



## PRESS RELEASE

### Equity Bank (Kenya) Limited Lowers Interest Rates for the 3rd Time, Easing Burden on Borrowers

- *Interest rates cut by 300 basis points.*
- *Lower interest rates are expected to boost the economy by providing businesses with more affordable credit, reducing operational costs and driving growth and job creation.*
- *This is the 3rd time that Equity has reduced its lending rate within the last six months. It had reduced its rate in September and November 2024*

**Nairobi, Kenya – February 12, 2025:** Equity Bank (K) Ltd is pleased to announce a reduction in interest rates on all new and existing Kenya Shilling-denominated credit facilities, effective February 13<sup>th</sup>, 2025 for new loans and from 1<sup>st</sup> of March for existing loans. This follows the recent decision by the Central Bank of Kenya's Monetary Policy Committee (MPC) to cut the Central Bank Rate (CBR) by 50 basis points to 10.75% from 11.25% and the Cash Reserve Ratio (CRR) by 100 basis points to 3.25% from 4.25%.

This reduction reflects Equity Bank's commitment to making credit more affordable and accessible, furthering financial inclusion and stimulating economic activity across Kenya. The reduced interest rates will comprise a revised Equity Bank Reference Rate (EBRR) of 14.39% plus a margin (based on specific customer risk profile). This 300 basis points (3%) reduction applies to a wide range of credit products, reflecting the bank's commitment to supporting customers across diverse sectors.

"We understand the financial pressures facing Kenyans today, and we're committed to doing our part to ease that burden. This rate cut is about more than just lower interest rates; it's about opening doors for Kenyans to invest in their businesses, support their families, and their livelihoods," said Moses Nyabanda, Managing Director, Equity Bank (Kenya) Limited.

This is the 3rd time that Equity has reduced its lending rate within the last six months. It had reduced its rate in September and November 2024. Lowering interest rates is expected to have a positive impact on the economy. By reducing the cost of borrowing, businesses will have access to more affordable credit, lowering operational costs and fostering growth and job creation. For households, lower rates mean reduced loan repayments, increasing disposable income and stimulating consumer spending.

The MPC's decision, taken at its meeting on February 5, 2025, was based on its observation that the reduction in the CRR will release additional liquidity to banks, which is expected to lower the cost of funds and lending rates, ultimately supporting growth of credit to the private sector. Equity Bank's rate adjustment aligns with these policy goals, allowing customers to benefit directly from the intended economic stimulus.

As the Kenyan economy evolves, Equity Bank remains dedicated to supporting customers' financial goals and enabling inclusive economic development. By passing on the benefits of reduced interest rates, Equity Bank aims to create an environment where businesses can expand, employment opportunities increase, and communities thrive.