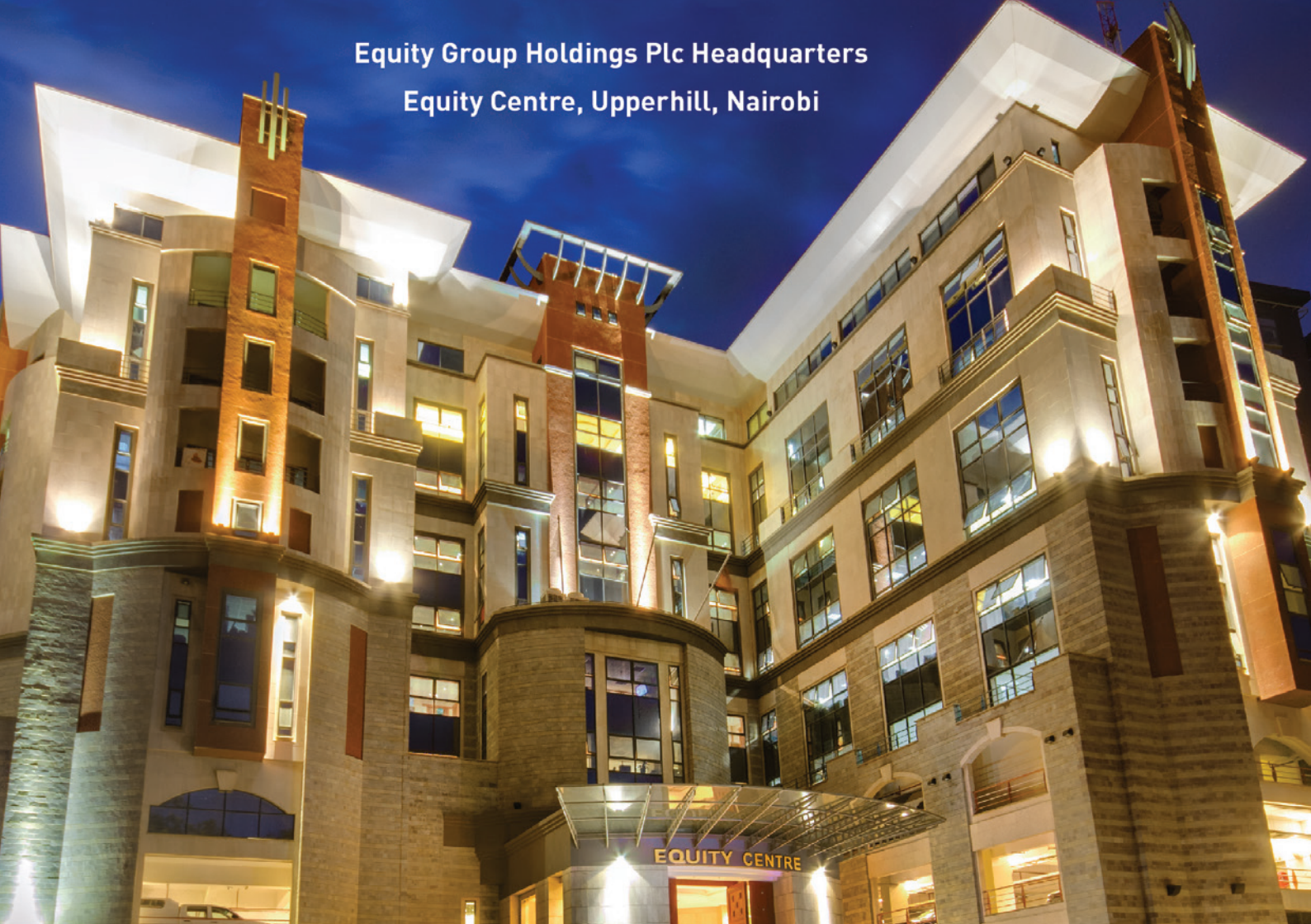


**INVESTOR BRIEFING
FULL YEAR 2019 PERFORMANCE
19TH MARCH 2020**



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

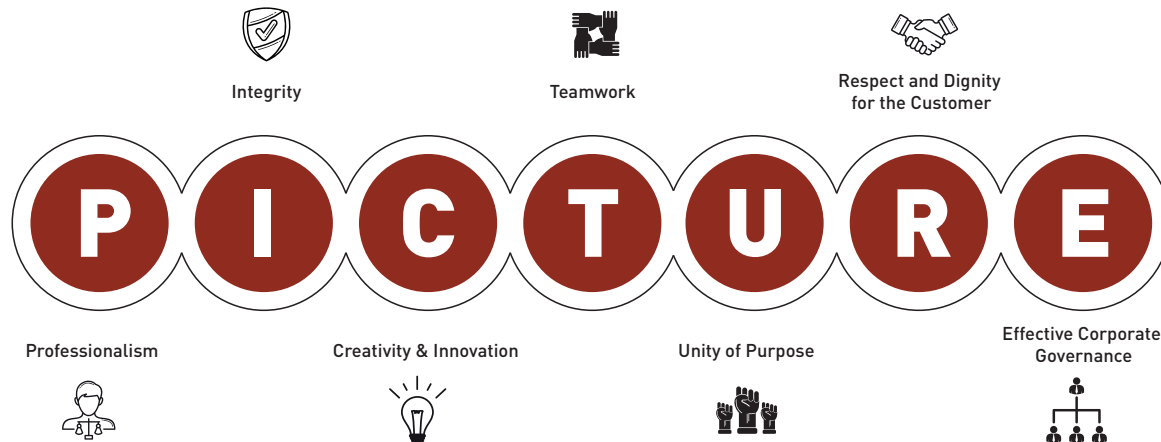
OUR CORE VALUES:

OUR MISSION:

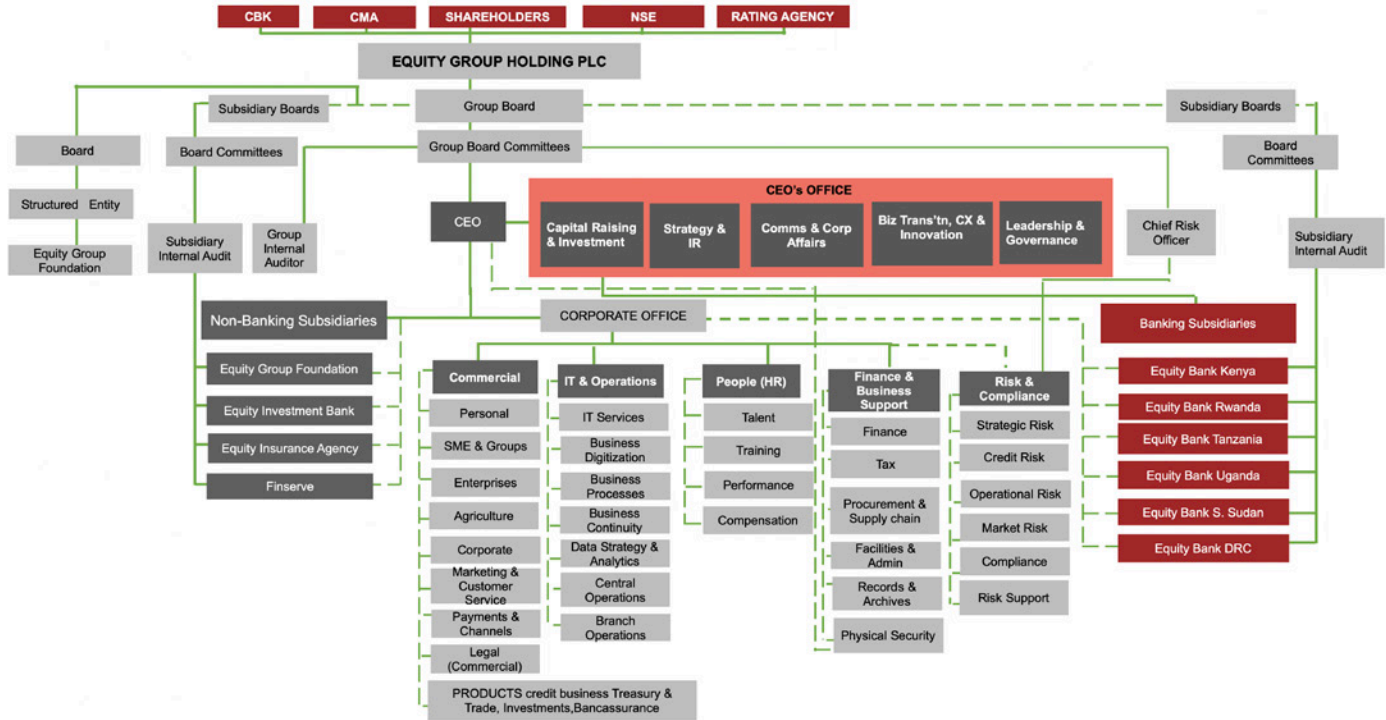
We offer integrated financial services that socially and economically empower consumers, businesses and communities

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



Brent Malahay
Group Director Strategy,
Strategic Partnerships and
Investor Relations



Christine Browne
Group Director Legal
Services and Company
Secretary



James Mutuku
Group Director Treasury



David Ngata
Group Finance Director



Olanrewaju Bamisebi
Group Chief Information
Officer



Joy DiBenedetto
Group Director
Communication



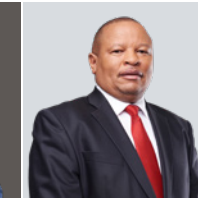
Gloria Byamugisha
Group Chief Human Capital
Officer



John Wilson
Group Chief Risk Officer



Bildard Fwamba
Chief Internal Auditor



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

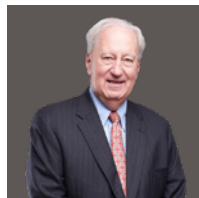


Celestin Muntuabu
Managing Director,
Equity Bank Congo



Reuben Mbindu
Executive Director Equity
Group Foundation

Group Board of Directors



David Ansell
Non-Executive Chairman



Prof. Isaac Macharia
Non-Executive
Vice-Chairman



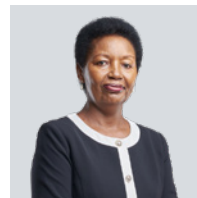
Dr. James Mwangi
Managing Director and
Chief Executive Officer



Mary Wamae
Executive Director



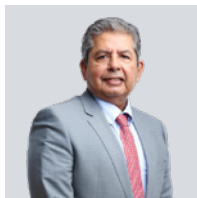
Dr. Edward Odundo
Non-Executive Director



Evelyn Rutagwenda
Non-Executive Director



Vijay Gidoomal
Non-Executive Director



Deepak Malik
Non-Executive Director



Dr. Helen Gichoi
Non-Executive Director



Macroeconomic & Operating Environment

Macro-economic & Operating Environment

Country	Interest Rates (December 2019)		FX (Local Currency v/s USD)		Inflation	GDP Growth
	CBR	Changes in Central Bank Rate (Q4 2018 v Q4 2019)	31-Dec-19	Change Year to Date	Dec-19	(2020 Projected)
Kenya	8.25%	-75 Basis Points	101.4	0%	5.8%	6.0%
Tanzania	7.00%	0 Basis Points	2,298.0	0%	3.8%	6.4%
Uganda	9.00%	-100 Basis Points	3,665.0	1%	3.6%	5.7%
Rwanda	5.00%	-50 Basis Points	922.5	-5%	12.0%	8.0%
DRC			1,672.9	-2%	3.8%	3.9%
S.Sudan			160.5	-4%	69.0%	-2.5%

- **WHO declares COVID-19 pandemic** - First confirmed case in Kenya on 13th Mar 2020. This is expected to affect the economy by restricting movement of goods and services (creating shortages) and re-allocation of government development budget to combat widespread Corona disease infections. This has led to collapse of stock markets affecting market capitalization and hinder raising of funds
- **Locust infestation** in some East African countries is likely to affect food production resulting in rise in cost of living
- **Exchange rates** – RW, S.Sudan and DRC currencies depreciated, RW recording the highest depreciation. KE and TZ currencies remained stable while UG has strengthened. In KE, the shilling was supported by inflows of remittances from abroad
- **Within target-range inflation** – RW and S.Sudan experienced increased inflation. In RW, irregular rain patterns has affected food prices. KE, UG, TZ, and DRC inflation remained low
- **Strong economic growth outlook** - Economic growth in East and Central Africa remains optimistic with GDP expected to grow by at least 4.6% except S.Sudan which is expected to have a negative growth of 2.5%. However we will assess the impact of COVID 19 with time.
- **World Bank increased confidence in Kenya attractiveness** – Kenya Ease of Doing Business ranking by World Bank improved from position 61 to 56

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 despite subdued GDP growth
- **Kenya's** GDP was subdued in 2019 to an average growth of 5.4% compared to 6.0% in 2018. The slower growth was attributed to slowdown in agricultural activities due to delayed long rains, decreased output in the transport sector and reduced electricity generation
- **In Kenya**, the interest rate cap law was repealed and is expected to result in growth in private sector credit, higher GDP and increased monetary policy effectiveness
- **Uganda's** GDP growth was 5.5% in 2019 and is expected to start picking up to 5.7% in 2020 due to increased infrastructure investment, foreign direct investment in the oil and mining subsectors
- **Tanzania's** 2020 growth will be driven by robust private sector consumption and investment in both manufacturing and construction activities. Sturdy public spending and an upturn in exports are seen as underpinning the overall expansion
- **Rwanda's** economy is projected to grow at 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 – commodities export growth and upbeat capital investment amid large infrastructure projects, largely financed by China. The IMF and DRC agreed on a supportive reform program supported by a \$368.4M credit facility
- **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 1.91 in December 2019

