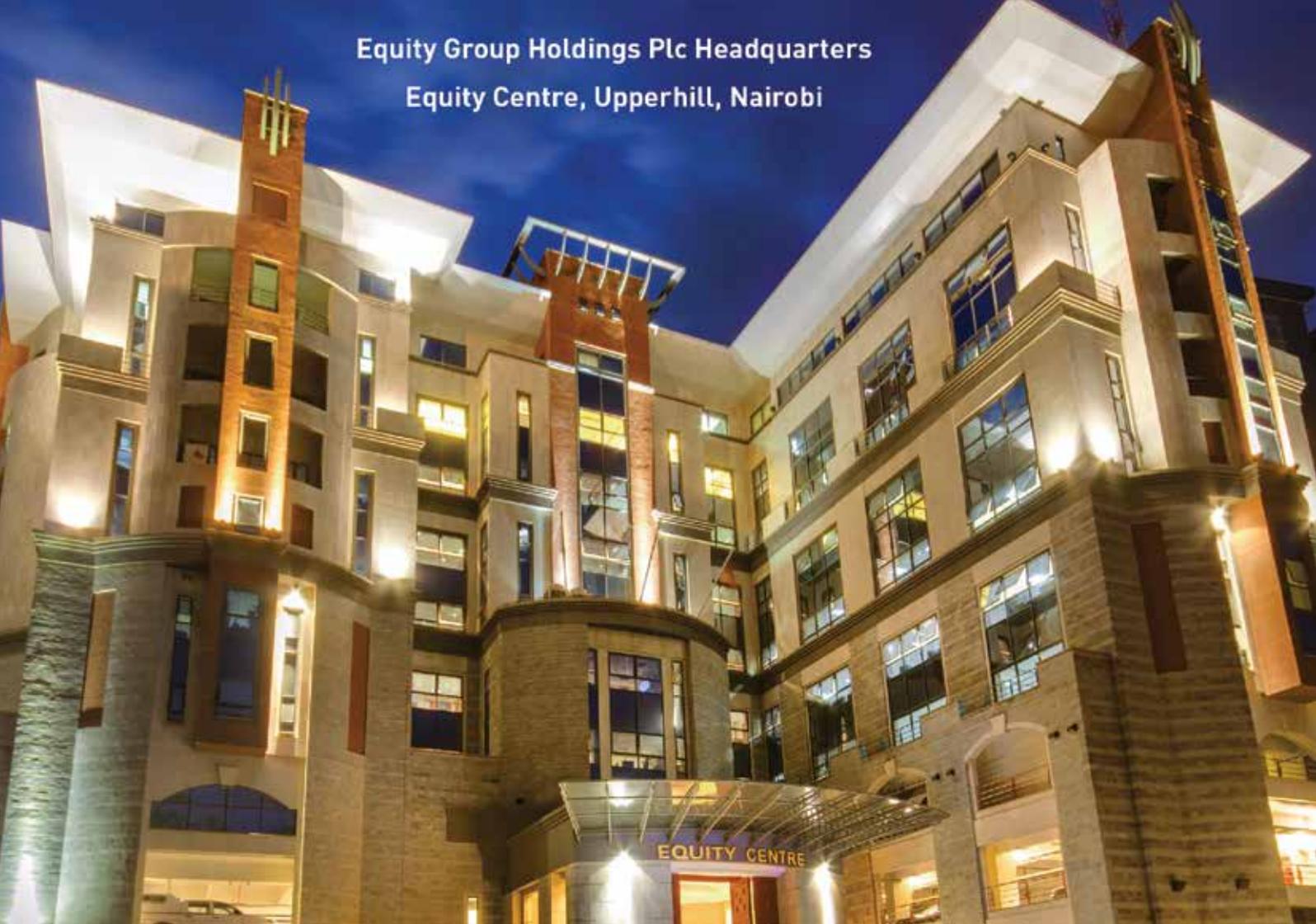


**INVESTOR BRIEFING
Q3 2019 PERFORMANCE
12th November 2019**



Equity Group Holdings Plc Headquarters
Equity Centre, Upperhill, Nairobi



Equity Group's Philosophies

OUR PURPOSE:

Transforming lives, giving dignity and expanding opportunities for wealth creation

OUR VISION:

To be the champion of the socio-economic prosperity of the people of Africa

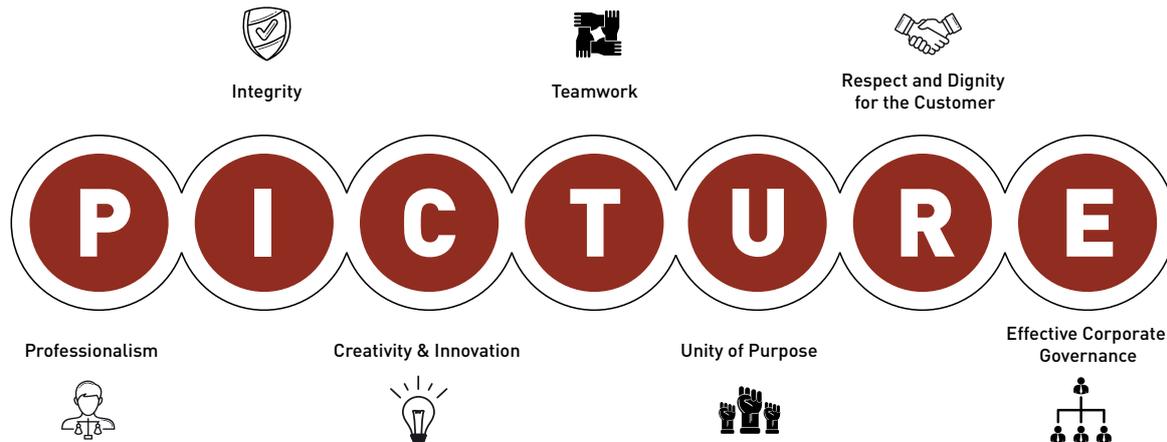
OUR CORE VALUES:

OUR MISSION:

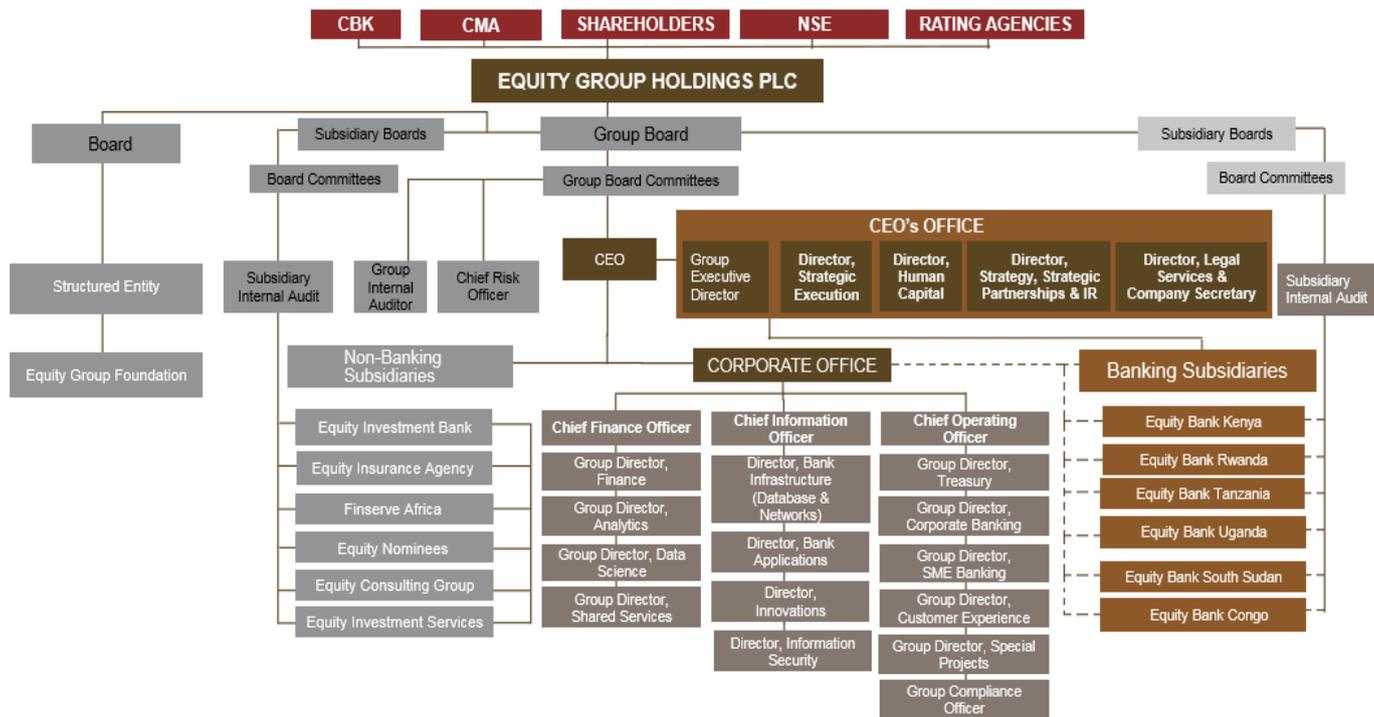
We offer integrated financial services that socially and economically empower consumers, businesses and communities

POSITIONING STATEMENT:

We provide inclusive financial services that transform livelihoods, give dignity and expand opportunities



Governance & Organizational Structure



Each subsidiary with own Board of Directors compliant with local regulations

Group Executive Management



Dr. James Mwangi, CBS
Group Managing Director &
Chief Executive Officer



Mary Wamae
Group Executive Director



Bhartesh Shah
Group Director
Enterprise Risk



Reuben Mbindu
Chief Officer, Human
Capital and Administration



Brent Malahay
Group Director Strategy,
Strategic Partnerships and
Investor Relations



David Ngata
Group Finance Director



James Mutuku
Group Director Treasury



Bildard Fwamba
Chief Internal Auditor



Christine Browne
Group Director Legal
Services
and Company Secretary



Elizabeth Gathai
Director, Credit



Allan Waititu
Director, Operations



John Wamai
Director, ICT-Enterprise
Business Systems and Services



David Nyamu
Director, Marketing

Group Executive Management



Gerald Warui
Managing Director,
Equity Bank Kenya



Samuel Kirubi
Managing Director,
Equity Bank Uganda



Anthony Kituuka
Executive Director,
Equity Bank Uganda



Addis Ababa Othow
Managing Director,
Equity Bank South Sudan



Hannington Namara
Managing Director,
Equity Bank Rwanda



Robert Kiboti
Managing Director,
Equity Bank Tanzania



Celestin Muntuabu
Managing Director,
Equity Bank Congo



Macroeconomic & Operating Environment

Macro-economic & Operating Environment

Country	Interest Rates (October 2019)		FX (Local Currency v/s USD)		Inflation	GDP Growth
	CBR	Changes in Central Bank Rate (Q3 2018 v Q3 2019)	31-Oct-19	Change Year to Date	Sep-19	(2019 Projected)
Kenya	9.0%	0 Basis Points	103.3	-1%	5.0%	6.0%
Tanzania	7.0%	-200 Basis Points	2,305.0	-1%	3.4%	6.6%
Uganda	10.0%	100 Basis Points	3,715.0	1%	1.9%	5.5%
Rwanda	5.5%	0 Basis Points	914.0	-5%	3.1%	7.8%
DRC			1,649.8	-5%	3.8%	4.5%
S.Sudan			160.0	-7%	56.1%	-2.6%

- **Monetary policy supportive of economic growth** – Central bank rates reducing due to stable macro-economic environment across East Africa
- **Exchange rates** – Marginal depreciation of KE and TZ currencies while UG has strengthened. TZ has been relatively stable compared to the other regional currencies
- **Within target-range inflation** – Low inflation across East Africa other than South Sudan
- **Strong economic growth outlook** - East and Central Africa one of the fastest growing regions in the world with economic growth expected to grow above 6 percent
- **World Bank increased confidence in Kenya attractiveness** – Kenya Ease of Doing Business ranking by World Bank improved from position 61 to 56

Source: FX – Bloomberg, GDP Growth – AfDB, Ease of doing Business - World Bank, Trading economics

Macro-economic & Operating Environment

Kenya's macro-economic environment remained relatively stable supported by a stable interest rate environment, improved business environment and strong private sector consumption

Kenya's economy expanded by 5.6% in Q2'2019, similar to the 5.6% recorded in Q1'2019

In Kenya, the interest rate cap law has been repealed and is expected to result in growth in private sector credit, higher GDP and increased monetary policy effectiveness

Uganda's economy slowed down to a 5.4% growth in Q2'2019 lower than 5.6% in Q1'2019 due to a slower expansion in the service sector. It is expected that growth should pick up in 2020 due to private sector consumption with robust investment activity

Tanzania's 2020 growth will be driven by robust private sector consumption. Sturdy public spending, strong investment activity growth and an upturn in exports are seen as underpinning the overall expansion

Rwanda's economy is projected to grow at 7.8% in 2019 and 8.0% in 2020. This is supported by export growth, public investment and the country's implementation of reforms to achieve long term development goals

DRC growth is expected to remain solid, supported by a rebound in merchandise export growth and upbeat capital investment amid large infrastructure projects, largely financed by China

Falling LIBOR rates in 2019 – the international debt market's LIBOR rates have been dropping in 2019 as compared to a continued rally in 2018. This is likely to ease the cost of funding. The 6 month USD LIBOR closed at 2.88 in Dec 2018 and at 1.97 in October 2019

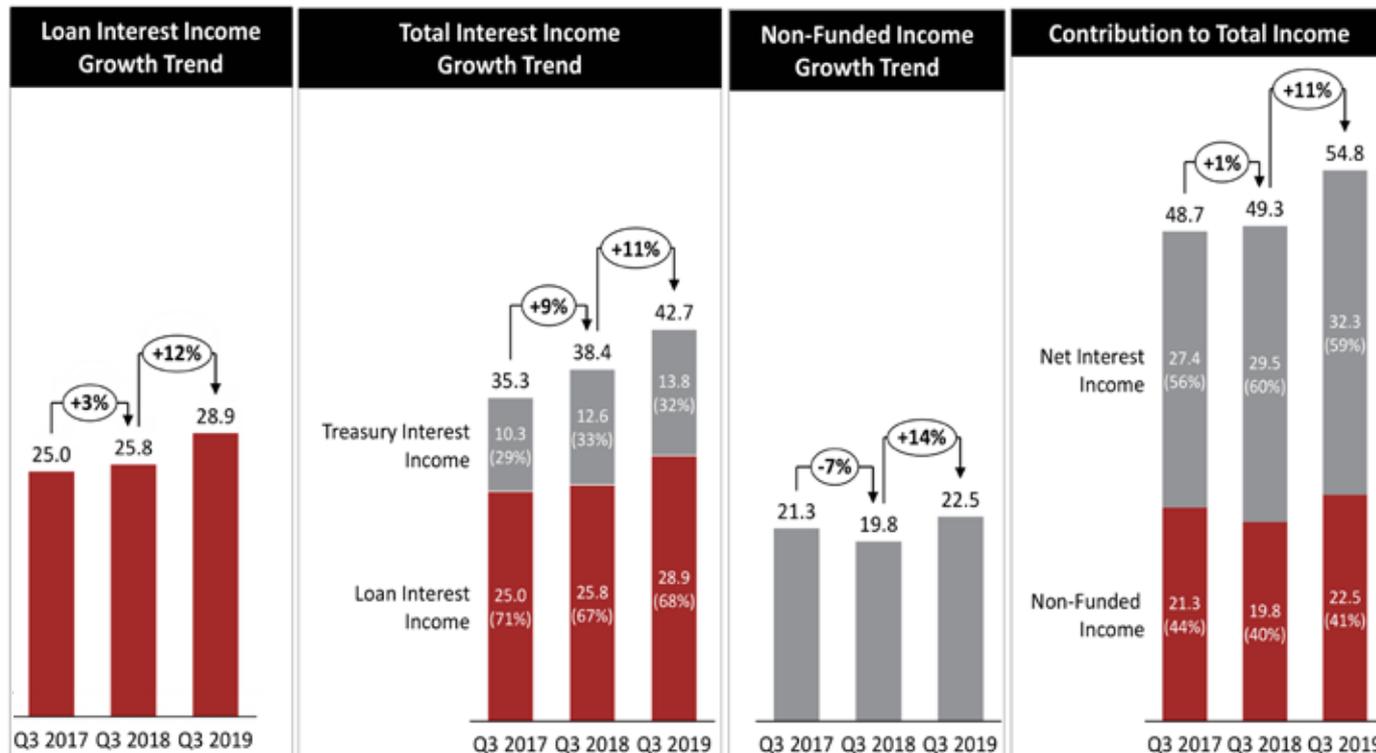
Equity Bank Business Model & Strategy

Focus areas:

