

EQUITY NEWS

A QUARTERLY NEWS PUBLICATION OF EQUITY BANK



EQUITY LAUNCHES FINANCIAL EDUCATION

1 Million Kenyans to get free financial training

A program to offer free training to one million youth and women is ongoing across the country thanks to a partnership between Equity Bank, Equity Group Foundation and The MasterCard Foundation. The program, known as Financial Knowledge for Africa (FiKA) was launched recently by Deputy Prime Minister and Minister for Finance Uhuru Kenyatta and witnessed by Peter Munga, Chairman Equity Bank, Dr. James Mwangi, Equity Bank CEO, Reeta Roy, President and CEO of The MasterCard Foundation, Prof. Njuguna Ndung'u, the Central Bank of Kenya Governor, as well as entrepreneur and philanthropist Dr. Manu Chandaria among other local and international guests.

During the launch ceremony, over 1,000 graduates from all

over the country, donning graduation gowns received their certificates having successfully undertaken their financial training. The testimonies of the graduates on the impact of the training on their lives was a strong indication of how lack of financial literacy has for a long time contributed to financial exclusion for millions of Kenyans.

Hon. Kenyatta acknowledged the vital role the financial literacy program would play in transforming the lives of Kenyans and ultimately in the attainment of Vision 2030.

"The program seeks to address many of the defining challenges facing our nation, including creating employment for our youth," said Kenyatta. "We share the goals of the program's partners for transforming small and medium enterprises that are owned and managed by our own Kenyan

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youth and women, as the key driver for achieving broad-based economic growth and poverty reduction in our nation," he said.

The Chairman of Equity Group Foundation Dr. James Mwangi said the program has made a deliberate effort to target the youth. "75% of Kenya's population is in the 18 to 35 years age bracket. This is the segment of our population that is most affected by economic challenges such as unemployment and lack adequate business management skills," said Mwangi.

In the 12-week financial education program, participants learn basic concepts and gain vital understanding of how to manage their finances.

President and CEO of The MasterCard Foundation Reeta Roy said the program will enable youth and women micro-entrepreneurs to access financial services and create economic opportunities for themselves. Since the national graduation, the country is witnessing a wave of graduations and celebrations as thousands of youth and women complete their courses and receive their certification.

The new graduates hold a promise of economically transforming their lives as they embark on their new journey well equipped with financial knowledge on how to manage their finances, how to budget their incomes, make savings part of their financial culture and how to manage debts. To date, over 130,000 have undergone the FiKA course and graduated.

EQUITY BANK'S HALF YEAR AFTER TAX PROFITS GROW BY 57%

Keeping in its exceptional performance streak, Equity Bank Group has maintained an all-round growth in its business in the half year to June with a 52% increase in its profit before tax. Despite the economic challenges on the local and international scene, Equity Bank buoyed by increasing deposits increased its profit before tax to Kshs 5.9 billion up from Kshs 3.88 billion posted in a similar period last year.

The bank's after tax profit registered an even higher growth to close at Kshs 4.74 billion up from Kshs 3.01 billion representing a 57% growth. The Bank's total asset base also registered significant growth posting a 40% growth to close at Kshs 171.35 billion up from Kshs 122.5 billion.

Within the same period, Equity Bank Group's loans and advances grew by 43% to close at Kshs 97.71 billion up from Kshs 68.25 billion and managed to reduce its non-performing loans portfolio by more than 6%. In a move attributed to the prevailing economic climate and efforts by the Central Bank of Kenya to ensure prudent economic management, the bank recorded a 4% growth on its government securities asset class growing to Kshs 27.46 billion up from Kshs 26.39 billion.

The bank managed to sign up more than 1.3 million new customers. Effectively, Equity Bank Group's customer base grew from 4.96 million to 6.3 million representing a 28% growth. The Group's deposits grew by 48% to Kshs 130 billion up from Kshs 87.8 billion.

Total operating income for the period grew by 30% to Kshs 13.1 billion up from to Kshs 10.1 billion in the same period. Total operating expenses on the other hand grew by 17% from Kshs 6.3 billion in June 2010 to Kshs 7.3 billion in June 2011.

Speaking during the release of the bank's half year trading results, Equity Bank Group CEO Dr. James Mwangi expressed optimism that the bank is geared towards maintaining the growth momentum. "Our success has been driven by prudent risk management practices, increased efficiency and innovation on the delivery channels, products and services front," he said. The cost income ratio has come down from 62% to 56% during the period.

Reflecting its capital strength and liquidity, Equity Bank Group also maintained a more than 11% and 13% score above the statutory capital and liquidity requirements respectively.

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MESSAGE FROM THE TEAM LEADER



Dr. James Mwangi

In this edition, we celebrate thousands of Kenyans who are turning out in large numbers to enroll for the Financial education program under the Equity Group Foundation. Financial Knowledge for Africa (FiKA) as this program is commonly known, is a partnership between Equity Bank, Equity Group Foundation and The MasterCard Foundation.

Why did we decide to invest in financial education?

Equity Bank has grown to become the biggest bank by customer base in Kenya. We are home to over 50% of all bank accounts in Kenya. We attribute this success to the support we have continued to enjoy from our customers. For a long time, the Bank offered training as part of its lending strategy. We felt that a time had come for us to scale this up by incorporating financial literacy training as a key facet of our Corporate Social Responsibility. Our commitment in rolling out FiKA was to connect in a very special way with the society because they have believed in and walked with us this far. That is how in 2010, the Equity Group Foundation was formed.

Equity Group Foundation has become an instrumental arm of the Bank in creating the financial and operational infrastructure for social programs aimed at giving back to society. The Foundation leverages on the Bank to provide the infrastructure for service delivery hence reducing the operational cost of the Foundation, and increasing the rate of return on all areas of social investment.

FiKA is part of our key focus areas in promoting financial education. Through this program, we are also addressing another key focus area of Equity Group Foundation, of empowering the youth and women. In addition, and in alignment with the national goals, youth and women will play a significant role in the achievement of Vision 2030. We believe that by targeting and mainstreaming women and youth into the financial system, the country will have addressed significant household socio-economic challenges.

Within one year of rolling out the FiKA program, we have seen that once people acquire financial literacy skills, they become more informed decision makers and they can plan for and realize their financial and economic goals. Therefore, financial

education has lifelong rewards and I would urge more Kenyans to consider enrolling for this training by walking to their nearest Equity Bank branch.

The Bank further appreciates that the journey of social economic transformation of our people will not be complete if we do not address the issue of access to financial services for all Kenyans including the thousands who are graduating with financial literacy qualifications all over the country. That is why the Bank has rolled out agency banking. This new delivery channel is meant to ensure entrepreneurs spend most of their time in their businesses as opposed to travelling long distances, at times being forced to close their businesses for many hours to access financial services.

