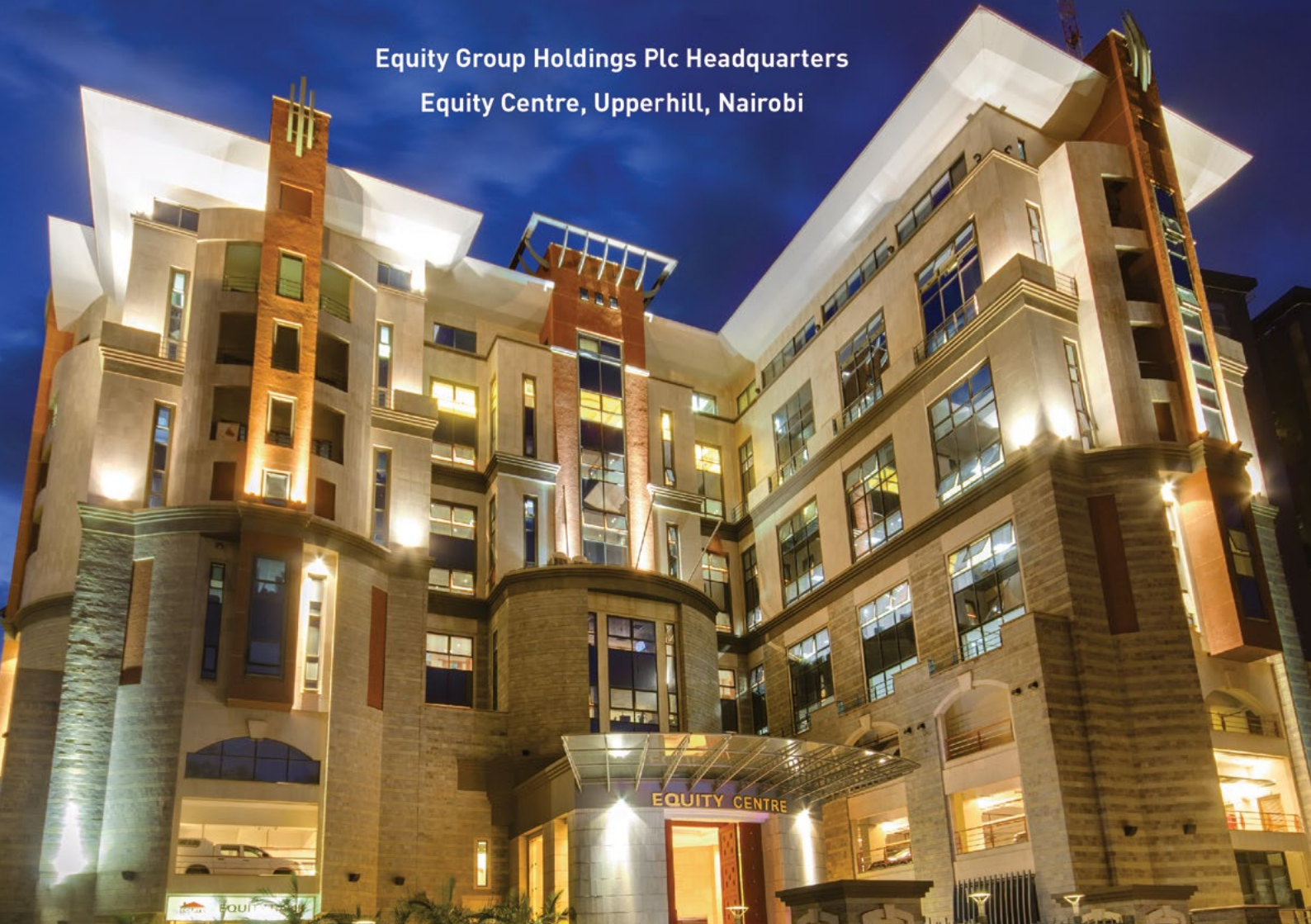


**INVESTOR BRIEFING
H1 2020 PERFORMANCE**



Equity Group Holdings Plc Headquarters
Equity Centre, Upperhill, Nairobi



Equity Group's Philosophies

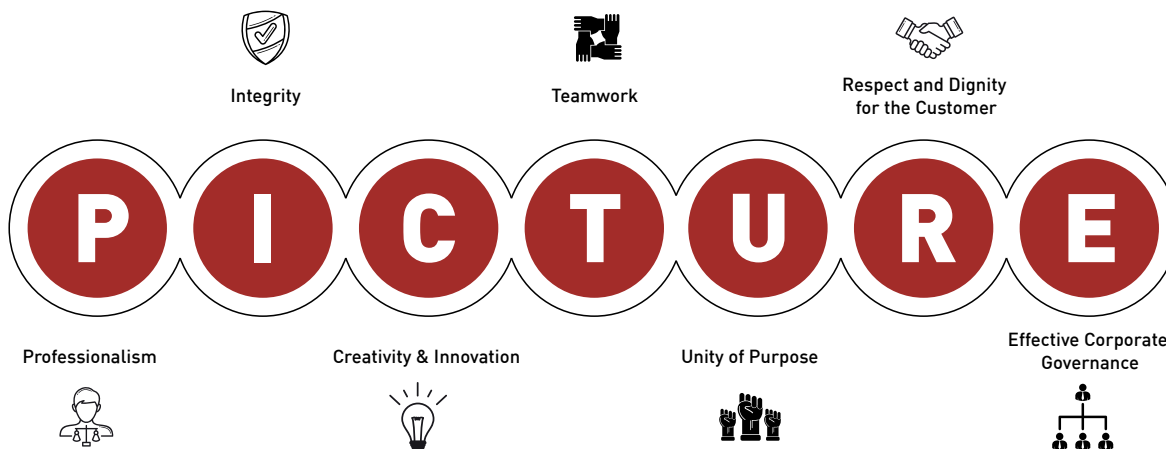
OUR PURPOSE:

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

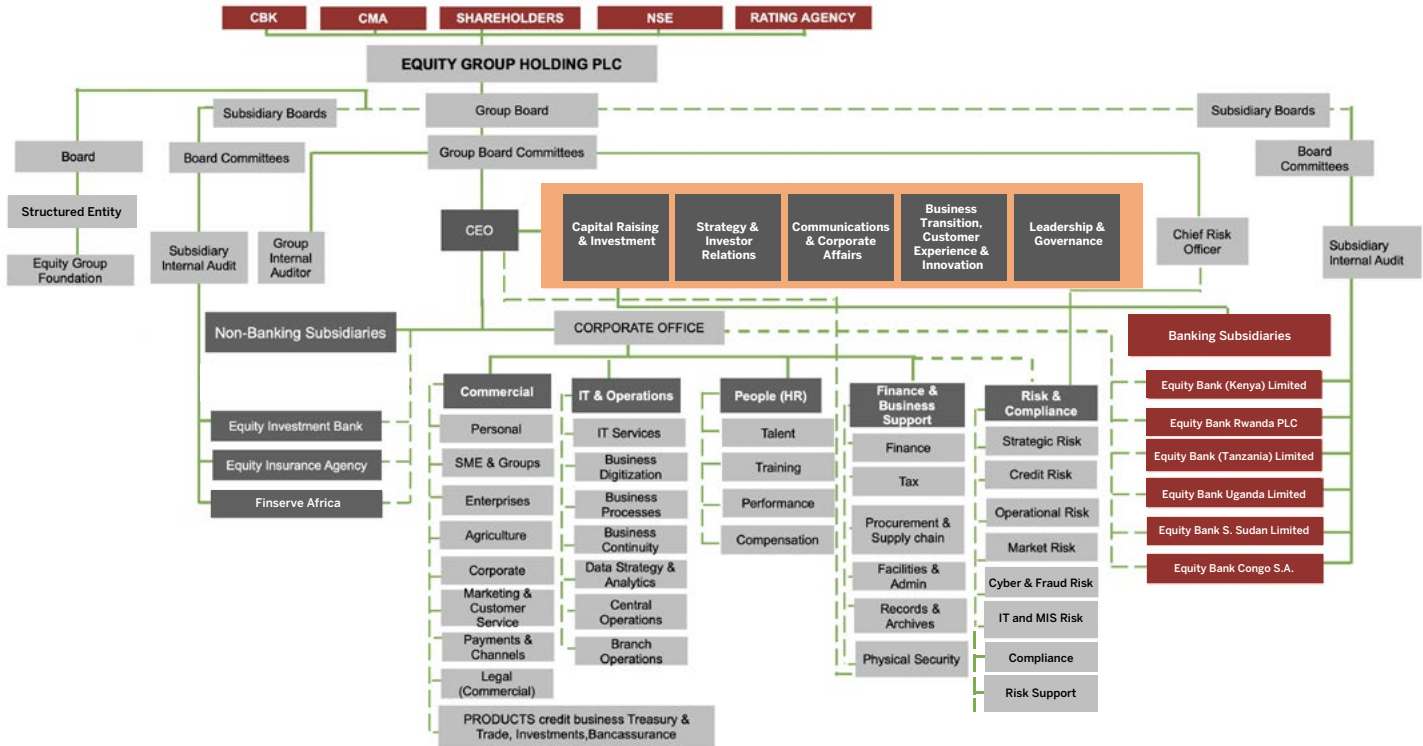
POSITIONING STATEMENT:

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



**GOVERNANCE AND
ORGANIZATIONAL STRUCTURE**

Governance & Organizational Structure



Group Executive Management



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



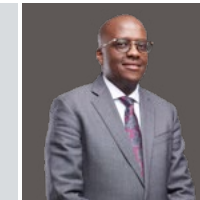
Mary Wamae
Group Executive Director



Brent Malahay
Group Director Strategy, Strategic Partnerships and Investor Relations



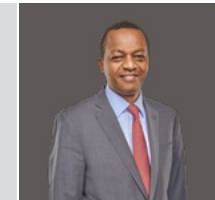
Christine Browne
Group Director Legal Services and Company Secretary



Polycarp Igathe
Group Chief Commercial Officer



James Mutuku
Group Director, Treasury and Trade Finance



David Ngata
Group Finance Director



Olanrewaju Bamisebi
Group Chief Information Officer



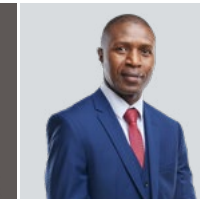
Joy DiBenedetto
Group Director Communications



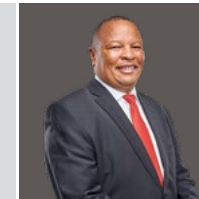
Gloria Byamugisha
Group Chief Human Resources Officer



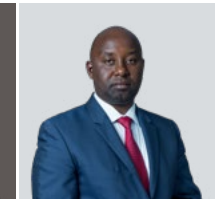
John Wilson
Group Chief Risk Officer



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



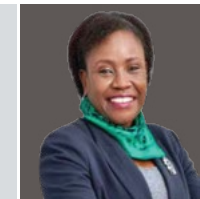
Addis Ababa Othow
Managing Director, Equity Bank South Sudan



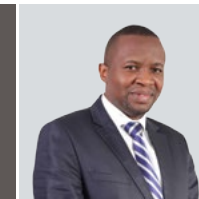
Hannington Namara
Managing Director, Equity Bank Rwanda



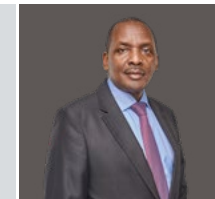
Robert Kiboti
Managing Director, Equity Bank Tanzania



Esther Kitoka
Executive Director, Equity Bank Tanzania



Célestin Muntuabu
Managing Director, Equity Bank Congo



Reuben Mbindu
Executive Director Equity Group Foundation

Group Board of Directors



Prof. Isaac Macharia
Non-Executive Chairman



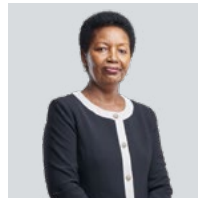
Dr. James Mwangi
Managing Director and
Chief Executive Officer



Mary Wamae
Executive Director



Dr. Edward Odundo
Non-Executive Director



Evelyn Rutagwenda
Non-Executive Director



Vijay Gidoomat
Non-Executive Director



Dr. Helen Gichohi
Non-Executive Director



MACROECONOMIC AND OPERATING ENVIRONMENT

The Great Multi Crises - Covid-19



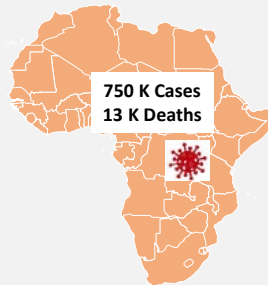
Global Health crisis

Global Covid-19 statistics



Source: John Hopkins & WHO

Africa Covid-19 statistics



Humanitarian crisis



World Bank - 71 Mn people will be pushed into extreme poverty



World Food Program - 138 Mn more people in over 25 countries are set to face acute hunger



