PRESS RELEASE

EQUITY GROUP REPORTS STRONG 3RD QUARTER PERFORMANCE

KSHS.34.4 BILLION, PAT AND KSHS.1.364 TRILLION ASSETS

- 28% Profit After tax growth
- 31% growth in Non-funded income
- 27% growth in Earnings per Share
- 15% growth in customer deposits
- 21% growth in net loans

November 22nd 2022……... Equity Group Holdings Plc today reported Kshs.34.4 billion shillings profit after tax for the nine months to 30th September 2022. The Group recorded a 15% growth in assets to Kshs.1,363.7 billion total assets driven by a 15% growth in customer deposits of Kshs.1,007.3 billion to surpass Kshs.1 trillion for the first time in the history of the Group. Loans and Advances grew by 21% to reach Kshs.673.9 billion.

"Deliberate and intentional strategic decisions have delivered better performance and quality income mix and stronger balance sheet" said Dr. James Mwangi the Group CEO & Managing Director as he released the results. Non-funded income grew faster at 31% compared to 26% growth rate for total gross interest income increasing contribution of non-funded income to 41% of total income. Trade Finance revenue grew at 60% to Kshs.3.9 billion up from Kshs. 2.5 billion. Trade Finance lending grew at 84% to Kshs.36.2 billion up from Kshs.19.7 billion while Trade Finance guarantees and off-balance sheet items grew 39% to Kshs.156.2 billion up from Kshs.112.3 billion. Treasury income contributed 32% of the total gross income at Kshs.40.4 billion out of the total gross income of Kshs.123.3 billion.

Pursuit of business and geographical regional diversification saw subsidiaries enhance their significance contributing 44% of group deposits, 37% of group loans, 42% of group assets, 43% of group revenues and 32% of the Group's profit before tax respectively, recording better return on average equity, return on average asset and cost to income ratio. Strong efficiency gains with digitization, greater use of third-party infrastructure and self-service platforms saw the business witness strong off take of innovative online products with Pay with Equity "PWE" growing transaction numbers by 379% while internet banking "Equity Online" grew its transactions by 556% delivering greater use of self service on own devices and enhanced transaction processing on Fintech capabilities on cards, ATMs, Agency, E-commerce, Mobile and Internet channels.

Strong risk mitigation policies have seen the loan book reflect a diversified risk across various market segments of large enterprises 27%, SMEs 43%, Consumer 21%, agriculture 7% and Micro enterprises 2% and across sovereign geography with Kenya holding 63.6%, DRC 21.4%, Uganda 7.2%, Rwanda 4% and Tanzania 3.7% respectively. Foreign currency denominated loans contributed 47.2% while local currency loans constituted 52.8% of the loan book. On the COVID-19 19 accommodated loans of Kshs.171.4 billion, Kshs.49.4 billion has been fully paid, Kshs.104.8 billion has resumed repayment and is performing. Kshs. 9.5 billion has resumed repayment but behind schedule of repayment and hence categorized as non-performing with remaining Kshs.7.7 billion expected to resume repayment before the end of the year. The loan book quality held at a nonperforming loan ratio (NPL) of 9.0% against industry average of 14.2% as at 31st August 2022. NPL coverage on provision basis stood at 95.2% rising to 120.5% with credit risk guarantees up from 91.2%.

"Continuous pursuit of efficiency gains and our business transformation strategy have repositioned the business for value creation and strategic growth" said Dr. Mwangi. Cost to income ratio has improved to 47.1% down from 48.1%. Return on Equity has improved to 27.8% up from 24.0% while Return on Assets has improved to 3.5% up from 3.2%.

The COVID-19 environment management strategies have positioned the Group to steadily steer through volatile and uncertain economic and financial environment characterized by supply shocks, broken supply chains, high inflation and interest rates and slow and declining economic growth. Capital buffers remain strong with core capital to risk weighted asset ratio standing at 16.1%, while total capital to risk weighted asset ratio stands at 20.7%. Provisions buffers remain high with NPL coverage of 95.2% while liquidity buffers remain strong at 51.8% and head room for lending being high at a low loan to deposits ration of 66.9%.

“Our Equity Group brand is at an all-time high with a rating of “Triple AAA” and ranked as the 5th strongest finance brand globally. Our track record of social impact investments, inclusion, transforming lives, giving dignity and expanding opportunities is now a business acquisition driver. The Group is now realigning people, systems, processes, business, business risk through strong governance structures as it rolls out the African Recovery and Resilience Plan envisaged to grow the customer base to 100 million with 5 million businesses and 25 million households and individual borrowers”, added Dr. Mwangi while releasing the quarter three results.

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About Equity Group Holding Plc

Equity Group Holdings Plc is a financial service holding company listed at the Nairobi Securities Exchange, Uganda Securities Exchange, and Rwanda Stock Exchange. The Group has banking subsidiaries in, 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, philanthropy, consulting, and infrastructure services.

Equity Group is the largest bank in the region in assets of Kshs 1.35 trillion (USD 13.5 billion). It is also the biggest bank in deposits, market capitalization of USD 2 billion and with a customer base of over 16.9 million customers. The Group has a footprint of 342 branches, 61,061 Agents, 36,133 Merchants, 695 ATMs and an extensive adoption of digital banking channel.

The Banker Top 1000 World Banks 2021 index ranked Equity Bank 22nd in Africa and 761 overall in its global ranking, 149th in soundness (Capital Assets to Assets ratio), 71st in terms of Profits on Capital and 39th on Return on Assets.

Brand Finance 2022 ranked Equity Group the 5th strongest banking brand in the world and 338 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 Banker’s Top 100 African Banks 2020 placed the Bank in position 7 overall among the top 10 Banks in Africa, 5th place on soundness, position 9 on growth performance, 8th on return on risk and position 6th in terms of profitability and on leverage category.

In the same year, Moody’s gave the Bank a global rating of B2 with a negative outlook, the same as the sovereign rating of the Kenyan Government due to the Bank’s strong brand recognition, solid liquidity buffers, resilient funding profile, established domestic franchise and extensive adoption of digital and alternative distribution channels.