The agency banking business is helping to deepen financial access by taking financial services closer to the people.

I am delighted to say we were very proud to host over 3,000 Equity Scholars for the 2nd Annual Equity Bank Education and Leadership Congress. We are privileged to partner with Kenyatta University which accepted to host the Congress for two weeks. It was inspiring to see how these young scholars are shaping their lives both those in secondary schools *Wings to Fly* Program and the ones in the Equity University Sponsorship Program as well as the alumni. Through this program, a strong network of scholars is emerging bound by a common goal of playing their role as leaders in a fast changing world.

We acknowledge the support that His Excellency the President Hon. Mwai Kibaki has continued to give us including the launch of the program early this year.

We are grateful to the Rt. Hon Prime Minister Raila Odinga, His Excellency the Vice President Hon. Kalonzo Musyoka, the Deputy Prime Minister Hon. Uhuru Kenyatta, The MasterCard Foundation Board Chairman Lois Juliber, Vice Chairman Philip Clay, President and CEO Reeta Roy, and a host of local and international mentors who are captains of industry, scholars, professionals and successful entrepreneurs and philanthropists who spent many hours mentoring the scholars. Together, we believe we are creating the next generation of leaders.

A generation that will be inspired to fight poverty, improve living standards and coexist peacefully as a people while fully committed to give back to society; Servant Leaders.



GUEST WRITERS COLUMN

Wings To Fly is an investment for our future.

By Kagema Kibue



The launch of the *Wings To Fly* secondary school scholarships by Equity Group Foundation and The MasterCard Foundation is a clear demonstration that there exists practical home grown solutions to the challenges we face in our attempts to address the socio economic challenges that confront us as a nation.

The program was very well received by the education stakeholders and especially Principals of secondary schools who have had to live with a rising and unfortunate trend of failure to take up admissions by children from marginalized segments of our communities whenever form one admissions are done. There are those others who somehow manage to get the initial finances required to give them admission to form one class without a guarantee for the finances required in the subsequent years.

This scenario is what has led to some students completing their secondary school education with staggering fees balances leaving the Principal and the School Boards of Governors with a big financial strain in running the school.

The intervention is not only significant for the numbers that directly benefit, it is also a loud call to action by other corporates and Kenyans of goodwill to invest in the future of some of the brightest minds in our nation who risk losing the opportunity to exploit their potential due to their present circumstances. It is a reminder to the entire citizenry that we have a responsibility for the orphans and the vulnerable children in our neighboring households.

It gratifies to learn that out of the 1,200 scholars who received their *Wings To Fly* Scholarships, 400 of them joined National schools while the others found places in competitive secondary schools across the country. There is no better way of providing a future to these children who would have been left to waste away in destitution, perpetuating a cyclical pattern of poverty. By getting this opportunity, their future has been completely reversed. The obligation is now in their hands together with their secondary school teachers, to use this opportunity to shape their future. Going by their testimonies, the sky is the limit for these young scholars who are soaring high, flying away to their dream future.

This article has been contributed by Kagema Kibue, the Principal of Kerugoya Boys High School.



Transforming Africa through
Education Scholarships
and Leadership Mentoring



EQUITY'S GLOBAL TALENT HUNT

Kenyans more often hear about brain drain news as many professionals prefer to work for multinationals away from home. What they may not have heard in equal measure is the fact that several East Africans of high professional qualifications and international experience have been returning to work home, and several of them have made Equity Group their employer of choice. According to Equity Bank Group CEO Dr. James Mwangi, in the last 3 years, the Group has welcomed high flying professional picked from some of the world's

most renowned corporate organisations. "Given our scope and mission in this region, we are continuously seeking specialist skills. East Africans in the Diaspora with requisite skills have therefore been getting an equal opportunity in our competitive recruitment process," Dr. Mwangi explained. And added: "these are outstanding individuals who have also helped us to benchmark our human resource skills with the very best financial services players in terms of rewards and human skills asset."



DENNIS ALUANGA

EQUITY BANK BOARD MEMBER

Dennis holds an MBA from the University of Edinburgh Business School UK and is a Certified Public Accountant. He is currently the Chief Operating Officer at Industrial Promotion Services (East Africa) since 2001. Prior to that, he served in several capacities at Nation Media Group rising to the position of Chief Operating Officer.



PAUL NJAGA

FINANCE DIRECTOR

Paul Njaga joined Equity Group as Finance Director. He was working for BNP Paribas London, where he led the Policy & Projects Group. Prior to that he worked as a Senior Manager with PricewaterhouseCoopers UK & Kenya. Whilst in London, Paul also served as the Deputy Chairman of the Association for Financial Markets in Europe (AFME) and London Investment Banking Association (LIBA) accounting committees.



COLLINS OTIWU

GENERAL MANAGER, FINANCE

Collins holds a Masters of Business Administration (Finance) from the University of Warwick in UK. He is also a Certified Information Systems Auditor and a Certified Public Accountant (CPA). He joins Equity Bank from BT Group PLC where he has been the Head of Finance and Treasury controller since 2009. Prior to that, he worked at BT Trading, BP Oil International as well as HSBC Bank and PWC London. He brings a wealth of international experience in the financial sector spanning over nine years.



DANIEL ODONGO

HEAD OF CORPORATE RISK

Daniel holds a Masters of Business Administration, Cornell University (Johnson Graduate Business School). Prior to joining Equity Bank, he served at the Bank of America as a Vice President. Daniel has international experience in the financial sector spanning over seven years.



SAMUEL MAKOME

GENERAL MANAGER, RISK

Samuel Makome is the General Manager in charge of the Risk Management. Prior to joining Equity Bank, Makome served as the Executive Director for Bank of Africa, Uganda. He holds a BSc in Agricultural Engineering, University of Nairobi.



CLAY ODUOR

MANAGER, CARD CENTRE

Clay holds a Masters of Business Administration from the Hult International Business School in Boston, USA. His banking career started in 1995 and he has worked in different banks. Before joining Equity Bank, he was the head of E-banking channels and cards for Bank PHB in Uganda.



NICASIO MIGWI

PROJECT MANAGER

Nicasio holds a masters in Economics from the University of Copenhagen. He serves as a business analyst at Equity Bank.



TABITHA MUNDIA

PROJECT MANAGER

A graduate of the institute of Applied Mathematics at the university of Cape Town. Tabitha is in charge of statistical modeling in the Bank.



