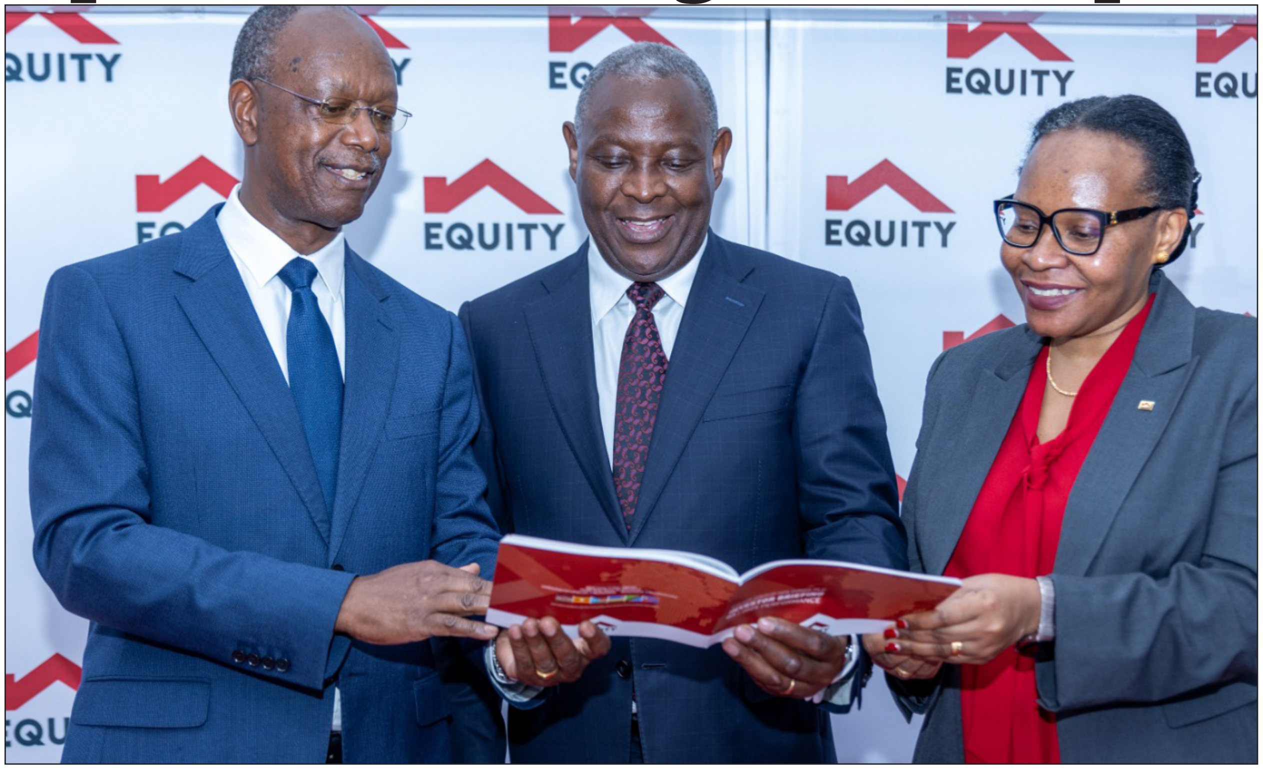
# Equity Group records 32% growth in profit after tax




**From Left to Right: Equity Group Non-Executive Chairman, Prof. Isaac Macharia, Equity Group Managing Director and CEO, Dr. James Mwangi, and Equity Bank Tanzania Managing Director, Isabela Maganga, during the Q3 2025 Investor Briefing event.**

Equity Group Holdings Plc has announced its third quarter 2025 results with a record 32 percent surge in its Profit After Tax to Sh54.1 billion up from Sh40.9 billion, showcasing a robust performance driven by strategic transformation and resilience.

The result was underpinned by diversified and growing revenue streams, enhanced efficiency, and strong regional contributions and strong recovery of the Kenya banking business.

During the quarter, the global environment demonstrated resilience with slightly stronger economic growth expected for the year. Easing global inflation rates has also been helpful in an international landscape increasingly shaped by trade tensions and fragmentation.

Commenting on the third quarter 2025 performance, Equity Group Managing Director and CEO, Dr James Mwangi observed that 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.

Alongside the performance, the CEO revealed that these results were marked with strong profitability ratios with Return on Average Equity (RoAE) at 26.4 percent and Return on Average Assets (RoAA) at 4.1 percent.

According to Dr Mwangi, the Group demonstrated effective revenue diversification, as evidenced by a 16 percent growth in net interest income and 3 percent growth in non-funded income.

The Group, he stated, also achieved improved efficiency, with the cost-to-income ratio significantly reduced to 50.6 percent from 55.1 percent, while strong asset quality was maintained through an increase in non-performing loans (NPL) coverage to 71.4 percent and a contained cost of risk at 1.9 percent.

