



## PRESS RELEASE

### **Equity Group Reports Kshs 15.4 Billion Profits After Tax on Prudent Cost Management and Resumption of Growth.**

- *Total assets increased by 4% year on year to Kshs 1.75 trillion from Kshs 1.69 trillion.*
- *Customer deposits increased by 7% year on year to Kshs 1.32 trillion.*
- *Net loans increased by 3% year on year to Kshs 804.7billion.*
- *Regional operations contribute 47% of total assets and 45% of profit before tax.*

**NAIROBI, 29<sup>th</sup> May 2025:** Demonstrating strategic agility and resilience in a dynamic global economic landscape, Equity Group has achieved strong results and growth of its diversified business across the region, becoming a regional systemic financial services provider in position two in three of the six markets it operates in; Kenya, DRC, and Rwanda.

This strategic focus has enabled the Group to deliver strong and sustainable growth, marked by a 7% year-on-year surge in customer deposits to Kshs. 1.32 trillion from Kshs 1.24 trillion, fueling a strategic expansion of net loans by 3% year-on-year to Kshs 804.7 billion from Kshs 779.2 billion. With total assets growing by 4% year-on-year to Kshs 1.75 trillion from Kshs 1.69 trillion, Equity Group demonstrates its continued stability and capacity to drive economic transformation. This solid financial foundation has enabled the Group to deliver strong profitability, achieving a Return on Equity (ROAE) of 23.9% and a Return on Assets (ROA) of 3.5%, and reporting a Profit After Tax (PAT) of Kshs 15.4 billion, a result of its diversified business model and prudent financial stewardship. Excluding South Sudan non-operational inflation accounting, profit before tax reflected an 8% growth from Kshs 17.3 billion to Kshs 18.8 billion.

Equity Group has adopted a tri-engine approach, integrating commercial, social, and sustainability priorities to foster sustainable economic growth and create meaningful societal impact. The Group continues to build on its legacy of resilience, strong governance, long track record of execution, self-disruption, agility, and scalability of its business model to thrive in the different markets it operates in. It has continued to grow the value it creates for its customers and stakeholders,

The Kenya subsidiary has shown recovery registering 7% growth in deposits to Kshs.792.7 billion, total revenue up 19%, non-funded income increased by 23% to Kshs.7.57 billion which resulted to a 50% increase in profit before tax. Kenya's return on asset and equity improved to 3.4% and 26.0% respectively. The Kenyan banking subsidiary, while still a major contributor, accounted for 51% of total revenue. The Group's regional subsidiaries continue to be strong contributors to its growth trajectory. Equity bank Tanzania recovery momentum continues to manifest itself with deposits increasing by 14% and loans by 9% year on year. Profit before tax increased by 540%, positively impacting returns with return on assets and return on equity at 3.2% and 22.6% respectively. EquityBCDC plays a pivotal role in anchoring the Group's Africa Recovery and Resilience Plan (ARRP), with a strong performance in DRC that saw 9% YoY growth in customer loans to Kshs 252.1billion and 8% in deposits to Kshs. 468.4billion. The subsidiary is instrumental in financing priority sectors such as agriculture, manufacturing, and MSMEs. Regional subsidiaries accounted for 47% of total assets, 48% of net loans, and 45% of profit before tax, with key markets including DRC Tanzania and Rwanda, showing growth in deposits and loans. This regional performance reinforces Equity's strategic positioning as a cross-border financial powerhouse and underpins its growing footprint across East and Central Africa.

While releasing the Q1 2025 results, Dr. James Mwangi, Equity Group Holdings Plc Managing Director, and CEO said, "We are proud of the resilience demonstrated by the Group amidst a challenging global economic landscape, where our financial strength provides the flexibility to seize opportunities as the regional economy presents diversified levers for growth. This, coupled with the strength of our regional and non-banking subsidiaries, positions us to continue delivering sustainable growth and creating long-



term value for our customers, communities, and shareholders, supported by our strong liquidity and total capital positions of 58.5% and 18.3% respectively." - Dr. James Mwangi, Managing Director and CEO of Equity Group Holdings Plc.

Net interest income increased by 3% from Kshs 27.8 billion to Kshs 28.6 billion while total expenses decreased by 1% to Kshs.29.5 billion resulting to a profit before tax of Kshs.18.7 billion.

The Non-Performing Loan (NPL) ratio remained below the industry average at 14%, significantly lower than the 17.2% published industry average. NPL coverage stands at 67%, reinforcing the Group's strong asset quality.

The Group's non-banking subsidiaries, including investment banking, fintech, and insurance, have continued with their stellar performance. These businesses are not only supporting revenue diversification but are also deepening the Group's value proposition through integrated, customer-centric solutions that address diverse financial needs across the continent.

The insurance business continues to deliver good results, with Profit Before Tax rising 27% to Kshs 414 million from Kshs 321 million. Since its inception in March 2022, the Group has issued 15.3 million policies, with 80% distributed through digital channels, enhancing financial protection and deepening customer relationships.