TITO MUGAMBI

NETWORK ENGINEER

Tito is a graduate of the Institute of Advanced Technology Indonesia in Computer Technology and IT Engineer with vast experience in Carrier Class Wireless Networking, Virtual Servers and WiMAX / LTE in South Africa, Malaysia and Indonesia. He has joined the ICT Infrastructure Team at Equity Bank.



BO CIERA GATUNDU

ADMINISTRATION MANAGER, CHANGE MANAGEMENT

Bo holds a Masters in Business Administration from Regis University Denver, Colorado. He worked for Boeing Company in Seattle USA for five years as Financial Analyst as well as Industrial Engineer. He recently joined Equity Bank as Administration Manager for Change Management.



MICHAEL WACHIRA

DIRECTOR OF TREASURY, TRADE FINANCE AND MARKETING

Michael served at Fortis Bank Nederland in Brussels Belgium today known as BNP Paribas Fortis headquartered in Paris. Prior to joining Fortis Bank, Wachira served at Belgolaise Bank in Brussels as an Emerging Markets Trader at the UK based Cargill Financial Markets..



JAMES WANJOHI

GENERAL MANAGER, EQUITY GROUP FOUNDATION

James Wanjohi holds an MBA in Finance and a Masters in Economics. He was the inaugural Managing Executive of the Branson School of Entrepreneurship In Johannesburg, South Africa. Wanjohi is a Young Global Leader (2009) which is part of the World Economic Forum.



CHRIS KHAEMBA

GENERAL MANAGER EDUCATION, EQUITY GROUP FOUNDATION

Khaemba is a career principal. The former Principal of Alliance Boys High School left the country for South Africa where he was the founding Dean of the Africa Leadership Academy (ALA) before joining the Equity Group Foundation as the General Manager for Education.



PETER MBONO

PROJECT MANAGER

A Microsoft certified engineer, Peter brings extensive knowledge and experience from the financial sector in US and Canada. He has joined Equity Bank as a project manager in projects management.



ISAAC OCHIENG

PROGRAM MANAGER, EQUITY GROUP FOUNDATION

Isaac Ochieng is the Program Manager in charge of Scholarship and Leadership Development at Equity Group Foundation. Ochieng is an alumnus of Harvard University where he graduated with a BSc in Engineering Sciences and later worked as Math Course and Engineering Research Assistant.



CINDY LITHIMBI

PROGRAM MANAGER, EQUITY GROUP FOUNDATION

Cindy holds a BSc. in Environmental Biology from the University of Leeds. She joined Equity Bank as a program manager in the Education sector at the Equity Group Foundation.



KENNETH KARUGA

BUSINESS ANALYST & ECONOMIST

Kenneth is an economics graduate of Harvard Alumni. Before joining Equity as a Business Analyst, Ken worked for Microsoft in the USA



KILONZO MUSAU

OPERATIONS & ADMINISTRATION MANAGER, EQUITY GROUP FOUNDATION

Musau had a long career in grant management for the Children Department in the US. He joined Equity Group Foundation as a manager incharge of operations and administration of the scholarship programs.



JAMES NDUNGU

PROJECT MANAGER

A graduate of business administration, James had a long career as a business analyst in the financial sector in the US. He is currently a project manager at Equity Bank.



GEORGE WAITHAKA

INFORMATION SYSTEMS OFFICER

George is a graduate of MIT.- Massachusetts Institute of Technology. Before joining Equity Bank as a finance information systems officer, he worked at Deutsche Bank.

**Our promise
and Commitment**

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FIRST DISTRICT GRADUATION SPARKS A WAVE OF GRADUATIONS COUNTRYWIDE

In Kawangware, the Chief Guest Dagoretti MP and Minister for Public Health and Sanitation Hon. Beth Mugo congratulated the graduands for their commitment and discipline, noting that the course would propel their businesses and lives to greater heights.

"I am happy to be associated with Equity Bank for their initiative to promote entrepreneurship among our people...entrepreneurship will

transform lives. If you put to practice the skills you have learnt, you stand a chance at economically improving this area and indeed the country", she said.

"Before, I was a compulsive spender, and I also never quite managed my loans. But this training has opened my eyes. Now, I can only blame myself if I don't succeed", said Consolata Omuke, a Dagoretti businesswoman while receiving her graduation certificate.

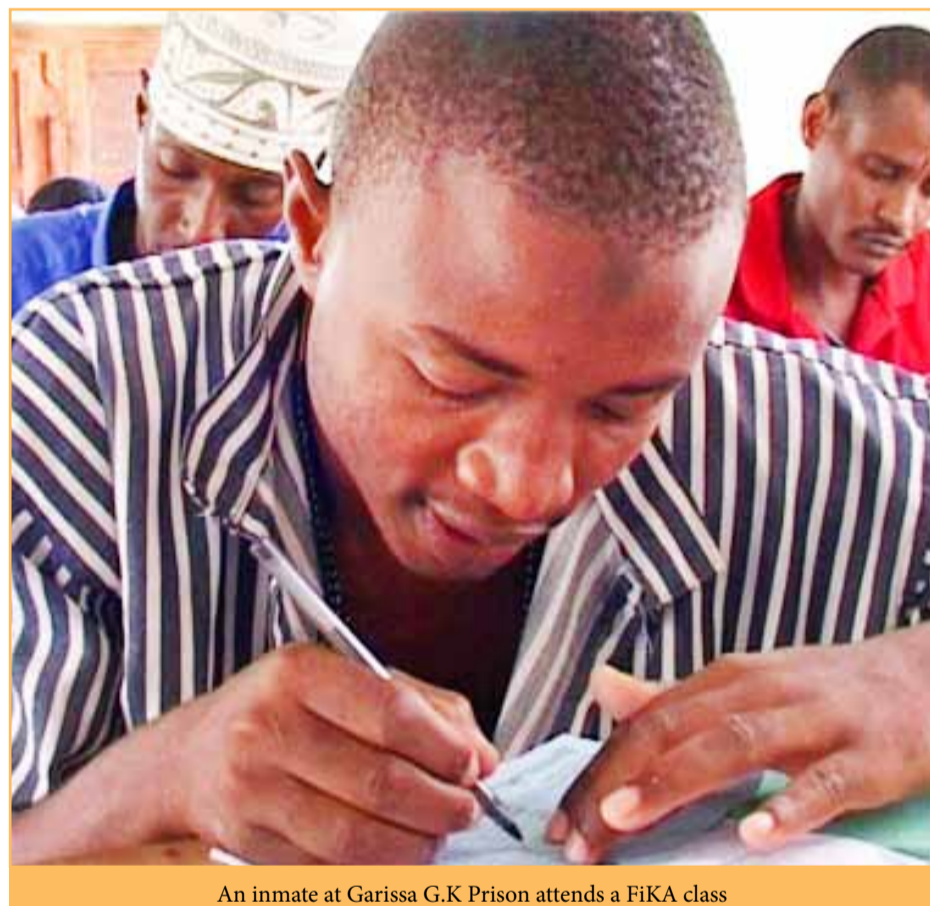


"I went back to class because I realized even at my old age, there are important financial skills I still need to learn"

Mwingi Businesswoman, Josephine Katui during the Mwingi FiKA graduation ceremony



Minister for Public Health and Sanitation Hon. Beth Mugo addresses over 1,200 graduates during the graduation ceremony in Dagoretti



An inmate at Garissa G.K Prison attends a FiKA class

Taking Financial Literacy Behind Bars

FiKA is determined to reach out and Empower Kenyans from all corners of the country. Recently, a one-of-a kind financial education class concluded with a colourful graduation ceremony at the Garissa G.K. Prison.