World Health Organisation - 30 Measles vaccination campaigns cancelled



United Nations (UN) - Possible 7 Million unintended pregnancies

\$ Global Economic crisis

2020 Growth forecasts declining;

- Global growth at -4.9% (-3% at April 2020)
- Advanced economies growth at -8%
- Emerging and developing economies growth at -3%
- Sub-Saharan Africa growth at -3.2%

Source: IMF

Consumer spending contracting

- Total consumer spending to contract by \$2.4 trillion in 2020

Source: World Data Lab

Significant job losses predicted

- Working hours ↓ 10.7%
- 305 million full-time jobs estimated to be lost

Source: International Labour Organisation (ILO)

Government Covid-19 Responses

Kenya

- Banks to accommodate loan restructuring for their clients
- Promotion of the use of e-payments to reduce risk of contaminated bank notes
- Government allocation of initial KShs 40 Bn for health & social protection
- Reduced Income tax from 30% to 25%, corporate tax from 30% to 25%, turnover tax from 3% to 1% and VAT from 16% to 14%
- FY2020/21 budget set additional KShs 53.7Bn economic stimulus package

Uganda

- Banks to accommodate loan restructuring
- Promotion of the use of e-payments to reduce risk of contaminated bank notes
- Allocation of USD 1.3 Mn contingency health fund, supplementary budgets of \$ 80 Mn and \$ 288 Mn. Securing \$491.5 Mn emergency assistance from IMF
- Delayed payment of corporate tax, deferred payment of PAYE, tax exemption for medical supplies and waiver of tax arrears
- FY2020/21 budget pledged support for recovery of critical sectors

Rwanda

- Banks to accommodate loan restructuring for their clients
- A fund of Rwf 50 Billion for banks with liquidity challenges
- Suspension of payments of outstanding tax, slowed collection of tax arrears, extension of filing and paying Corporate Income Tax, VAT refunds to SMEs
- Secured a \$109.4 Mn financing from IMF to fight the pandemic

DRC

- Removed reserve requirements for local currency demand deposits and postponed the new minimum capital requirements
- Encouraged banks to restructure non performing loans
- Promotion of the use of e-payments to reduce risk of contaminated bank notes
- Set a budget of \$ 135 million to combat Covid-19
- VAT exemption on pharmaceuticals and basic goods, suspension of companies' tax audits, tax deductibility for donations to Covid-19

Tanzania

- Encouraged non performing loans restructuring
- Reduced collateral haircuts requirements on government securities; from 10% to 5% for Treasury bills and from 40% to 20% for Treasury bonds
- Promotion of the use of e-payments to reduce risk of contaminated bank notes
- Spent \$8.4 Mn specifically to deal with COVID-19 effects and will create a contingency reserve of \$3.2 Mn to fund additional health spending

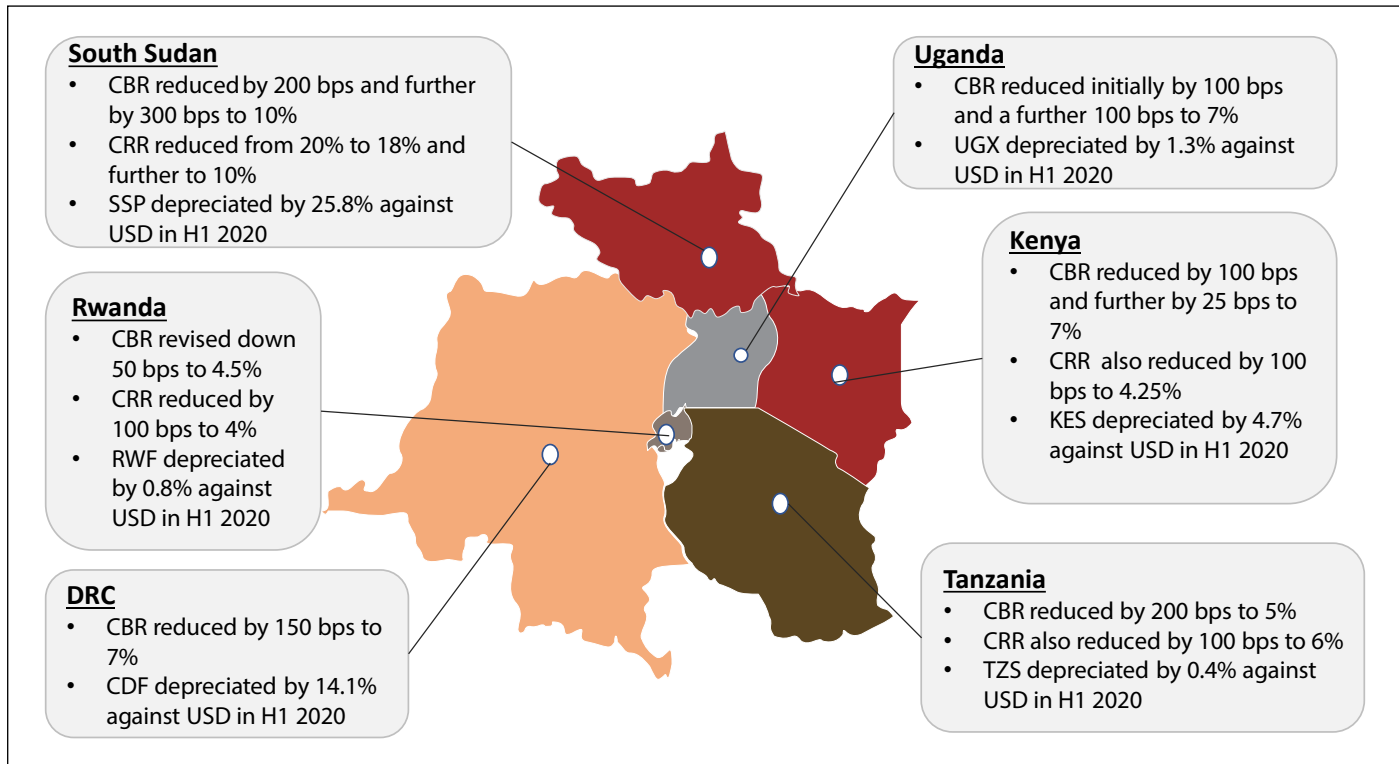
South Sudan

- Reduced the CBR by 200bps and further by 300bps from 15% to 10%
- Reduced CRR from 20% to 18% and further to 10% and encouraged non performing loans restructuring
- Allocated a COVID-19 fund of USD 8.0 million of which, USD 5.0 million was allocated to the Ministry of Health
- Redirected USD 7.6 million from the World Bank's grant of \$105 million to purchase items for pandemic prevention and treatment