1. Non-funded income growth
2. Treasury
3. Geographical and business diversification
4. Balance sheet agility
5. Innovation and digitization
6. Efficiencies and cost optimization
7. Asset quality
8. Impact Investment & Social Brand Development

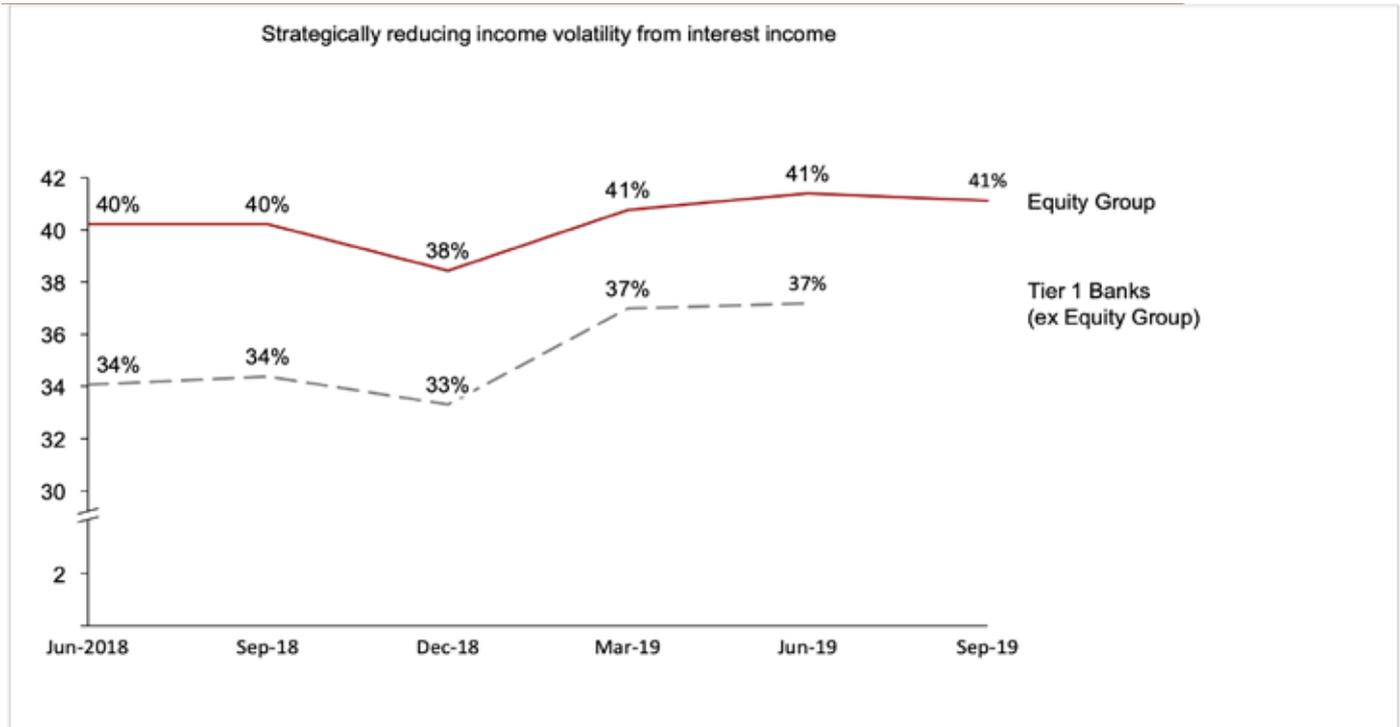
Focus Area 1: Non-Funded Income Growth & Contribution

In Kes Billion



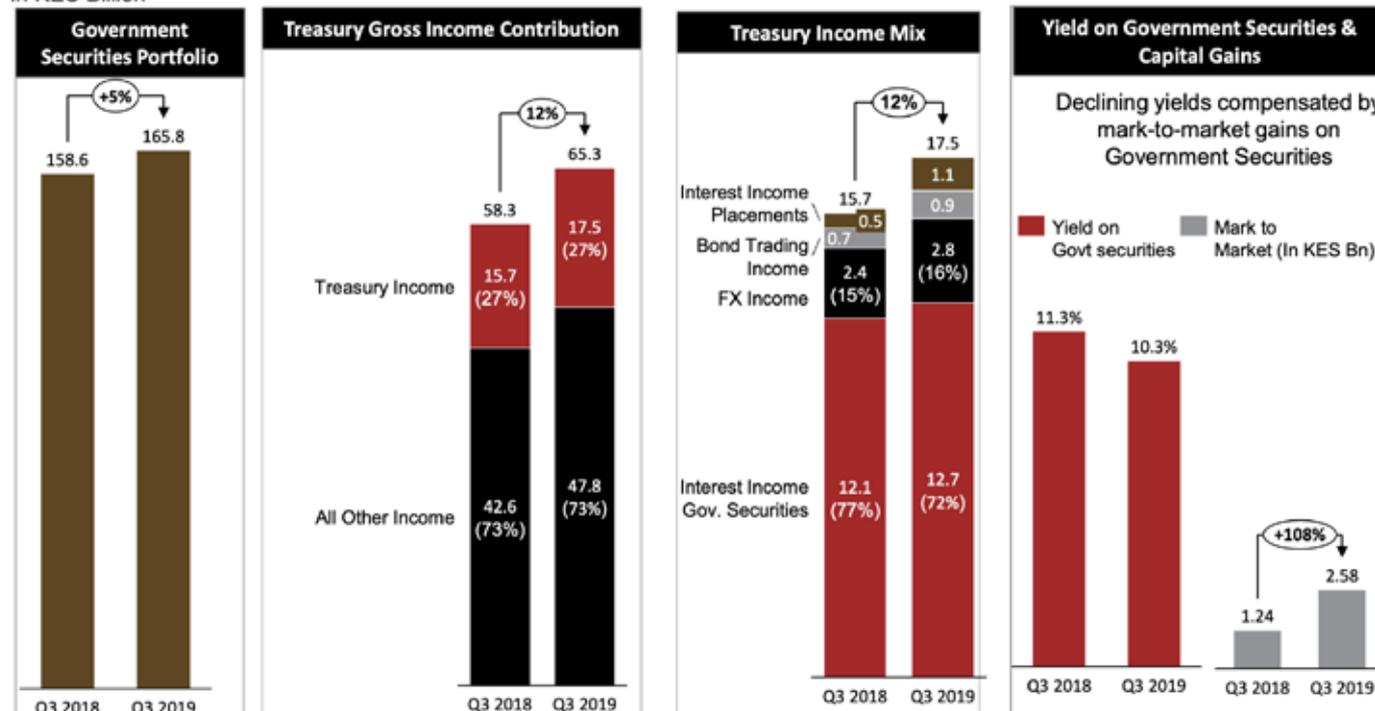
Focus Area 1:NFI Contribution

Equity Group More Diversified than the Sector



Focus Area 2: Treasury

In KES Billion



Note: Income calculation above is before funding costs

Focus Area 3: Geographical and Business Diversification

In KES Billion

Subsidiaries	TZ	RW	UG	SS	DRC	EIA	EIB	Finserve	Subsidiaries Total	EBKL	Subsidiaries Contribution Sep 2019	Subsidiaries Contribution Sep 2018
Deposit	17.0	23.1	29.0	5.9	62.0				137.0	367.4	27%	26%
YoY Growth	-14%	20%	31%	11%	49%				27%	19%		
Loan	13.6	17.1	25.2	0.1	29.6				85.5	263.4	25%	25%
YoY Growth	-21%	23%	45%	-37%	23%				18%	22%		
Assets	25.30	31.28	40.49	9.94	81.13	1.02	0.54	2.07	191.8	511.83	27%	26%
YoY Growth	-12%	17%	30%	15%	51%	9%	-29%	1%	26%	21%		
PBT	0.11	1.05	1.12	0.13	1.28	0.54	-0.01	0.01	4.2	20.54	17%	18%
YoY Growth	-81%	35%	25%	-50%	28%	20%	14%	-93%	5%	12%		
PAT	0.07	0.74	0.83	0.10	0.96	0.38	-0.01	0.00	3.1	14.38	18%	19%
YoY Growth	-81%	35%	14%	-50%	33%	20%	14%	-93%	4%	12%		

Focus Area 3: Geographical and Business Diversification

Ratios-Banking Subsidiaries

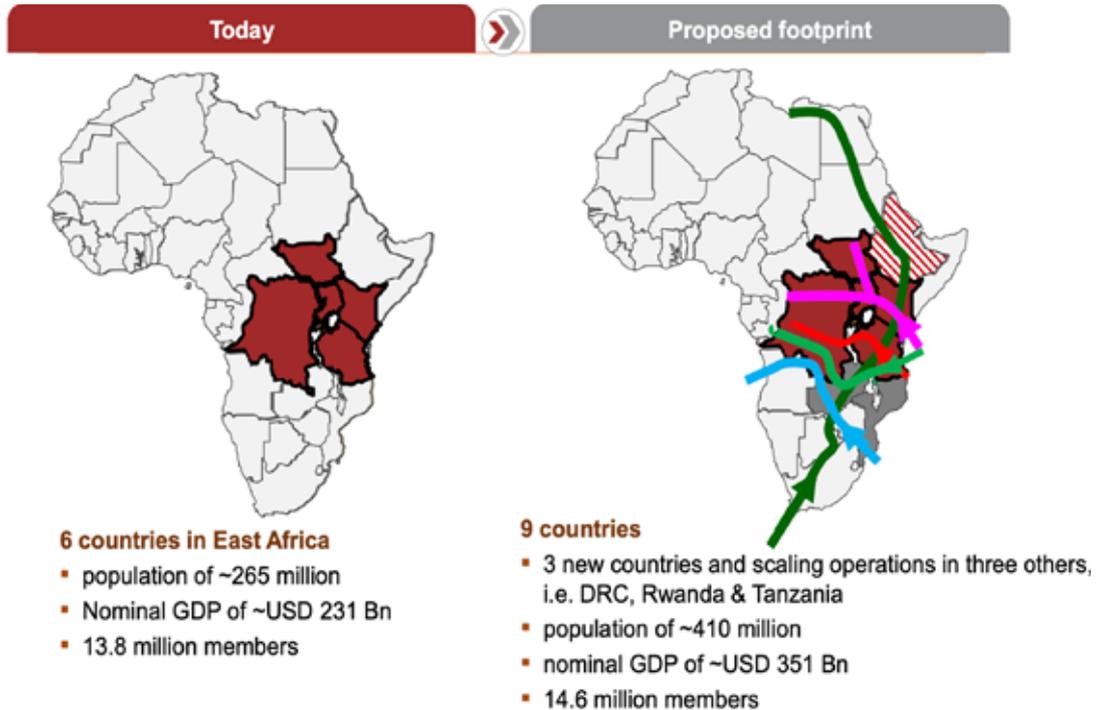
RoAE		
Subsidiary	Q3 2018	Q3 2019
EBKL	26.7%	27.6%
EBUL	23.3%	21.2%
EBRL	22.0%	23.9%
EBTL	16.4%	3.7%
DRC	15.9%	17.7%
EBSSL	8.2%	4.0%

RoAA		
Subsidiary	Q3 2018	Q3 2019
EBKL	4.1%	4.0%
EBUL	3.2%	3.1%
EBRL	3.0%	3.4%
EBTL	1.9%	0.4%
DRC	2.0%	1.8%
EBSSL	3.2%	1.5%

Cost-to-Assets Ratio		
Subsidiary	Q3 2018	Q3 2019
EBKL	5.5%	5.5%
EBUL	8.2%	8.9%
EBRL	6.0%	5.9%
EBTL	5.6%	6.9%
DRC	10.5%	8.1%
EBSSL	8.2%	7.3%

Cost-to-Income Ratio		
Subsidiary	Q3 2018	Q3 2019
EBKL	47.0%	45.9%
EBUL	61.7%	62.6%
EBRL	51.2%	48.4%
EBTL	62.2%	92.4%
DRC	68.6%	70.2%
EBSSL	66.1%	79.0%

Focus Area 3: Geographical and Business Diversification



Focus Area 3: Geographical and Business Diversification

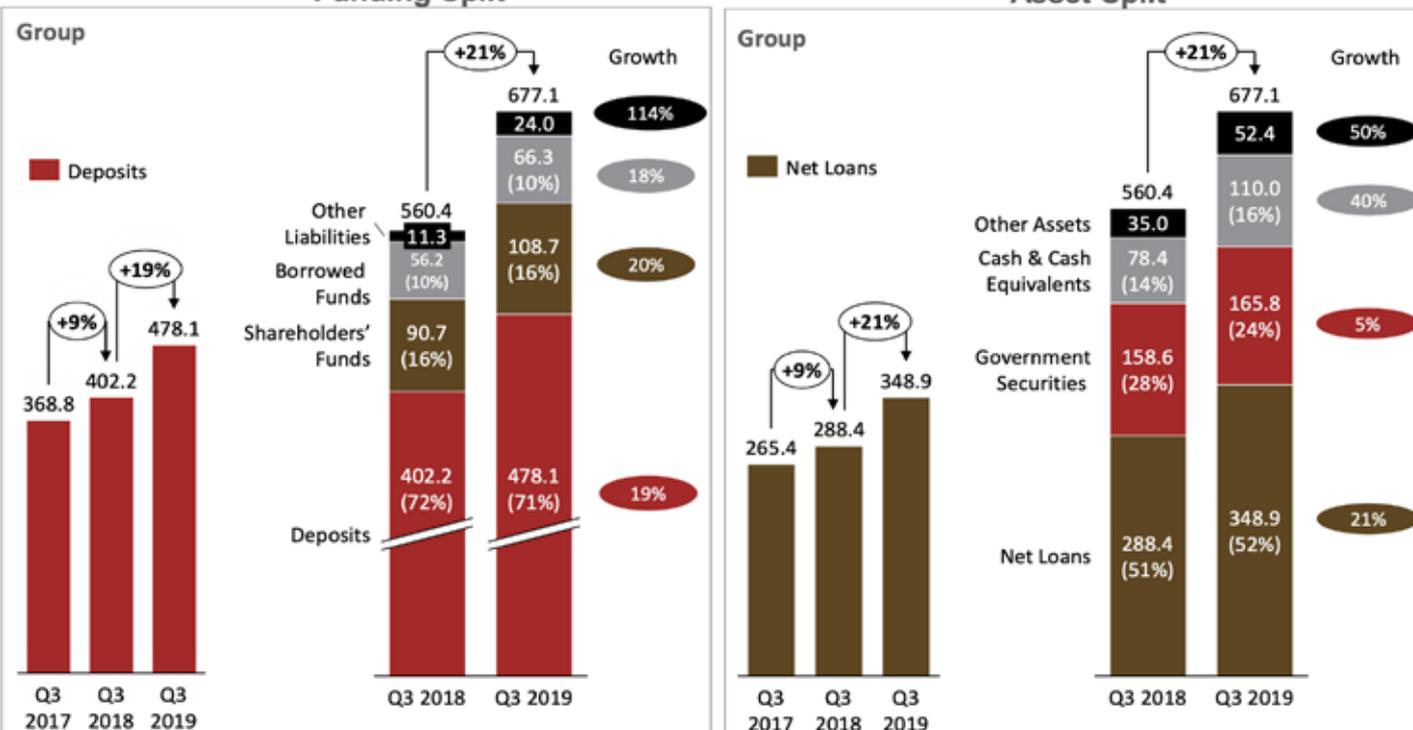


Branches	294
Branches in Kenya	179
Branches in Uganda	38
Branches in S. Sudan	5
Branches in Rwanda	14
Branches in Tanzania	14
Branches in DRC	44