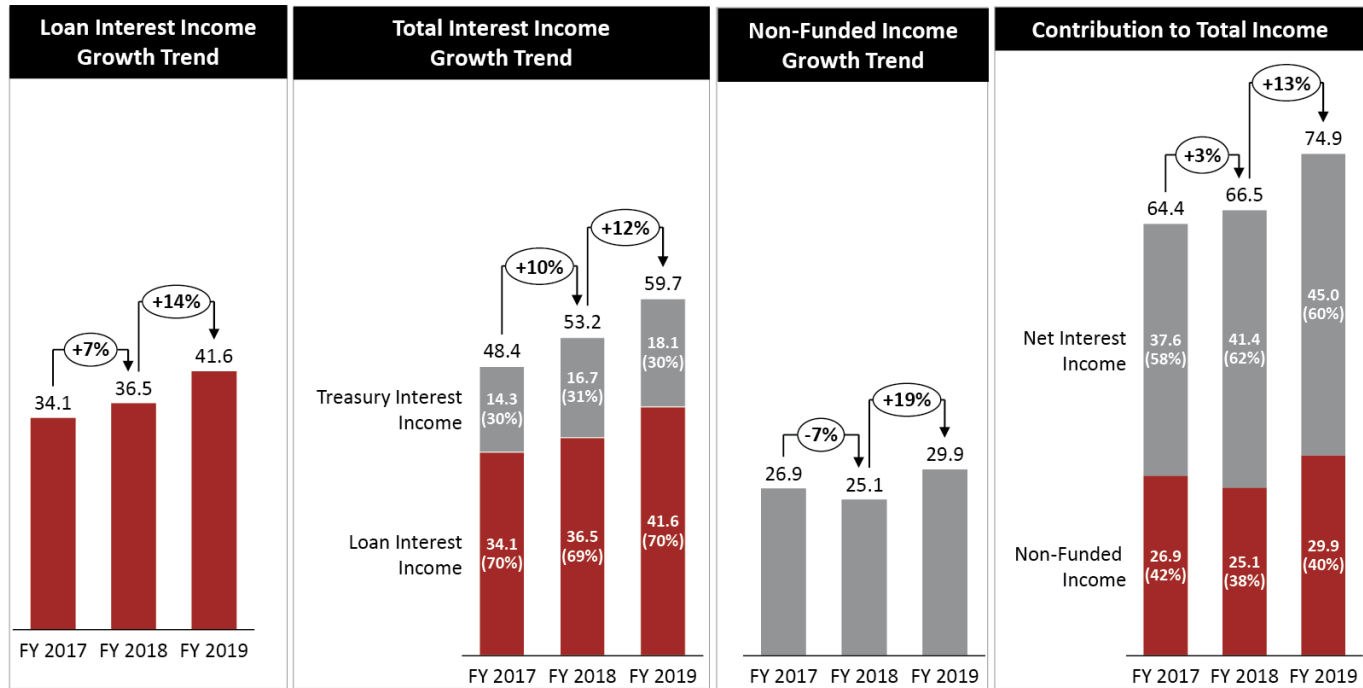
Equity Bank Business Model & Strategy

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

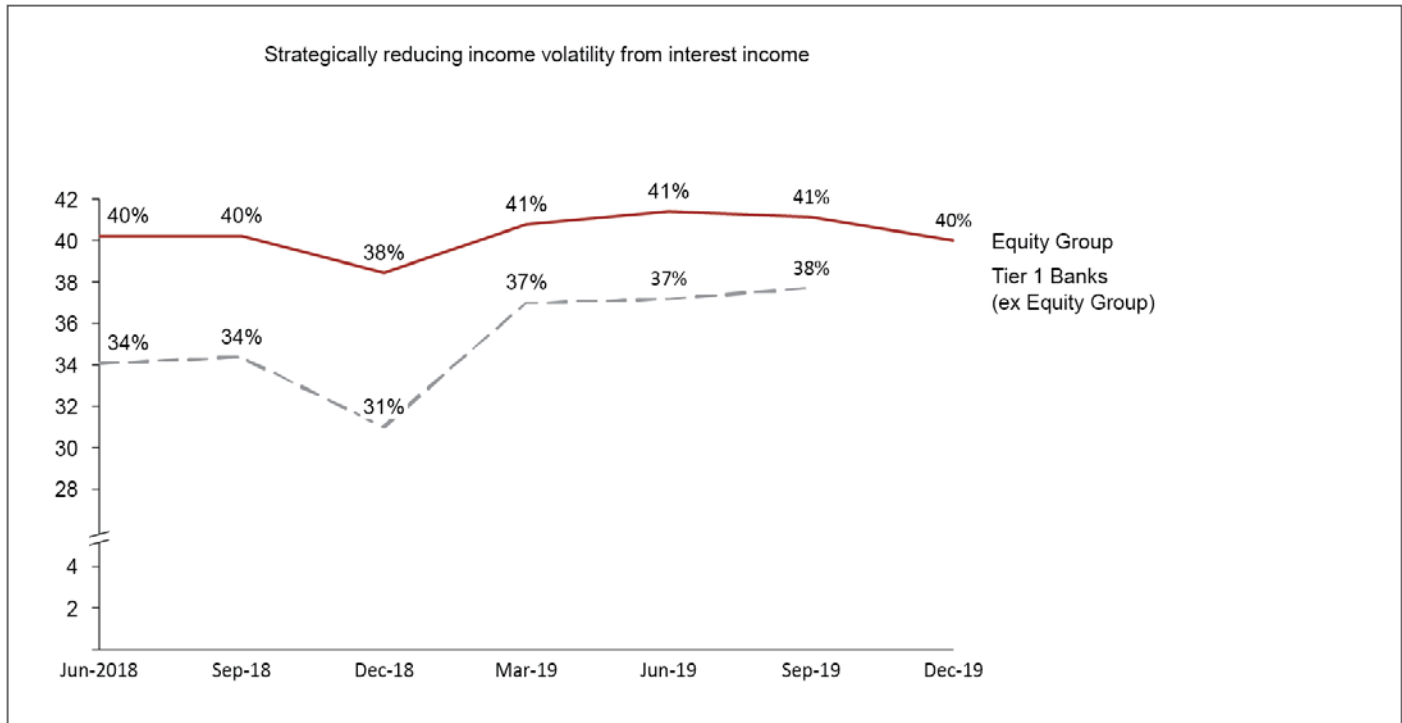
Focus Area 1: Non-Funded Income Growth & Contribution

In Kes Billion



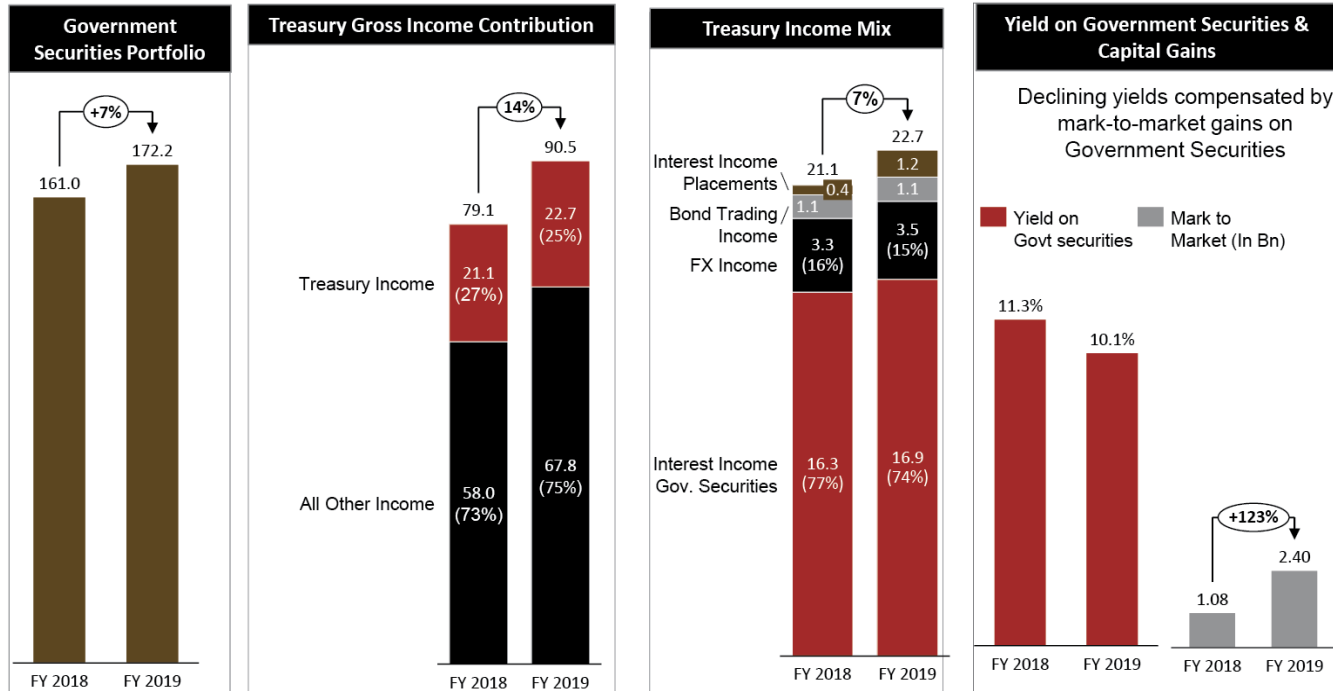
Focus Area 1: NFI Contribution

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

Dec 2019	TZ	RW	UG	SS	DRC	EIA	EIB	Finserve	Subsidiaries Total	EBKL	Group	Subsidiaries Contribution Dec 2019	Subsidiaries Contribution Dec 2018
Deposit	15.9	21.8	34.5	5.2	64.1				141.4	380.6	482.8	27%	24%
YoY Growth	-2%	8%	43%	-1%	46%				29%	11%	14%		
Loan	13.1	17.2	27.9	0.1	31.4				89.6	276.9	366.4	24%	25%
YoY Growth	-10%	12%	45%	-35%	28%				22%	24%	23%		
Assets	23.9	30.3	45.0	8.8	80.1	0.3	0.6	2.0	190.9	507.5	673.7	27%	26%
YoY Growth	-3%	12%	39%	2%	38%	10%	16%	8%	25%	16%	17%		
Revenue	1.68	3.27	4.94	1.73	7.30	0.94	0.14	1.49	21.5	55.15	75.76	28%	28%
YoY Growth	-20%	26%	27%	74%	10%	17%	124%	-19%	14%	12%	13%		
Cost	2.10	1.76	3.45	1.12	5.65	0.26	0.07	1.41	15.8	29.17	44.28	35%	37%
YoY Growth	-22%	11%	35%	50%	8%	4%	3%	-21%	6%	17%	14%		
PBT	-0.41	1.50	1.49	0.61	1.64	0.68	0.07	0.07	5.7	25.97	31.48	18%	14%
YoY Growth	26%	49%	11%	152%	21%	23%	1137%	75%	42%	7%	11%		
PAT	-0.32	1.04	1.02	0.47	1.23	0.47	0.09	0.03	4.0	18.74	22.56	18%	15%
YoY Growth	-2%	48%	6%	96%	29%	22%	747%	20%	37%	12%	14%		
RoAE	-13.1%	24.9%	19.0%	14.4%	17.0%	288.5%	17.2%	2.6%	16.9%	28.7%	21.8%	16.9%	13.3%
Cost of Capital	20.0%	19.0%	19.0%	>22%	22.0%	18.0%	18.0%	18.0%	20.5%	18.0%	18.7%	20.5%	20.5%

Focus Area 3: Geographical and Business Diversification

Ratios-Banking Subsidiaries

RoAE		
Subsidiary	FY 2018	FY 2019
EBKL	27.4%	28.7%
EBUL	21.6%	19.0%
EBRL	20.1%	24.9%
EBTL	-10.6%	-13.1%
DRC	15.2%	17.0%
EBSSL	7.3%	14.4%

RoAA		
Subsidiary	FY 2018	FY 2019
EBKL	4.0%	4.0%
EBUL	3.1%	2.6%
EBRL	2.9%	3.6%
EBTL	-1.2%	-1.3%
DRC	1.9%	1.8%
EBSSL	2.8%	5.4%

Cost-to-Assets Ratio		
Subsidiary	FY 2018	FY 2019
EBKL	5.9%	6.2%
EBUL	8.3%	8.9%
EBRL	6.6%	6.2%
EBTL	10.6%	8.7%
DRC	10.4%	8.2%
EBSSL	8.9%	13.0%

Cost-to-Income Ratio		
Subsidiary	FY 2018	FY 2019
EBKL	47.8%	46.4%
EBUL	64.5%	60.5%
EBRL	50.1%	48.5%
EBTL	79.1%	109.3%
DRC	69.7%	72.3%
EBSSL	74.5%	65.0%

Focus Area 3: Geographical and Business Diversification



- Present in 7 countries. Ethiopia is a rep office
- Potentially scaling operations in DRC
- Population of ~367 million
- Nominal GDP of ~USD 314 Bn
- 14.3 million members

Focus Area 3: Geographical and Business Diversification

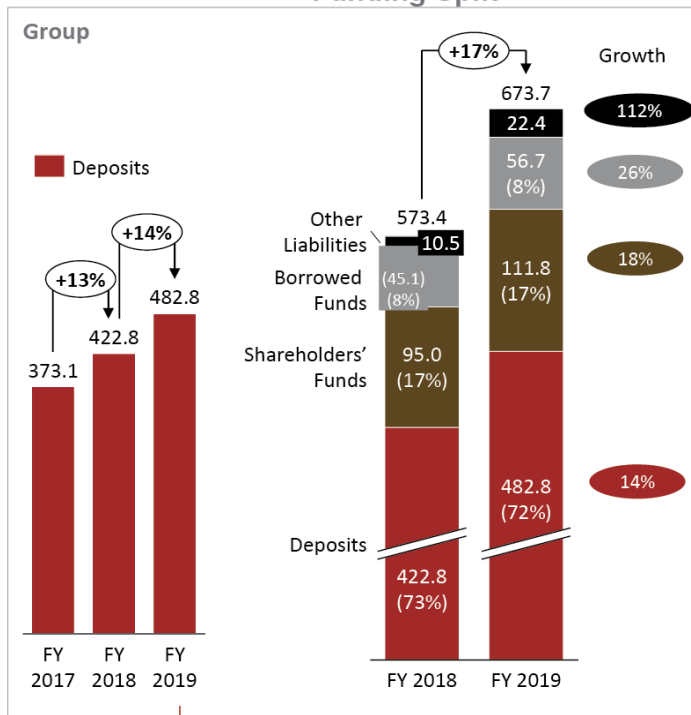


Branches	298
Branches in Kenya	182
Branches in Uganda	39
Branches in S. Sudan	5
Branches in Rwanda	14
Branches in Tanzania	14
Branches in DRC	44
Agent Outlets	53,417
Point of Sale	27,918
ATMS	616