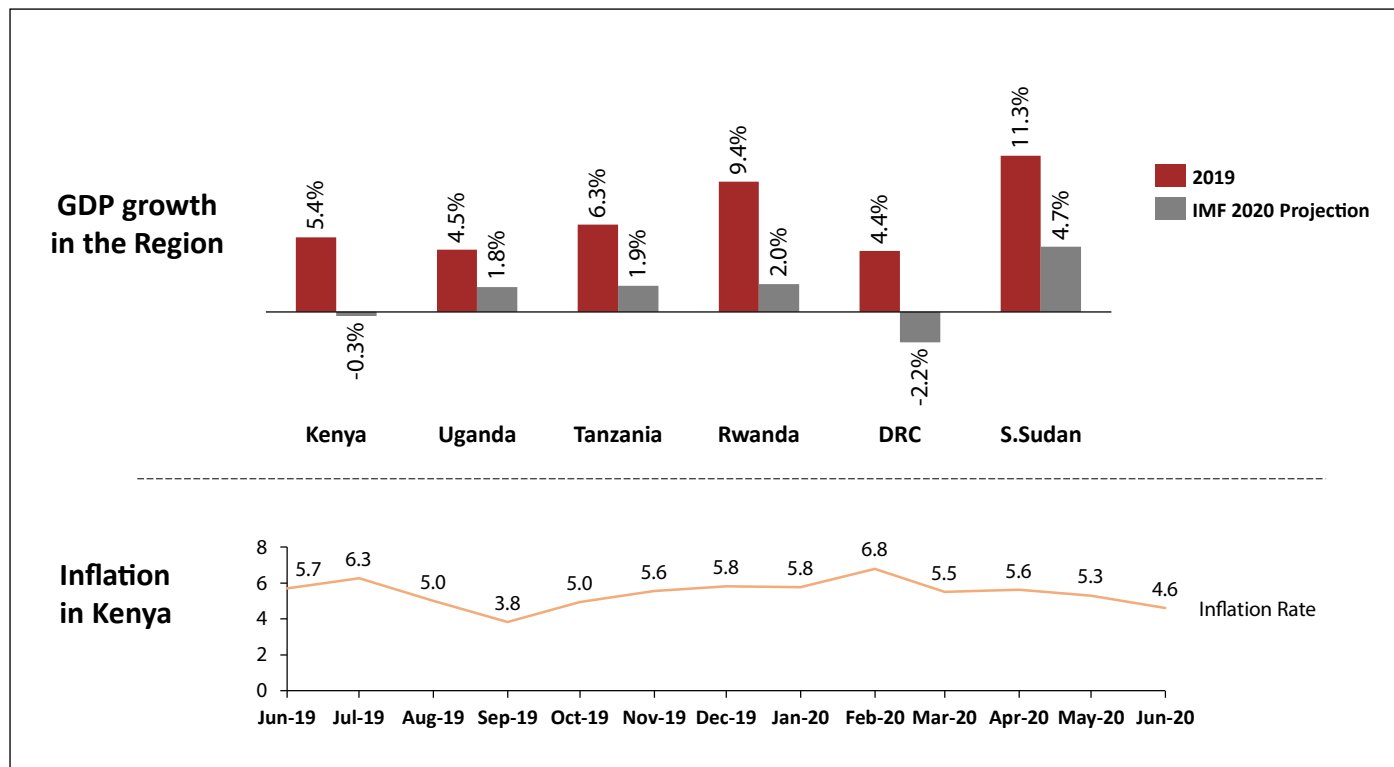
Source: IMF

CBR, CRR and Currency Depreciation

CBR and CRR reduced across all countries to curb Covid-19 effects



GDP growth projected to slow down significantly across the region



Source: IMF & CBK

Equity Boosts Government Efforts against Covid-19 Pandemic



Health Response

Waived fees on mobile banking transactions to discourage use of cash; leveraged of our health clinics to support educational awareness



Social Response

Equity Group Foundation, Mastercard and Dr. James Mwangi family contribution to the Covid 19 fund totalling KShs 1.4 Billion



Loan restructuring

In response to the challenging operating environment for customers we have identified borrowers impacted by Covid-19 who account for 45% of our loan portfolio



Capital buffers

In response to the global and regional uncertain operating environment, we have enhanced core capital buffers by withdrawal of 2019 dividend amounting to KShs 9.5 Billion



Risk management

In response to a challenging operating outlook we have enhanced our provisioning intensity to proactively manage emerging risks



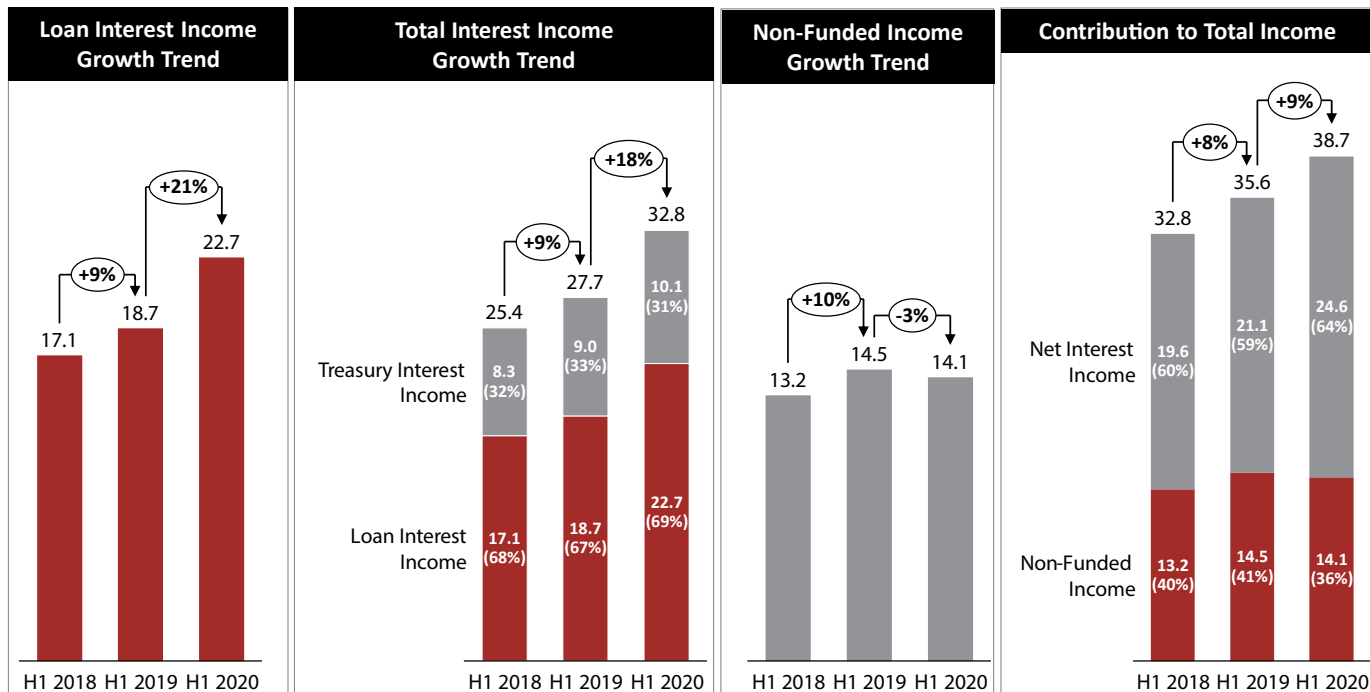
**EQUITY BANK BUSINESS
MODEL AND STRATEGY**