Nearly 300 inmates and wardens who had been undergoing financial training at the correctional facility participated in the ceremony presided over by the Provincial Prisons Commander, North Eastern Province Silas M'tambu. He noted that financial education, especially coming in the wake of

prison reforms would complement the skills the inmates learnt in prison such as masonry, tailoring and carpentry, and help them become fully integrated in society as responsible citizens.

For Jonathan Ngote, who is on his final year of a three-year term, the training has not only given him renewed hope, but also a sense of belonging. "The skills we have learnt will enable us to pursue a meaningful lifestyle once we leave prison. We are glad for having been considered for this training. It shows that we are part of the society, and there is life after prison".

"The skills we have learnt will enable us to pursue a meaningful lifestyle once we leave prison. We are glad for having been considered for this training. It shows that we are part of the society, and there is life after prison"

Jonathan Ngote, Garissa GK Prison inmate receives his certificate from Mr. M'tambu.



James Thuo receives his FiKA certificate from Leah Marangu, the Vice Chancellor Africa Nazarene University while Dr. James Mwangi looks on.

Empowering University Students with Financial Literacy

In partnership with Africa Nazarene University, FiKA trained over a hundred students from the University. Speaking during the graduation ceremony at the Ongata Rongai campus, Equity Group Foundation Chairman Dr. James Mwangi said, "Over the years, women and youth in Kenya have faced difficulties with regard to employment, access to finance and business knowledge. Training these two groups in Financial Literacy is aimed at providing them with financial advisory services, supportive networks and knowledge that will facilitate their path to accessing finance to start and grow their

businesses", he said.

Prof. Leah Marangu, the Africa Nazarene University Vice Chancellor noted that the financial course was a key intervention, adding that it aligned with the University's vision to reach out to Africa.

James Thuo, a student at the University and one of the FiKA graduates said that the training had improved his business acumen and would guide him in future financial decisions. "I run a mushroom business, and the returns don't reflect the effort. Through the training, I am now able to make wiser decisions".



Transforming Africa
by providing entrepreneurs with business management skills



Empowering the Elderly in Mvita

Majority of elderly people retire to a life of dependency and consequently risk living miserable lives of poverty in their twilight years. But in Mvita Constituency in Mombasa County, a venture dubbed 'Mvita Tunajibu Wazee Wa Mitaa TukTuk Project' was established to reverse this trend. The Wazees, with the support of their local MP Hon. Najib Balala recently purchased 12 TukTuk taxis with the aim of creating a steady stream of income for the elders while building a common future fund for other business engagements. Equity Bank supported the venture by donating two additional Tuk tuks as well as offering FiKA training to the elderly investors.

The training culminated in a colourful graduation ceremony for the over seventy elders in Mvita presided over by the MP and Minister for Tourism Hon. Balala. Minister Balala thanked Equity Bank for the initiative, noting that the Bank's support for Kenyans at the grassroots level had fostered development.

Said Ali Athman: "Before, I didn't have an idea of how to start a business. I thought one required a lot of money, but this training has taught me that with proper planning, I can start even at a small level".

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Ali Athman, FiKA graduate



A FiKA trainee receives his certificate from Tourism Minister, Najib Balala and Equity Bank CEO Dr. James Mwangi

A spectacular blend of culture and knowledge

1,400 graduate in Turkana with certificates in financial literacy

Lodwar town was recently the centre of a spectacular show of cultural heritage and knowledge acquisition by local residents. Song and dance filled the air as 1,400 graduates, complete in their graduation dress walked down the streets from Equity Bank branch to the Moi Gardens to attend their graduation ceremony.

A special guest was in town; the President and CEO of The MasterCard Foundation, Reeta Roy, accompanied by the Chirman of Equity Group Foundation Dr. James Mwangi were in town to attend the graduation ceremony.

The chief guest, Turkana Central District Commissioner Humphrey Nakitare urged the youth to embrace their cultural heritage. "Remember where you have come from as you can only be a better person if you understand where you come from," he said. Nakitare encouraged the entrepreneurs to apply the skills acquired in the FiKA training to transform their lives. "Having graduated today you can now grow your business, save and invest more to improve your lives. Work hard to improve the conditions in which you now live", the DC said.

The MasterCard Foundation President Reeta Roy said the training had given the entrepreneurs the opportunity and knowledge to change their life.

"I appreciate your beautiful culture, but most importantly the beautiful opportunity you have now to change your lives and change the lives of your families and that of your community."

She said she looked forward to come back to



A lady graduate receives her certificate from Dr James Mwangi. Looking is Turkana Central DC Humphrey Nakitare (right) and Reeta Roy, CEO and President of The MasterCard Foundation (Second Right)



Reeta Roy, President and CEO of The MasterCard Foundation delivers a speech during the Fika graduation in Lodwar. William Ekussy, a Wings to Fly scholar helps with the interpretation of her speech to local language

see the great things they will have done with the knowledge.

The graduation event was preceded by a visit

to a financial training class in session in Napetet area. The entourage made up of the chief guest Humphrey Nakitare, Dr. Mwangi and Reeta

Roy sat in the class that was conducted in the local dialect. The team then visited homes of two *Wings to Fly* scholars.

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Equity Bank hosts 2nd Annual Education & Leadership Congress

The 2nd Annual Equity Education and Leadership Congress held between 7th and 20th August was undoubtedly one of the most impactful events in Equity Group Foundation's calendar year.

The Congress, held at the newly opened 3,500-seater Kenyatta University Amphitheatre brought together over 3,000 members of the Equity Bank University sponsorship program and *Wings to Fly* secondary school scholars for two weeks of motivation and mentorship.

Themed *Nurturing Global Leaders*, the Congress aimed to impart leadership skills in the participants through coaching from renowned local and global leaders who included captains of industry, political leaders, scholars and opinion shapers.