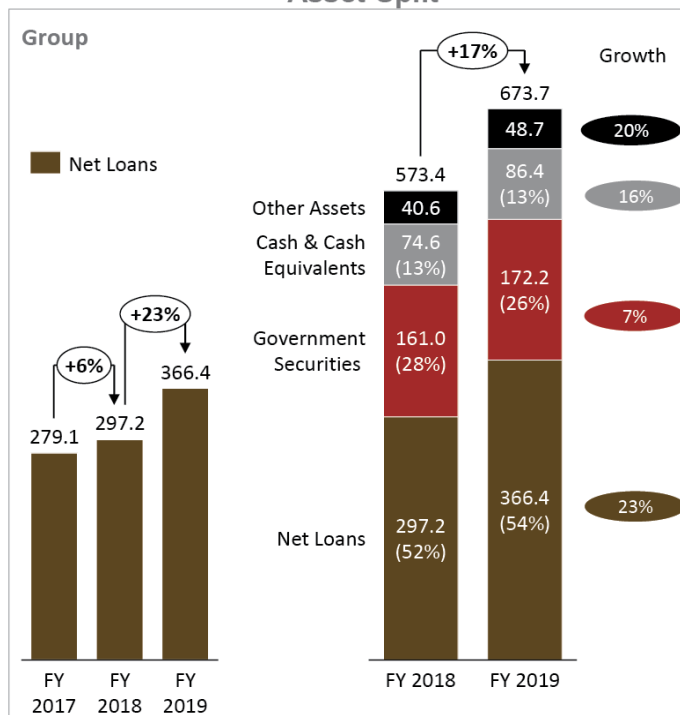
Focus Area 4: Balance Sheet Agility

In KES Billion

Funding Split

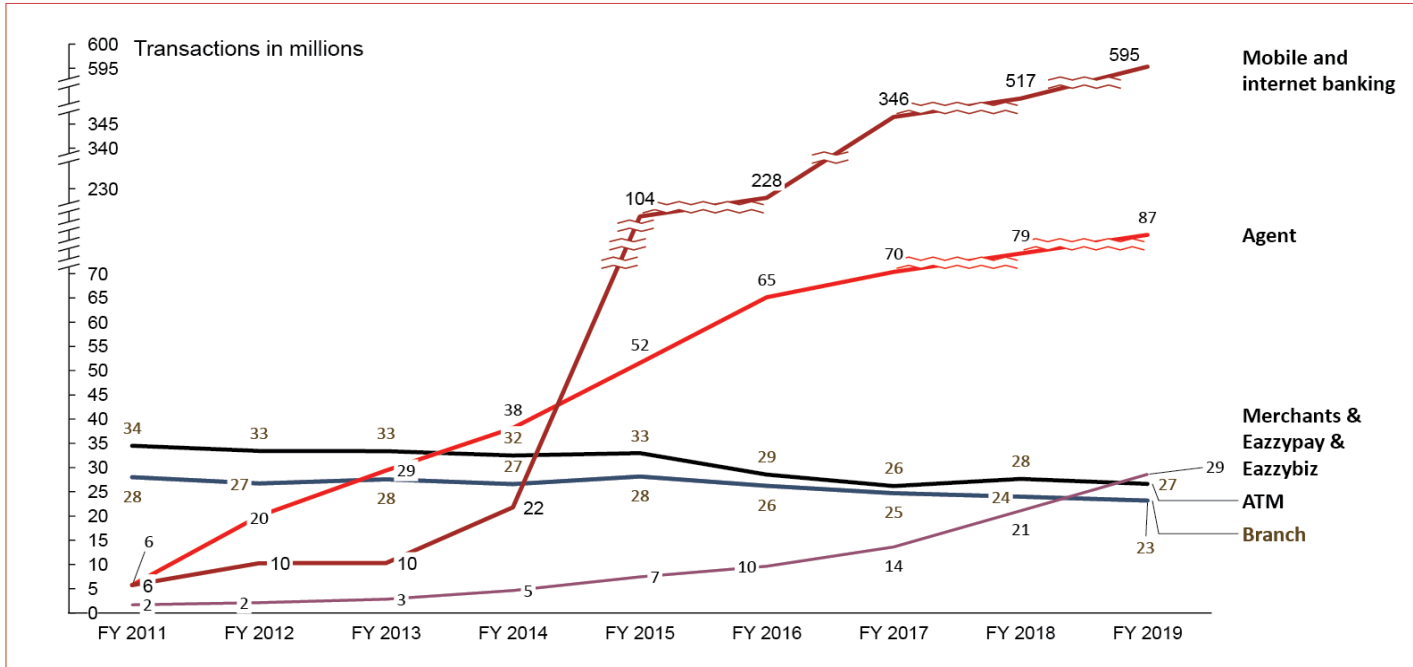


Asset Split



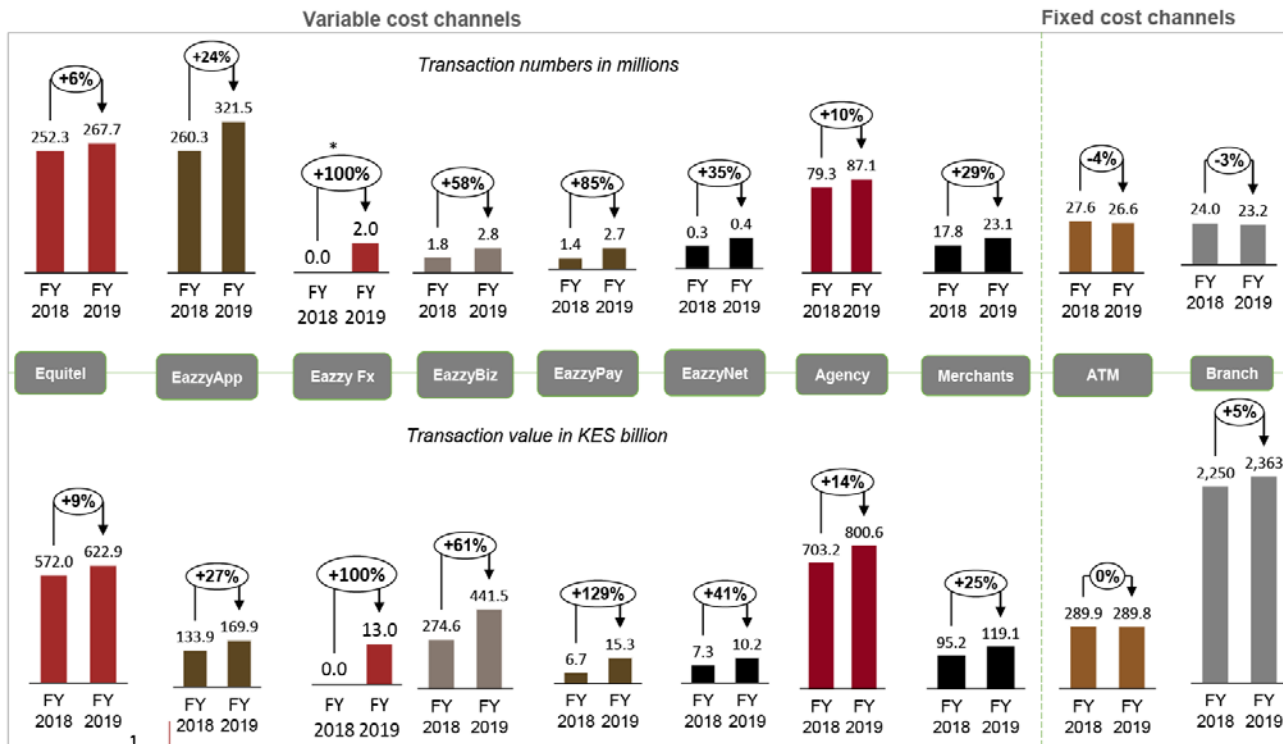
Focus Area 5: Innovation and Digitization

Transformation from **a place you go to**; to **something you do**. Digitized Banking – Moving from fixed cost to variable cost



Focus Area 5: Innovation and Digitization

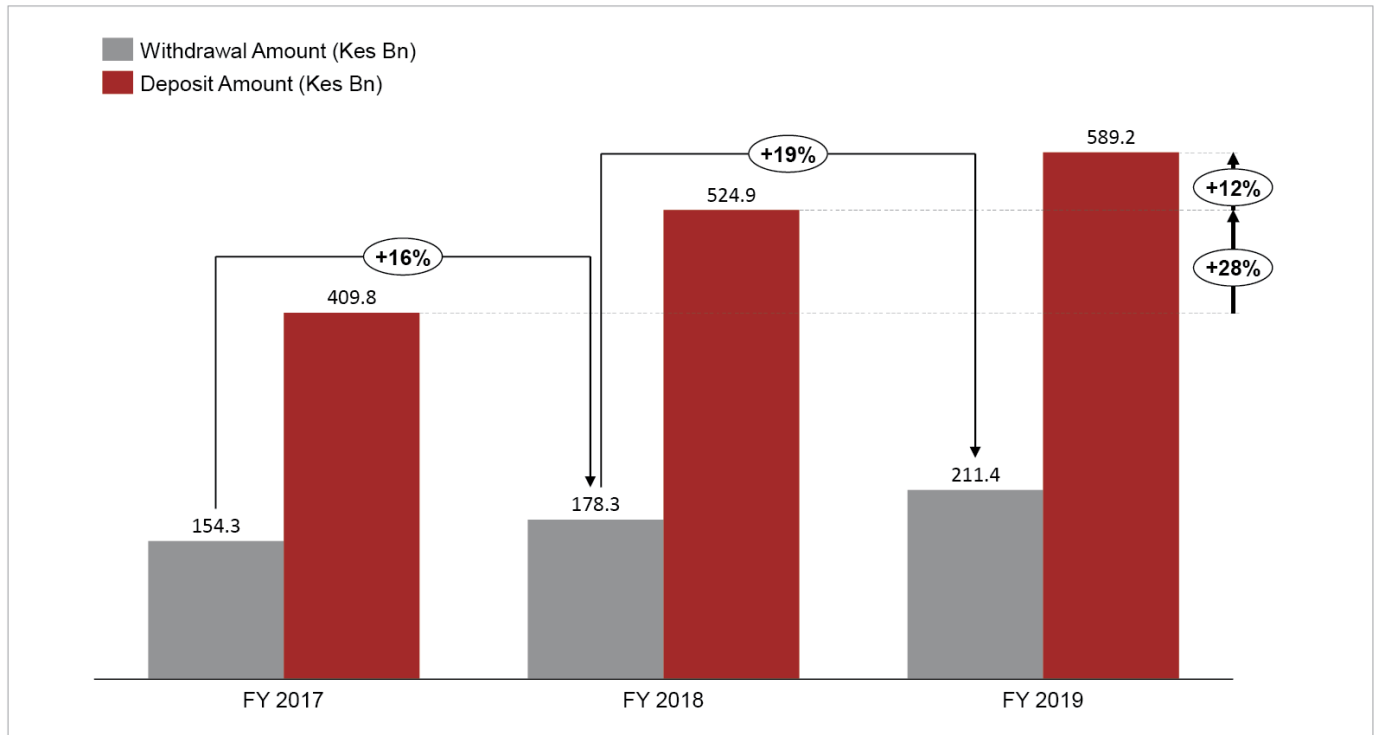
Leveraging off Variable Cost 3rd Party Infrastructure



FY 2019, Eazzy Fx transactions in thousands

Focus Area 5: Fintech Innovation and Digitization

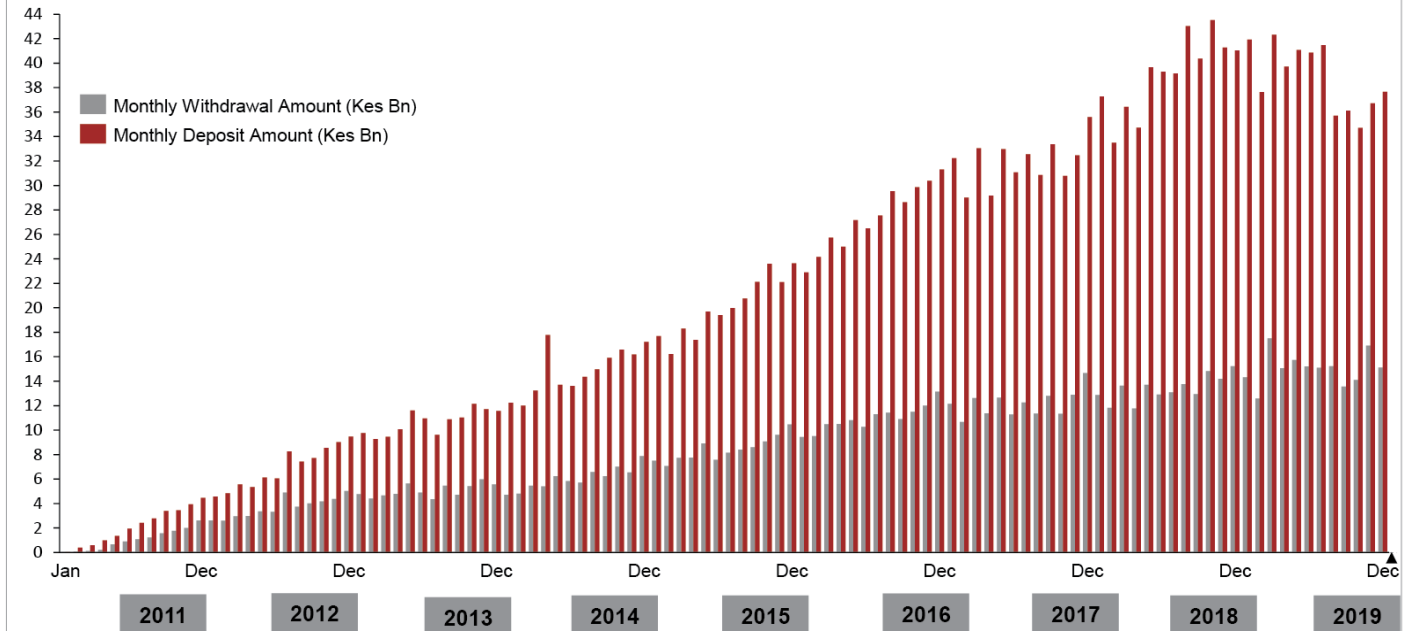
Agency Banking Volumes



Focus Area 5: Fintech Innovation and Digitization

Agency Model Enhancing Payments Digitization

Agent Deposits growing at an increasingly higher rate than **Agent Withdrawals** hence supporting deposit mobilization and digitization of payments