With a focus on long-term value creation, the Group is in the process of acquisition of a health insurance subsidiary license, to complement its existing general and life assurance licenses, marking a significant strategic milestone. This move will enhance the Group's ability to offer a comprehensive suite of insurance solutions ensuring that customers across all segments; corporate, SME, and retail, can access integrated solutions that protect their life, health, and wealth.

In line with its strategic objective to layer insurance solutions across banking products, Equity Bancassurance Intermediary Limited has been central to driving growth, risk protection, and insurance literacy.

The investment bank and technology businesses registered a strong performance, with profitability growing by 142% and 10% respectively, reinforcing the Group's diversification strategy.

This performance positions the Group to effectively anchor and advance its Africa Recovery and Resilience Plan (ARRP), a private sector led development plan championed by Equity aimed at catalyzing, capacitating, connecting, and financing enterprises and households across Africa. Beyond providing financial and technological tools, it empowers individuals, businesses, and communities through a clear framework for development, by building capabilities and mitigating risks, enabling them to leverage these tools effectively and efficiently to achieve their social, environmental, and economic ambitions.

The Africa Recovery and Resilience Plan (ARRP) aspires to drive long-term transformation across the continent, leveraging the support and active participation of diverse stakeholders. Strategic partnerships with Development Finance Institutions (DFIs), global implementation partners, and social institutions have been instrumental in delivering lasting social and commercial outcomes. As part of these efforts, Equity Group has collaborated with the AfDB, Microsoft, and Mastercard Corporation to digitize 10 million farming customers under the Community Pass initiative through the MADE Alliance, advancing financial inclusion and digital accessibility across Africa. Additionally, the Group has partnered with the World Food Programme to strengthen the capacity of smallholder farmers transitioning into agribusiness. To further promote inclusive finance, the Group has leveraged risk-sharing mechanisms through a strategic partnership with the African Guarantee Fund (AGF), securing guarantees of over Kshs. 27 billion. These have enabled increased access to credit for women- and youth-led MSMEs, reinforcing the Group's commitment to equitable economic empowerment.

Equity Group has continued to invest in technology, infrastructure, and diversification. It has modernized its digital channels, which now process 87% of all transactions, enabling customers to



access a secure, reliable, and seamless digital-first experience. Equity Mobile App and USSD processed 39.5 million transactions, with value of Kshs. 942.7 billion up from 37.8 million transactions with value of Kshs. 720.2 billion recorded during the same reporting period last year, while Equitel handled 92 million transactions, up from 65.2 million transactions, demonstrating strong customer adoption of the Group's mobile banking platforms. The Group's foreign exchange trading platform, EazzyFX, recorded Kshs. 29.5 billion in transaction value up from Kshs. 24.1 billion, while Equity Online posted Kshs. 41.7 billion in value transacted up from Kshs. 36 billion. Meanwhile, Pay With Equity (PWE), the Group's interoperable merchant and payments platform, processed Kshs. 567.6 billion up from Kshs. 487.5 billion across more than 1.1 million merchants, further entrenching Equity's position in retail and enterprise payments. Furthermore, ONE Equity, the Group's integrated digital platform, allows customers to access a wide range of products and services across various digital channels under a single umbrella, enhancing cross-selling, offering greater customer choice, and deepening engagement.

Equity Group continued to deliver significant social impact across the region, reinforcing its commitment to inclusive development. Under the Equity Leaders Program (ELP), the Group has now supported 29,515 scholars, with 113 currently pursuing full scholarships in top global universities, and over 970 alumni having studied at 233 universities across 37 countries. Additionally, 750 scholars were admitted into the pre-university internship program this year, with a cumulative 9,700 paid internships and 3,979 TVET scholars supported to date, building a pipeline of empowered African leaders.

On the climate front, the Group has planted over 35 million trees and facilitated the distribution of 494,543 clean energy products, contributing to nature restoration and clean energy adoption. With over USD 200 million extended in climate finance, the Group continues to support businesses and communities in building climate resilience. Equity's leadership in sustainability has earned global recognition from the International Finance Corporation (IFC) as the financial institution with the highest number of climate-related transactions globally.

Through the Young Africa Works program, Equity has disbursed Kshs 353 billion to 350,149 MSMEs, with 2.49 million women and youth receiving financial education and 653,372 MSMEs trained in entrepreneurship. The Group's social protection programs have reached 5.82 million people, disbursing Kshs 167.8 billion in cash transfers. Meanwhile, Equity Afia Clinics have recorded 3.66 million cumulative patient visits across 134 facilities, contributing to improved access to quality and affordable healthcare.

Dr. Mwangi concluded "Our focus on financial inclusion, regional expansion, and sustainable growth will enable us to continue being a catalyst for economic empowerment and resilience across Africa. This commitment is underscored by our recent recognition as a Superbrand in East Africa for the fourth time, affirming our dedication to quality, reliability, and excellence in the financial services sector. Our unwavering efforts in financial literacy and innovative solutions were also celebrated at the 20th Think Business Banking Awards, where Equity Bank won 16 top awards, including CEO of the Year and the top spot in other nine categories, such as Financial Literacy Programs, SME Banking, Agriculture Financing, and Sustainable Corporate Social Responsibility, reflecting our commitment to empowering our customers and fostering economic prosperity."