Equity Bank Business Model & Strategy

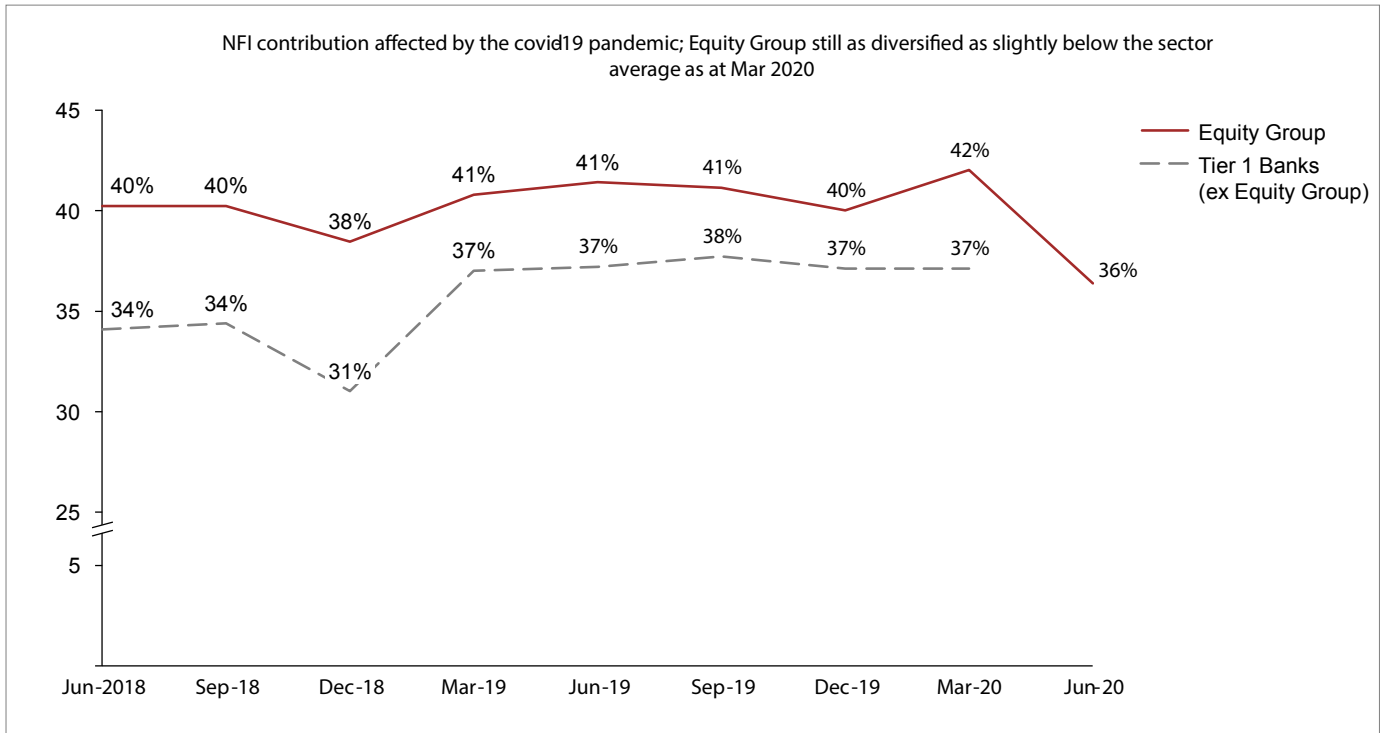
- 1. Non-Funded Income Growth**
- 2. Treasury**
- 3. Geographical and Business Diversification**
- 4. Balance Sheet Agility**
- 5. Innovation and Digitization**
- 6. Efficiency and cost optimization**
- 7. Asset Quality**
- 8. Impact Investment & Social Brand Development**