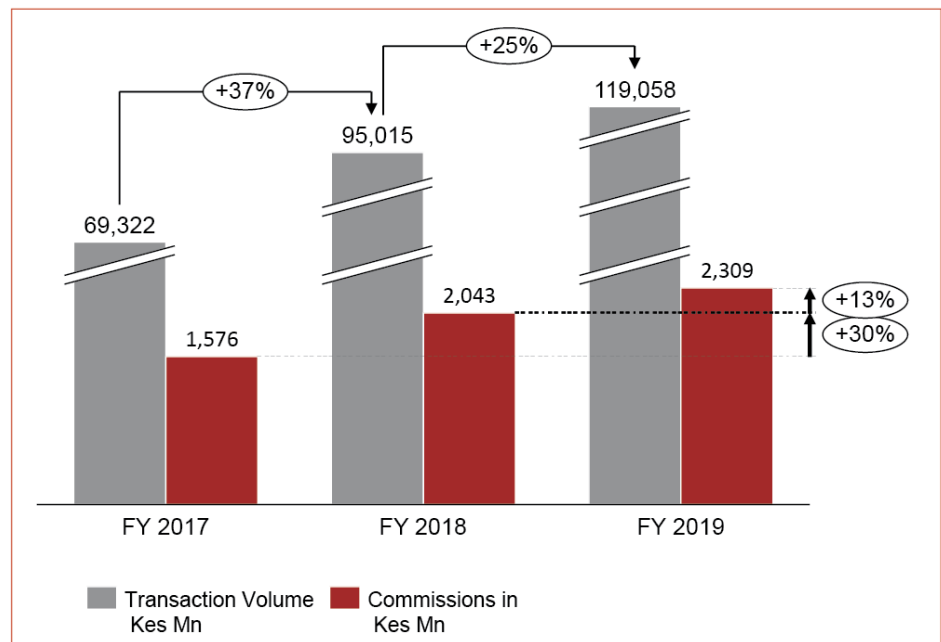


Focus Area 5: Fintech Innovations in Merchant Banking

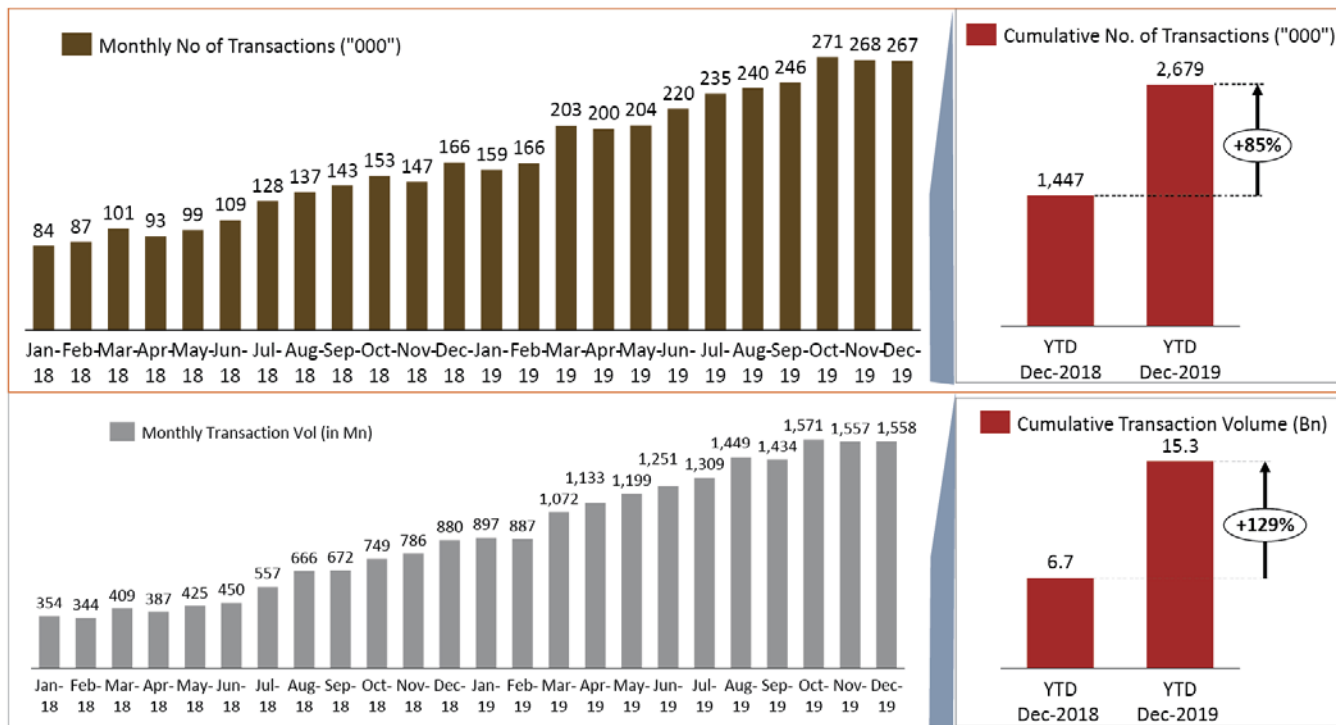
Using a universal POS that converges Mobile Wallets, Cards & Digital payments



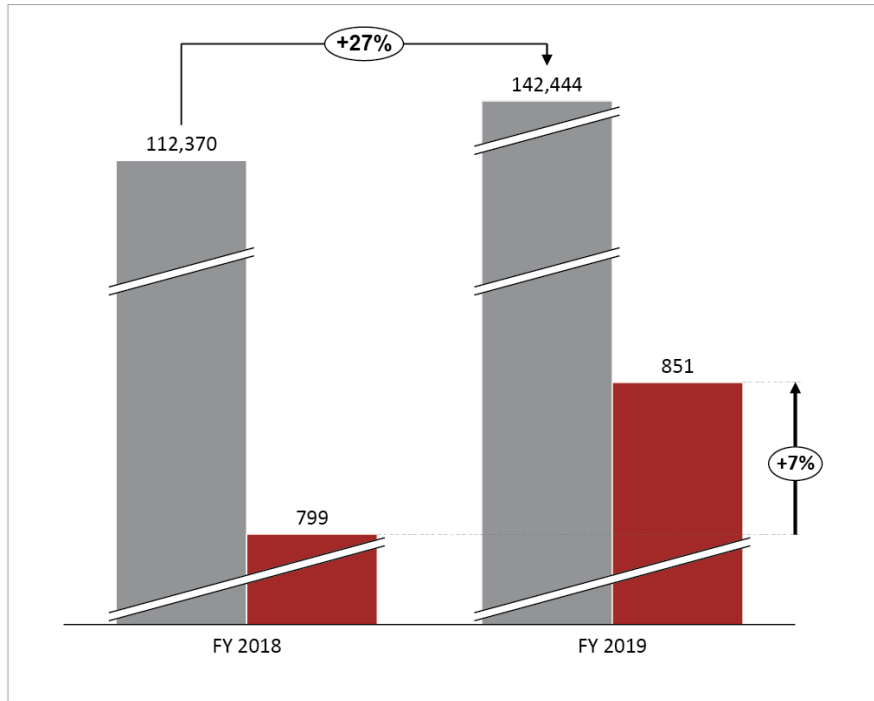
- Equity is leading in **Acquiring and Issuing**
- Best in class payment channel** services work well with merchants