Opening the Congress, Equity Bank CEO Dr James Mwangi said that the greatest challenge facing Africa was leadership, and could only be remedied through grooming responsible leadership at the formative stages. "An organization or country can never be greater than its leadership. We are investing substantially in this program to mentor and coach a new generation of leaders," he said.

He added that by attending the Congress, the young people would gain the right attitudes and skills to take up leadership at the social and corporate levels.

Character, service, resilience and integrity were addressed as vital ingredients of quality and wholesome leadership.

Speaking at the Congress, motivational speaker and philanthropist Mrs. Deloris Jordan told the scholars that due to the educational and mentorship opportunities availed to them, they stood a chance to impact the world and bring about change: "You are the next generation that will change the country. And it will happen if you step up; through hard work and commitment to values". Jordan, who heads the James Jordan Foundation, added that true fulfillment would come through service to others and living a life of values.

Bob Collymore, the CEO of Safaricom challenged the scholars to become innovative. "The challenges around you should serve as opportunities for you to develop. You have the ability to change your circumstances", he said.

The scholars were reminded of the power of their dreams; not allowing

their circumstances to determine how the future would evolve. "You can do everything you put your mind to if you have the right mindset", said Professor Leah Marangu, the Vice Chancellor of African Nazarene University. "Have self-esteem and focus on your goals".

Radio personality Caroline Mutoko said that a competitive world demanded outstanding personalities, and advised that apathy was a bane to personal growth and the realization of potential. "Average doesn't count. Because when you start off average, the ripple effects are shocking. If you want to be with the 1% of the people who matter; proven leaders, you have to do what the 1% are willing to do. Winning is a habit".

The scholars were reminded that the destiny of the country lay in their hands, and it was through proper preparation that they would attain it. Explaining the country's development goals, the Director General of Vision 2030 Delivery Board Mugo Kibati urged the scholars to take their place in the realization of a developed Kenya. "It's in your generation that this vision will come to pass. I encourage you to own it".

Addressing the Congress, The Prime Minister Rt. Hon. Odinga extolled the virtues of sacrifice and commitment. "Leadership is all about commitment to a cause. I had to choose between a stable career as an engineer or sacrifice that for cause for change", he said.

Vice President Kalonzo Musyoka said that national values such as patriotism needed to be rekindled, adding that concern for others and love for country were the hallmarks of great leadership. "I want you to determine that during your lifetime you will help fellow Kenyans without asking for anything in return", he said.

Deputy Prime Minister and Minister for Finance Uhuru Kenyatta encouraged the participants to reach out for greatness, with keen focus on transforming the country. "You are all at a critical stage because it is at this point that qualities of leadership are formed and tested. The decision you make to reject compromise today will make it easier to reject compromise tomorrow. The aspirations you have about where your life will be in future must influence your present actions", he said.

For the scholars, the conference was a memorable, inspiring time. "Listening to the speakers and learning about the challenges they too overcame has inspired me to rise above my circumstances and to realize that even as a woman, I have what it takes to be a leader", said Rukia Mkari, an Equity scholar

We drank from the Source

By Josephat Mwanzia & Immaculate Kaibere

Inspiration, motivation and nurturing of leaders. This year's congress was simply marvelous. It's such an honour to be given the opportunity to sit with great people of both national and international repute. This can only be described as drinking from the source.

It was quite an excellent choice of speakers, motivators and prominent figures in the society. They ranged from professors, directors and CEO's, who spared their time to share with us great insights about how to shape our destiny now and in the future.

Speaker after speaker challenged us to strive and make an impact in society that will be evident for centuries later. A leader works to develop his or her people.

We were enlightened about our country's Vision 2030 and the discussions were inspiring, seeing how Vision 2030 flagship projects are changing the face of our country.



Josephat Mwanzia

The Congress gave us a forum as scholars to share ideas, network and interact with our mentors. We learnt key values in making us successful citizens and deliberated at length with the speakers about integrity, professionalism, competence and passion for what we do.

We were encouraged to focus on long term goals and solutions rather than emphasizing too much on short term goals and immediate solutions which only wear us out but do not solve problems. One speaker gave us a memorable quote, "I am one, I cannot do everything, but still, I can do something; and because I cannot do everything, I will not refuse to do what I can do".

We were encouraged to be innovators in our



Immaculate Kaibere

various careers. We were encouraged to go for our dreams by fighting and overcoming the challenges that we may be facing. One speaker told us: "Mould your life, whatever you choose to do with it is up to you but you must be ready to face its consequences."

By sharing with us their personal success stories, we learnt a key lesson that it is possible for us to move from the bottom to the top, not only in class but also in our professions and lives.

The writers are Equity University sponsorship scholars 2010



Equity Group Foundation, through the Wings to Fly program, sponsors excellent KCPE performers in each district where we have a branch who qualify but can't afford to pay their secondary school fees. You can be one of them, just excel in your exams.

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Equity Scholars Admitted To Top World Varsities

This year, twelve Equity Scholars have received admissions to leading world university, increasing the total number of scholars currently pursuing their education in globally recognised institutions.

The 12 were among 186 peers who topped in the 2010 Kenya Certificate of Secondary Education exams in the country and in their districts to gain admission to Equity Bank University scholarship program. They secured the scholarships to leading universities abroad after a year of mentorship at Equity Bank. The scholars will be joining Harvard, Cornell, Yale and Pennsylvania Universities among others.

Last year eight Equity Bank university scholars secured admissions to the prestigious Ivy League of schools. Three scholars, namely Martha Obasi Kwamboka, Edwin Magemba Wekesa and Grace Wambui Njung'e have been admitted to Harvard. The three will be joining Wanjiku Mungai, Denver Ogara, John Kimani and Anthony Siloy bringing the tally of Equity Scholars in Harvard to seven.

Ivan Kibet Kapkoi and Damaris Waithera Kimani will be

proceeding to Cornell University while

Daniel Nyakora and Evans Leshinka Molle will be studying at the University of Pennsylvania

Kenneth Koome Kiambati will be joining the trio team of Mary Kiarie, Patel Nikhilkumar and Daniel Machio who joined Yale last year. Other scholars joining the world class universities include Bernard Kiprop Kosgei (Amherst); Doris Mwendwa Mbaabu (Williams); Brenda Wacuka Njoroge (UWC- Mahindra) and Dr John Muthee has proceeded to Duke University for a Master of Management in Clinical Informatics having completed his undergraduate in Medicine and Surgery at the University of Nairobi in 2009. He previously worked with the Armed Forces Memorial Hospital before joining Equity Group Foundation as a mentor in the education sector. The twelve recently met with Dr. Mwangi at a farewell ceremony where the Bank extended to them air fare tickets and wished them success as they prepared to go and embark on their next phase of academic life. They will be joining some of the top world brains and will compete at the world academic stage



"Complement your intelligence with hard work" - Dr. James Mwangi.