Agent Outlets	50,077
Point of Sale	27,576
ATMS	617

Focus Area 4: Balance Sheet Agility

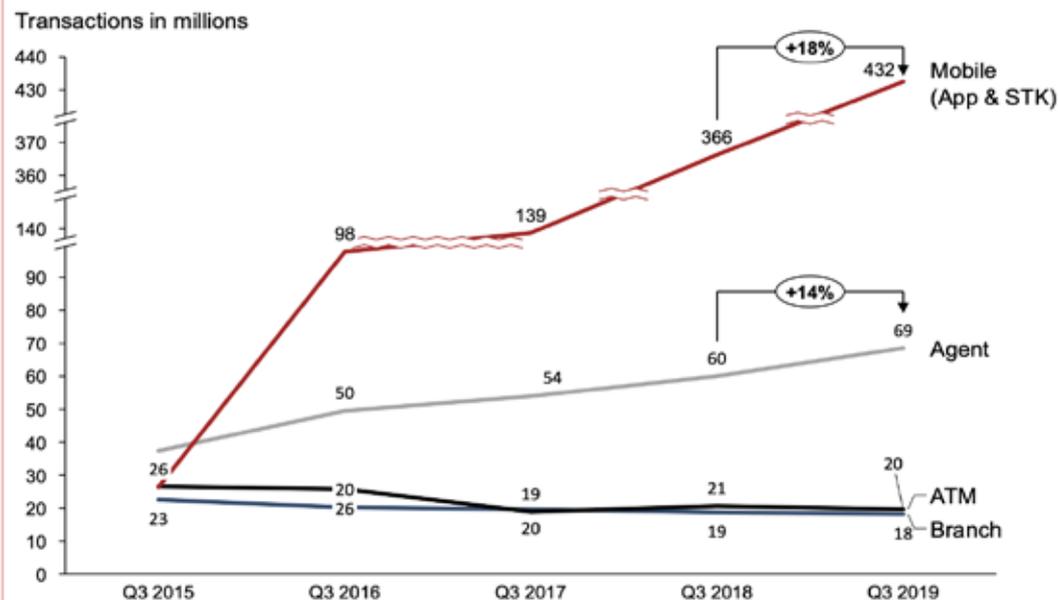
In KES Billion



Focus Area 5: Innovation and Digitization

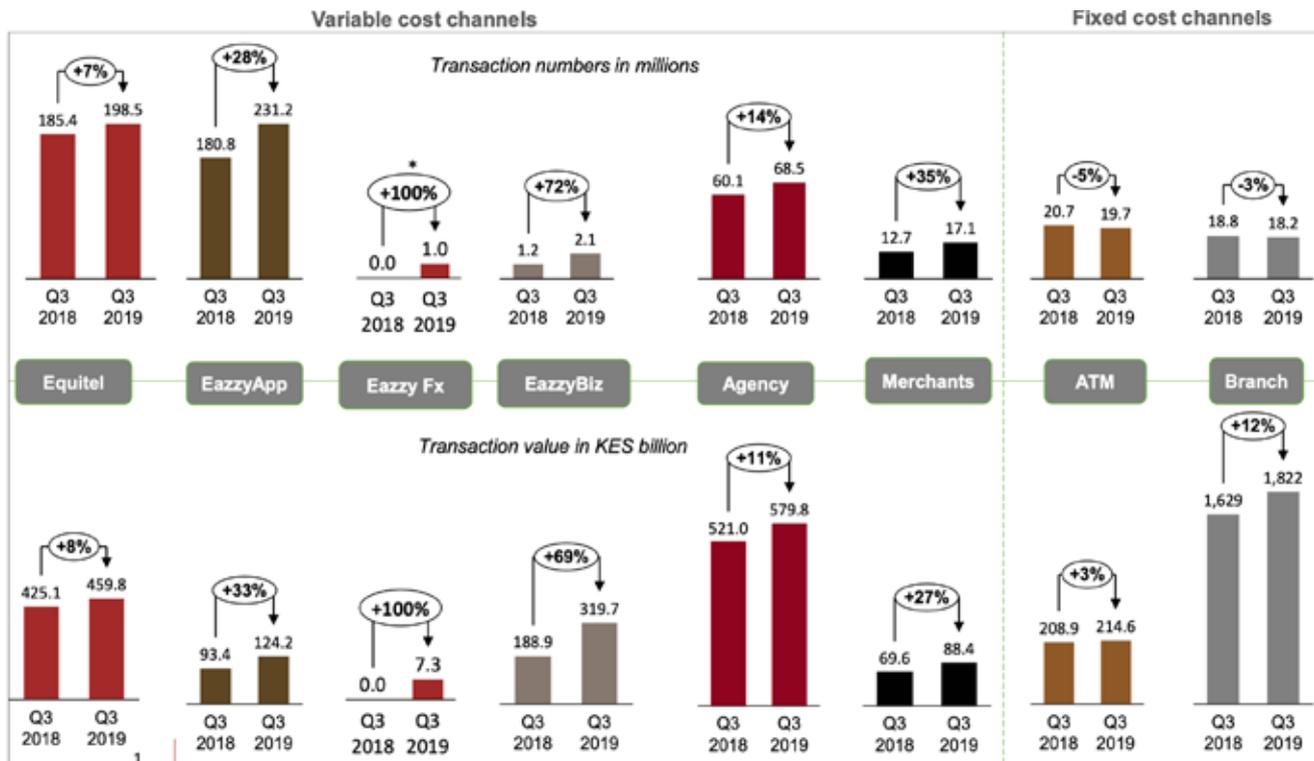
Transformation from a place you go to; to something you do

- Most transactions are now done using the digital channels which have continued to grow
- Transforming the cost structure of the bank from **fixed cost** to **variable cost** with minimal investments due to use of 3rd party infrastructure



Focus Area 5: Innovation and Digitization

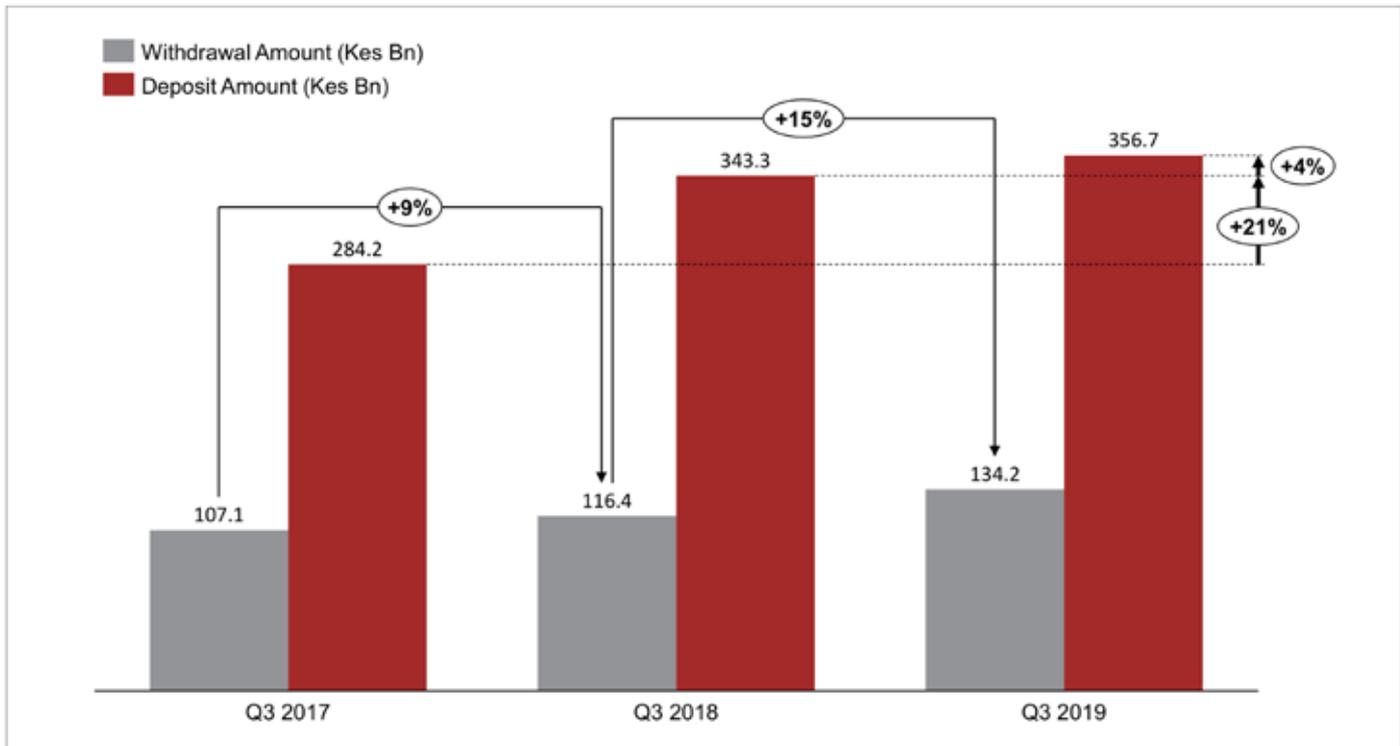
Leveraging off Variable Cost 3rd Party Infrastructure



* Q3 2019, Eazzy Fx transactions in thousands

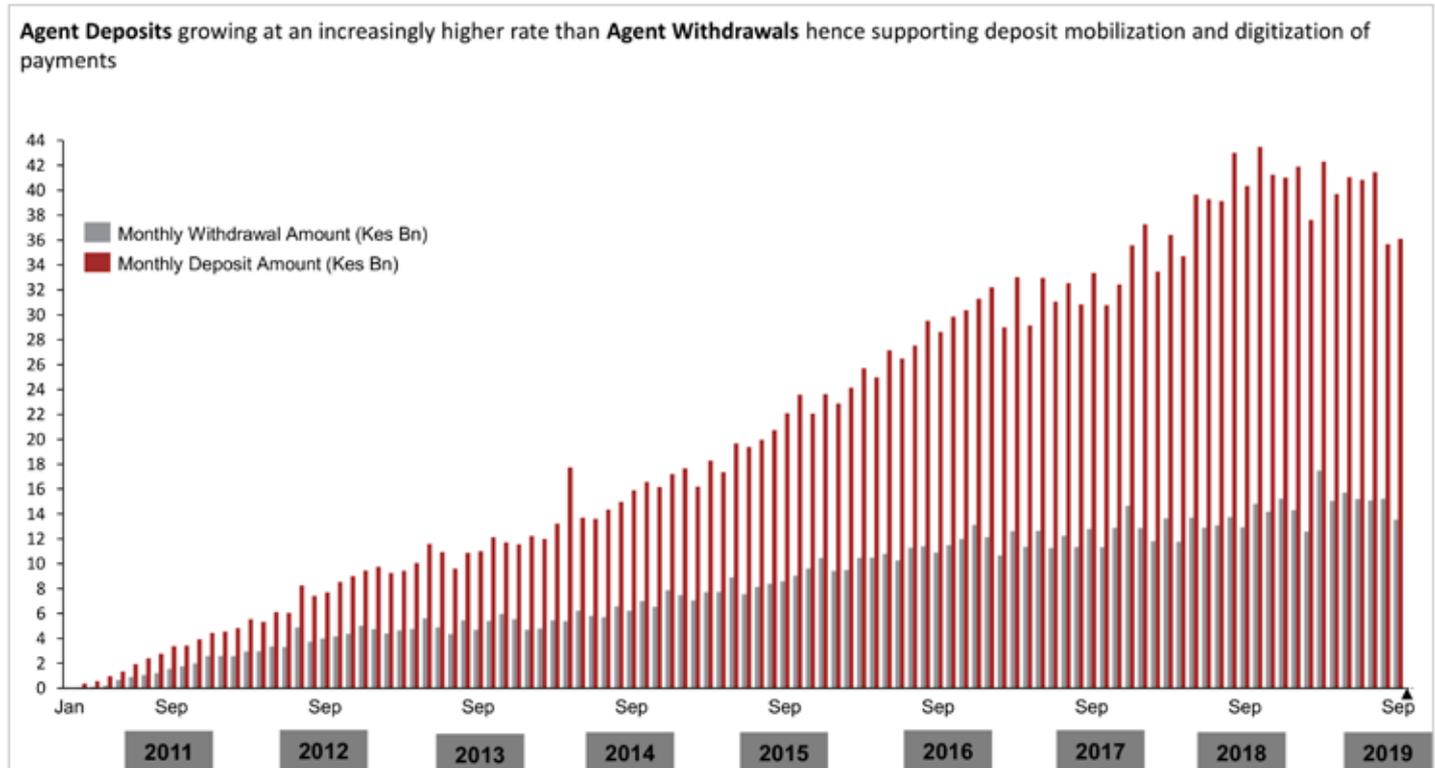
Focus Area 5: Fintech Innovation and Digitization