Focus Area 5: Fintech Innovations in EazzyPay

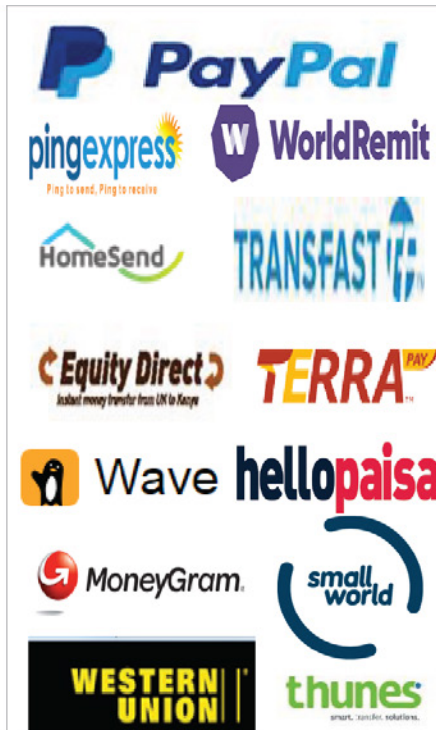


Focus Area 5: Fintech Innovations in Diaspora Remittances

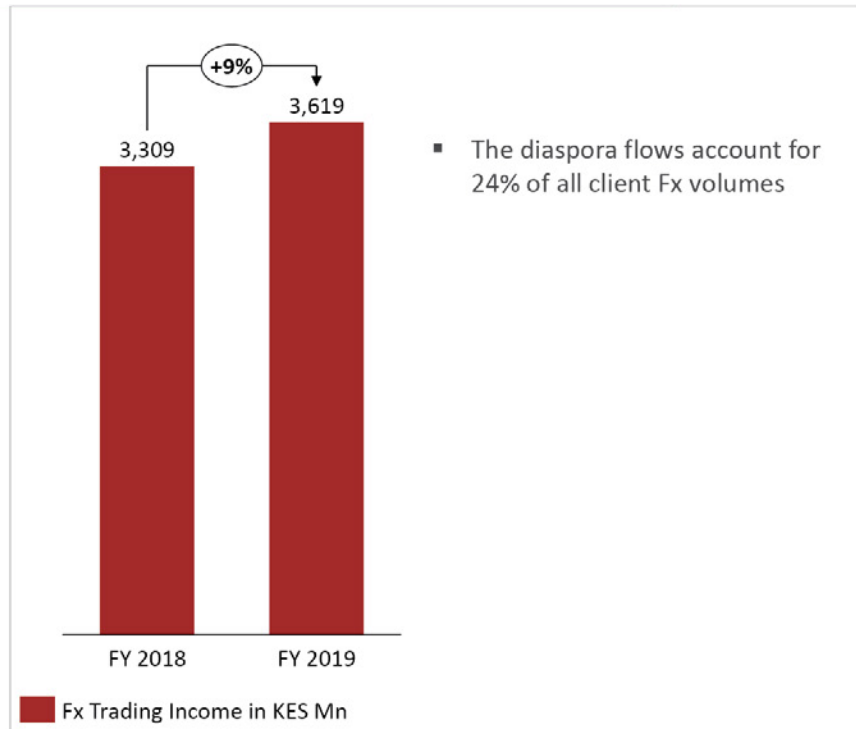


■ Transaction Volumes in Kes Mn ■ Diaspora Commissions in Kes Mn

Focus Area 5: Fintech Innovations in FX Trading

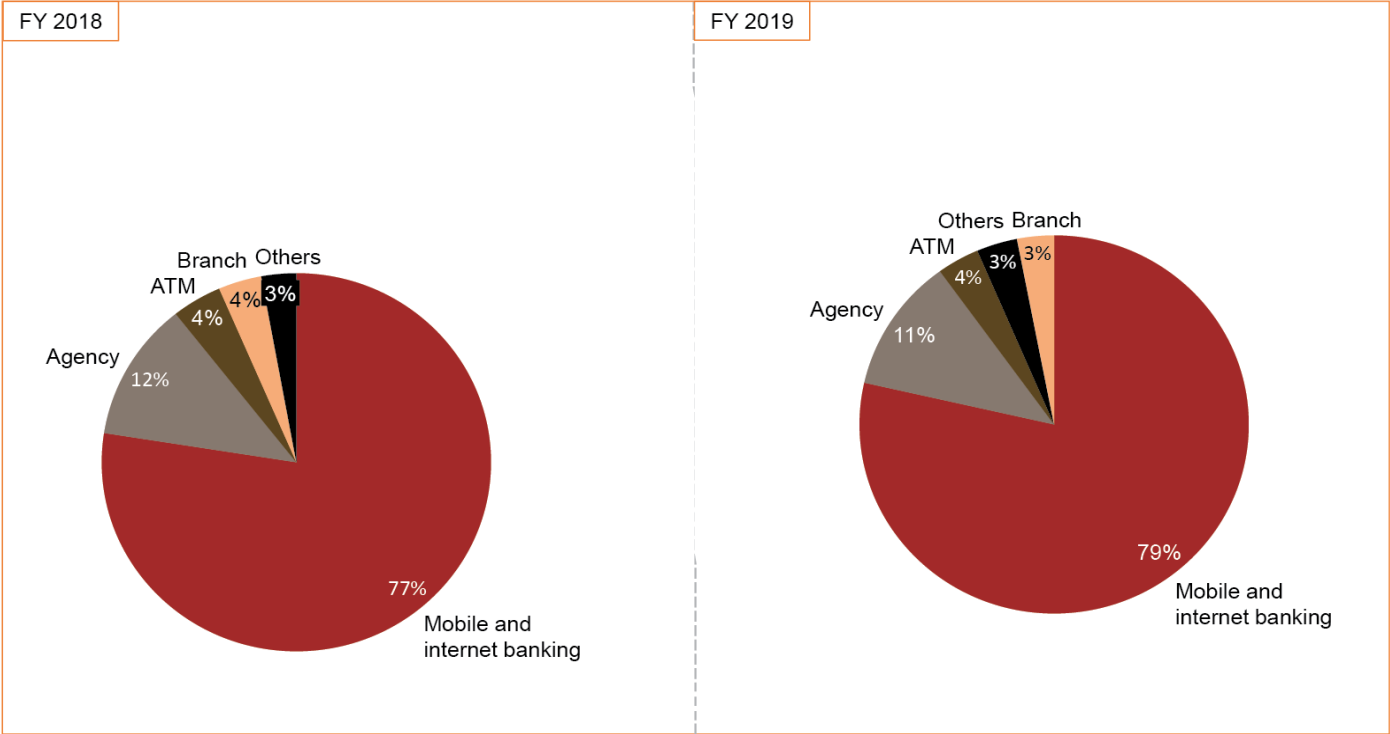


22



Focus Area 5: Fintech Innovation and Digitization

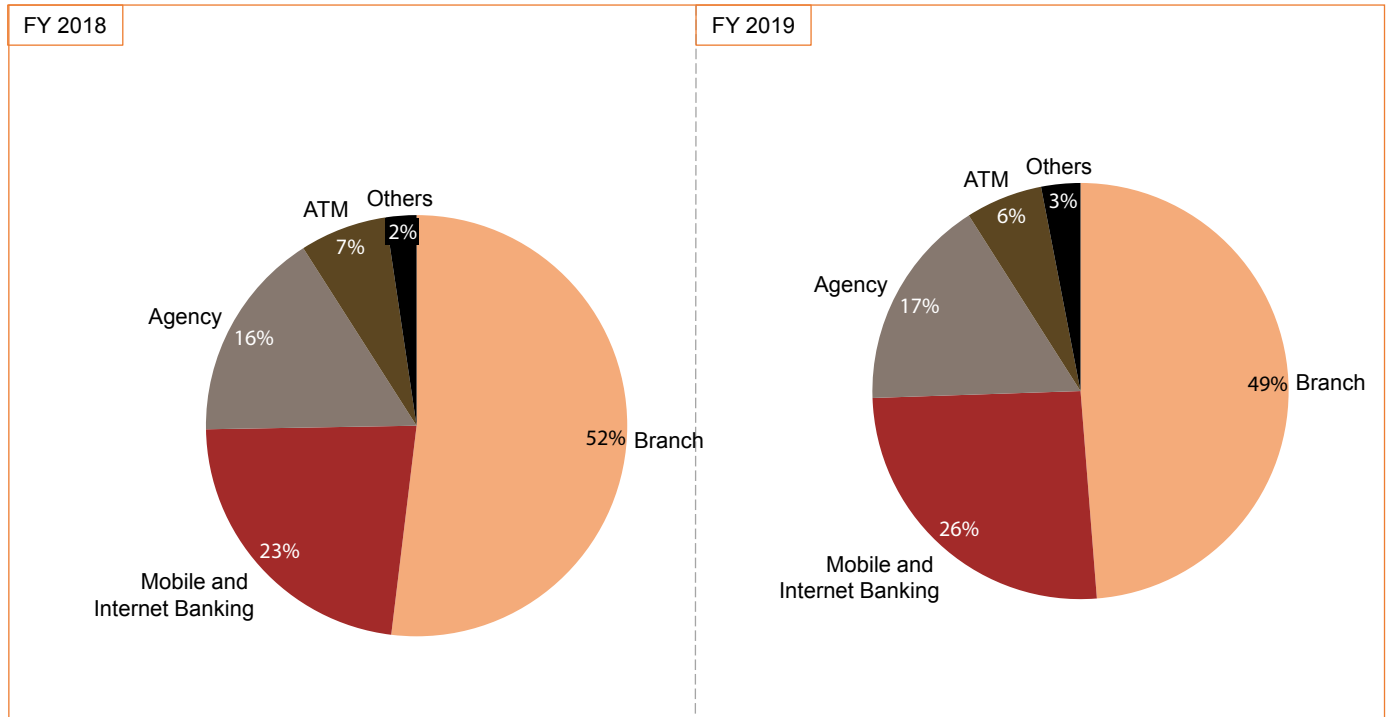
97% of our Transactions Outside the branch



Focus Area 5: Fintech Innovation and Digitization

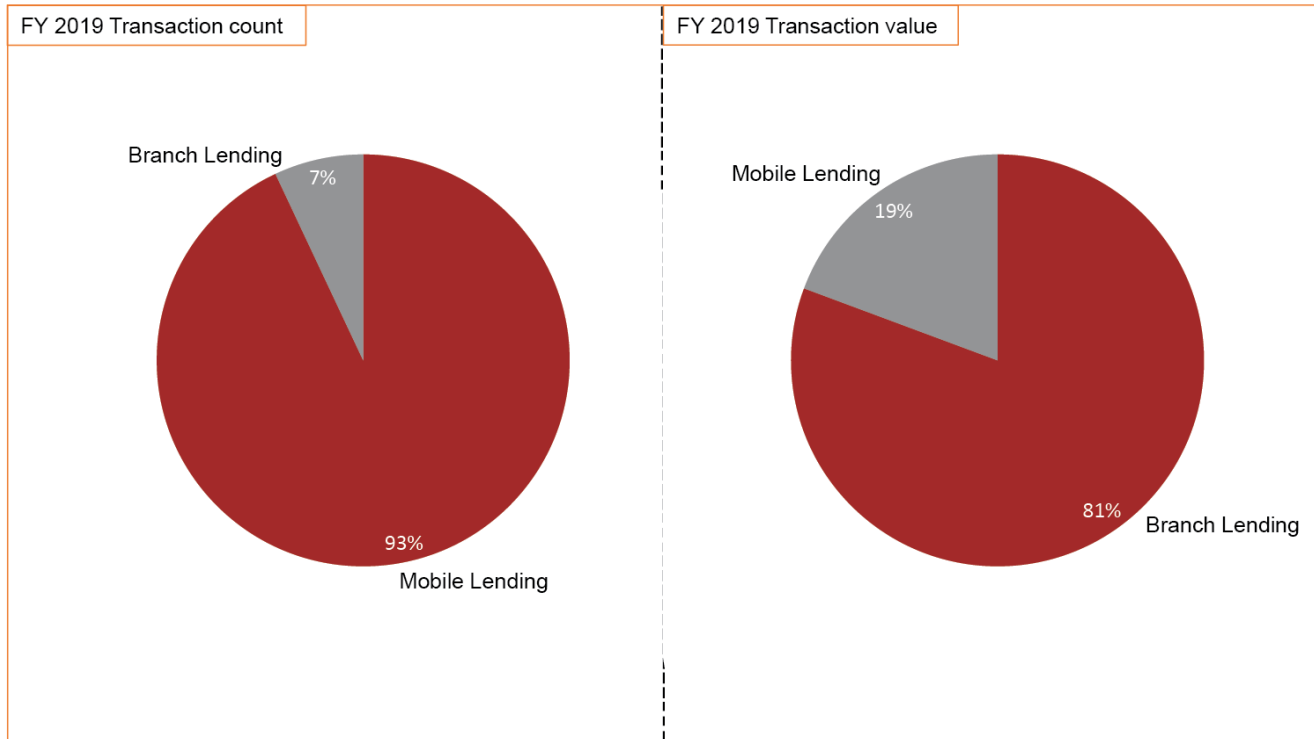
51% of our Transactions Value Outside the branch

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

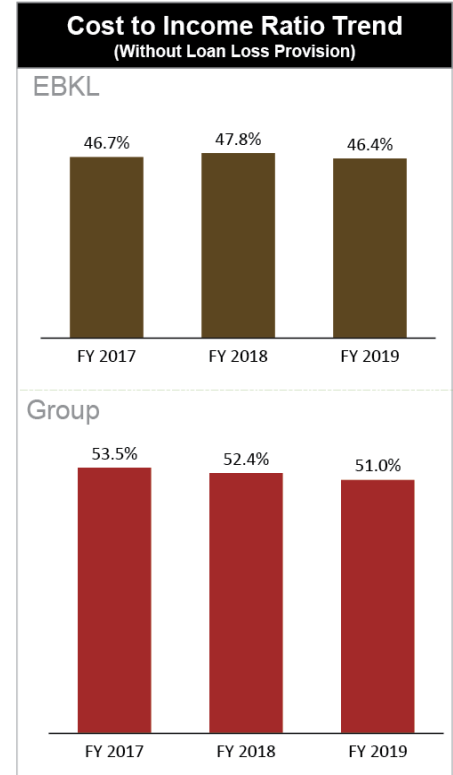
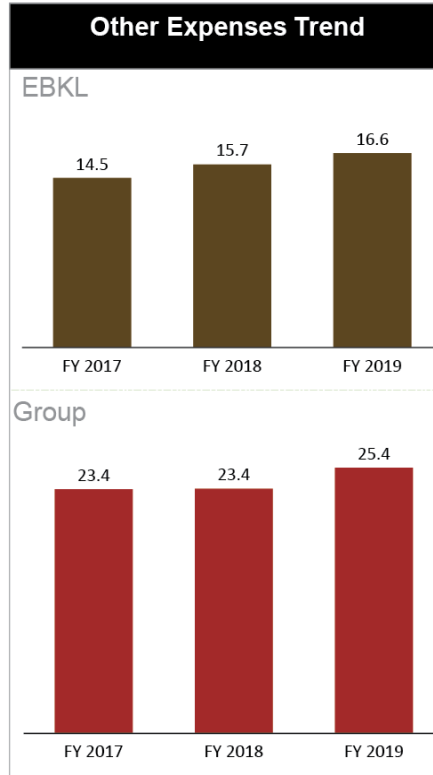
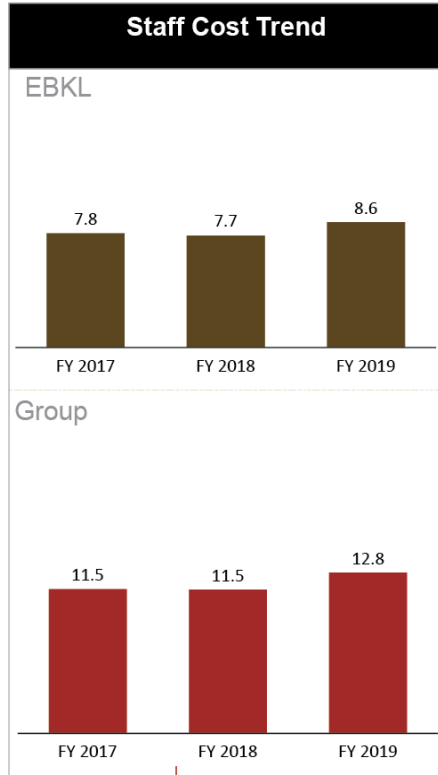


Focus Area 5: Fintech Innovation and Digitization

93% of our Loan Transactions via Mobile Channel



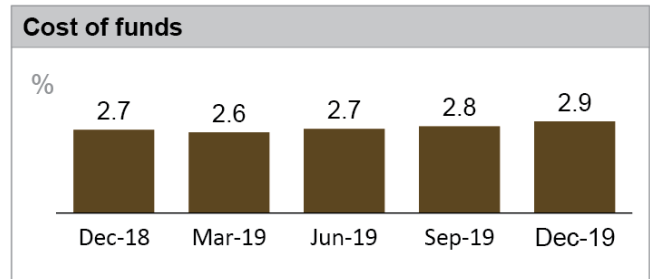
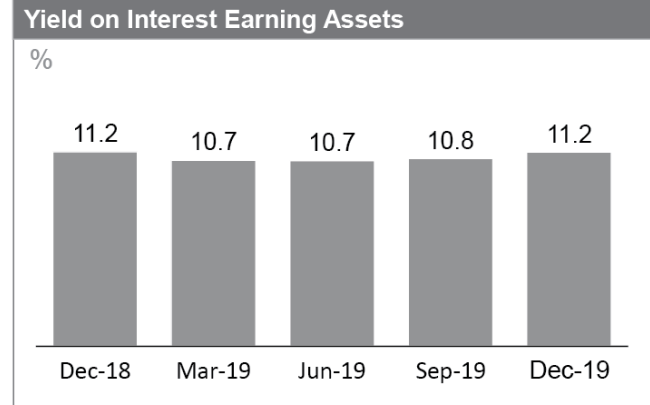
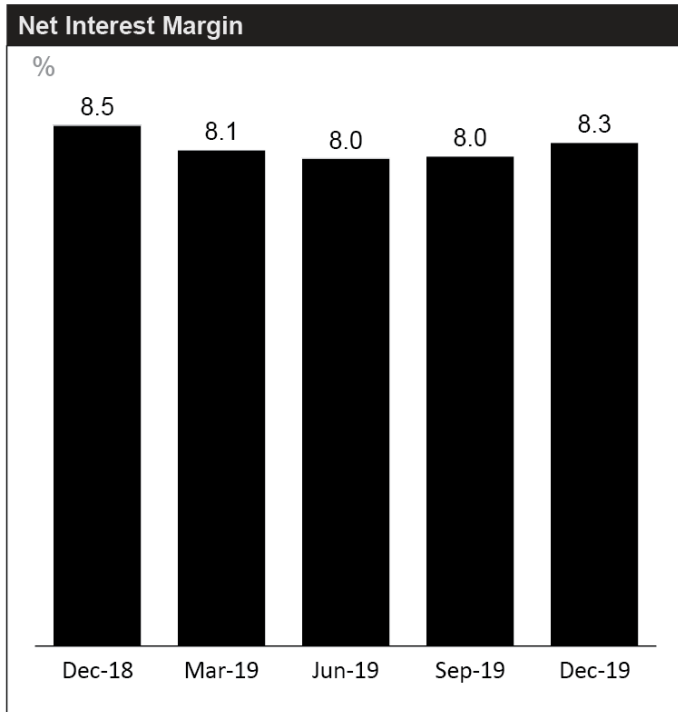
Focus Area 6: Efficiency and Cost Optimization



