



EQUITY GROUP HOLDS 20TH ANNUAL GENERAL MEETING; APPROVES DIVIDENDS AND FORMATION OF BANKING GROUP & HEALTH INSURANCE SUBSIDIARY

- *Shareholders approve a record Kes 15.1 billion dividend payout for a second year in a row.*
- *Approval of Employee Share Ownership Programme Trust Deed and Scheme Rules*
- *Shareholders approve Group Restructuring to create Banking Holding Company, to create four groups under Banking, Insurance, Technology and Foundation Group.*
- *Ratification of Cogebanque acquisition in Rwanda.*
- *Positive outlook - East Africa has emerged among the fastest growing regions in the world with GDP of 5.6% (2024)*

Nairobi, 26th June 2024... Equity Group Holdings Plc on Wednesday held its 20th Annual General Meeting as the shareholders voted in favor of all proposals by the Board of Directors with a large majority through electronic means.

The approval includes a dividend payout of Kes 15.1 billion for a second year running which is a payout ratio of 36% from the previous year of 33.6%. This is in line with the Equity Group Holdings Plc Dividend Policy. The payout depicts a sustained return to shareholders amid an operating environment that's grappling with volatility marked by inflation, widespread currency depreciation, and interest rate hikes. Dr James Mwangi, Group Managing Director and CEO, said "The Kshs. 4 per share dividend amounts to a 36% payout of the Kshs.43.7 billion Profit After Tax or Kshs 11.1 earnings per share and dividend yield of 11.9% on the 2023 year-end closing share price of Kshs.33.65 or 800% on par value."

In the 19th Annual General Meeting the shareholders approved the creation of Equity Group Employee Share Ownership Programme (EGH ESOP) and allocated 5% of the share capital to it. In the 20th Annual General Meeting shareholders approved the EGH ESOP Trust Deed and Scheme Rules. This will position Equity Group as an employer of choice in the various markets and sectors where it operates. The staff are the most valuable assets we have, and they are the ones that deliver the promise to our customer and the ESOP will attract and retain the right talent,' commented Prof. Isaac Macharia, Equity Group Chairman.

The approvals include the creation of a banking holding company that will consolidate the activities of all the banking subsidiaries within the Group. Currently Equity Group operates banking subsidiaries in Kenya, Uganda, Tanzania, South Sudan, Rwanda and the Democratic Republic of Congo (DRC). Equity Group will now operate under four groups, the Banking Group, Insurance Group, Technology Group and the Foundation Group.

To further entrench its footprint in the insurance sectors, Equity shareholders gave the greenlight for the incorporation of a health insurance subsidiary to undertake health insurance underwriting in Kenya. The health insurance company will be a subsidiary of Equity Group Insurance Holdings Limited which already undertakes a life insurance and general insurance business in Kenya.

The Shareholders ratified the Cogebanque acquisition which led to Equity Bank Rwanda being a respectable position two in the market with an 18% market share. This creates opportunity for the Rwanda economy as it can now support large transaction in the market.

Prof. Isaac Macharia told shareholders that driven by purpose, the Group has continued to support its customers to navigate the current harsh economic times characterized by volatility and uncertainty. "From inception, we have sought to proactively support our customers through relevant, affordable and easily accessible services and products. We understand that behind every account or transaction is a unique individual or organisation with specific requirements and goals.", he said.

Dr. Mwangi, said the Group performed well, reflecting a positive outlook, continued trajectory of growth and shared value creation. "We are now a systemic bank in East Africa, a region that has



emerged among the fastest growing regions in the world. Our outlook remains positive, despite the challenging macroeconomic environment, Equity has adapted with agility and responsiveness to mitigate the challenging market conditions across the region. This reflects the strength of its leadership, the resilience of the employees, the anchored nature of our twin-engine business model, and the relevance of the Africa Recovery and Resilience Plan (ARRP).”

“We have made good progress through the year in attaining the key objectives under the Plan as we increased our client numbers to 19.6 million customers up from 17.7 million. In addition, the number of borrowing businesses increased to 0.3 million while borrowing customers stood at 0.84 million. Overall, we have made good stride in pursuing the Plan. As the ARRP is strongly hinged on unlocking the primary sector in Africa, a major concern for the Group in the year revolved around nature and climate change,” he added.

Looking to the future, Equity continues to view sustainability as offering a viable path for global advancement, presenting an opportunity to establish economic, market, and social models that prioritise and reward sustainable practices. This is particularly crucial for Africa, a continent endowed with a vast wealth of natural resources.