Focus Area 1: Non-Funded Income Growth & Contribution

In Kes Billion

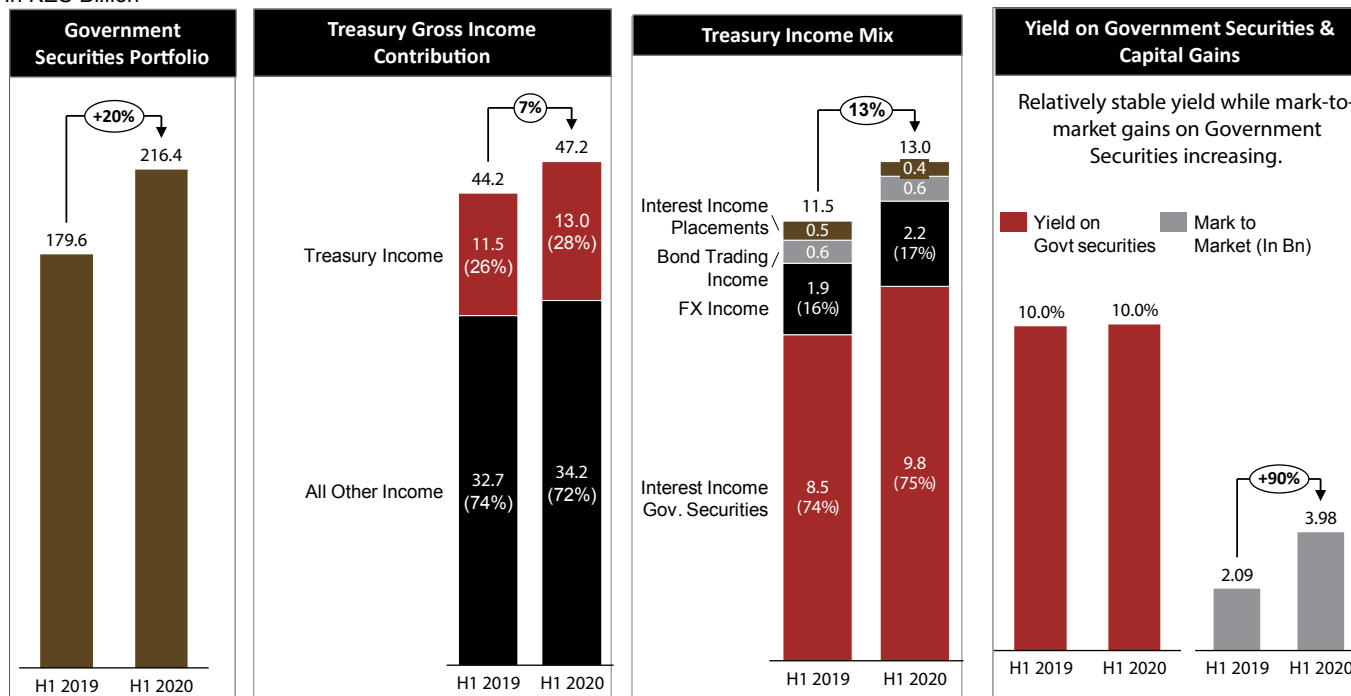


Focus Area 1: NFI Contribution



Focus Area 2: Treasury

In KES Billion



Note: Income calculation above is before funding costs

Subsidiaries Contribution

In KShs Billion

H1 2020	TZ	RW	UG	SS	DRC	EIA	EIB	Finserve	Other Subsidiaries Total	EBKL	Group	Other Subsidiaries Contribution H1 2020	Other Subsidiaries Contribution H1 2019
Deposit	17.6	25.6	39.7	6.36	71.9				161.2	423.8	543.9	28%	26%
<i>YoY Growth</i>	4%	10%	51%	12%	32%				27%	19%	19%		
Loan	13.1	18.9	31.8	0.1	34.1				97.9	293.7	391.6	25%	25%
<i>YoY Growth</i>	-4%	15%	38%	-44%	26%				22%	22%	22%		
Assets	28.0	34.9	52.1	9.9	86.3	0.6	0.5	2.3	214.6	562.0	746.5	28%	27%
<i>YoY Growth</i>	11%	13%	42%	3%	20%	-22%	0%	7%	21%	16%	17%		
Revenue	0.8	1.7	3.1	0.3	3.6	0.5	-0.1	0.7	10.8	28.5	38.7	27%	31%
<i>YoY Growth</i>	-20%	14%	38%	-83%	4%	-8%	-367%	-4%	-7%	10%	9%		
Cost before provisions	0.8	0.9	1.8	0.2	2.6	0.2	0.0	0.5	7.0	12.6	19.0	36%	41%
<i>YoY Growth</i>	2%	20%	29%	-89%	5%	15%	5%	-26%	-14%	8%	5%		
PBT before provisions	0.0	0.9	1.3	0.1	1.0	0.4	-0.1	0.2	3.8	15.9	20.0	19%	20%
<i>YoY Growth</i>	-91%	8%	52%	-17%	1%	-15%	684%	410%	8%	11%	12%		
PBT	-0.2	0.7	0.9	0.1	0.5	0.4	-0.1	0.2	2.5	9.2	12.0	21%	18%
<i>YoY Growth</i>	- 173%	7%	15%	-17%	-40%	-14%	684%	47386%	-18%	-34%	-29%		
PAT	-0.2	0.5	0.6	0.1	0.3	0.3	-0.1	0.2	1.7	7.2	9.1	19%	19%
<i>YoY Growth</i>	- 198%	7%	6%	-12%	-53%	-9%	684%	40188%	-25%	-26%	-24%		
RoAE	- 9.3%	20.5%	17.9%	6.4%	7.3%	186.8%	-48.8%	26.0%	11.9%	19.4%	15.4%	11.9%	19.5%
<i>Cost of Capital</i>	20.0%	19.0%	19.0%	22.0%	>22.0%	18.0%	18.0%	18.0%	20.5%	18.0%	19.0%	20.5%	20.5%

Focus Area 3: Geographical and Business Diversification

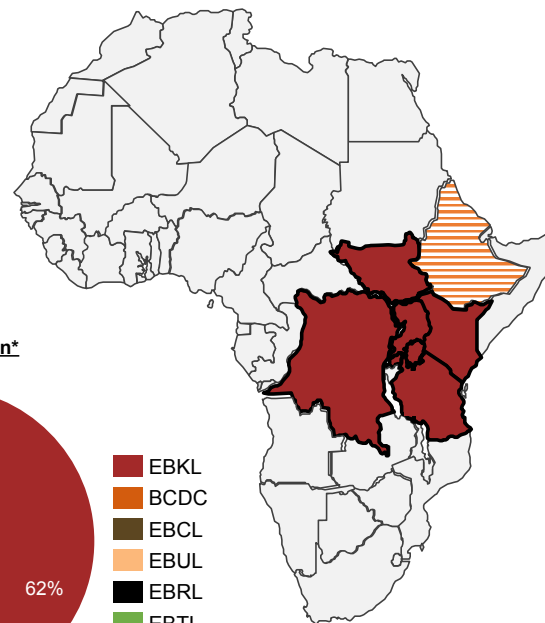
Ratios-Banking Subsidiaries

RoAE			RoAA		
Subsidiary	H1 2019	H1 2020	Subsidiary	H1 2019	H1 2020
EBKL	28.9%	19.4%	EBKL	4.2%	2.7%
EBUL	23.0%	17.9%	EBUL	3.4%	2.5%
EBRL	24.0%	20.5%	EBRL	3.3%	3.1%
EBTL	12.5%	-9.3%	EBTL	1.4%	-1.3%
DRC	17.9%	7.3%	DRC	1.9%	0.7%
EBSSL	7.2%	6.4%	EBSSL	2.6%	2.3%