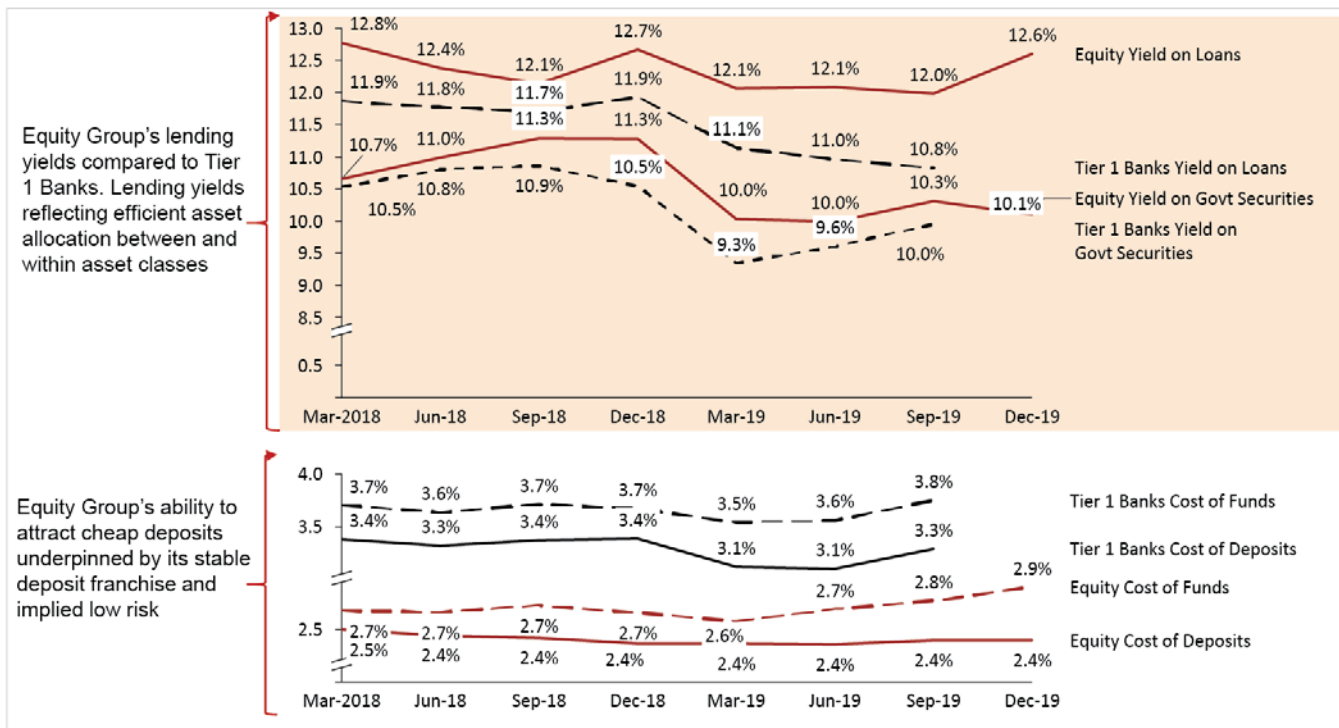
Focus Area 6: Efficiency and Cost Optimization

Net Interest Margin

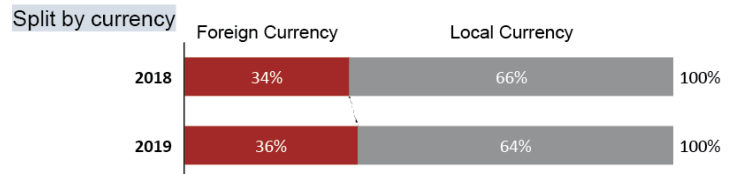
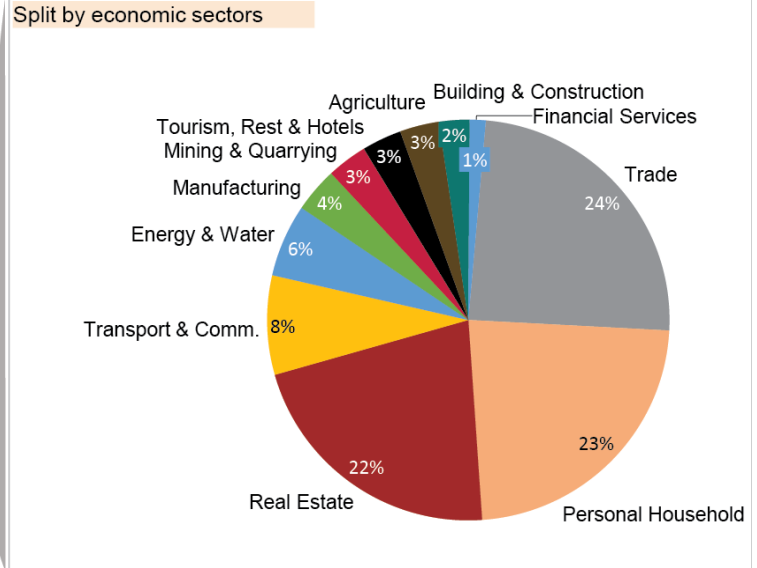
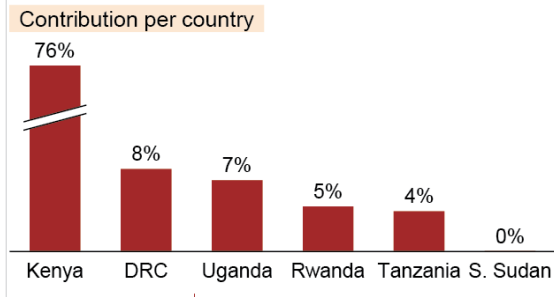
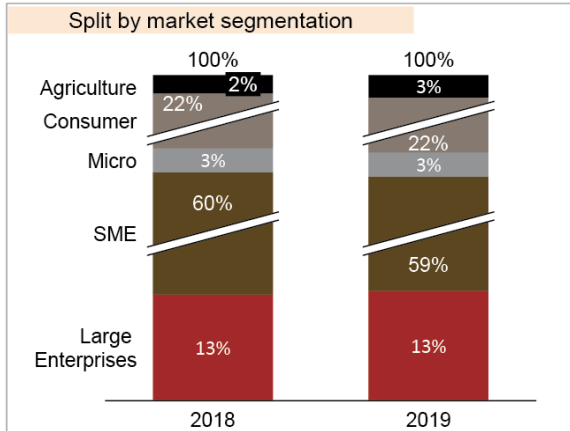
Group



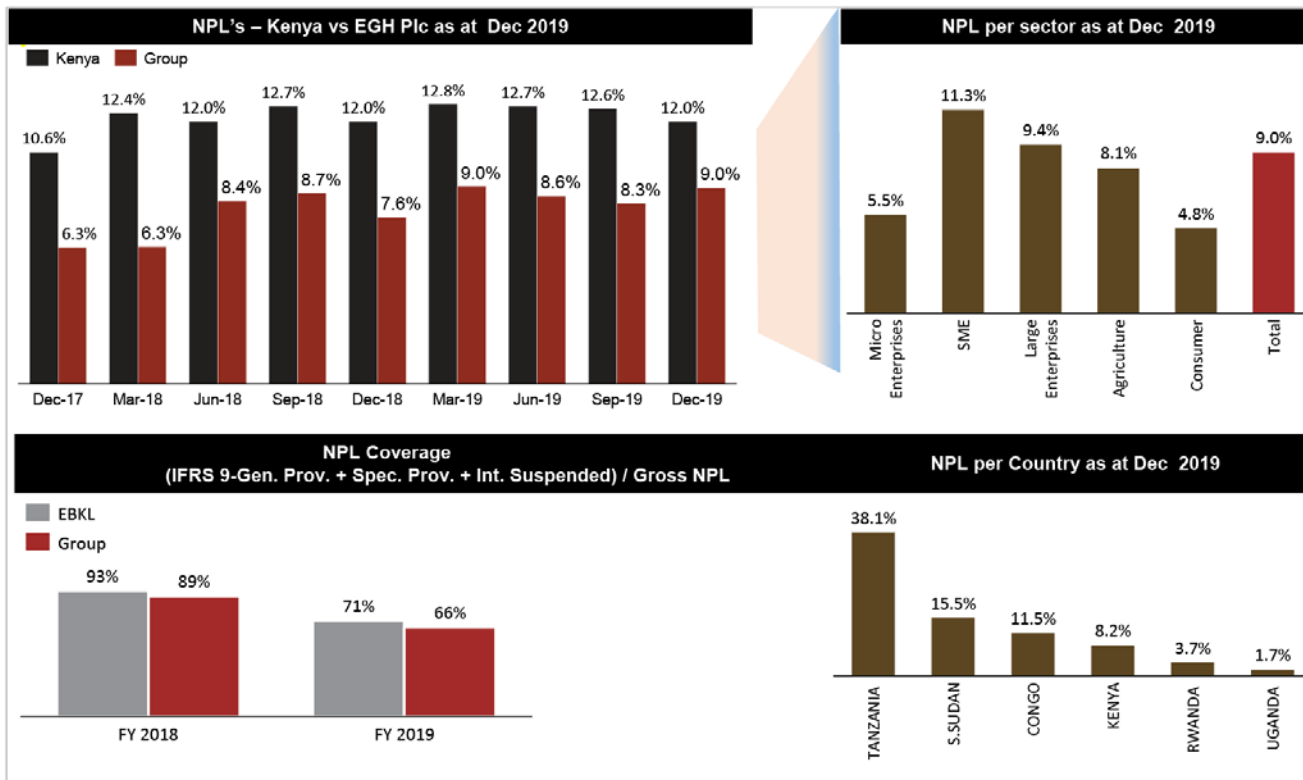
Focus Area 6: Efficient Financial Intermediation



Focus Area 7: Asset Distribution (Group)

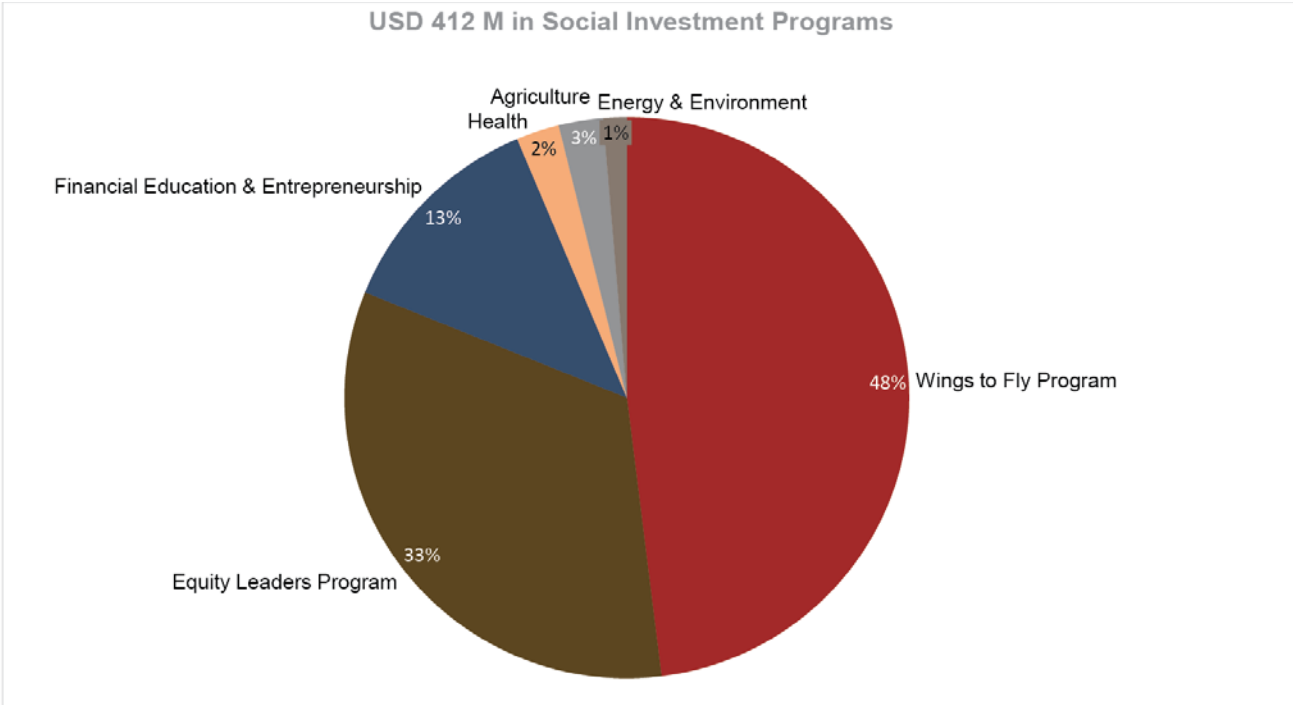


Focus Area 7: Asset Quality (Group)



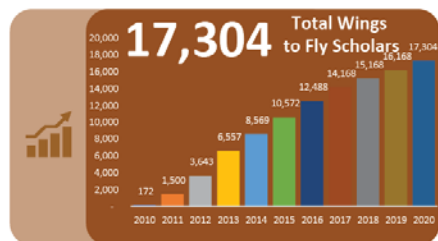
Focus Area 8: Impact Investment

Impact & Social Investment Programs



Focus Area 8: Impact Investment

Shared Prosperity Business Model and its Social Impact



Business Validation



Global Ratings and Accolades

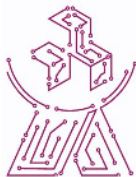


Equity Bank Credit Rating

- 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



Global SME
Finance
Awards

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



GCR GLOBAL CREDIT RATING CO.
Local Expertise • Global Presence

- 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.



- 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)



Top Acquirer 2019 Award



Dr. James Mwangi, Managing Director and CEO Equity Group named to the 3rd Annual 2019 Bloomberg 50 list



- Bank of the Year - Kenya
- Bank of the Year - Uganda
- Bank of the Year - South Sudan



- 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



- Best Overall Winner - 1st Runners Up
- Most Innovative Bank - Winner
- Best in Sustainable Finance - 2nd Runners Up

2019 National Banking Awards and Accolades



Best Bank in Kenya for the 8th time.