INSET: The scholars listen to Dr. Mwangi



My name is Wanjiku Mungai, I am a member of the 2010 Equity university class. I am currently on holiday before beginning my second year at Harvard College in Boston, USA where I'm looking to declare a concentration in African Studies and Economics.

My freshman year of college saw me learning and living in an institution of extremely fascinating and brilliant people. Initially, I had intended to take up engineering, but the experiences of my first year have seen me reorient my future career plans. I want to be involved in the media business in Africa, and it is with this in

mind that I'm taking up my current concentration. I also took part in a fair share of activities outside of class, such as singing with the Kuumba Singers of Harvard College and acting with the Harvard Radcliffe Drama Club, the Education Society and the Spoken Word and Poetry Association, also serving on the African Students Association board and as a certified peer counsellor under University Health Services.

Being at Harvard has been an intense experience, challenging but also exciting and rewarding at the same time. Adjusting to the weather, the unfamiliar environment, the distance away from home, and balancing the classes with demanding extracurriculars was something that took a lot of effort, but if there is something that I have learnt even more in the year, it is the value of determination and endurance. Moving from the Kenyan secondary school system of learning to the American college one, which emphasizes on individual understanding of concepts and creative thinking as opposed to may have put me at a slight disadvantage in the classroom, but as I came to see, that did not mean I could not succeed, it just meant being willing to put in additional time and work where I had to.

I am currently in Nairobi for my vacation and constantly aware of just how much a year away has altered my perspectives and way of thinking. I not only see myself as a Kenyan, but more so as an African, a citizen of a continent that may be encumbered with a lot of challenges, but is nonetheless ripe with the promise of a brighter tomorrow. I see how Equity is changing lives across Kenya and East Africa, and am immensely proud to be part of an organization of people so committed to pursuing the "African Dream", a dream of a peaceful and prosperous land with opportunities for all to develop their individual dreams.



*Wanjiku Mungai
August 2010*

Scholars



For Pupils who qualified for the competitive Wings to Fly scholarship, it was a lifeline thrown their way; one that would pull them out of dire situations into a place of promise and fulfilled dreams. To almost all of them, even though they had performed excellently, the opportunity to attend secondary school was a far-fetched dream; their families couldn't afford to send them to school. Now in high school, these scholars have kept up their pledge of setting examples of scholarly excellence and models in society.

Norah Mumbua



Norah Mumbua hails from Voi District, and attends Matuga Girls High School in the Coast Province. Now in her second year of high school, Norah has shown exceptional brilliance; her report card reflecting marked growth every new term.

She currently leads in her class, and it's a position she is not willing to relinquish. Indeed, since first term in Form One, when she managed

position 6 in a class of 157 students, Norah has held the top spot with a firm mean grade 'A'

Norah's stellar performance has been against an unflattering background. Norah's mother is a casual labourer, has other school-going children and could ill-afford to pay for her education.

The opportunity to attend school has opened numerous opportunities for the teenager. Norah is a team captain, and aspires to be a lawyer in future. "I would like to thank the Equity

Group and The MasterCard Foundations for their care and love for us. They have sacrificed to provide everything we need especially by paying our school fees", she says.



Peter Odongo

When Peter Odongo applied for The Wings to Fly scholarship, he had one idea in mind: to construct his stolen past to a brilliant future and become a doctor.

Odongo's life has been beset with numerous challenges. Orphaned at an early age, he was left in the care of his older siblings, who unfortunately also died. Soon after, his extended family disowned him, and Odongo moved in with a well-wisher.

Beating the odds, the 16 year-old boy garnered 390 out of 500 marks in the 2010 Kenya Certificate of Primary Education exam, earning him a place at Lenana School in Nairobi. In the first term, he emerged first in his stream and number three out of 322 students in the overall tally.



Isaiah Koiyani

Isaiah Koiyani lost his parents while still a young boy. He did not attend school until he was fourteen. Determined, he enrolled in Standard One at a local school in 2006. Due to his aptitude, Isaiah rushed through Standards Two, Three and Four and in 2007 he was admitted to Standard Five.

He went on to complete his primary education in 2010 and scored 364 points in the Kenya National Certificate of Primary

Education KCPE national exam.

Isaiah was successful in securing the Wings to Fly scholarship and is now in Form one. Koiyani and his grandmother were among households visited by The MasterCard Foundation Board that toured the country to meet beneficiaries of the Wings to Fly scholarships.

See photo on page 9



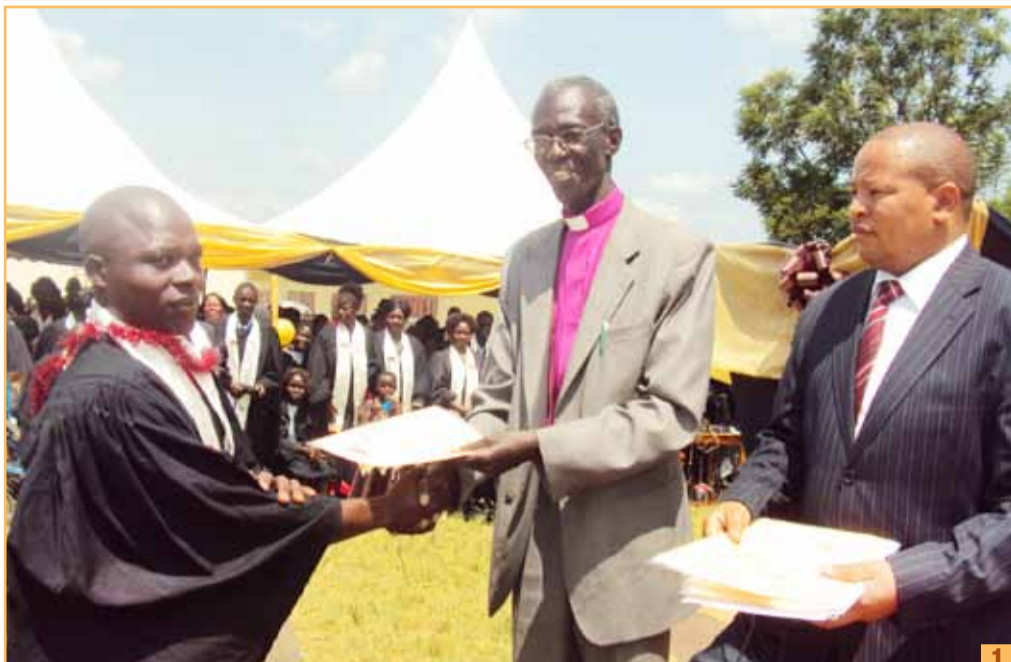
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PICTORIAL