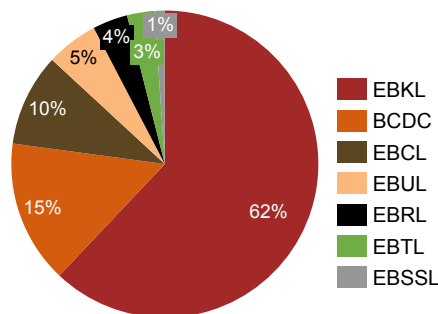
Cost-to-Assets Ratio			Cost-to-Income Ratio		
Subsidiary	H1 2019	H1 2020	Subsidiary	H1 2019	H1 2020
EBKL	5.3%	7.2%	EBKL	44.9%	44.2%
EBUL	8.7%	9.3%	EBUL	62.4%	58.6%
EBRL	5.9%	6.2%	EBRL	46.7%	49.4%
EBTL	6.2%	7.6%	EBTL	76.1%	97.2%
DRC	8.2%	7.5%	DRC	70.9%	71.7%
EBSSL	41.7%	4.5%	EBSSL	92.3%	61.4%

Focus Area 3: Geographical and Business Diversification

- Present in 6 countries and a commercial representative office in Ethiopia
- We are a Top 2 bank in our two largest markets and in the Top 10 in five markets
- Population of ~367 million
- Nominal GDP of ~USD 314 Bn
- BCDC acquisition completed on 7 August 2020
- BCDC contributes 200,000 customers and 29 branches to our DRC operations



Assets contribution*

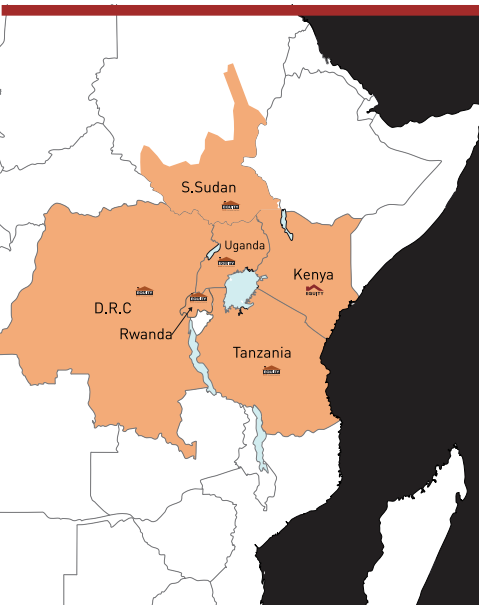


*Proforma assets and deposits**

Kes Bn	EGH	BCDC	EGH + BCDC
Total Assets	673.7	124.0	797.7
Net loans	366.4	43.9	410.3
Deposits	482.8	105.1	587.9

*Based on 31 December 2019 financial statements

Focus Area 3: Geographical and Business Diversification



BRANCHES	300	CAPITAL CITY	115
Branches in Kenya	184	Nairobi	52
Branche in Uganda	39	Kampala	20
Branches in S. sudan	5	Juba	4
Branches in Tanzania	14	Dar es Salaam	1
Branches in Rwanda	14	Kigali	8
Branches in DRC	44	Kinshasa	30

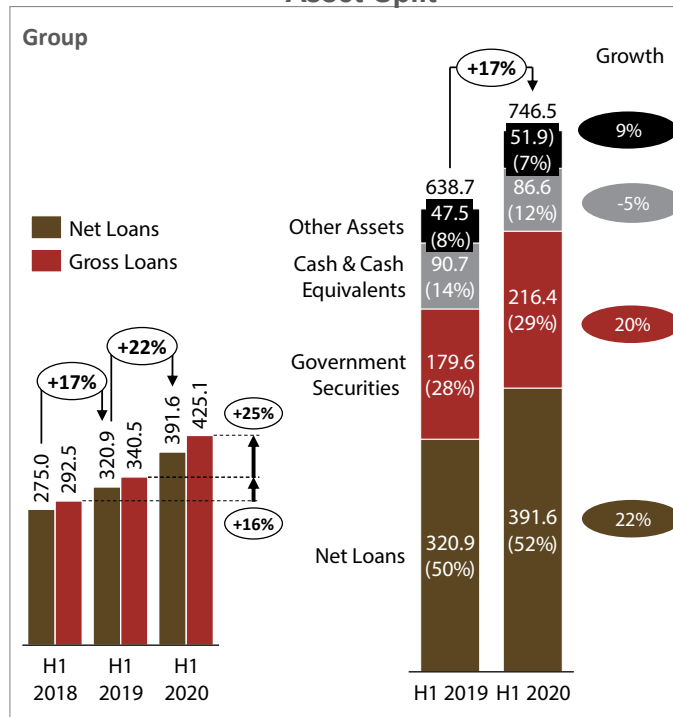
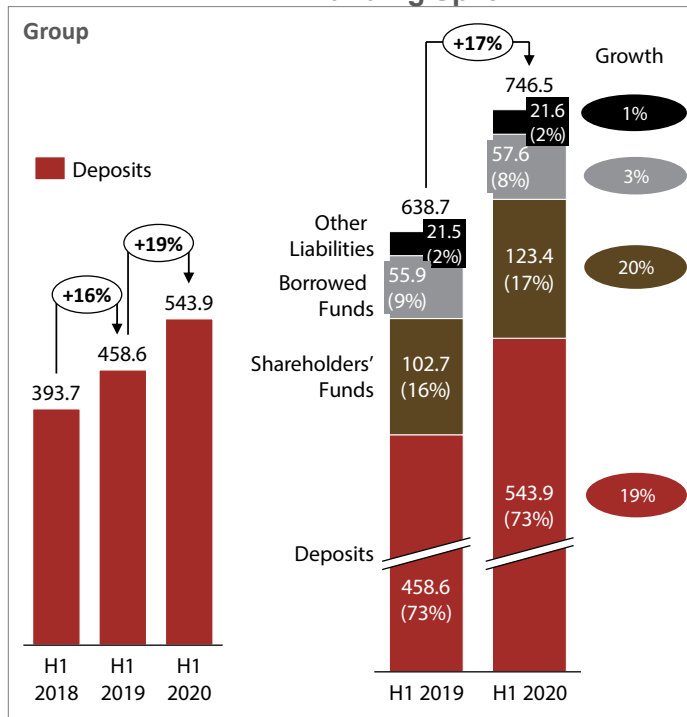
AGENT OUTLETS	51,560
POINT OF SALE TERMINALS (POS)	31,265
ATM	623