Total awards won in 2019 - 18

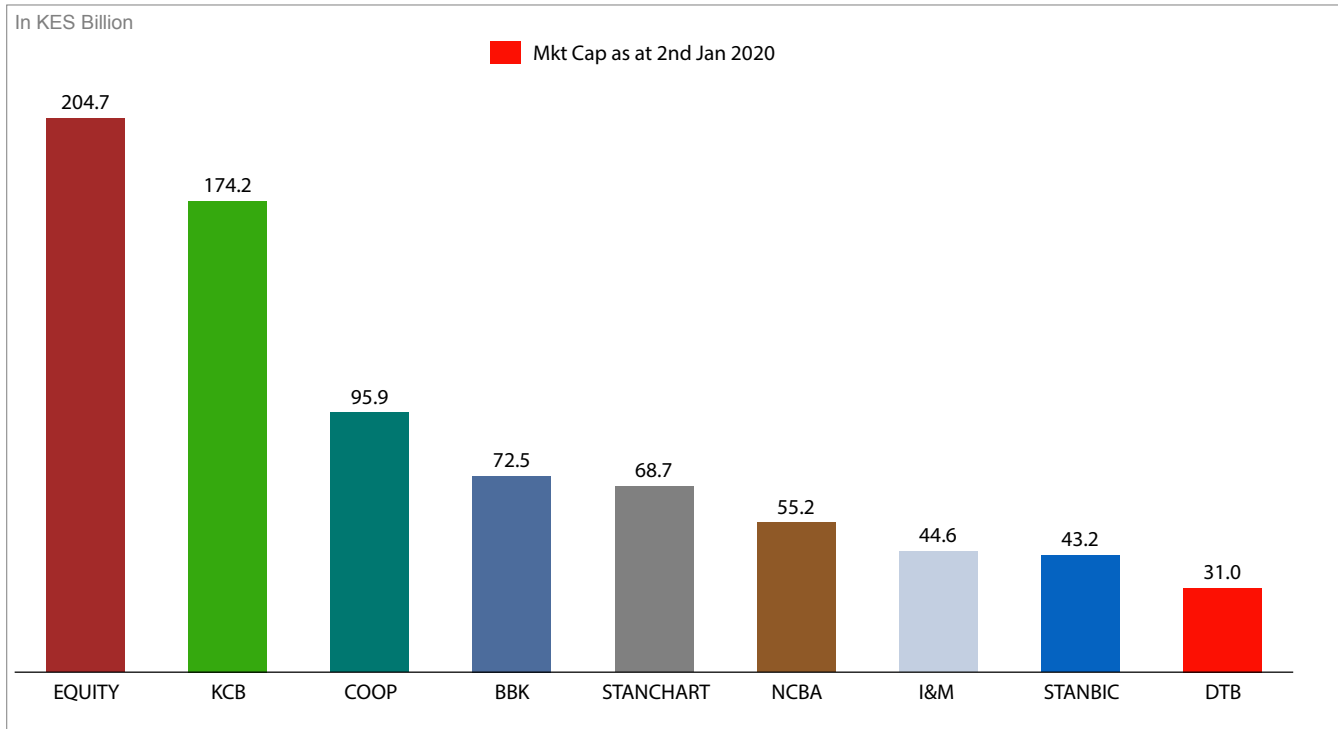
Brand	<ol style="list-style-type: none"> 1. Overall Best Bank in Kenya 2019-8 Years Running 2. The Best Bank in Tier 1 3. Best bank in Sustainable CSR-3 Years Running 4. The Most Customer-centric bank-2 Years Running 5. Bank with the Lowest Charge for Individuals-3 Years Running
Franchise Segmentation	<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 Group Director of Strategy, Strategic Partnerships and Investor Relations, Brent Malahay (centre) receives awards on behalf of Equity Bank at the 2019 Banker's Bank of the Year Awards held in London. The Bank won 3 awards namely Bank of the Year- Kenya; Bank of the Year-Uganda and Bank of the Year-South Sudan. Equity Bank Kenya was awarded Kenya's top bank for the second year running, while Uganda and South Sudan received the awards for the first time. The award reaffirms Equity's position as the lender of choice having scored highly after a comprehensive analysis of its earnings, asset and tier 1 capital growth, and return on equity.

Market Validation Market Capitalization



Source: Business Daily Jan 3rd 2020

Macro-economic & Operating Environment

Intermediation & Financial Performance



Balance Sheet

KES Billion

	FY 2018	FY 2019	Growth
Assets			
Cash & Cash Equivalents	74.6	86.4	16%
Government Securities	161.0	172.2	7%
Net Loans	297.2	366.4	23%
Other Assets	40.6	48.7	20%
Total Assets	573.4	673.7	17%
Liabilities & Capital			
Deposits	422.8	482.8	14%
Borrowed Funds	45.1	56.7	26%
Other Liabilities	10.5	22.4	112%
Shareholders' Funds	95.0	111.8	18%
Total Liabilities & Capital	573.4	673.7	17%

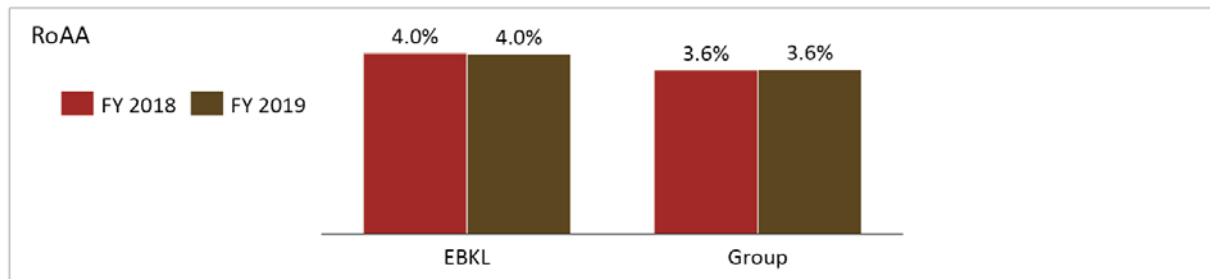
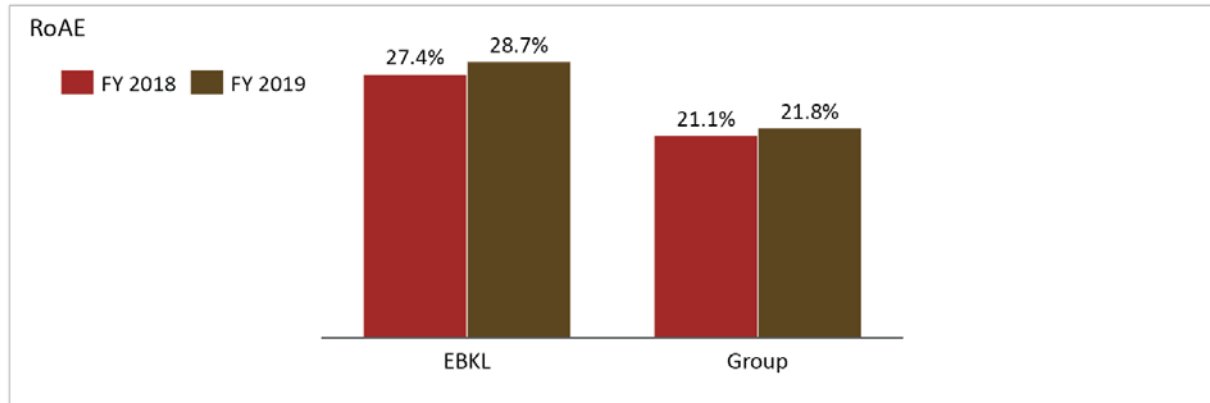
14% PAT Growth

<i>KES Billion</i>	FY 2018	FY 2019	Growth
Interest Income	53.2	59.7	12%
Interest Expense	11.8	14.7	25%
Net Interest Income	41.4	45.0	9%
Non Funded Income	25.1	29.9	19%
Total Income	66.5	74.9	13%
*Loan Loss Provision	2.9	4.4	51%
Staff Costs	11.5	12.8	12%
Other Operating Expenses	23.4	25.4	9%
Total Costs	37.8	42.6	13%
Net Loss on Monetary Assets	0.2	0.8	215%
PBT	28.5	31.5	11%
Tax	8.7	8.9	3%
PAT	19.8	22.6	14%
Earnings per share	5.22	5.93	14%
Proposed dividends per share	2.00	2.50	25%

*Loan loss provision has been presented net of recoveries. In the CBK publication Loan Loss Provision is presented as a gross amount. The gross provisions and recoveries are as follows;

<i>KES Bn</i>	2018	2019
Gross loan loss provision	3.7	5.3
Loan recoveries	(0.8)	(0.9)
Net loss loss provision	2.9	4.4

RoAE and RoAA Trend



Financial Ratios

	EBKL	EBKL	Group	Group
	FY 2018	FY 2019	FY 2018	FY 2019
Profitability				
Yield on Loans	11.7%	11.6%	12.7%	12.6%
Yield on Government Securities	11.4%	10.2%	11.3%	10.1%
Yield on Interest Earning Assets	11.1%	11.0%	11.2%	11.2%
Cost of Deposits	2.1%	2.2%	2.4%	2.4%
Cost of Funds	2.5%	2.8%	2.7%	2.9%
Net Interest Margin	8.6%	8.2%	8.5%	8.3%
Cost to Income Ratio with provisions	50.1%	52.2%	56.8%	57.0%
Cost to Income Ratio without provision	47.8%	46.4%	52.4%	51.0%
RoAE	27.4%	28.7%	21.1%	21.8%
RoAA	4.0%	4.0%	3.6%	3.6%
Asset Quality				
PAR	7.2%	8.2%	7.6%	9.0%
Cost of Risk	0.51%	1.27%	1.02%	1.34%
Leverage				
Loan / Deposit Ratio	65.4%	72.7%	70.3%	75.9%
Capital Adequacy Ratios				
Core Capital to Risk Weighted Assets	14.0%	13.1%	15.9%	16.3%
Total Capital to Risk Weighted Assets	14.0%	17.4%	15.9%	19.8%
Liquidity				
Liquidity ratio	57.9%	54.7%	54.1%	52.1%

Comparing 2019 Outlook vs Actual - Group

	FY 2019 Outlook	FY 2019 Actual
Loan Growth	10% - 15%	23%
Deposit Growth	10% - 15%	14%
Net Interest Margin	8.5% - 10%	8.3%
Non Funded Income Mix	42% - 45%	41%
Cost to Income Ratio	48% - 52%	51.0%
Return on Equity	23% - 25%	21.8%
Return on Assets	3.8% - 4.5%	3.6%
Cost of Risk	0.8% - 1.2%	1.34%
NPL	4.0% - 5.5%	9.0%
Subsidiaries Contribution (Assets)	25% - 30%	27%
Subsidiaries Contribution (PBT)	20% - 25%	18%

	2020 Organic Outlook	FY 2019 Actual
Loan Growth	5% - 15%	23%
Deposit Growth	6% - 12%	14%
Net Interest Margin	8.5% - 9.5%	8.3%
Non Funded Income Mix	40% - 45%	41%
Cost to Income Ratio	49% - 52%	51.0%
Return on Equity	20% - 22%	21.8%
Return on Assets	3.3% - 3.7%	3.6%
Cost of Risk	1.0% - 1.8%	1.34%
NPL	7.5% - 9.0%	9.0%
Subsidiaries Contribution (Assets)	25% - 30%	27%
Subsidiaries Contribution (PBT)	18% - 22%	18%

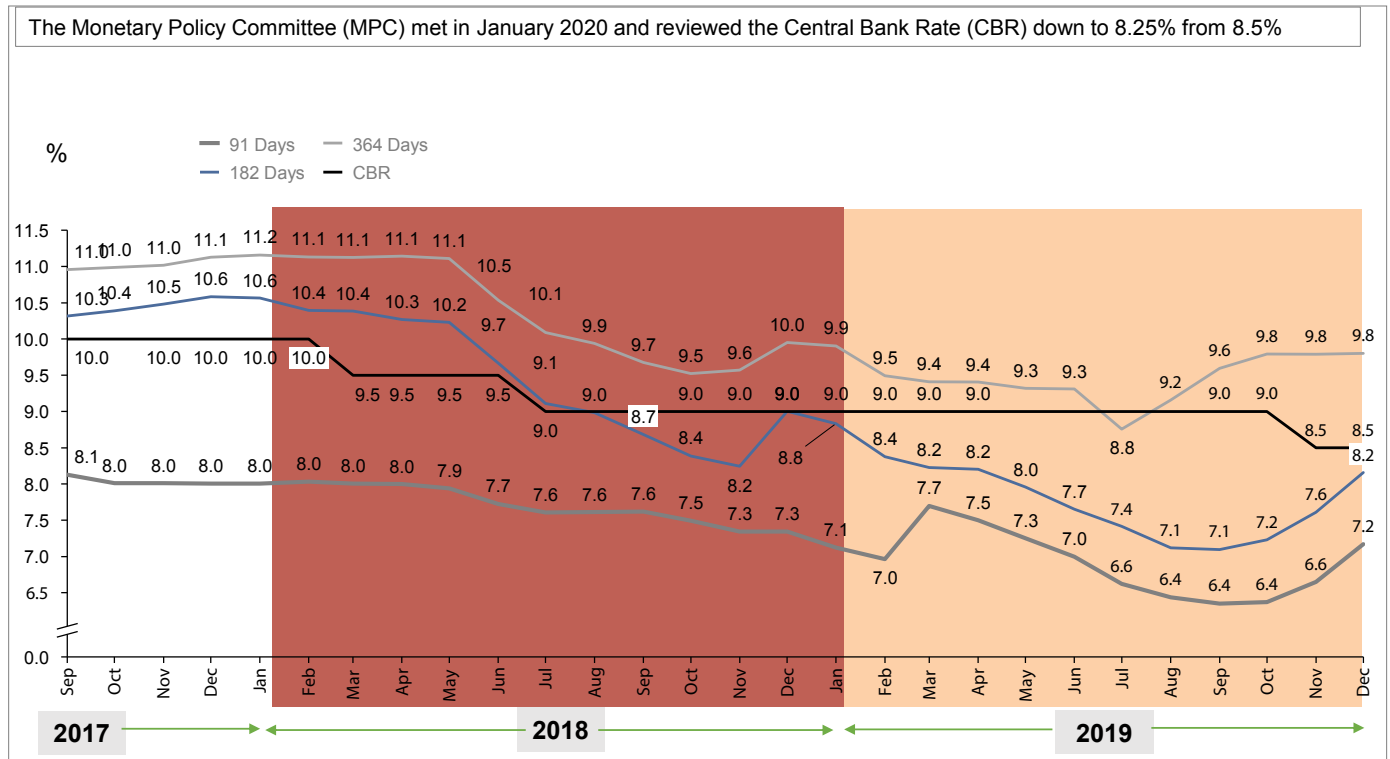
Appendix

Macroeconomic Environment

Indicators & Trends - Kenya



Interest Rates - Kenya

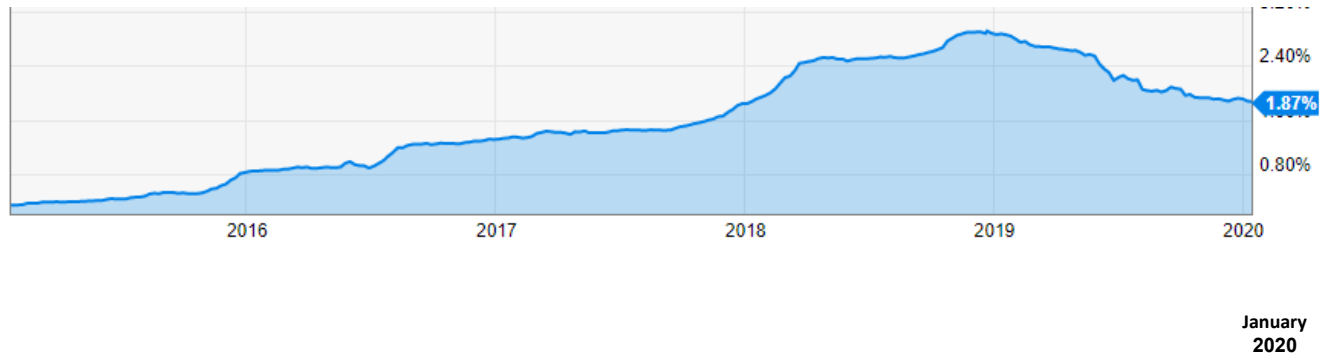


Source: Source; CBK MPC Press release

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 97 bps, from 2.88% in Dec 2018 to 1.91% in Dec 2019.

