1.322 billion and 3,700 loan customers that have outstanding loan balances reported at a net carrying value after statutory loan loss provisions of KES 945 million, as per Spire Bank's un-audited 2022 half year financial statements.

With completion of the transaction, customers holding deposits in Spire Bank, other than the remaining deposits from Spire Bank's controlling shareholder, and specified loan customers will now transition to become EBKL customers. This means that these customers will have new Equity Bank accounts and besides their domicile branch, they become part of a big network offering more capabilities to self-serve and enjoy banking on their mobile devices.

Speaking during the announcement ceremony, Dr. James Mwangi, Equity Group Managing Director and CEO said, "The decision to acquire Spire Bank's certain assets and liabilities was not hard and was inspired largely by our history with teachers who have continued to support the Bank over the years. This long-standing partnership extends to other collaborative initiatives including the *Wings to Fly* scholarship program that has benefited over 60,000 scholars. We have also partnered with our schools to support them transition to clean energy for lighting and cooking. Today, we celebrate the completion of the transaction and are happy to report we have started serving former Spire Bank customers."

Also speaking at the announcement, Spire Bank Board Chairman, William Rahedi said, "Equity Bank has stepped in to support Spire Bank to finish well. We are grateful that the Bank opened its doors for us and that moving forward, we shall be part of this great institution. We appreciate all stakeholders involved in this journey and express gratitude for the dignity and respect accorded to our customers and staff during this transition process. This transaction truly sets pace for similar initiatives within the financial services sector."

In his remarks, the Chairman of Mwalimu National Sacco, Joel Gachari said, "This is a unique transaction structured as an asset and liabilities purchase agreement. Equity will be acquiring part of our subsidiary's assets and liabilities in the form of customer loans and deposit; and is expected to strengthen both organizations by leveraging their well-established domestic and regional client base. A move that provides confidence for consolidation in the banking sector in order to create larger and more resilient institutions that are stable and can weather shocks in this business environment."



Dr. Mwangi also added, “the new customers from Spire Bank, will enjoy the same relationship and our empathetic approach in the provision of banking services. They will be able to access their money anytime and without restrictions. Equity remains committed to playing a part in resolving the challenges of our people as we have continuously done in the past. The Bank supported the health sector with Personal Protective Equipment (PPEs) at the height of the COVID-19 pandemic and its customers by rescheduling their loans so that their businesses could survive, re-purpose and thrive post COVID-19. This time, we are using our strength, the availability of capital, to assist the customers of Spire Bank to access financial services.”

EBKL is a subsidiary of Equity Group Holdings Plc (EGH) which is the largest financial services institution in the region with assets of USD 12 billion. It is also the biggest bank in deposits, market capitalization of USD 1.4 Billion and with a customer base of over 18 million customers.

The Group has a footprint of 354 branches across 6 countries, Kenya, Uganda, Tanzania, South Sudan, DRC and Rwanda, 61,434 Agents, over 705,000 Pay With Equity (PWE) Merchants, 43,845 POS Merchants, 764 ATMs and an extensive adoption of digital and mobile banking channels.

The Banker Top 1000 World Banks 2022 index ranked Equity Bank 22<sup>nd</sup> in Africa and 761 overall in its global ranking, 149<sup>th</sup> in soundness (Capital Assets to Assets ratio), 71<sup>st</sup> in terms of Profits on Capital and 39<sup>th</sup> in terms of Return on Assets. Brand Finance 2022 ranked Equity Group the 5<sup>th</sup> strongest banking brand in the world and 338<sup>th</sup> overall among the top 500 banking brands, with a Brand Strength Index (BSI) of 90.8 and a brand ranking score of AAA+, the highest rating that a brand can attain.

The move to acquire Spire Bank customers by East and Central Africa’s largest lender is in line with Equity Group’s concerted efforts to champion the post COVID-19 economic recovery and resilience of individuals, communities and the continent at large. **Ends...**

#### **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 Nairobi Securities Exchange (NSE) and cross listed on the Uganda Securities Exchange and the Rwanda Stock Exchange. **Website Link:** <https://equitygroupholdings.com>

#### **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 September 2022, EBKL reported total customer deposits of KES 513,324 million and net loans and advances to customers of KES 422,322 million. EBKL serves approximately 12.4 million customers through a wide array of digital channels supported by 191 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 to KES 945 million.