Agency Banking Volumes



Focus Area 5: Fintech Innovation and Digitization

Agency Model Enhancing Payments Digitization

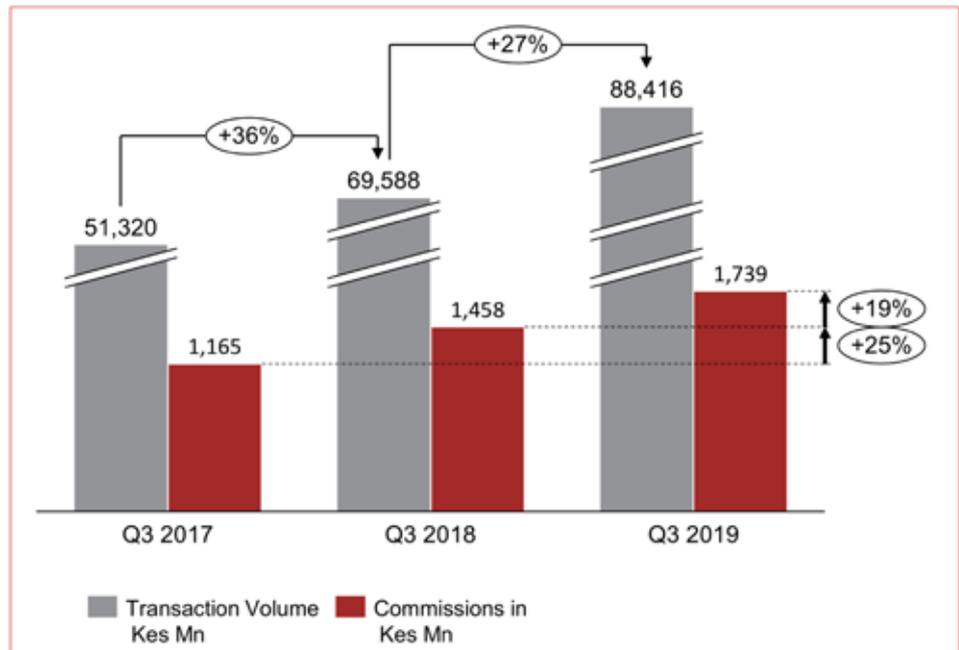


Focus Area 5: Fintech Innovations in Merchant Banking

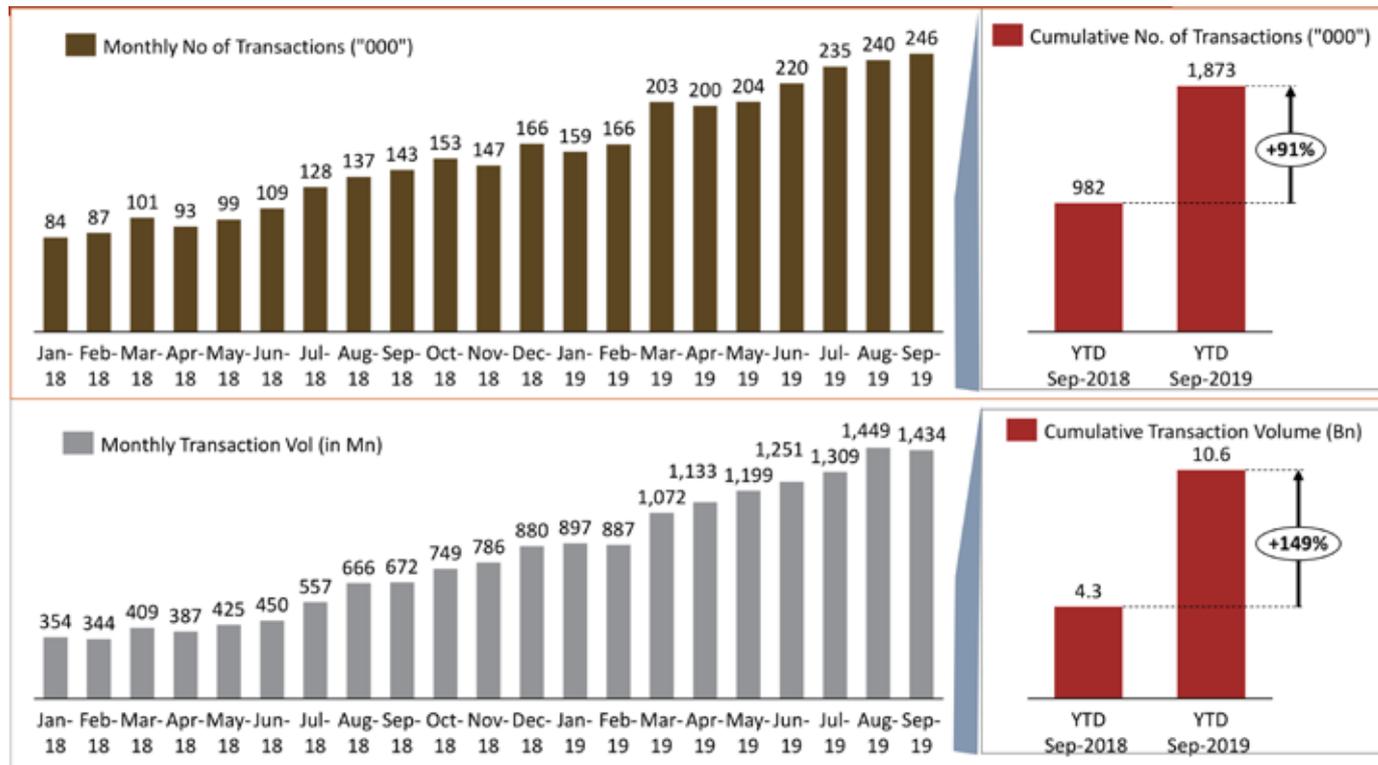
Using a universal POS that converges Mobile Wallets, Cards & Digital payments



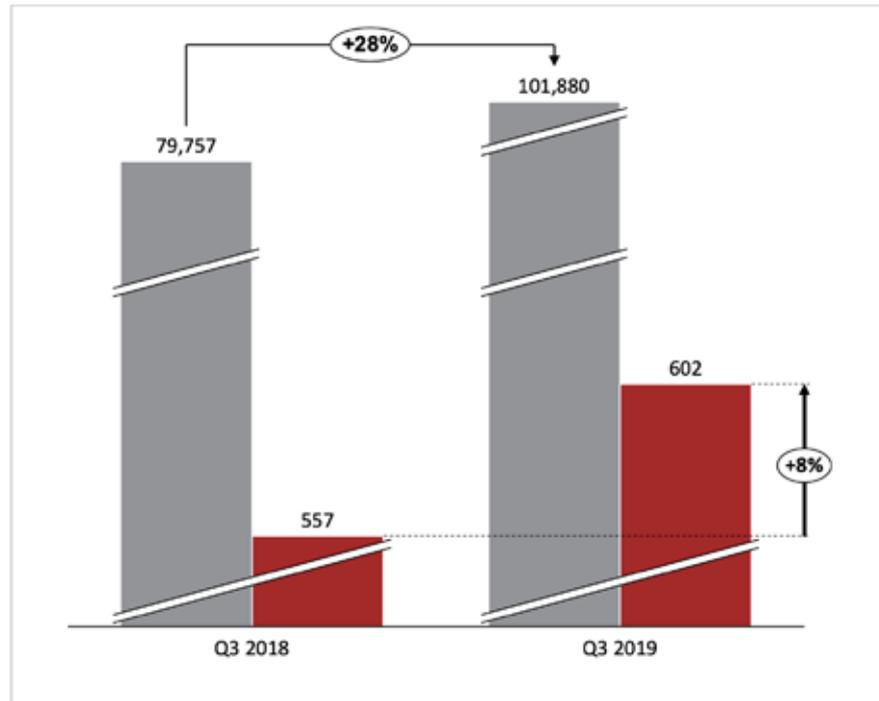
- Equity is leading in **Acquiring and Issuing**
- Best in class payment channel** services work well with merchants



Focus Area 5: Fintech Innovations in EazzyPay

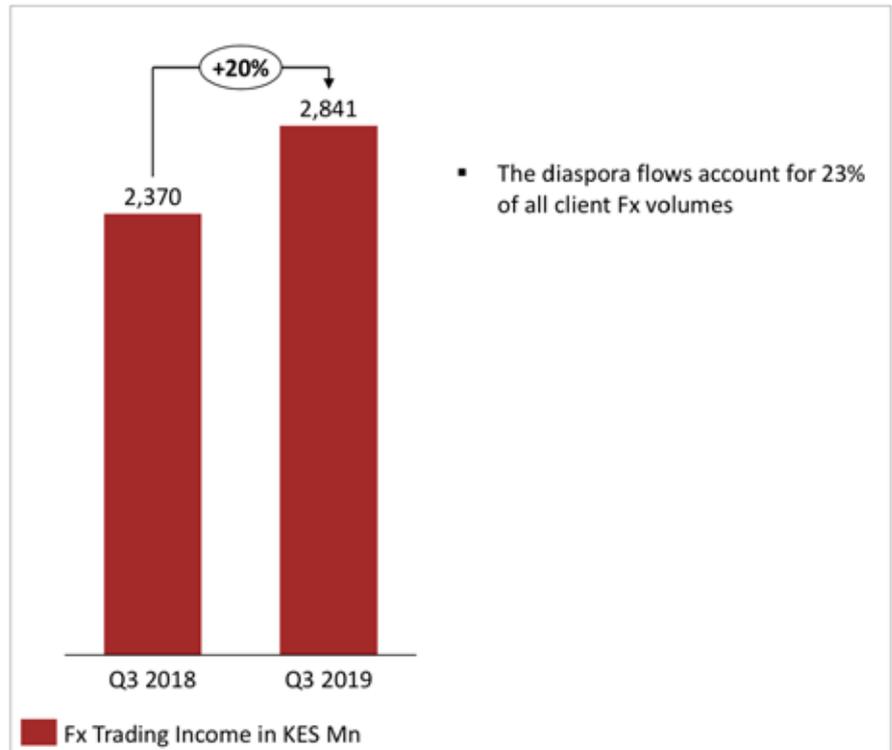


Focus Area 5: Fintech Innovations in Diaspora Remittances



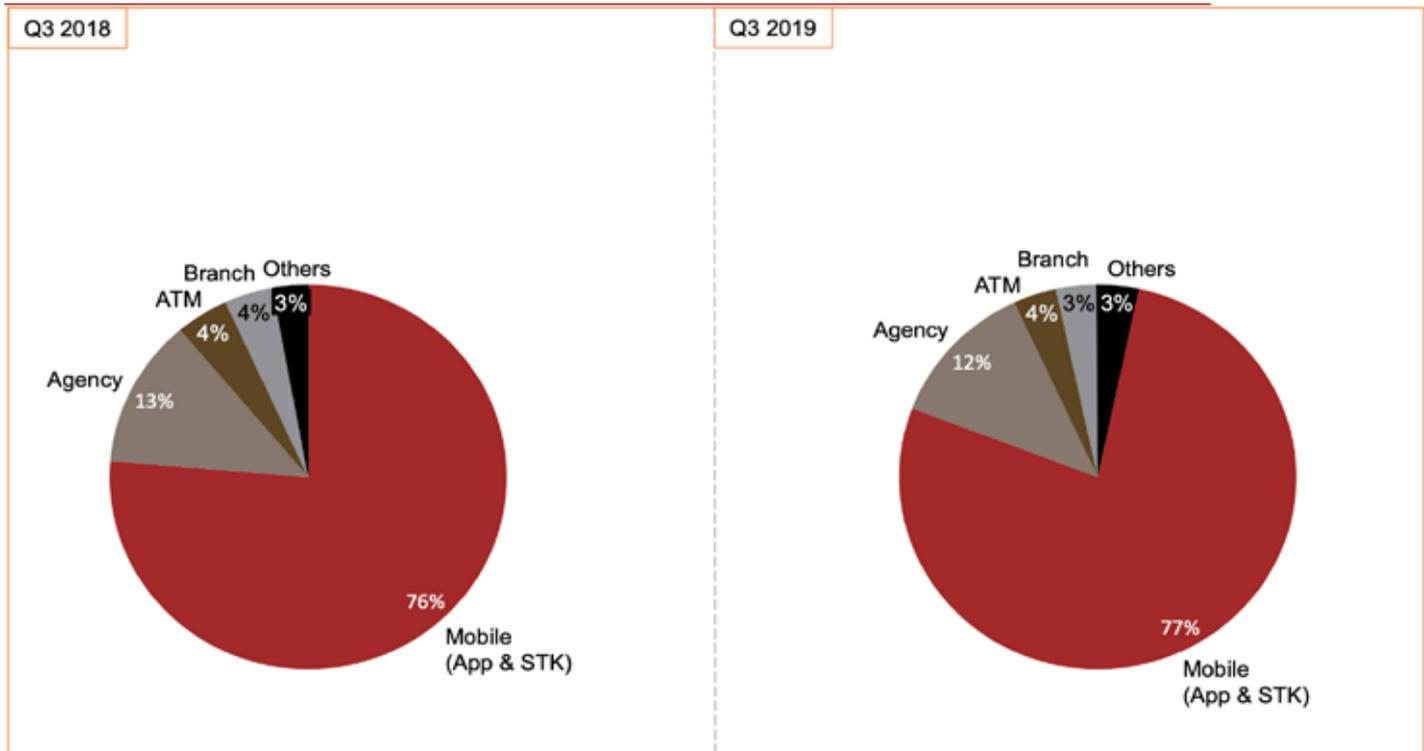
■ Transaction Volumes in Kes Mn ■ Diaspora Commissions in Kes Mn

Focus Area 5: Fintech Innovations in FX Trading



Focus Area 5: Fintech Innovation and Digitization

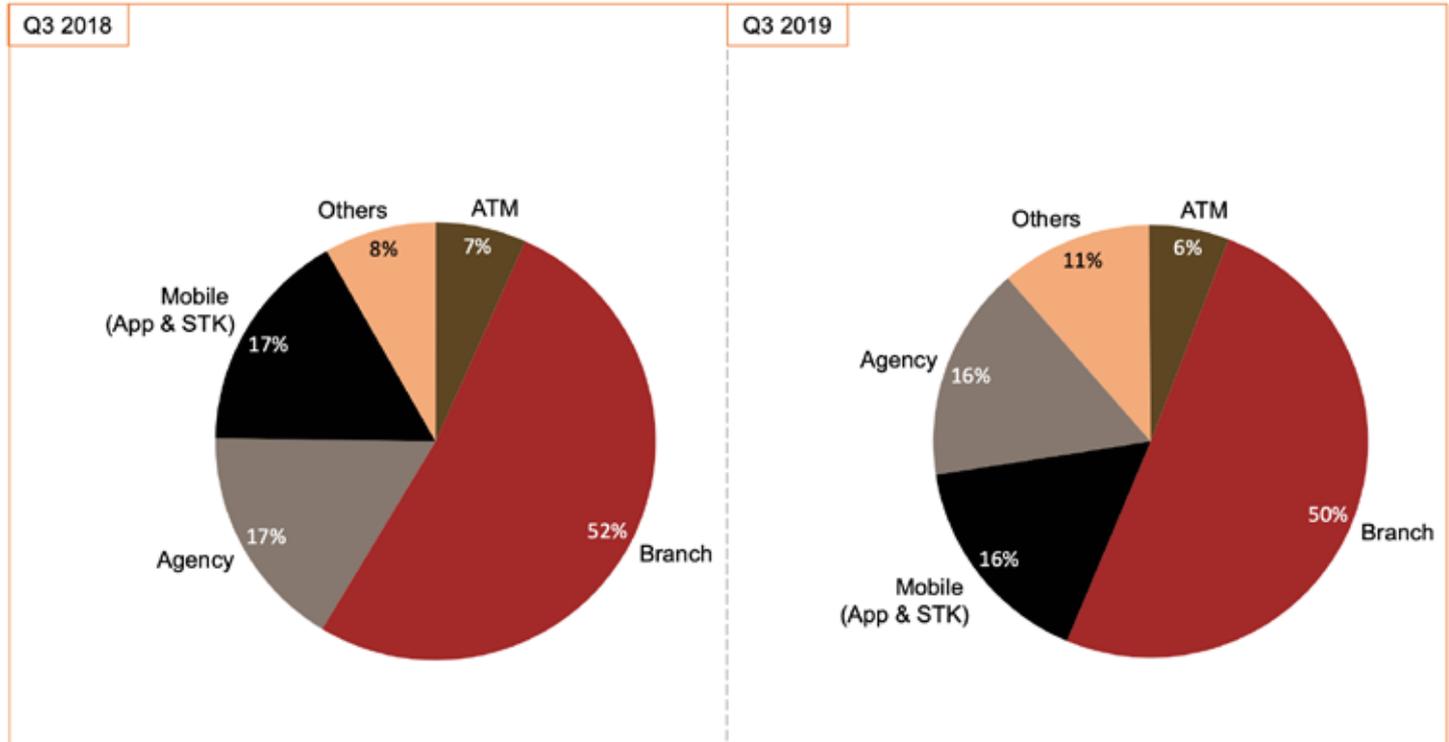
97% of our Transactions Outside the branch



