PRESS RELEASE:

Equity Group Records 17% Growth in Profit After Tax to Kshs. 34.6 Billion Up from Kshs.29.6 Billion as Transformation Starts to Bear Fruits, Despite Challenging Operating Environment.

- *Strongest quarterly performance in profit before tax of Kshs.22.9 billion in history of the organization, exceeding the quarterly average for the last four years of Kshs.14.8 billion.*
- *Strong recovery of transforming subsidiaries, registering strong profit after tax growth, Kenya 40%, Uganda 40%, Tanzania 75%, DRC 22%.*
- *Three insurance businesses – Life, General and health*
- *Regional banking businesses contribute 49% of banking deposits, 50% of loan book and 50% of banking revenue.*
- *Balance sheet register 3% asset growth, 4% Net Loan growth, 2% deposits growth and 25% shareholders' funds growth.*
- *Earnings per share up 16% to Kshs. 8.8 from Kshs.7.6*

Nairobi 11th August 2025…… Four years ago, Equity Group embarked on a journey of transformation. The journey was not of incremental change or optimizing the business but one of self-disruption and complete transformation. Nothing, including the core, the true north, corporate beliefs and philosophies, and culture has been spared. The vision has remained socio-economic transformation but has now significantly evolved. The purpose has pivoted from financial inclusion to giving dignity and changing lives while expanding opportunities for wealth creation to one of championing, catalyzing and facilitating private sector led development financing. Knowing Equity could not own the development of a continent, the Group has collaboratively led to the development of the 'Marshall like plan' for the continent; *The Africa Recovery and Resilience Plan (ARRP)* which has informed disruption and transformation of the Group to strategically position it to provide African Leadership.

The Group has developed and mapped its 2030 strategic plan to anchor the ARRP with an ambition to have presence in 15 countries and serving a hundred million customers by 2030. This ambition has necessitated disruption and transformation of the core pillars, enablers and critical success factors. Governance and leadership have been overhauled to provide adequacy of capacity, competence, transparency and openness necessary for the ambition. Systems and infrastructure have been fully replaced with scalable next generation, 4th industrial revolution technologies that are digital, machine learning, Generative Artificial Intelligence (GAI) and data analytics ready and enabled. Applications that can leverage the capabilities of the systems and infrastructure with inbuilt enhanced security and innovations are being deployed. Go to market strategy has been developed for the roll-out to transform the capabilities of a modern product house into customer value propositions and solutions for a segmented market on the basis of industries, sectors, segments, demographics and customer specific status. The Group's organization culture is undergoing transformation to have built-in customer centricity and market responsiveness on core values of integrity, professionalism, creativity, innovation and teamwork for a fit for purpose human capital and to attract and retain talented, skilled and experienced staff.

Commenting on the Half Year 2025 performance, Equity Group Managing Director and CEO, Dr. James Mwangi said, "The execution of the strategic business plan has started to reflect on the balance sheet and performance of the Group in agriculture, mining, manufacturing, trade and investment, and small and medium enterprises (SMEs) that populate the eco-systems of the formal sector in these value chains and is likely to significantly and increasingly transform the structure and performance of the Group. Continued execution has resulted in transformation of the balance sheet structure and the resultant profit and loss structure creating resilience in performance."

Group profit after tax grew by 17% to Kshs.34.6 billion up from 29.6 billion year on year driven by a 9% growth in net interest income after an 18% decline in interest expense. Total costs declined by 2% driven by a 34% reduction in loan loss provisions.

The Group has also bounced back to record a 4% growth in loan book to Kshs.825.1 billion despite the challenging global, regional and local macroeconomic environment characterized by uncertainty, depressed GDP, growth rates, high interest rates, volatile exchange rates and high inflation. Customer deposits registered a 2% growth to Kshs.1.32 trillion and total assets grew by 3% to reach Kshs.1.8 trillion.

The loan deposit ratio remains favourable at 62.5% signifying headroom in lending which could be supported by strong capital buffers of 16.5% and 18.1% for both core capital to risk weighted assets and total capital to risk weighted assets respectively and a liquidity ratio of 58.6% confirming the opportunity for asset reallocation from cash and cash equivalent assets to higher yielding loan assets.

