



PRESS STATEMENT:

EQUITY RECOGNIZED AMONG THE BEST BANKS GLOBALLY

Nairobi, 3rd August 2020... Equity has been recognized among the top 1000 best banks globally by the Financial Times Banker Magazine. Equity was ranked at position 754 out of 1000 global banks, a ranking that was based on an array of metrics including the size of the lender, financial soundness, profits on capital, and return on assets. The lender jumped 90 spots from last year's position 844.

Equity was ranked position 62 on Capital Assets Ratio and Financial Soundness, which is an improvement of 13 spots, from last year. The lender also ranked at position 20 overall on Return on Assets, and position 55 on Profit on Capital. According to the publication, Return on Assets was at 3.35%; Profit on Capital was at 23% and Capital Assets Ratio was 14.56%.

Continentially, Equity was placed in position 22 of the best banks in Africa. Despite the growth and development of its financial sector, Africa remains a minor player in global banking terms. In 2019, the continent's banking industry accounted for less than 1% of global Tier 1 capital making it the smallest regional player, behind Latin America with just over 2%.

Nonetheless, the performance in capital terms of the top five African countries – South Africa, Egypt, Morocco, Nigeria, and Kenya was noted as being impressive.

On receipt of the Financial Times Banker Magazine ranking, Dr James Mwangi, Managing Director and CEO Equity Group said, "We are humbled that despite being a regional bank operating in Africa, we have made it among the top 754 banks in the world and demonstrated our efficiency and quality by being ranked among the top 62 global banks in the most important three parameters; Soundness or Financial Stability, Return on Assets and Return on Equity."

Equity's steady improvement in the global rankings is a result of a deliberate strategy to improve operational efficiencies, backed by an elaborate digitization strategy that has seen Equity's over 14 million customers get access to customized, secure and convenient banking solutions aimed at meeting their evolving banking needs.

This year, Equity Group Holdings Board has taken a conservative approach that recognizes the emerging unquantified risk of the pandemic and opted to preserve capital in the face of the prevailing uncertainty occasioned by Covid-19.

In the first quarter of 2020, Equity's profit before provisions was up by 10% to Kshs.10 billion from Kshs. 9.1 billion the previous year. However, the Group increased its loan loss provision tenfold to Kshs. 3 billion up from Kshs. 300 million the previous year leading to a decline of profit after tax by 14% from Kshs. 6.2 billion to 5.3 billion for the same period last year.

A strong Group liquidity position of 51.6% and strong total capital to risk weighted asset buffer of 19.5% against a low loan to total assets ratio of 55% places the Group



in a strong position to adequately handle the economic and financial challenges of the COVID-19 global health pandemic.

This position is further enhanced by an agile liquid balance sheet with cash and cash equivalents of 38% of total assets and long-term funding of shareholders' funds and long-term debts constituting 23% of the total assets.

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About Equity Group Holdings Plc

Equity Group Holdings Plc is a financial services holding company listed at the Nairobi Securities Exchange, Uganda Securities Exchange, and Rwanda Stock Exchange. The Group has banking subsidiaries in Kenya, Rwanda, Uganda, South Sudan, Tanzania, DRC, and a Commercial Representative Office in Ethiopia; with additional non-banking subsidiaries engaged in the provision of investment banking, custodial, insurance agency, philanthropy, consulting, and infrastructure services.

Equity Group has an asset base of nearly USD 7 billion. With over 14 million customers, the Group is one of the biggest banks by customer base in the region. The Group has a footprint of 300 branches, 50,622 Agents and 30,561 Merchants and 624 ATMs. The Group is the largest bank in market capitalization in East and Central Africa. The Banker Top 1000 World Banks 2020 ranked Equity Bank 754 overall in its global ranking, 62th in soundness (Capital Assets to Assets ratio), 55th in terms of Profits on Capital and 20th on Return on Assets. In 2019, Moody's gave the Bank a global rating of B1 with a stable outlook same as the sovereign rating of the Kenyan government due to the Bank's strong brand recognition, solid liquidity buffers and resilient funding profile, established domestic franchise and extensive adoption of digital and alternative distribution channels.

Equity Group Holdings Plc is regulated by the Central Bank of Kenya.

Additional information may be found at: www.equitygroupholdings.com

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