Focus Area 5: Fintech Innovation and Digitization

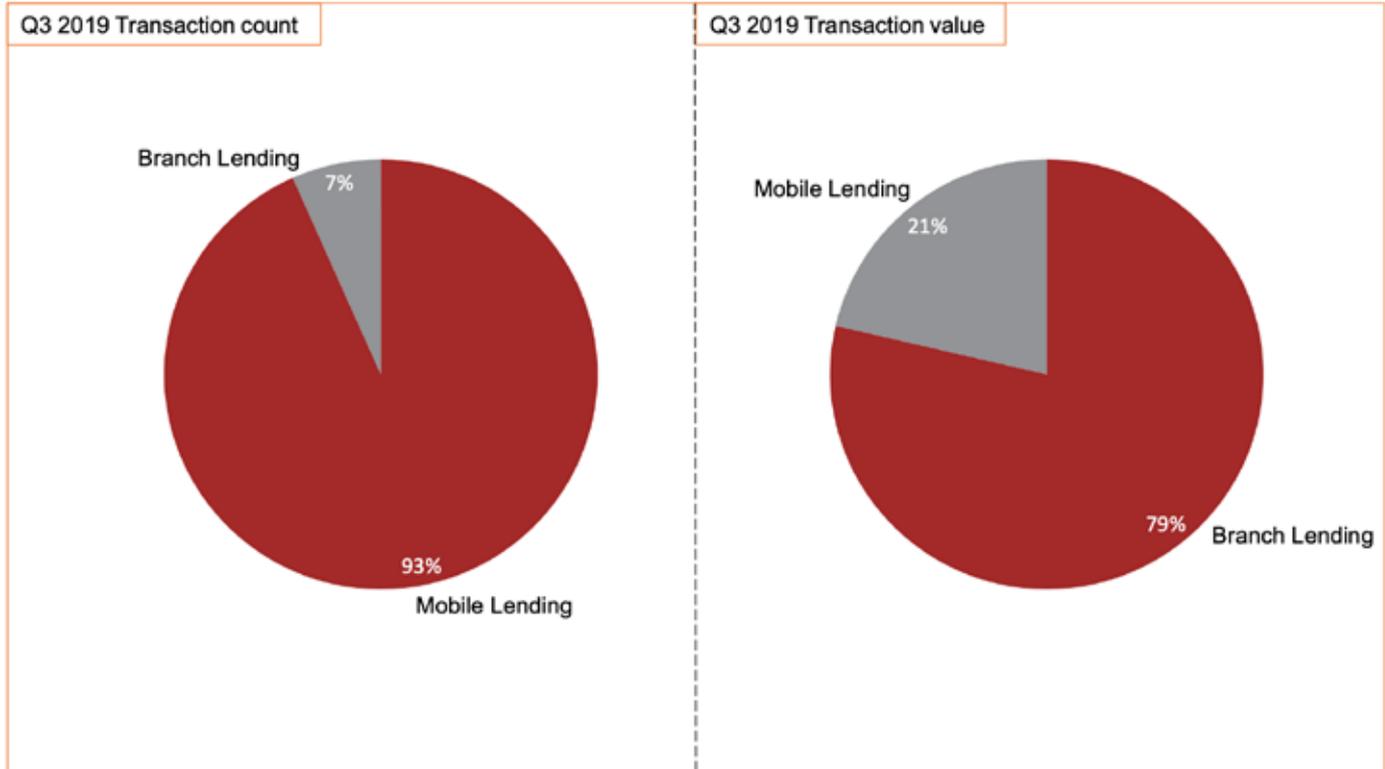
50% of our Transactions Value Outside the branch

Branches now handling high value transactions for SME, corporates, wealth management & advisory services

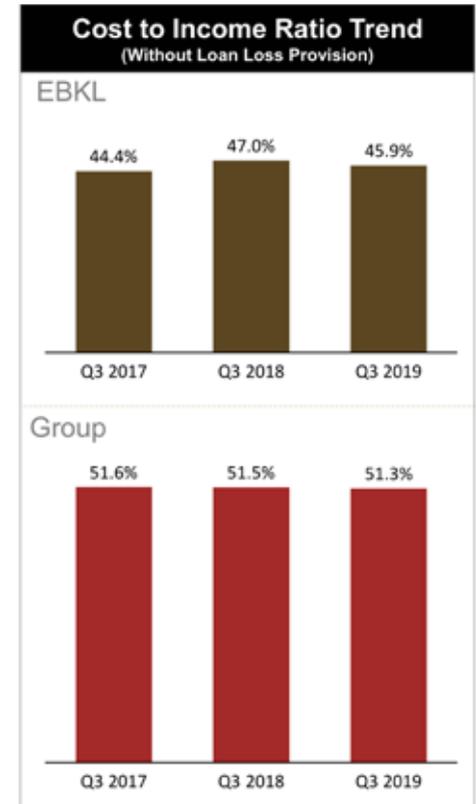
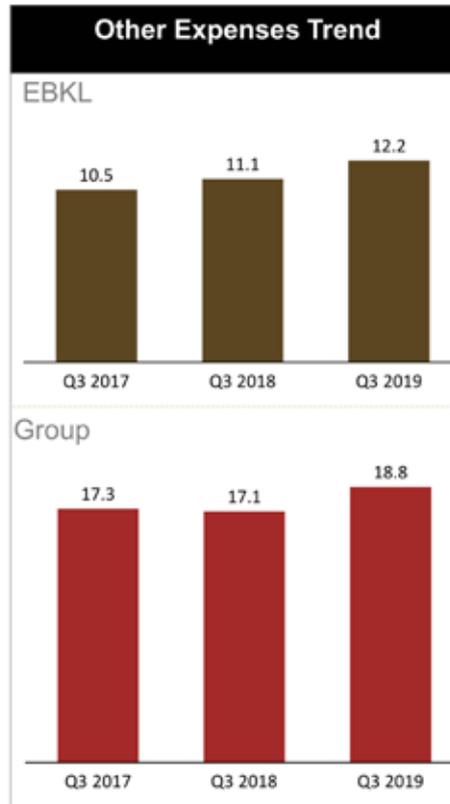
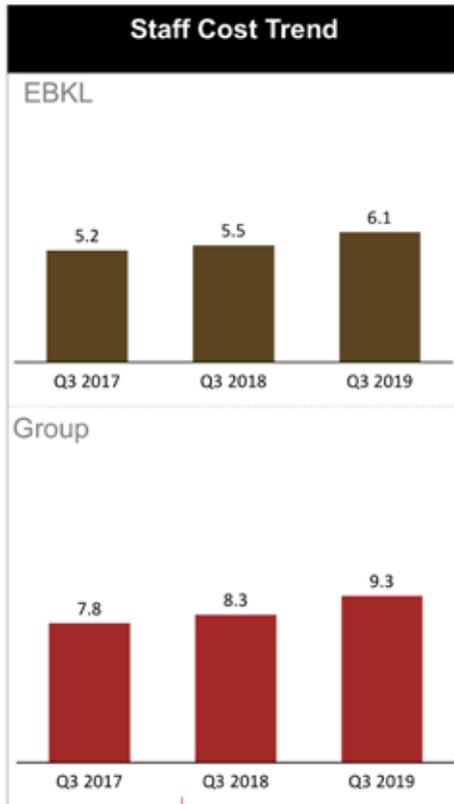


Focus Area 5: Fintech Innovation and Digitization

93% of our Loan Transactions via Mobile Channel

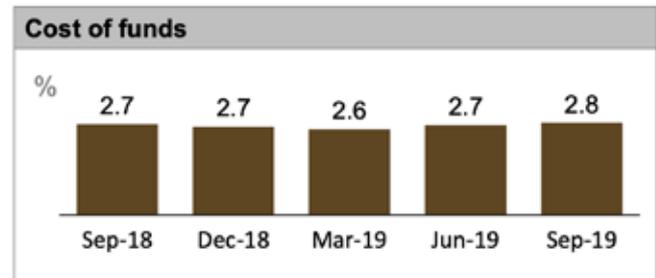
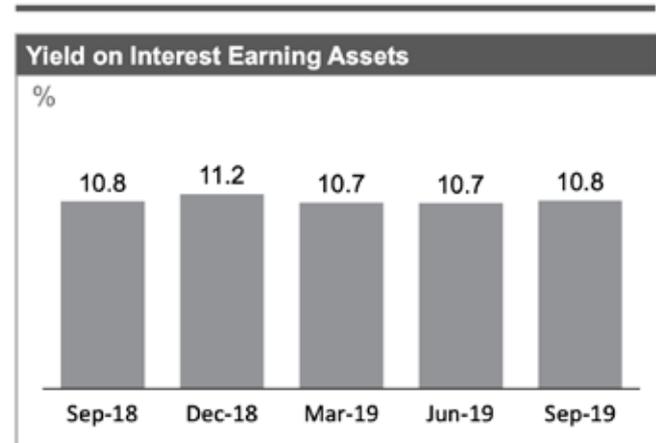
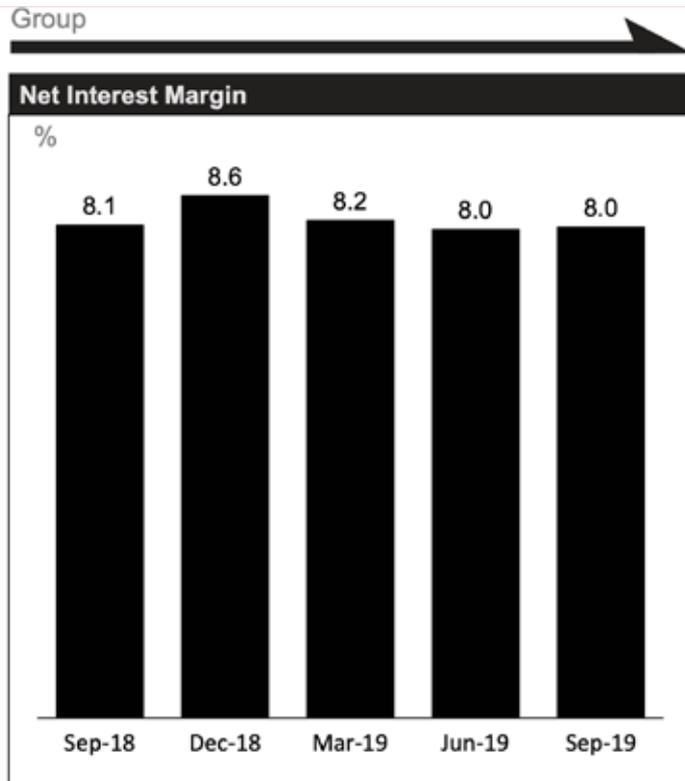