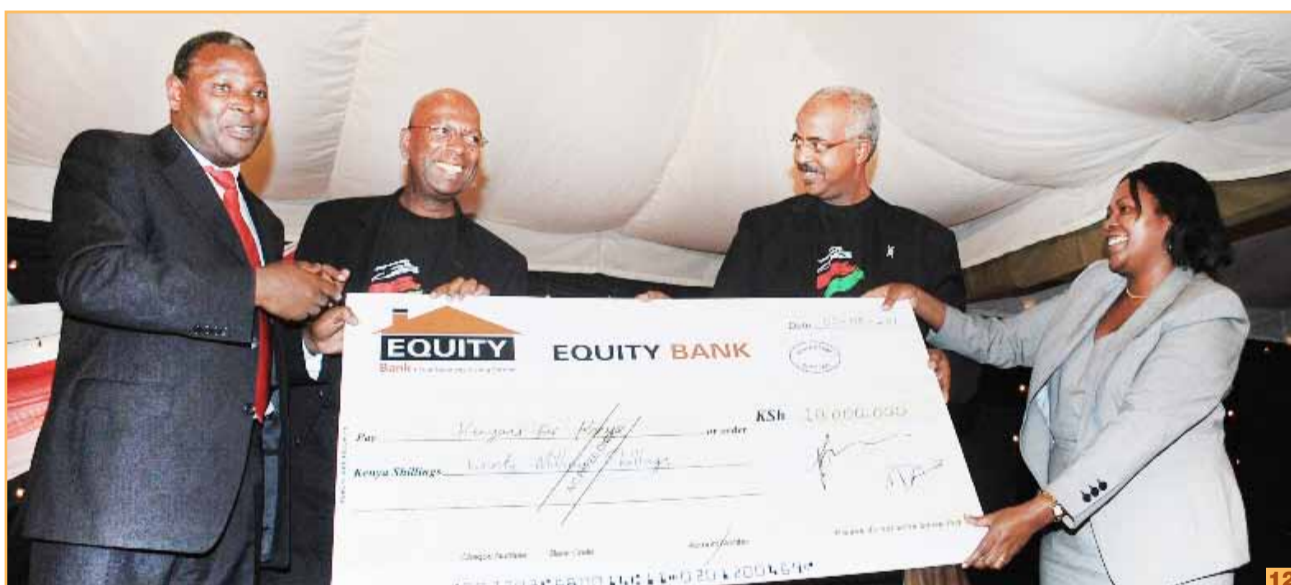


PICTORIAL CAPTIONS

1. Archbishop Dr. Eliud Wabukala, Head of the Anglican Church of Kenya awards FiKA certificate to a graduate in Bungoma as Gerald Warui the Director, Human Resources & Customer Service at Equity Bank looks on.
2. A delighted Lang'ata entrepreneur receives FiKA certificate from Mrs. Ida Odinga who presided over the FiKA graduation in Lang'ata.
3. Zahara Amri, a Malindi entrepreneur receives her certificate from Coast PC Ernest Munyi who presided over the FiKA graduation held at Pwani University
4. Graduands in Machakos head to the FiKA graduation ceremony
5. FiKA trainees follow proceedings during the Lodwar FiKA graduation in Turkana.
6. An inmate at Garissa GK Prison, Jonathan Ngote explains a business concept during a FiKA training session held at the prison premises.
7. Assistant Minister for Housing Hon. Dr. Bishop Margaret Wanjiru presents FiKA certificate to a graduand when she presided over the FiKA Graduation ceremony for Starehe.



PICTORIAL



PICTORIAL CAPTIONS

8. The CEO Dr. James Mwangi flags off the Equity Roadshow caravan outside Equity Centre.
9. The Equity Bank Roadshow caravan makes a stop in Kiambu Town. **See story on page 11**
10. Winners at the Kenya School & Colleges National Music Festival held in Nakuru who presented pieces under the "Wings to Fly" theme.
11. A tussle for the ball during the Equity Bank Sports & Family Day
12. The CEO Dr. James Mwangi (left) and Director of Strategy Mary Wamae (right) present a Kshs 20 M cheque for the Kenyans for Kenya famine relief effort. Receiving the cheque is Secretary General of the Kenya Red Cross Abbas Gullet (2nd right) assisted by Safaricom CEO Bob Collymore (2nd left)
13. Equity Staff plant trees at Karura Forest
14. The MasterCard Foundation Board of Directors recently visited Isaiah Koiyani a Wings to Fly Scholar at home. From Left: Lois Juliber, Chairperson of The MasterCard Foundation, James Wanjohi; General Manager at Equity Group Foundation, Isaiah's grandmother and guardian; Phillip Clay, Vice-Chair of The MasterCard Foundation, Isaiah (Wings to Fly scholar) and Reeta Roy, President and CEO of The MasterCard Foundation

EQUITY AGENCY IS TAKING BANKING CLOSER TO THE PEOPLE

"Equity Ndio hii hapa"

Over 2,000 Equity Bank agents attended the official launch of Equity agency banking at the Kenyatta International Conference Centre. Deputy Prime Minister and Minister for Finance Uhuru Kenyatta presided over the launch attended by Central Bank Governor Prof. Njuguna Ndung'u and Equity Bank's CEO Dr. James Mwangi, Equity Chairman, Peter Munga among others.

Addressing the agents, the Finance Minister noted that the agency banking platform would complement conventional banking in reaching the low-end market segment. "I would like to take this opportunity to congratulate Equity Bank and the over 2,000 agents present today. This platform is one example of innovative services aimed at broadening financial access and deepening financial inclusion.

The Central Bank Governor Prof. Ndung'u said that Central Bank would support initiatives that would make banking services accessible and convenient. "We have created adequate financial infrastructure and we continue to listen to the market to come up with different initiatives and innovations that will allow a financial infrastructure to grow and thrive. So far we have approved over 10,000 agents. In the long term, they will serve as small units of branches. We are very encouraged by these institutions that are showing the way. We are going to give them a hand in terms of encouragement, support and even space for innovation".

At a consultative session with the agents,

Dr. Mwangi enumerated the agency model's business potential through various partnerships that could see the agents reap numerous benefits. "This is likely to be the biggest business in Kenya's entrepreneurial space. You helped us create the Equity brand. You were the warriors and heroes of creating the Equity brand; it's your turn now to benefit from it".