USD 5 Yr LIBOR

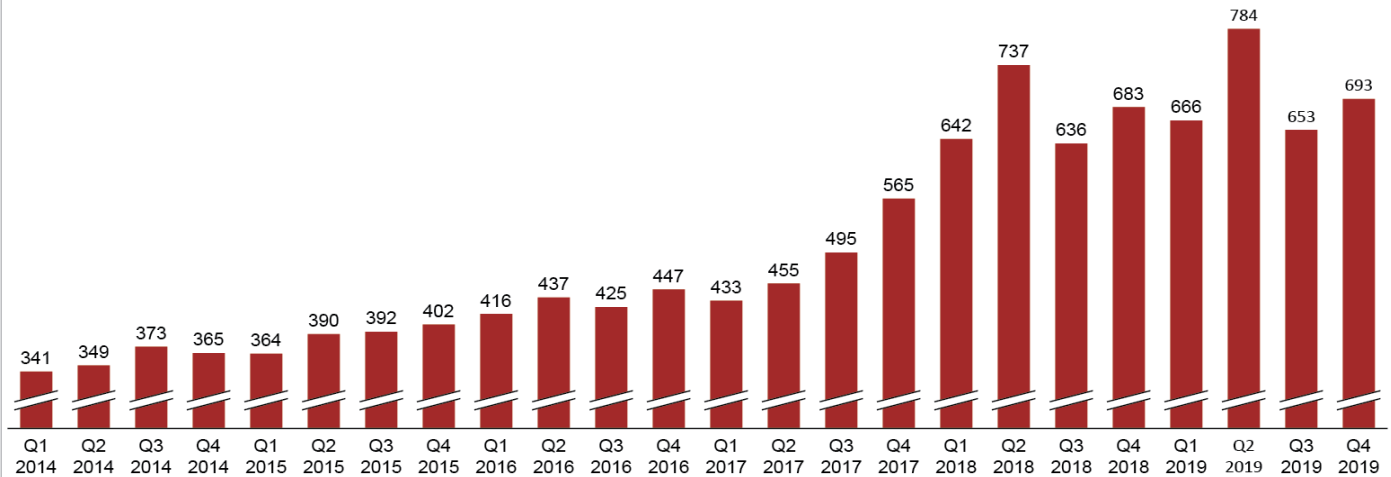


Source: Website <https://ycharts.com/>

Diaspora Remittances – Kenya

Kenyan Diaspora remittances growing steadily and supporting FX reserves

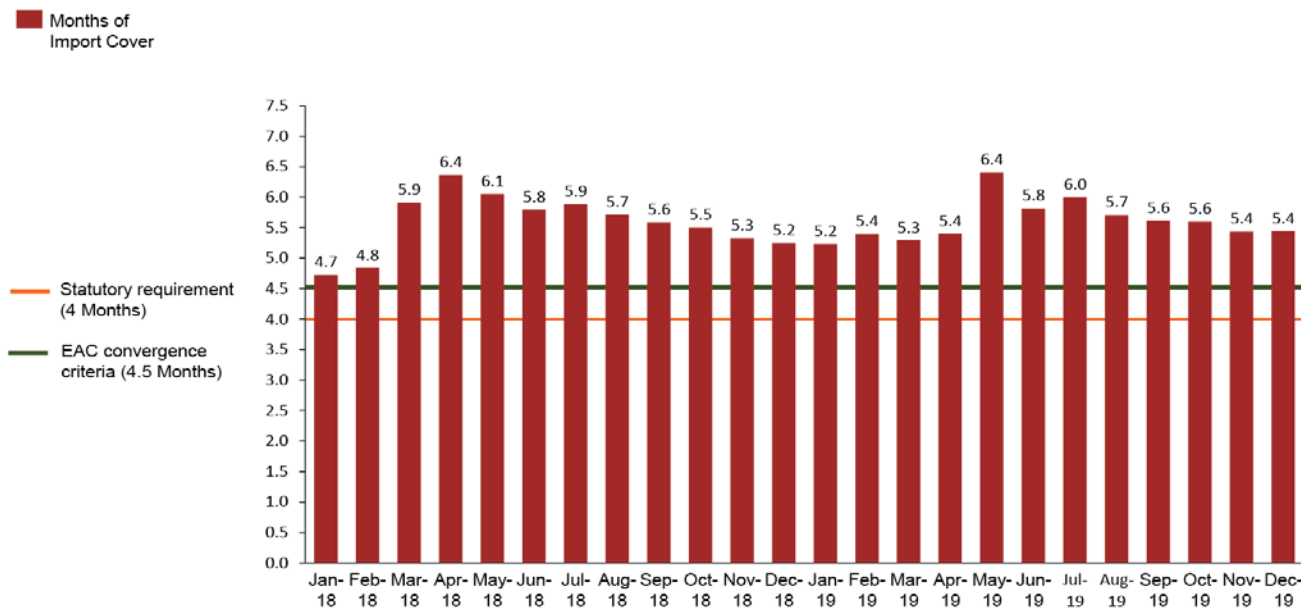
■ Diaspora Quarterly Remittances (USD Mn)



Source: CBK Diaspora Remittances

Foreign Reserves – Kenya

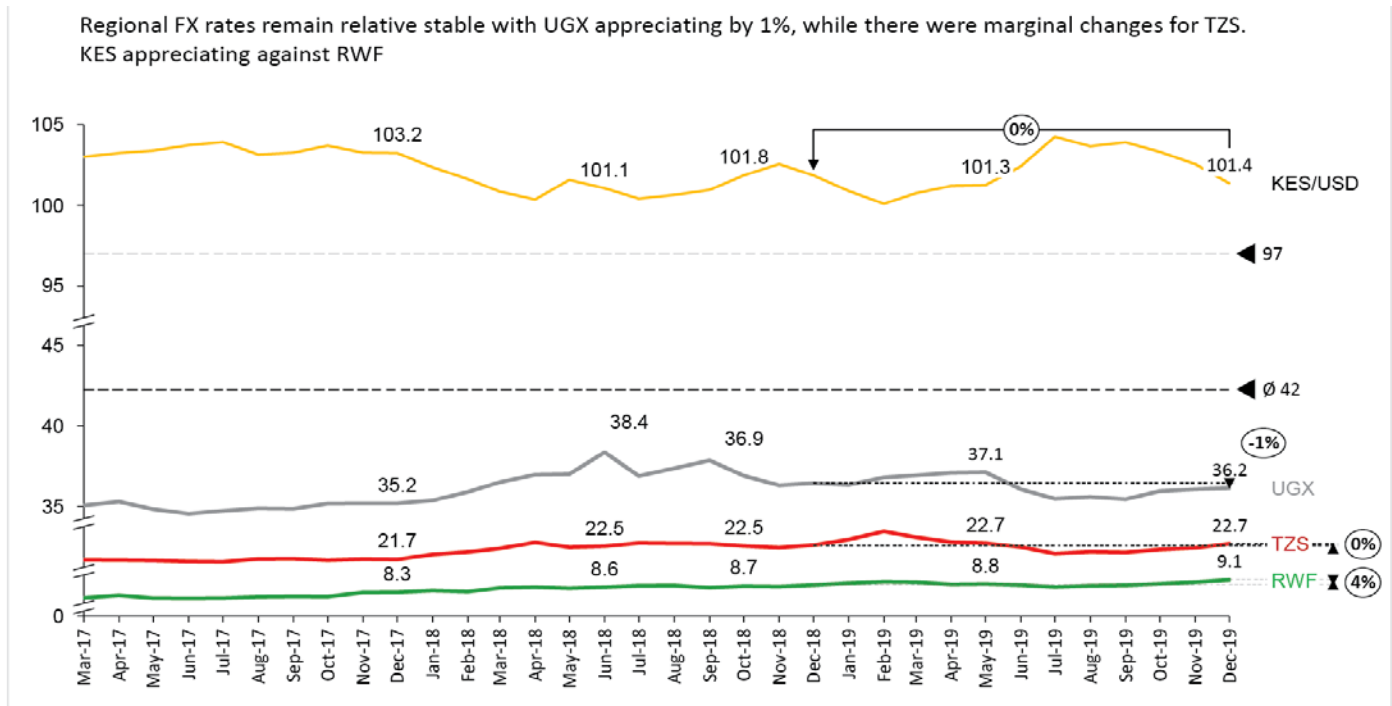
FX reserve at 5.4 months of import cover and above both statutory requirement. In May 2019 there was a successful issue of the third Euro bond that covered the earlier 5yr Euro bond which was maturing in June 2019



Source: CBK Weekly Bulletin Key monetary & financial indicators

FX – Selected East Africa Countries

Regional FX rates remain relative stable with UGX appreciating by 1%, while there were marginal changes for TZS. KES appreciating against RWF

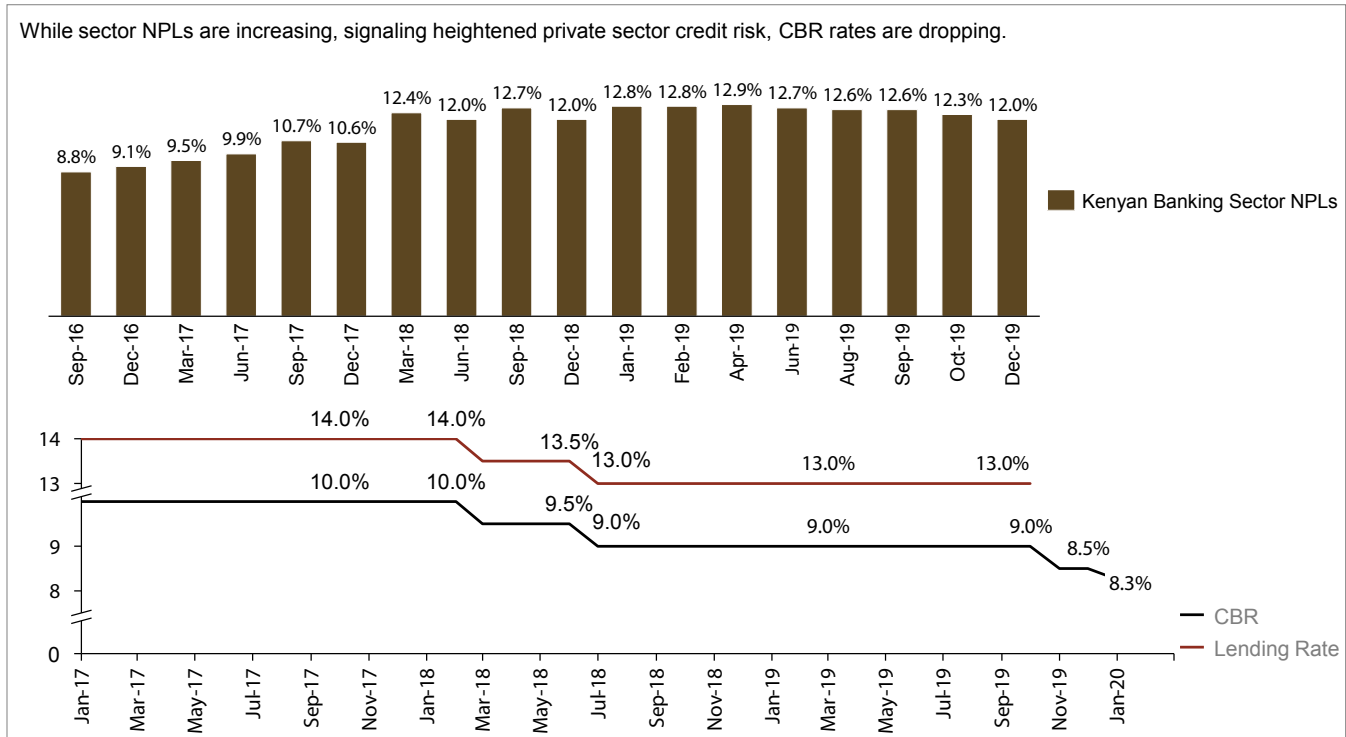


Source: CBK – Monthly Economic Indicators

Maximum Lending Rates

Banks Secure Refuge in Government Lending

While sector NPLs are increasing, signaling heightened private sector credit risk, CBR rates are dropping.





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