Focus Area 6: Efficiency and Cost Optimization

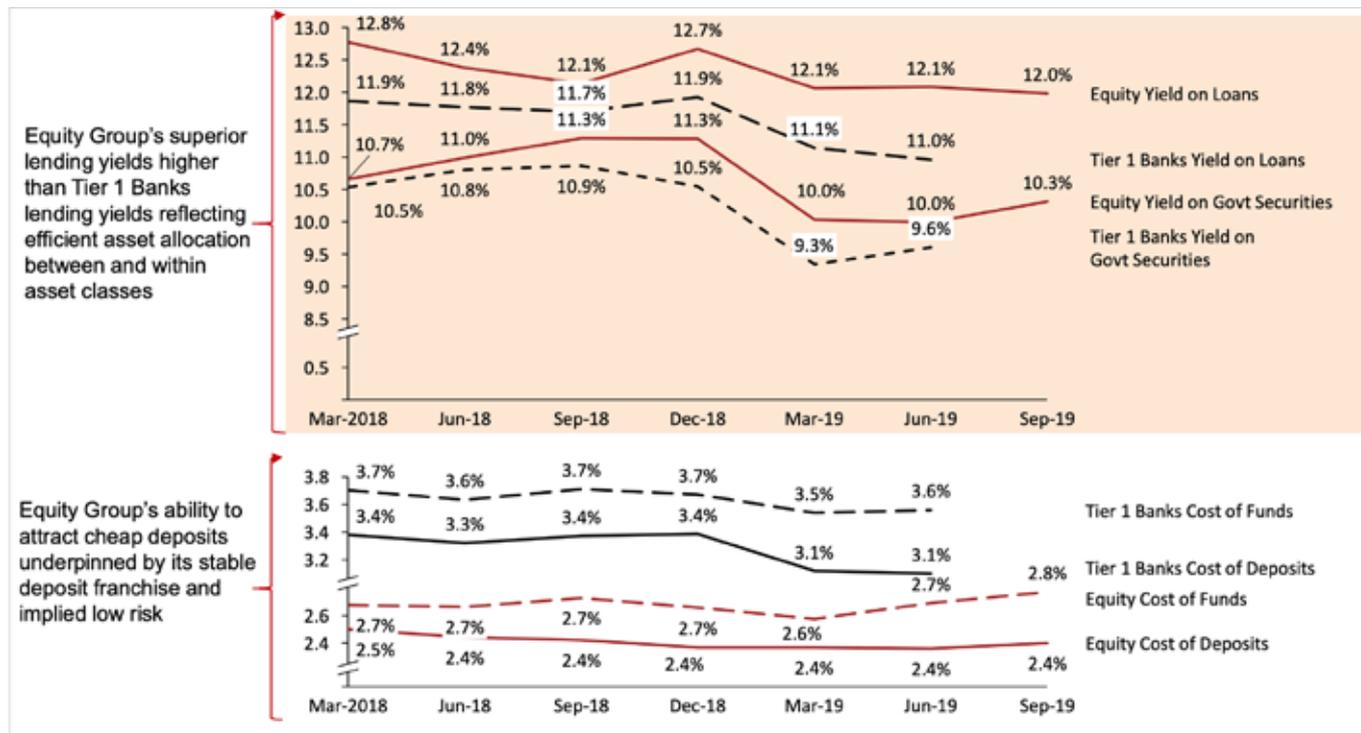


Focus Area 6: Efficiency and Cost Optimization

Net Interest Margin

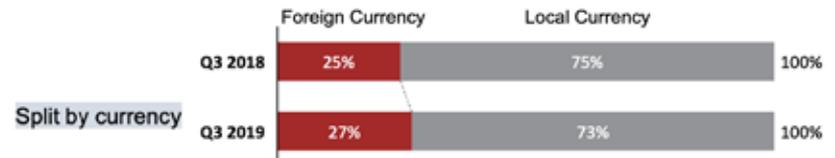
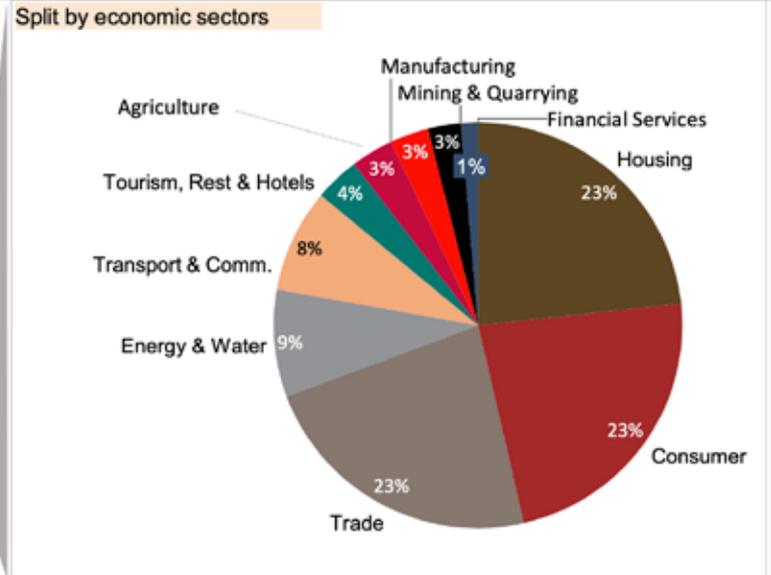
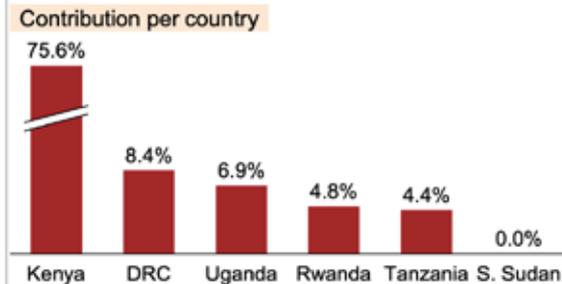
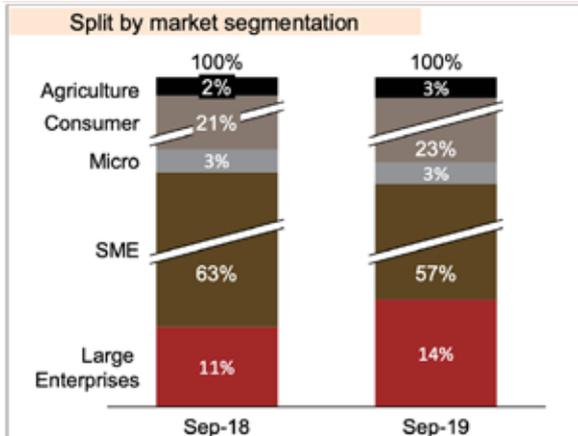


Focus Area 6: Efficient Financial Intermediation

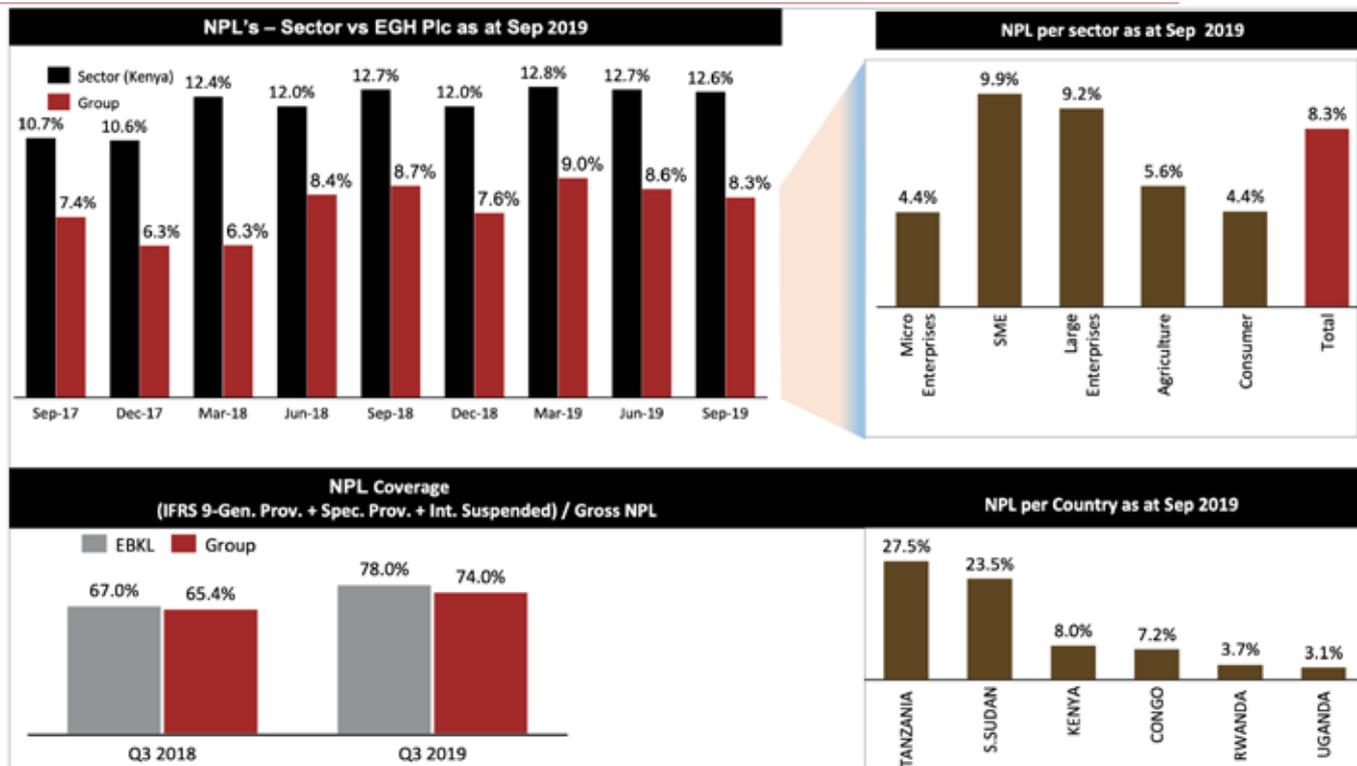


Tier 1 Banks excludes Equity Group. Industry data available upto June 2019

Focus Area 7: Asset Distribution (Group)

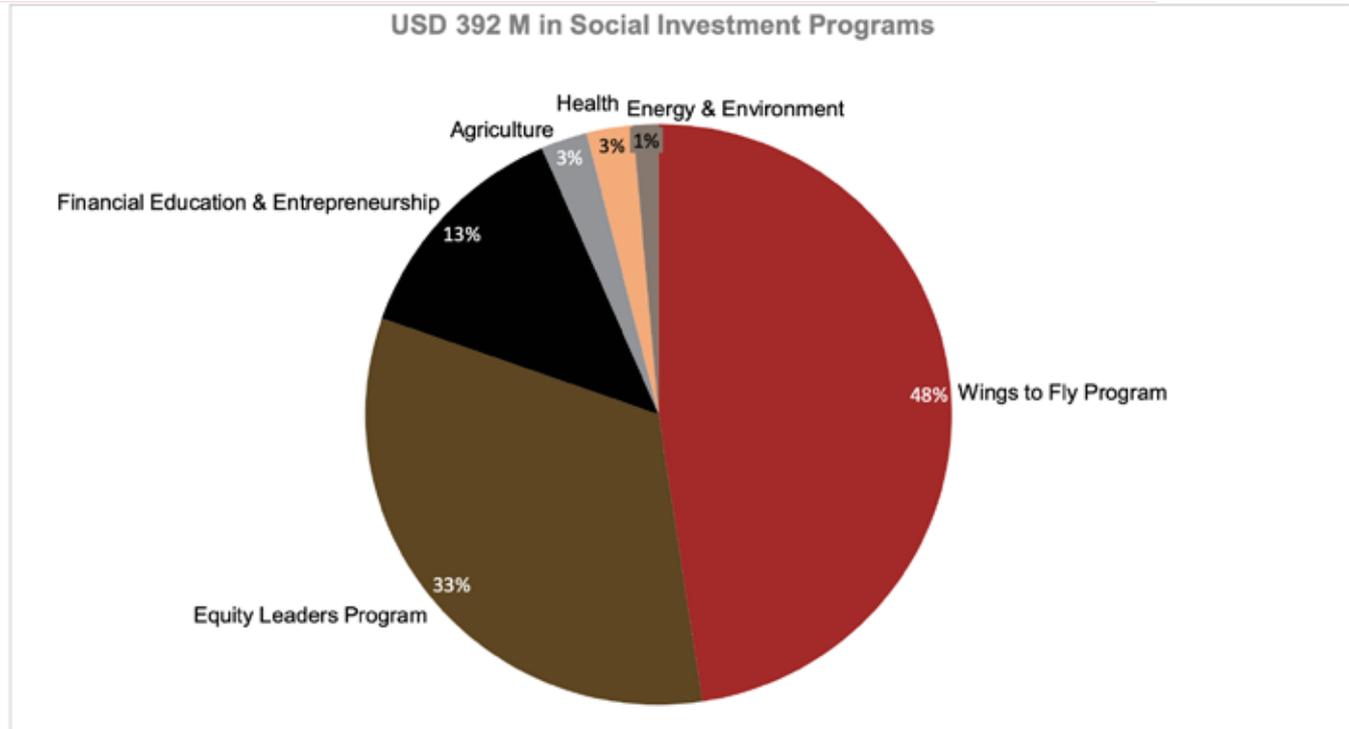


Focus Area 7: Asset Quality (Group)



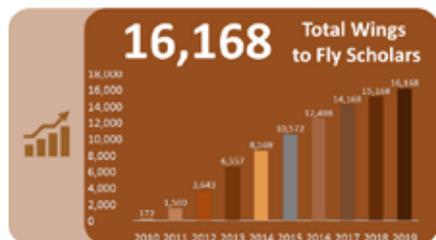
Focus Area 8: Impact Investment

Impact & Social Investment Programs



Focus Area 8: Impact Investment

Shared Prosperity Business Model and its Social Impact



2018 Wings to Fly Graduates

- 96% secondary school completion
- 74% attained university entry grades
- 86% take on leadership roles

Equity Leaders Program

- 12,256 University Scholars
- 519 attending or alumni of global universities

638,522
Peasant Farmers transformed to Agribusiness

31,291
Small and Medium Sized Farmers Supported

1,979,232
Women and Youth Trained in Financial Education

EQUITY

1 Million
Trees planted

103,362
Clean energy products distributed

45,725
Micro, Small and Medium Enterprises Trained in Entrepreneurship

USD
391,616,968
Total Funds Raised for Programs

124,998
Cumulative Patient Visits to Equity Afia Clinics

Business Validation



Global Ratings and Accolades



Equity Bank Credit Rating

- National Rating: Aa3.ke/KE-1
- Global Rating: B2
- Rating Outlook: Stable
Same as the sovereign rating



- Position 15 globally on Return on Assets
- Position 75 globally on Soundness (Capital Assets Ratio)
- Position 32 globally on Profits on Capital
- Position 844 globally largest Bank



Africa's SME Bank of the Year, 2018 & 2019



- Equity Bank Credit Rating
- Long Term Rating Scale AA-
- Short Term Rating Scale A1+
- Rating Outlook Stable



- Socially Responsible Bank in Africa, 2019
- African Bank of the Year, 2018
- African Banker of the Year, 2018 (Equity Group Managing Director & CEO, Dr. James Mwangi)
- Best Retail Bank in Africa, 2017



Africa's Best Digital Bank, 2019

Global Ratings and Accolades



Equity Bank has been recognised for the last 11 years since 2007 as the Top Banking Superbrand in Kenya and in East Africa in 2008 and 2009.



- Banker of the Year 2018,2017
(Equity Group Managing Director & CEO, Dr. James Mwangi)
- Best Commercial Bank - Kenya, 2018
- Most Innovative Bank - Kenya, 2018
- Best Commercial Bank - East Africa, 2018
- Best Digital Offering - East Africa, 2018
- Best Retail Bank - East Africa, 2017
- Best Retail Bank - Kenya, 2017
- Best Bank in CSR - East Africa, 2017
- Best Digital Bank - Kenya, 2017



- EABC Chairman's Award - Overall Best Regional Company, 2018
- Best East African Company - CSR, 2018
- Best East African Company - Financial services, 2018 (1st Runners up)

2019 National Banking Awards and Accolades



Best Bank in Kenya for the 8th time.

Total awards won in 2019 - 18

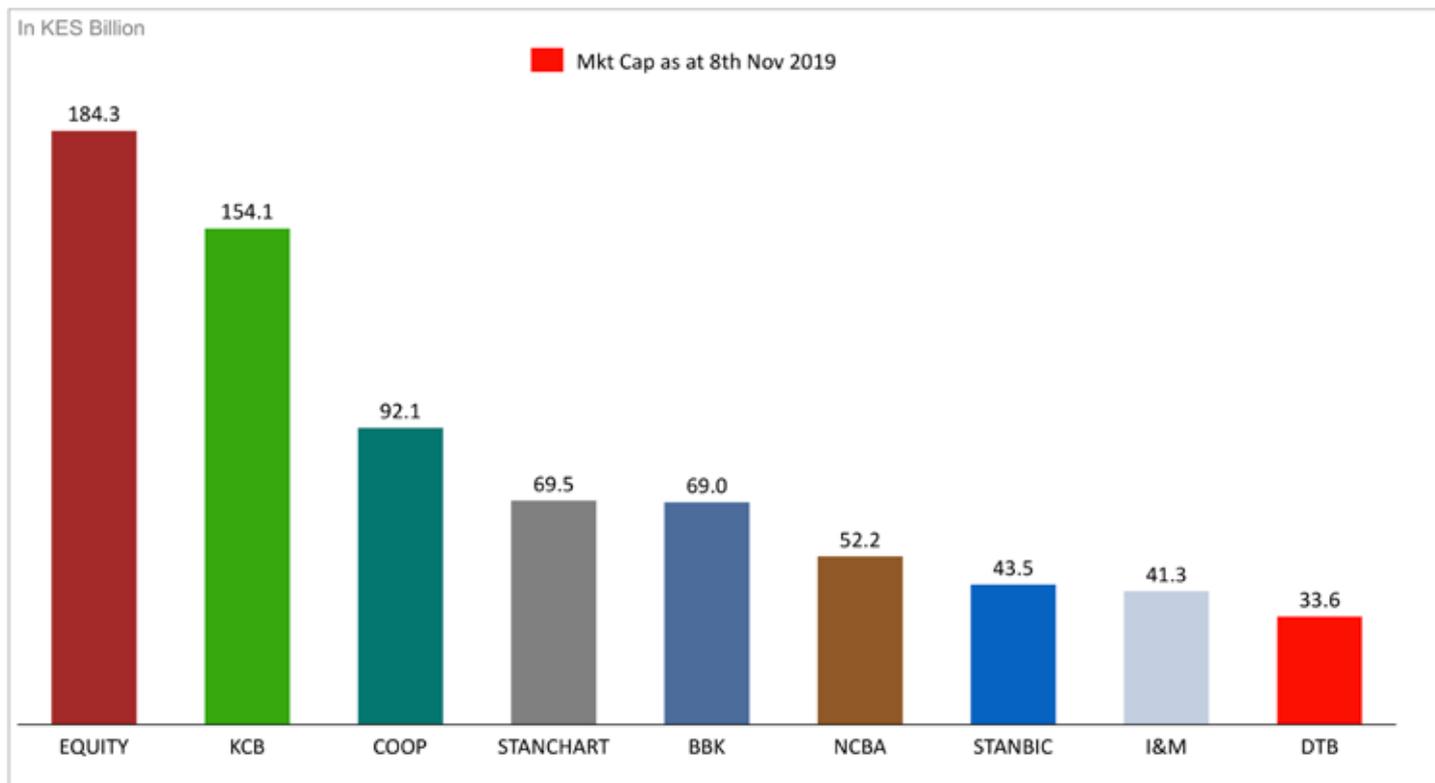
Brand	<ol style="list-style-type: none"> 1. Overall Best Bank in Kenya 2019-8 Years Running 2. The Best Bank in Tier 1 3. Best bank in Sustainable CSR-3 Years Running 4. The Most Customer-centric bank-2 Years Running 5. Bank with the Lowest Charge for Individuals-3 Years Running
Franchise Segmentation	<ol style="list-style-type: none"> 1. Best Bank in SME Banking 2. Best Bank in Retail Banking-1st Runners Up 3. Best Bank in Agency Banking-5 Years Running 4. Best Bank in Mobile Banking-2 Years Running 5. Best Bank in Digital banking 6. Best Bank in Internet Banking-2 Years Running 7. Best Commercial Bank in Micro-Finance-5 Years Running 8. Best Bank in Corporate Banking
Product	<ol style="list-style-type: none"> 1. Best Bank in Product Marketing-2 Years Running 2. Best Bank in Mortgage Finance-1st Runners Up (2 Years Running) 3. Best Bank in Agriculture and Livestock Financing 4. Best Bank in Trade Financing-1st Runners Up (2 Years Running)
Leadership	<p>Chief Executive Officer of the year Dr. James Mwangi, CEO Equity Group Holdings Plc for the third year in a row</p>