The four-year Group business transformation journey has started to deliver consistent quarter-on-quarter improvements. The Group has registered the strongest quarterly performance in Q2 2025 of Kshs.22.9 billion and Q1 2025 of Kshs. 18.6 billion both above the quarterly average for the last 4 years, of Kshs.14.8 billion despite the muted loan book growth, geopolitical uncertainty and impact of culture, governance, systems, people, customer value proposition and transformation the Group is undertaking.

The recovery and build up resilience is evident in every business. Equity Bank Kenya has seen its net interest margin rise to 7.5% from 6.5%, return on assets rise to 3.9% up from 2.8% and return on equity jump to 28.1% from 25%. Equity Bank Tanzania has seen its net interest margin rise to 8.7% up from 8.1%, return on assets rise to 4% from 2.3% and return on Equity grow to 27% from 17.5% year on year. Equity Bank Uganda has seen its return on assets jump to 3.4% from 2.2% and return on equity grow to 25.1% from 17.1%. Equity EBCD has seen its net interest margin rise to 7.1% from 6.9%, return on assets grow to 3.1% from 2.6% and return on equity grow to 23.5% from 21.9% while Equity Bank Rwanda has achieved the highest return on assets of 4.1% and a return on equity of 29.6% and a cost to income ratio of 35.8%.

Recovery

In Kenya

Profit after tax increased by 40% from Kshs.13.9 billion to 19.5 billion, net interest income increased by 18% from Kshs. 27.7 billion to Kshs. 32.8 billion after 29% decline on interest expense to Kshs.18.3 billion down from Kshs. 25.6 billion. Total equity grew by 22% to Kshs.154.6 billion from Kshs. 127.2 billion.

In DRC

Profit after tax increased by 22% to Kshs. 9.1 billion from kshs.7.4 billion. Loans and advances grew by 13% to Kshs.275.4 billion from Kshs. 244.2 billion funded by a corresponding decline in cash from Kshs. 271.4 billion down to Kshs.236.5 billion. Total equity grew 28% to Kshs.82.6 billion up from Kshs.64.8 billion

In Uganda

Profit after tax increased by 40% to Kshs.1.9 billion from Kshs.1.4 billion. Deposits grew by 5% to Kshs.96.8 billion from Kshs. 91.9 billion fueling growth of cash and bank balances by 11% to Kshs.25.7 billion from Kshs.23.1 billion and growth of investment securities by 14% to Kshs.36.8 billion from Kshs. 32.3 billion. Capital grew by 9% to Kshs.16.8 billion up from Kshs. 15.4 billion.

In Rwanda

Total assets registered 21% growth to Kshs.130.1 billion up from Kshs.107.6 billion driven by 22% growth in deposits from Ksh.77.7 billion to Kshs.94.7 billion and 23% in loan book from Kshs. 45.5 billion to Kshs. 56.1 billion and 48% growth in cash and bank balances of Kshs. 42.1 billion up from Kshs. 28.5 billion. Capital grew by 26% to Kshs.19.9 billion up from Kshs.15.8 billion.

In Tanzania

Profit after tax grew by 75% to Kshs.1.1 billion up from Kshs.0.6 billion. Shareholders' funds grew by 67% to Kshs.10.7 billion up from Kshs. 6.4 billion. Loans and advances grew by 19% to Kshs.31.3 billion from Kshs.26.2 billion.

Insurance Group

Balance Sheet grew by 40% to Kshs.31.48 billion up from Kshs. 22.4billion. Profit after tax was 27% up from Kshs.520 million to Kshs. 660 million.

Regional diversification of the banking business continues to register success transforming Equity Group from a Kenyan bank to a regional bank with 49% of deposits, 50% of loan book, 48% of total banking assets and 50% of Group banking revenue coming from the region. The regional banking business has been value creative with 46% of profit before tax and 43% of profit after tax of banking business being contributed by the regional subsidiaries.

The Group's loan book quality remains stable with Group NPL ratio having peaked to 14.0 in Q1 2025 from 12.9 in H1 2024 to 13.7 in H1 2025, driven by improvement in NPL ratios of Equity Bank Tanzania 2.9%, down from 10.6% and Equity Bank Uganda which registered NPL ratio of 12.2%, down from 17.9%. Equity Group outperformed the Kenyan industry registering NPL ratio of 13.7% against industry average ratio of 17.6% as at April 2025, while maintaining an IFRS NPL coverage of 68.2%. Group's cost of risk declined from 2.6% to 1.7% year on year.