"Our Q3 2025 performance reflects the strength of our diversified tri-engine business model, operational efficiency, and continued commitment to transforming lives. By empowering MSMEs, leveraging digital platforms, and aligning with Africa's socio-economic and sustainability priorities, we continue to drive inclusive growth and create shared prosperity," he remarked, expressing the Group's pride particularly in its regional subsidiaries, which have demonstrated resilience and contributed significantly to Equity's overall performance.

Notably, the CEO disclosed that Equity Bank reported a strong performance with Profit after Tax rising by 51 percent to Sh 31.1 billion up from Sh 20.6 billion in the previous period in Kenya alone.

He reported that net interest income grew by 27 percent to Sh 53.6 billion from Sh 42.0 billion, supported by a 34 percent decline in interest expenses, which reduced to Sh 25.1 billion from Sh 38.0 billion.

Consequently, Dr Mwangi announced that total equity expanded by 36 percent to Sh 171.4 billion up from Sh 126.1 billion.

In addition, he affirmed that Equity Bank Kenya sustained its MSME banking leadership, disbursing 45 percent of the Sh 201 billion MSME loans in Kenya between January and July 2025, and the Equity Insurance Group reported a 71 percent increase in gross written premiums, contributing to a 36 percent growth in profit before tax.

Further, the CEO added that regional subsidiaries also made significant contributions, with Equity BCDC (DRC) recording 19 percent YoY loan growth and Equity Bank Rwanda achieving 34 percent YoY loan growth, a strong growth of the region which he maintained provides a long-term runway and headway for sustained growth of the Group.

"We appreciate our customers for their continued support and patience throughout our transformation journey, despite the challenges experienced during the period," expressed Dr Mwangi, stressing that this transformation marks the Group's evolution into a one-stop financial services provider, offering borrowing, investing, insurance, payments, and savings solutions seamlessly, 24 hours a day. "With system stability now fully restored, we are focused on expanding our product offerings to better serve our customers and enhance their opportunities for wealth creation," he assured.

Importantly, Dr Mwangi affirmed that this transformation has not changed the Group's true north of unwavering commitment to supporting micro, small, and medium enterprises.

"We are proud that industry data shows Equity is home to 45 percent of all SME loans disbursed this year. We remain dedicated to exploring greater opportunities to make this our core focus," he reaffirmed.

Similarly, the CEO noted that regional diversification continues to transform Equity Group from a Kenyan bank to a regional powerhouse, with 50 percent of deposits, 53 percent of the loan book, 50 percent of total banking assets, and 49 percent of Group banking revenue originating from regional subsidiaries.

This regional banking business, he divulged, has been value-creating, contributing 45 percent of Profit before Tax and 42 percent of Profit after Tax of the banking business.

On business diversification, Dr. Mwangi insisted that the Group's growth in the insurance industry is transforming the Group from a Banking Group into an integrated financial services Group that is powered by technology.

He announced that Equity Group has now secured three (3) underwriting licenses for life insurance, general insurance, and health insurance which enables the Group to provide customers with the holistic tools of risk management to protect their lives, their health, and their wealth.

Further, Dr. Mwangi revealed that the non-banking businesses, the technology and insurance Group, raised their total contribution to Group assets from 1.5 percent to 1.9 percent year on year and revenue to 3 percent up from 2.8 percent

He elaborated that the non-banking Group generated a return on Equity of 38 percent and a return on assets of 6.6 percent compared to return on Equity of 26 percent and return on assets of 3.7 percent of the banking group and return on equity of 26 percent and 4.1% of return on assets of the entire Group.

"Technology remains central to the Group's strong operational performance and strategic resilience. During the quarter, we further improved system reliability, launched key digital integrations across markets, strengthened fraud controls, and advanced our AI and data governance frameworks. Through investments in modern architecture, emerging AI and data capabilities and the transformation to platform-based business models with integrated ecosystems, we have future-proofed our operations and enhanced service uptime and stability across all markets," he asserted.

Dr Mwangi reiterated that this approach not only strengthens brand trust and customer confidence but also positions the Group to capture emerging opportunities in digital finance, data innovation and ecommerce.

"As part of our multi-year information security transformation and remediation program, we continue to invest heavily in security and compliance frameworks aligned with regulatory expectations and international standards such as ISO 27001 and PCI-DSS. These investments assure data protection and safeguard our digital ecosystem as transaction volumes and API integrations scale," added the CEO.

He implored that the strong growth in the region presents a long-term runway and significant headroom for sustained expansion of the Group.

Meanwhile, in Q3 2025, the Equity Group Foundation (EGF) has continued to advance its mission of transforming lives and expanding opportunities across the East and Central Africa region through its social impact investment initiatives and pillars of impact including the Education and Leadership Development pillar, the Food and Agriculture pillar, and the Energy, Environment, and Climate Change pillar.

Recognized with the Sustainable CSR Award 2025, EGF continues to demonstrate how integrated investments in education, enterprise, health, and climate resilience can deliver inclusive growth and sustainable returns for Africa's people and its partners.

Equity Bank was also 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 the second year running. These recognitions affirm Equity Group's regional leadership and role in advancing financial inclusion and socio-economic transformation across the continent.