



EQUITY BANK GROUP

INVESTORS BRIEFING

2010 PERFORMANCE

Operating Macroeconomic Environment





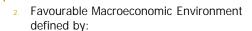
REBOUNDING ECONOMY ON BACKDROP OF:

- Favourable weather.
- Improved public & investor confidence on promulgation of new constitution.
- Accelerating implementation of Vision 2030 flagship projects.
- Expanding regional opportunities from East African Community Integration.
- e) Recovery of Global Economy.
- Impact of stimulus package initiative in response to Global Financial Crisis.

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Operating Macroeconomic Environment





- a) Stable and Low Inflation.
- b) Stable exchange rate.
- c) Improved financial access.
- d Declining interest rates.

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Operating Macroeconomic Environment



- Accelerating GDP growth rate (2.7% to 6%) driven by the following sectors:
 - a) Agriculture.
- Construction.
- o Manufacturing.
- d) Tourism.
- e) Financial Sector.

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Strategic Pursuit in 2010



- Consolidation through:
- Strengthening Regional subsidiaries.
- Deepening access through existing branch network.
- Staff capacity building & productivity enhancement.
- Enhancing ICT by transforming it to an enabler.

Strategic Pursuit in 2010



- Pursuit of Partnerships:
- Agra/GOK/IFAD Kilimo Biashara.
- UNDP Fanikisha.
- WFP/EABL Sorghum growing.
- ILRI Livestock Insurance.
- Safaricom M-PESA.



Strategic Pursuit in 2010

- c) Brand Development & Building:
 - A value based customer organization culture-Customer Centric
 - Member campaign.
 - Equity Group Foundation.
 - Focus on customer experience



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Strategic Pursuit in 2010



- Diversification of Offering:
 - Strengthening Treasury and Trade Finance.
 - Growing Bank Insurance Agency.
 - Growing Custodial Business.
 - Growing Mortgage Associate.
 - Strengthening Uganda & Sudan Subsidiaries.
 - Introduction of Mortgages.
 - Introduction of Credit Cards.

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Strategic Pursuit in 2010

Innovation & Diversification of Delivery Channels:

- Collaboration with Telecoms.
 - Safaricom MKesho
 - Orange Orange Money
 - Essar Yu Cash
- Merchant Acquiring.
- Agency Banking Model.



Strategic Pursuit in 2010



Customer Experience Focus:

- Greater Research & Product Development through innovation.
- Enhanced convenience, access and affordability.
- Customer over the counter experience.



Strategic Pursuit in 2010

Continuous Alignment:

- Business Model.
- Systems, Processes & Procedures.
- Governance Structures.
- Responding to Environment.
- Organisation structure and people.



EQUITY Bank - Your Lisconing, Carling Parts

Performance Review

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		EQUI Bank - You Lizening.
SS DRIV	ERS	
2010	2009	Growth
5.9m	4.4m	34%
165	154	7%
557	512	9%
5563	5093	9%
3	0	
	2010 5.9m 165 557 5563	5.9m 4.4m 165 154 557 512 5563 5093

F	FUNDING		EQUI Bank • Your Literating
	2010 Ksh Billion	2009 Ksh Billion	Growth
Customer Deposits	104.4	69.8	50%
Subordinated debt	7.5	6.5	15%
Shareholders' Funds	27.2	22.9	19%
Total Funding	143.0	100.8	42%

A	SSETS		EQUIT Bank • Your Literaling, Carlog
	2010 Ksh Billion	2009 Ksh Billion	Growth
Loans	78.3	63.3	24%
Government Securities	31.2	11.8	165%
Cash & Bank Deposits	18.5	13.0	42%
Total Assets	143.0	100.8	42%

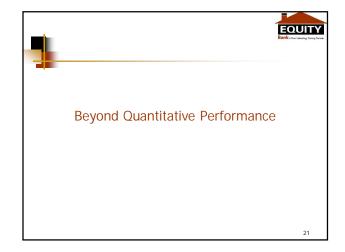
INCOME S	STATEMEN	NT	EQUITY Bank • Your Libraring, Caring Person
	2010 Ksh Billion	2009 Ksh Billion	Change
Interest Income on Loans	11.4	9.5	20%
Interest on Govt. Securities & Bank Deposits	2.4	1.3	85%
Fees & Commissions	2.5	2.1	19%
Transaction fee	4.4	3.9	13%
Treasury & Trade Finance	2.7	0.5	440%
Total Interest Income	13.8	10.8	28%
Commission Income	10.4	6.5	60%

EXPENSE	STATEME	NT	EQUITY Bank • Your Literality, Carriey Pietree
	2010 Ksh Billion	2009 Ksh Billion	Change
Total Interest Expense	11.7	9.2	27%
Staff Costs	5.2	4.3	21%
Loan Loss Provision	1.9	1.0	90%
Total Operating expenses	13.2	10.5	26%
Cost Income Ratio (With Provisions)	60%	67%	11%
Cost to Income Ratio (Without Provisions)	51%	60%	15%

ASSET QUALITY			EQUITY Bank + Year Literating, Caring Part
	2010 Ksh. Million	2009 Ksh. Million	Change %
Gross NPL	3,599	5,083	-29%
NPL/Gross Loans	4.5%	7.7%	-42%
Asset Quality	2.2%	4.0%	-45%

STABILITY	/ & CO	MPLIANCE	EQUIT Bank - Your Lizewing, Caring
	2010	Statutory Requirement	Excess
Core Capital/Total Deposit Liabilities	21%	8%	13%
Core Capital/Total Risk Weighted Assets	22%	8%	14%
Total Capital/Total Risk Weighted Assets	28%	12%	16%
Liquidity Ratio	40%	20%	20%





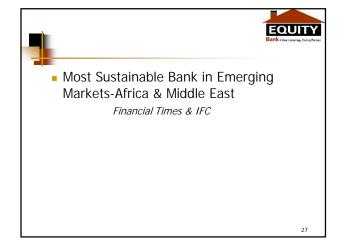










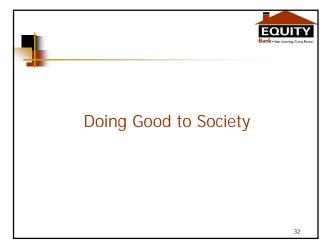












Wings To Fly Scholarships & Leadership Mentoring



EQUITY

 Reached to guarantee full 4 years scholarships of 5600 vulnerable and disadvantaged secondary school students including their shopping & pocket money- Kshs 4 billion



University Sponsorship, EQUITY

Leadership & Mentoring Programme

 Reached out to 1050 gifted Kenyan students with University scholarships through a pre-university internship sponsorship programme each at Kshs 720,000

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Financial Literacy

 Reached out to build capacity through financial literacy to 619,500 women & youth- Kshs 1.1 billion



Women Financing

EQUITY
Bank - Year Lisconing, Carlog Parter

 Reached out to 136,000 women through Fanikisha to access credit facilities-Kshs 10 billion

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Supporting Agriculture

- Reached out to Kenyan farmers to transform them from peasant farmers to small scale commercial famer
 - Livestock Insurance/Mifugo Biashara
 - Kilimo Biashara
 - Uvuvi Biashara
 - Value chain financing for maize & sorghum



HSNP/OVC Programme Parks No Library College Prince College Prince

- Reached out to vulnerable Kenyans through
 - Hunger Safety Net Programme
 - OVC Payments

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