On business diversification into the insurance industry to transform the Group from a banking Group into an integrated financial services Group, that has now obtained three licenses of life insurance, general insurance and health insurance. In its 3rd year of operations, the life insurance business has become the second largest group credit insurance company with a market share of 7% of group life and credit life, and number 7 in life insurance in terms of return on Equity and number 8 in profitability. Equity Life Assurance saw its gross written premiums grow by 58% to Kshs.3.8 billion up from Kshs.2.4 billion with net insurance and investment revenue growing by 18% to Kshs. 953 million up from Kshs.808 million, with profit before tax rising by 20% to Kshs. 890 million from Kshs.740 million. Insurance contract liabilities grew by 22% to Kshs. 23 billion up from Kshs.18.9 billion. Total assets increased to Kshs. 28.6 billion up from 22.4 billion. Return on equity stood at 40.7% with a return on assets of 4.7%. Within 3 years of operation, Equity Life Assurance has reached 6.7 cumulative unique customers and issued 16.6 million policies.

The General insurance, which began operating this year, has had a strong start with a Kshs.1.36 billion gross written premiums within 6 months generating Kshs. 640 million insurance revenue to register a profit before tax of Kshs. 32 million, a 6.6% return on equity and a 2.8% return on assets. Equity Insurance Group registered a 26% growth in profit before tax supported by a 115% increase in gross written premiums, of Kshs. 5.181 billion up from Kshs. 2.414 billion. Insurance revenue grew by 59% while total assets grew by 40%.

The investment in systems to create convenience with compression of distance and time for customers has led to a transformation of the business delivery model with migration from fixed and variable cost channels to self-service channels. While over 98% of transactions happen outside the branch, 87.4% of these happen on digital channels.

The non-banking business of the technology and insurance Group have raised its total contribution to Group assets from 1.4% to 1.9% year on year, revenue to 4% up from 2.8% and profit before tax to 3.8% up from 3.5%. The non-banking Group generated a return on Equity of 42.4% and return on assets 6.6% compared to the Group return on Equity of 26.1% and return on assets of 3.9%.

While the Group continued to transform its business arm (economic engine) it continued to invest in its social and sustainability engine under the Equity Group Foundation. A total of $715 million in social impact and sustainability investment program with 47% of funding going to social investments of secondary school scholarships and 34% into university scholarship with the balance being invested in the real economy to derisk and capacitate development of enterprise, entrepreneurship, financial inclusion, health, energy and environment and food and agriculture. Equity Group Foundation has taken global leadership in championing private sector led development, financing and offering direction in reform of global financial architecture.

The Equity Leaders Program (ELP) remains central to nurturing the next generation of African leaders, having supported 29,515 university scholars to date. Among them, 1,061 scholars have secured placements at leading global universities, while 9,700 students have participated in paid internships. The Group's investment in technical and vocational education has benefited 3,979 TVET scholars, reflecting its commitment to workforce development.

Advancing environmental sustainability, Equity has distributed 520,549 clean energy products and planted 36.4 million trees, driving both climate action and community resilience. Through targeted climate finance exceeding USD 200 million, the Group is enabling enterprises and households to adopt sustainable practices. This leadership in green financing has earned Equity international recognition, with the International Finance Corporation (IFC) acknowledging it as the global leader in climate-related transactions.

Equity’s flagship Young Africa Works program continues to unlock entrepreneurial potential. A cumulative Kshs 363.09 billion has been disbursed to 350,149 MSMEs, while 2.49 million women and youth have received financial education. Complementing these efforts, 658,459 MSMEs have been equipped with entrepreneurship training, broadening economic inclusion across the region.

Further supporting vulnerable populations, the Group’s social protection initiatives have reached 5.9 million individuals, with Kshs 169.8 billion disbursed via cash transfer programs. At the same time, Equity Afia, the Group's healthcare network, has expanded to 139 clinics, registering 3.98 million patient visits and contributing significantly to affordable and accessible healthcare in the region.

Equity Bank was named the “Best Regional Bank in East Africa” at the African Banker Awards 2025 and retained title as Kenya’s most valuable brand in 2025, for second year running. These recognitions affirm Equity Group’s regional leadership and role in advancing financial inclusion and socio-economic transformation across the continent.