Banking Awards and Accolades



Equity Bank Corporate Banking-SME Associate Director, Jeremy Kamau (2nd left), receives the Award in the Platinum Category of SME Bank of the Year–Africa at this year’s IFC Global SME Finance Awards held in the Netherlands. With him are SME Finance Forum CEO Matthew Gamser (extreme left); FMO Chief Executive Officer, Peter van Mierlo and Mastercard Senior Vice President- Global SME Products, Jay Singer (extreme right)

Market Validation Market Capitalization



Business Daily Nov 11th 2019

Macro-economic & Operating Environment

Intermediation & Financial Performance



Balance Sheet

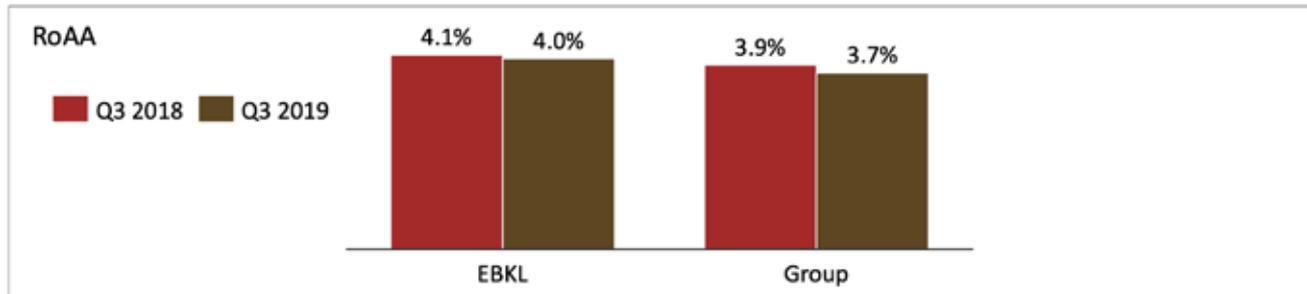
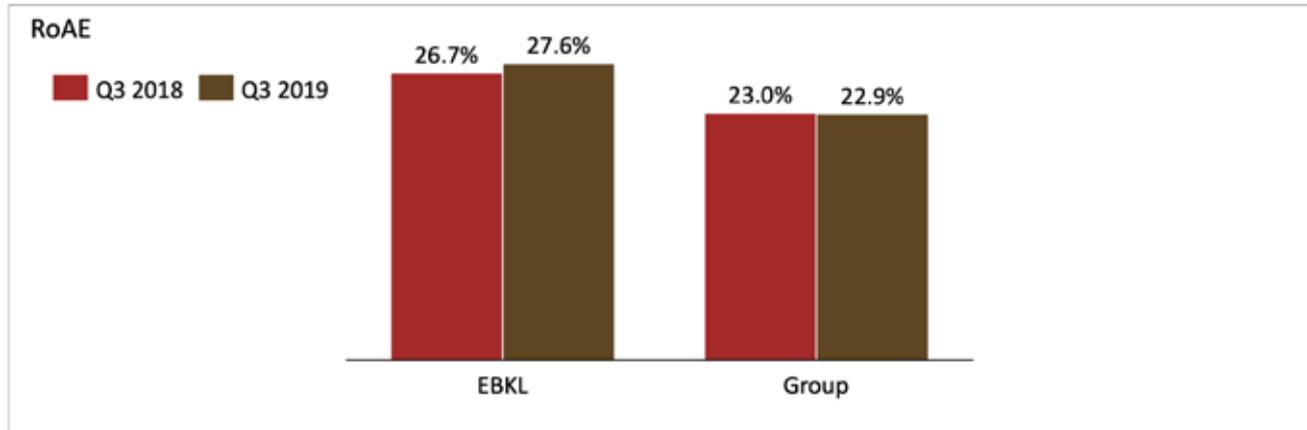
KES Billion

	Q3 2018	Q3 2019	Growth
Assets			
Net Loans	288.4	348.9	21%
Cash & Cash Equivalents	78.4	110.0	40%
Government Securities	158.6	165.8	5%
Other Assets	35.0	52.4	50%
Total Assets	560.4	677.1	21%
Liabilities & Capital			
Deposits	402.2	478.1	19%
Borrowed Funds	56.2	66.3	18%
Other Liabilities	11.3	24.0	114%
Shareholder's Funds	90.7	108.7	20%
Total Liabilities & Capital	560.4	677.1	21%

10% PAT Growth

<i>KES Billion</i>	Q3 2018	Q3 2019	Growth
Interest Income	38.46	42.79	11%
Interest Expense	8.99	10.50	17%
Net Interest Income	29.47	32.29	10%
Non-Funded Income	19.83	22.54	14%
Total Income	49.30	54.83	11%
Loan Loss Provision	1.32	1.88	42%
Staff Costs	8.26	9.32	13%
Other Operating Expenses	17.15	18.82	10%
Total Costs	26.73	30.02	12%
Net Loss on Monetary Assets	0.16	0.03	
PBT	22.41	24.78	11%
Tax	6.58	7.32	11%
PAT	15.83	17.46	10%

RoAE and RoAA Trend



Financial Ratios

	EBKL Q3 2018	EBKL Q3 2019	Group Q3 2018	Group Q3 2019
Profitability				
Yield on Loans	11.1%	10.9%	12.1%	12.0%
Yield on Government Securities	11.5%	10.3%	11.3%	10.3%
Yield on Interest Earning Assets	10.7%	10.6%	10.8%	10.8%
Cost of Deposits	2.2%	2.2%	2.4%	2.4%
Cost of Funds	2.6%	2.6%	2.7%	2.8%
Net Interest Margin	8.1%	8.0%	8.1%	8.0%
Cost to Income Ratio with provisions	48.3%	48.6%	54.2%	54.7%
Cost to Income Ratio without provision	47.0%	45.9%	51.5%	51.3%
RoAE	26.7%	27.6%	23.0%	22.9%
RoAA	4.1%	4.0%	3.9%	3.7%
Asset Quality				
PAR	9.1%	8.0%	8.72%	8.26%
Cost of Risk	0.27%	0.60%	0.62%	0.77%
Leverage				
Loan / Deposit Ratio	69.6%	71.7%	71.7%	73.0%
Capital Adequacy Ratios				
Core Capital to Risk Weighted Assets	14.8%	13.9%	18.0%	16.7%
Total Capital to Risk Weighted Assets	14.8%	18.5%	18.0%	20.5%
Liquidity				
Liquidity ratio	57.7%	59.1%	55.0%	54.2%

2019 Outlook – Group

	2019 Outlook	Q3 2019 Actual
Loan Growth	10% - 15%	21%
Deposit Growth	10% - 15%	19%
Net Interest Margin	8.5% - 10%	8.0%
Non Funded Income Mix	42% - 45%	41%
Cost to Income Ratio	48% - 52%	51.3%
Return on Equity	23% - 25%	22.9%
Return on Assets	3.8% - 4.5%	3.7%
Cost of Risk	0.8% - 1.2%	0.8%
NPL	4.0% - 5.5%	8.3%
Subsidiaries Contribution (Assets)	25% - 30%	27%
Subsidiaries Contribution (PBT)	20% - 25%	17%

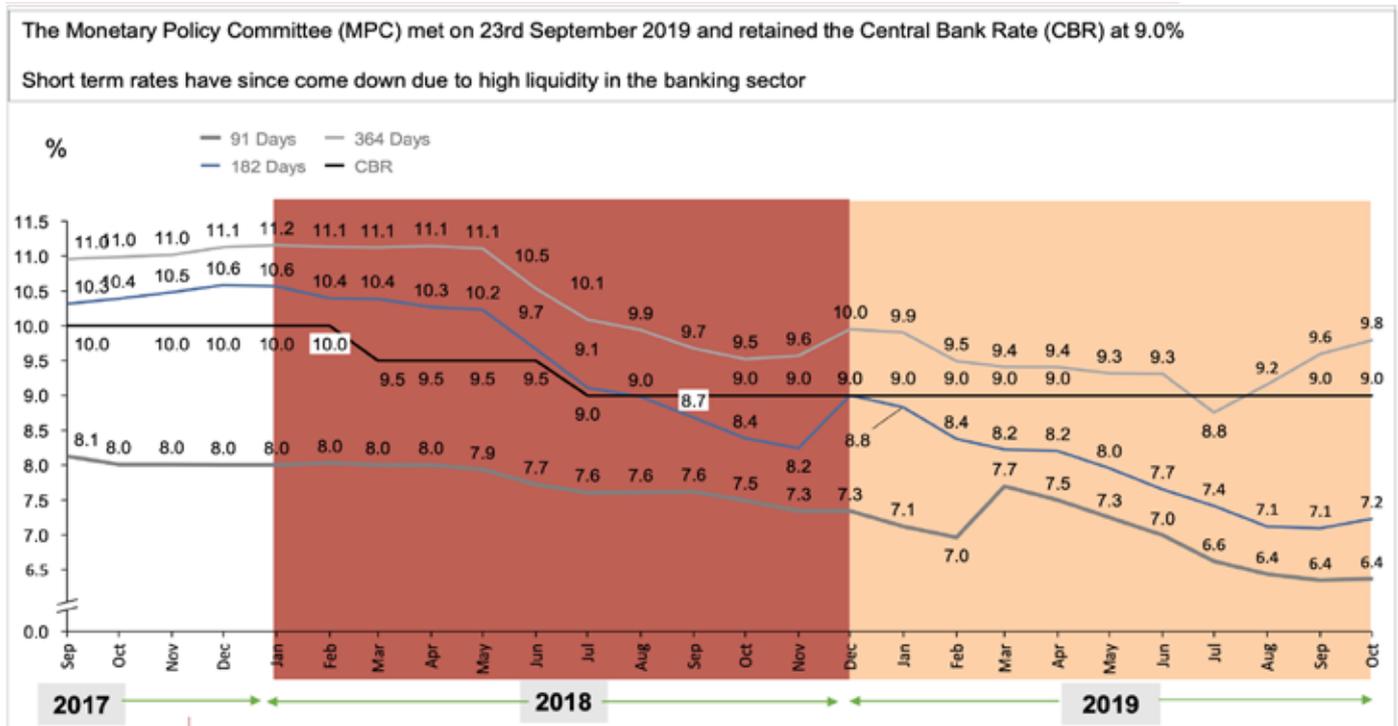
Appendix

Macroeconomic Environment

Indicators & Trends - Kenya



Interest Rates - Kenya



CBK MPC Press release

Global Interest Rates

The LIBOR rate was on a multi-year upward trend until 2018. Since beginning of 2019, this has reversed with the rate declining by 91 bps.



