

## **EABS to merge with Akiba Bank** - *The Financial Standard, Kenya - Monday 21st March, 2005*

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East African Building Society (EABS) Group will merge with Akiba Bank. The move is part of a plan aimed at consolidating the ownership of the late Lalit Pandit's businesses into one financial services powerhouse.

The merger, which is subject to legal and regulatory approval under the Banking Act and the Restrictive Trade Practices, Monopolies and Price Control Act, will make the group a significant mid-sized player in Kenya's financial market with assets worth more than Sh10 billion.

Druv Pandit, the 30-year old son of Lalit will serve as the chief operations officer of the new outfit. "Our operations which have always been of world class standards, will now have the backing of an extensive network and the large customer base from EABS.

"We have decided to merge the two institutions so as to exploit the synergies that exist between the two businesses," says Druv, who currently serves as the managing director of Akiba Bank.

He said that the merged bank would have an advantage of 11 branches and a full range of products from savings and checking accounts to home loans. EABS CEO, Raj Pandit, will take over as the Chief Executive Officer of the merged bank.

Neville Warren, a senior partner of Daly and Figgis, one of the oldest law firms in Kenya will serve as chairman.

Warren has served as a director in the EABS Group for last 14 years during which the company that has withstood the difficult times that faced the banking sector in the eighties and nineties. "The biggest beneficiary of this merger will be our customers who will be able to enjoy full banking facilities from an even larger branch network countrywide," said Raj. "We will have longer and more convenient banking hours and wider product variety."

He said customers would benefit from the Western Union services provided by the bank, while Kenswitch ATM network from Akiba Bank will be extended to EABS customers.

"It's a win-win situation for our customers and business partners as we are building a formidable force in Kenyan banking, while at the same time maintaining our core strengths in housing development, mortgage finance and providing opportunities for small savers," he says.

The bank will solidify its position among middle-level banks that have become popular with small and medium sized enterprises whose needs are not well catered for by the big commercial banks.

Pandit was appointed a director and chief Executive of the bank in 1999 at a tender of 24 barely four years after venturing into the banking industry. Though one may attribute his extraordinary rise in the banking industry to support from his late father Pandit has emerged as an innovative and knowledgeable business executive in his field.

"Professionals at Akiba Bank do not take things at face value," he said once in an interview with *The Standard*, "They have seen the results of my leadership and respect my position." Druv graduated from the London School of Economics.