The innovative banking model has registered remarkable success across the country. In North Eastern Kenya, through a partnership the Hunger Safety Net Program (HSNP), cash aid to marginalized populations is paid through select agents. This approach, while benefitting aid recipients, has opened additional business opportunities for the agents, who now have diversified into other services and products to cater for increasing demand buoyed by renewed purchasing power by clients.

Meanwhile, the Bank flagged off a roadshow that will traverse the entire country. Dubbed "Equity ndio hii hapa", the roadshow aims at cementing partnership with the public in their economic transformation journey with the Bank.

Agency banking is among the newest services that the roadshow is introducing. Flagging off the caravan, Dr. Mwangi said: "We want to be with our Members. The message is that they don't have to incur costs to access financial services; banking has gone to where they are... agency banking will also allow ordinary people to offer banking services. "Equity ndio hii hapa" is the agent

"This is likely to be the biggest business in Kenya's entrepreneurial space. You helped us create the Equity brand. You were the warriors and heroes of creating Equity brand; it's your turn now to benefit from it".

Dr. James Mwangi



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Mama Cash: from a small trader to a local financial centre

Some 30 kilometres south of Lodwar town is a small market town called Tiya. Here hundreds of Hunger Safety Net Programme HSNP beneficiaries eagerly await their bimonthly cash transfers.

When Dorcas Arot arrives from Equity Bank branch in Lodwar where she had gone to collect stationary for the biometric point of sale device her appearance triggers action.

The market stirs to life as the beneficiaries begin trooping towards one direction and soon a queue forms at a grocery shop aptly named Mama Cash.

Mama Cash as Dorcas is fondly called begins disbursing the HSNP funds with speed and precision that illustrates her experience in cash handling service. All that is required of the individual beneficiaries is their thumbs for biometric reading to authenticate identity to receive the money.

Arot has been a small trader in this market where she owns the groceries shop. When UKaid embarked on the HSNP program in partnership with the government of Kenya, Equity Bank was contracted to be the disbursing agent for the social payments. The Bank then identified and trained local traders as Equity agents, and equipped them with Points of Sale device that enables them to pay out the cash to the beneficiaries on behalf of the Bank.

Arot was among the first traders who became Equity Agents for the HSNP program. As beneficiaries collect their cash they also patronize her shop enabling her to stock up and grow her sales of a wide range of groceries. She named her shop *Mama Cash* illustrating the exciting

money economy that has emerged at Tiya market.

When the rollout of the Equity Agency service got underway Arot, was among the select team of agents with a proven experience in financial service to the community. Her operations, social standing and acceptance in her immediate society enabled her to have a seamless start providing withdrawal and deposit service for the larger Tiya community. The twin service as a HSNP social payment agent and Equity Bank agent has transformed her business premise into a financial 'hub' that every resident of Tiya market visits every so often.

Prior to her selection as a HSNP agent Arot sold roofing reeds at an open air premises. She then moved to a one room shop where she opened a retail and groceries shop. A year later her retail business had grown to a wholesale outlet supplying groceries to other shops. To accommodate anticipated business growth she expanded her property constructing another permanent business wing where she opened a clothing boutique to augment the other commercial services including tailoring. Arot's business centre depicts one-stop-shops that are meeting societal needs in budding cash economies in far flung areas.

Arot is a promising example of how agency business is creating new business opportunities both in rural and urban centres. For Arot, it's all smiles, knowing that the new business opportunity is continuously transforming her life and that of her family, as well as the quality of life for her community. Indeed, the new cash economy that is emerging in hitherto remote market centres is bringing happiness and hope to many Kenyan communities.



Equity Bank enters Rwanda

Equity Bank Rwanda has been licensed to roll out operations, broadening the Bank's footprint in the East African region.

Equity Bank Rwanda is set to enter the market with nine branches across the country. Four branches will be located in the capital city Kigali, and the others in Rubavu, Muhanga, Huye, Musanze and Rusizi.

In preparation for the Bank's roll out, over 80 staff received training at the Equity Bank Group head office in Nairobi since early 2011. Meanwhile, at a luncheon held at the Rwanda High Commission in Nairobi, Equity Bank's Director of Strategy and Company Secretary Mary Wamae said the Bank would endeavor to increase financial inclusion and access through affordable banking services to the people of Rwanda. Wamae was the chief guest during the event to celebrate the International Women's Day Centenary.

Loise Mushikiwabo, the Rwanda Minister for Foreign affairs expressed confidence that Equity Bank's entry into the market would economically empower women. "Equity Bank you are part of our adventure to take women to the highest level of development and we welcome you to Rwanda".

At the same time, Rwandan Minister of Finance and Economic Planning John Rwangombwa has called upon Equity Bank Rwanda staff to reach out to rural areas to transform Rwandans lives. He was speaking to the new Equity Rwanda staff during a



Commissioned: The Rwanda team poses for a photo with Equity Bank CEO Dr. James Mwangi at the Equity Centre at the end of their six months on-the-job training.

courtesy call at the Equity Centre Nairobi. "I am happy to see Equity coming to Rwanda to participate in modernizing of the financial economy. Equity will change the financial playing ground", he said. And added:

"I expect you to be going to the rural areas to focus on agriculture".

Speaking to *Equity News*, Samuel Kirubi, Executive Director

of Equity Bank Rwanda said there is a lot of potential in the Rwanda market and projects growth in the Bank's operations in the coming few years. We plan to work closely with the people of Rwanda in order to increase financial penetration and take financial services to more people in the country in the Bank's vision of socio-economic prosperity of the people of Africa".



Equity Centre hosts Captains of Industry

A consultative session of various Managing Directors and Chief Executive Officers of companies operating in the East African region recently took place at Equity Centre, Nairobi.

The forum held at the Equity Bank Head Office discussed ideas on business and market trends in the larger East African region and shared experiences between the companies.

Equity Bank CEO Dr. James Mwangi said that the meeting would foster synergy between the companies to conduct business in the region more effectively.

"We documented our experiences in Uganda and South Sudan which we hope to share with other companies", said Dr. Mwangi. He said the Bank had launched an intergrated banking system and credit facilities suitable for the companies running

business in the region.

Dr. Mwangi called on captains of the industry to form a club of companies operating in the region to be meeting in a similar forum regularly.

Bidco Oil Refineries Managing Director Vimal Shah said such a forum would propel the business fraternity to greater success through networking. "The private sector can move faster if we are organized and share ideas . . . with over 130 million people in East Africa, the opportunities are there", he said. "The missing link was the banking sector, and we are happy with Equity Bank now moving in to facilitate seamless operations".

Uchumi Supermarkets CEO Jonathan Ciano advised that launching into new markets posed opportunity as well as challenges. "



A New Dawn

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