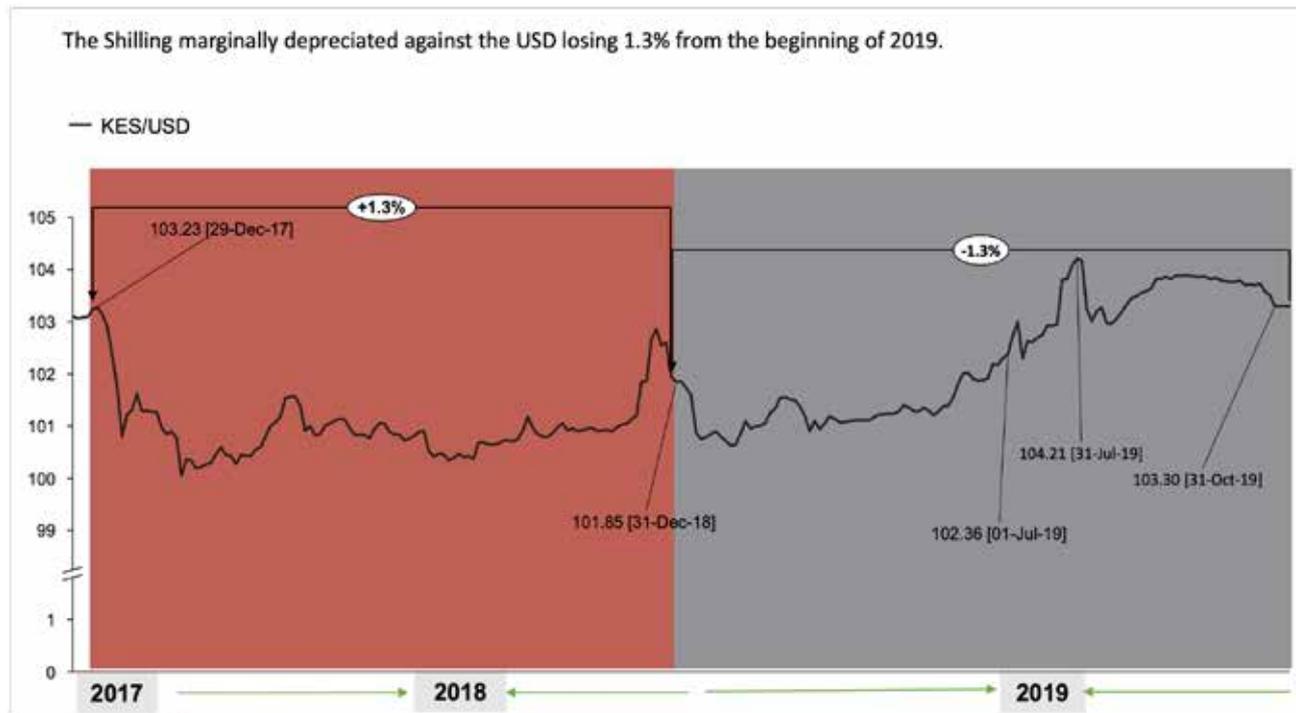
Historical Data

October
2019

Source: Website <https://ycharts.com/>

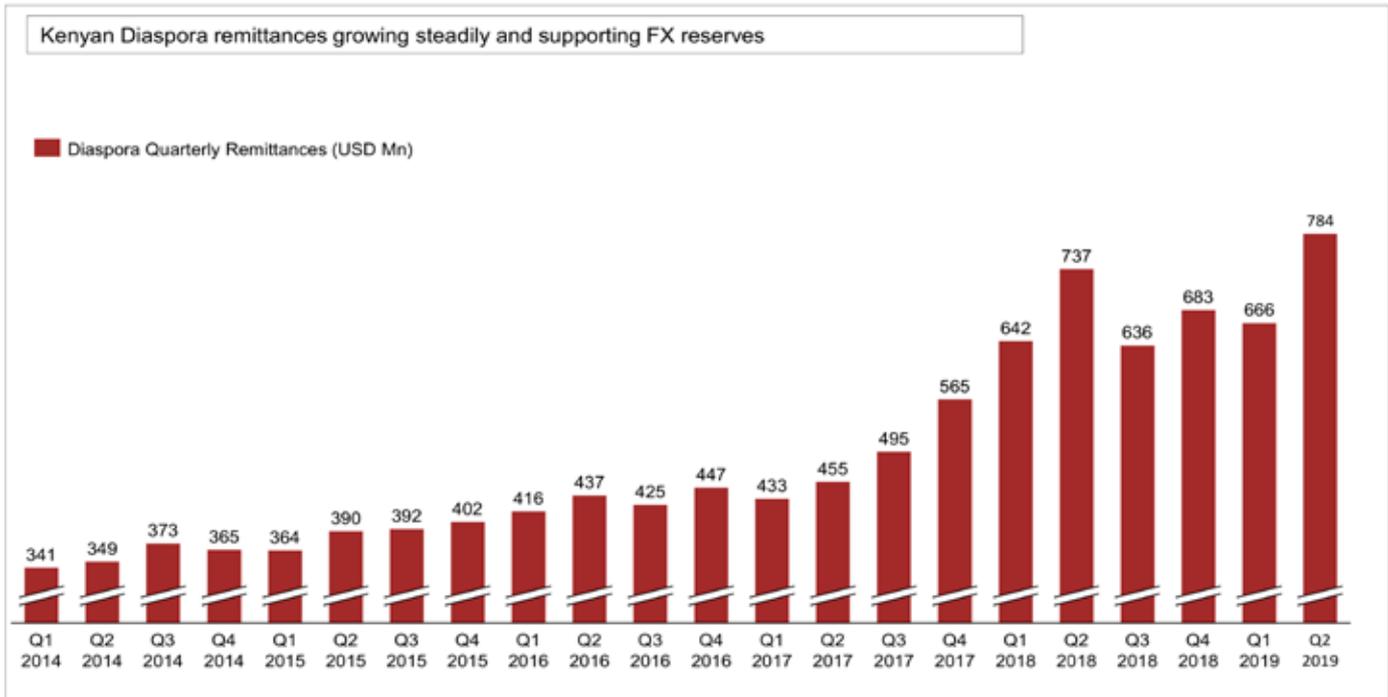
Source: Website Global-rates

Foreign Exchange – Kenya



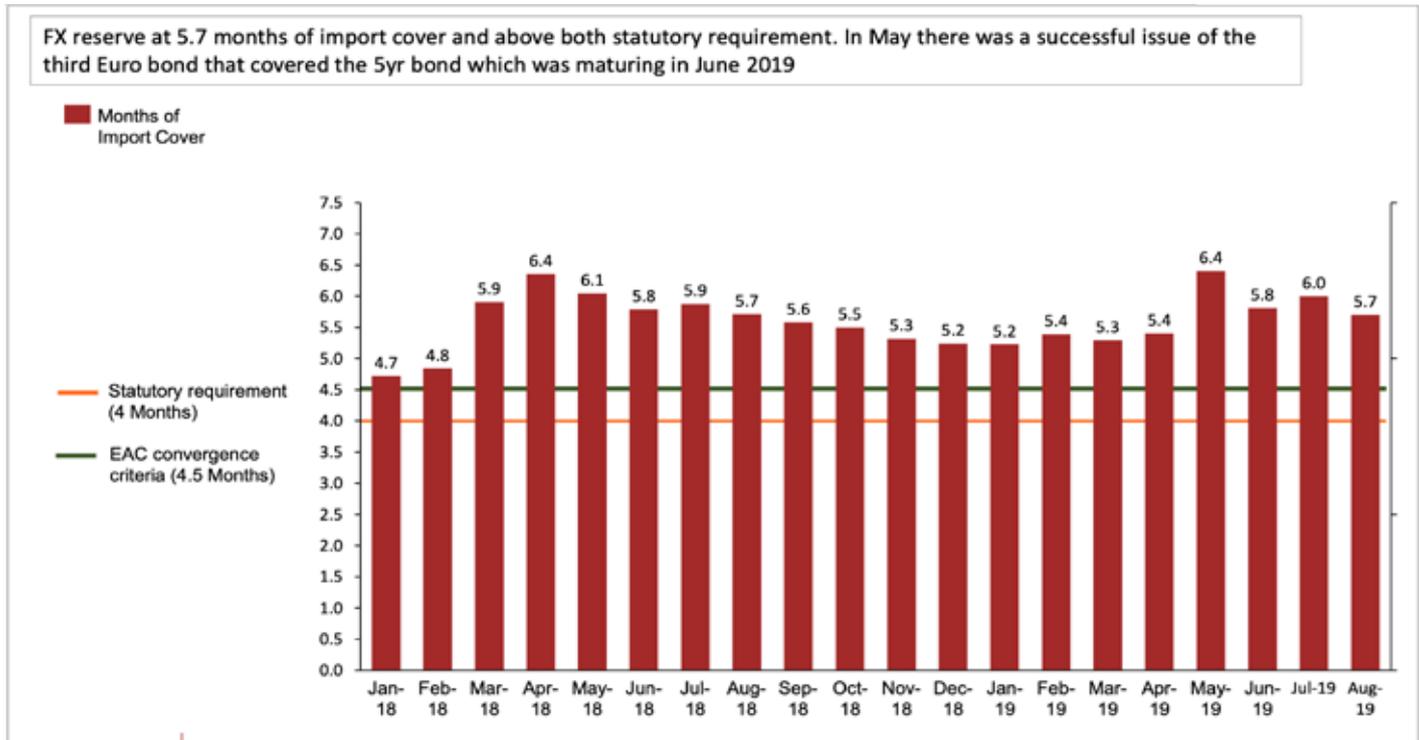
Source: CBK – Forex Rates

Diaspora Remittances – Kenya



Source: CBK Diaspora Remittances

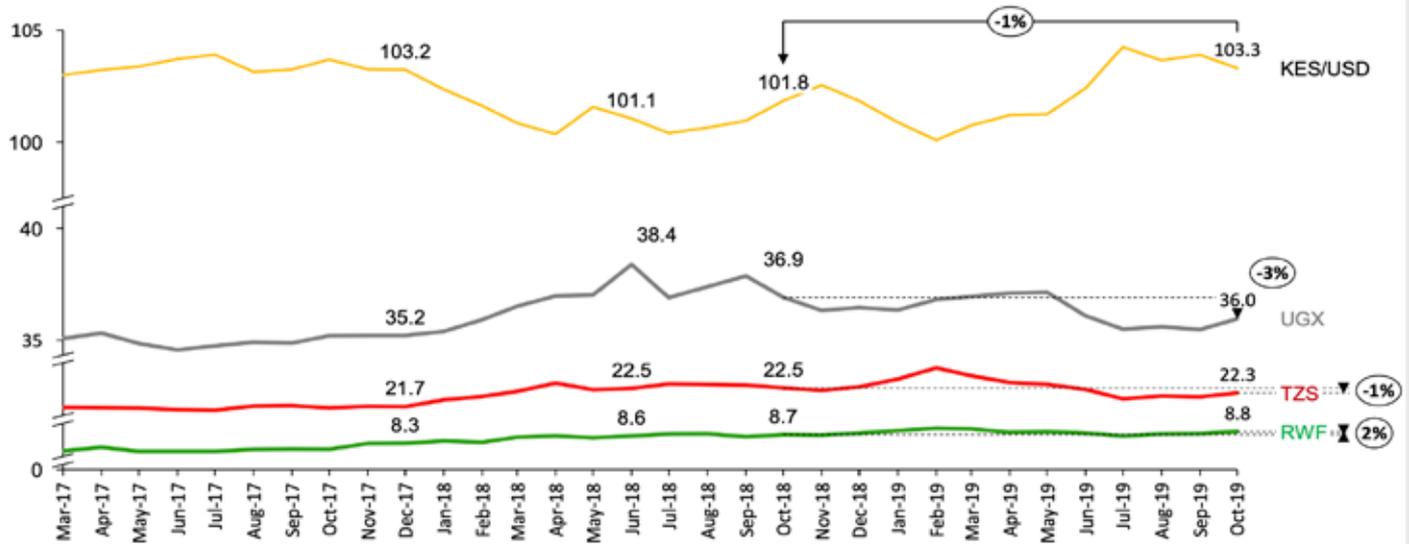
Foreign Reserves – Kenya



Source: CBK Weekly Bulletin Key monetary & financial indicators

FX – Selected East Africa Countries

Regional FX rates remain relative stable with UGX appreciating by 3%, while there were marginal changes for TZS. KES appreciating against RWF



Source: CBK – Monthly Economic Indicators

International Debt Market-Overview on USD LIBOR

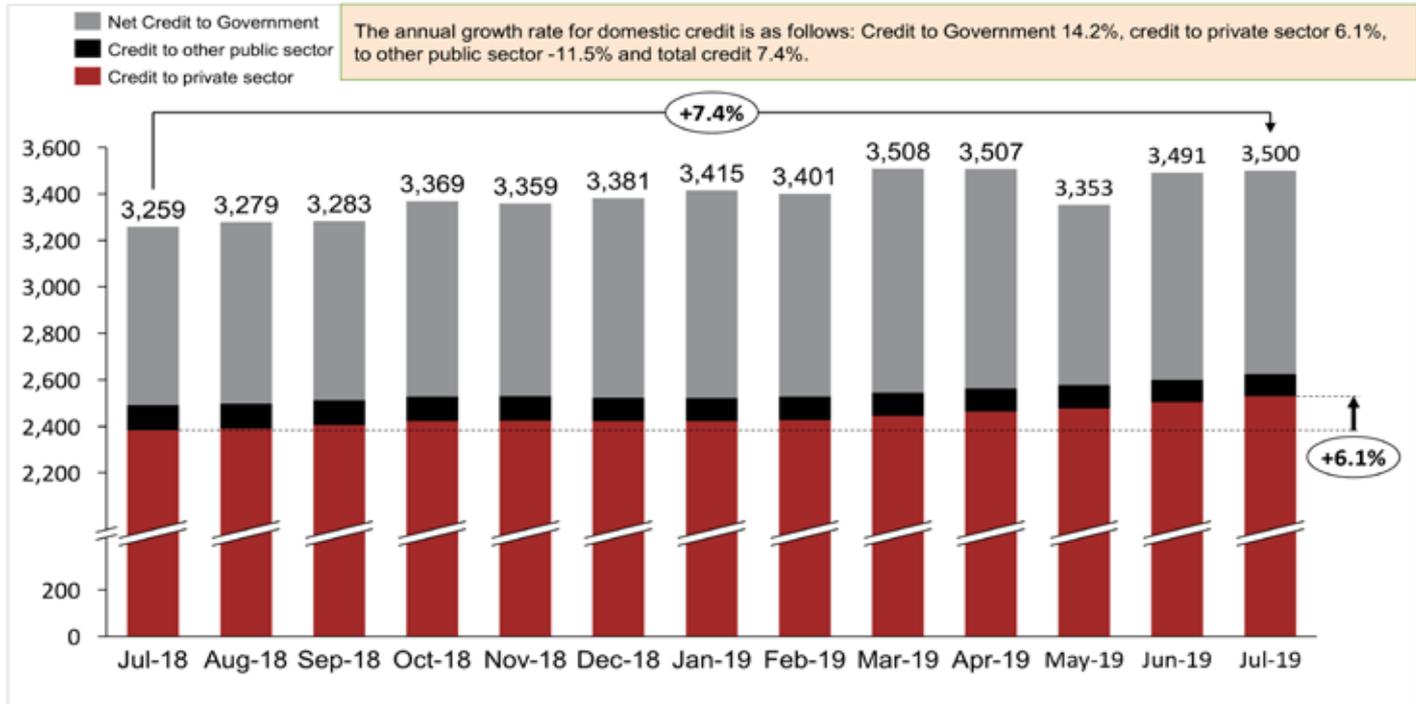
Libor rate down 91 Bps in 2019 from 2.88% in December 2018 to 1.97% in Oct 2019.



Source: Website Global rates

Source: Website Global rates

Banking System Domestic Credit KES 'Bn

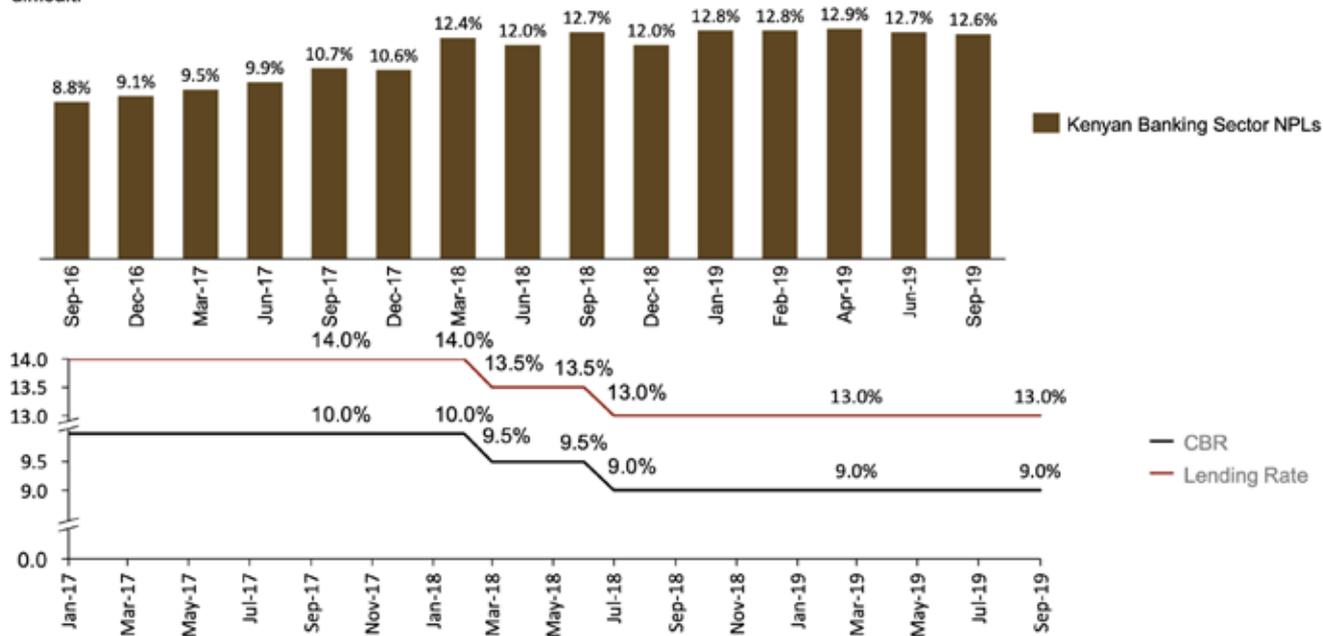


Source: CBK - Monthly Economic Indicators

Maximum Lending Rates

Banks Secure Refuge in Government Lending

While sector NPLs are increasing, signaling heightened private sector credit risk, the interest rates are dropping, making pricing of risk difficult.





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