Focus Area 4: Balance Sheet Agility

In KES Billion

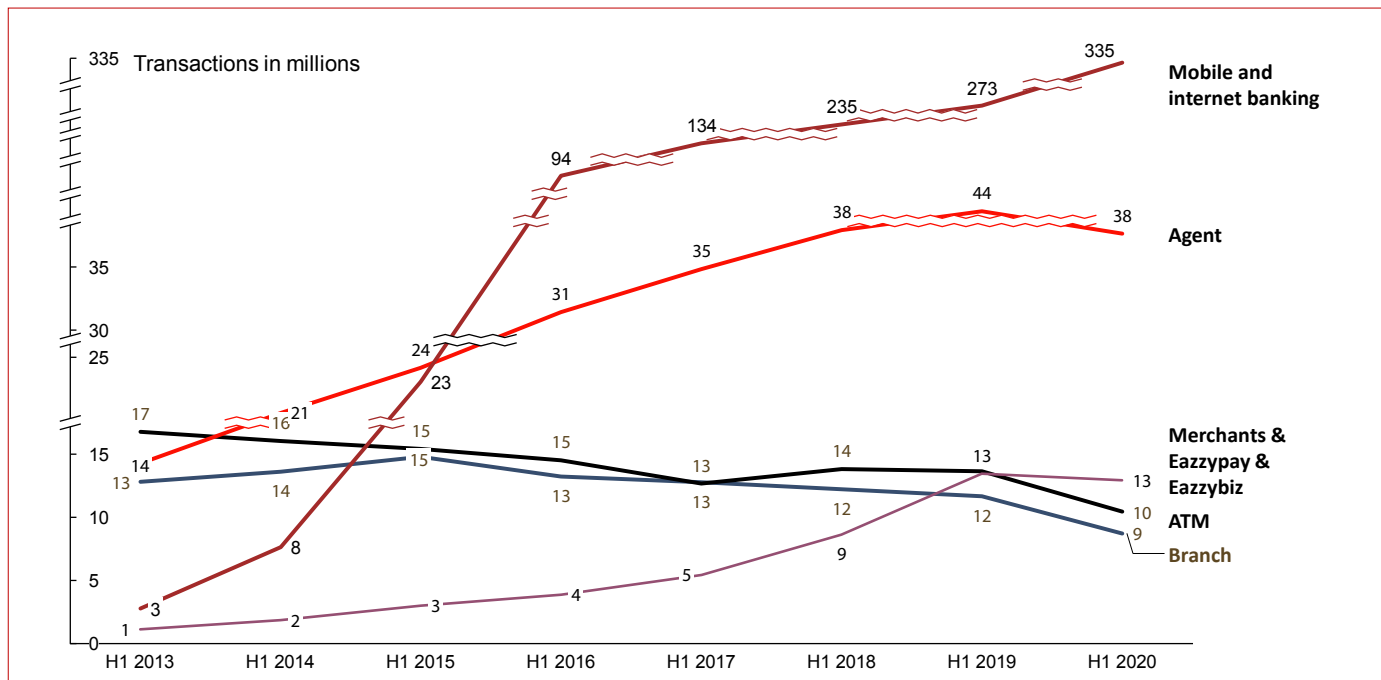
Funding Split

Asset Split



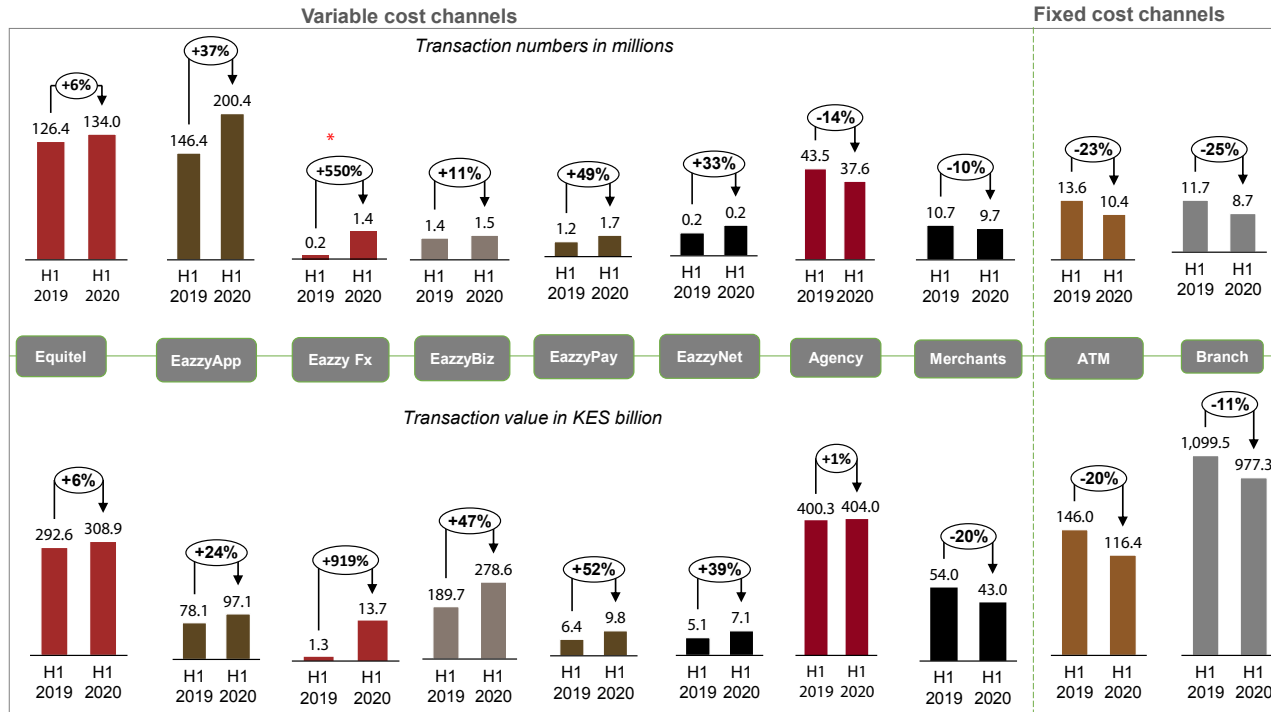
Focus Area 5: Innovation and Digitization

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

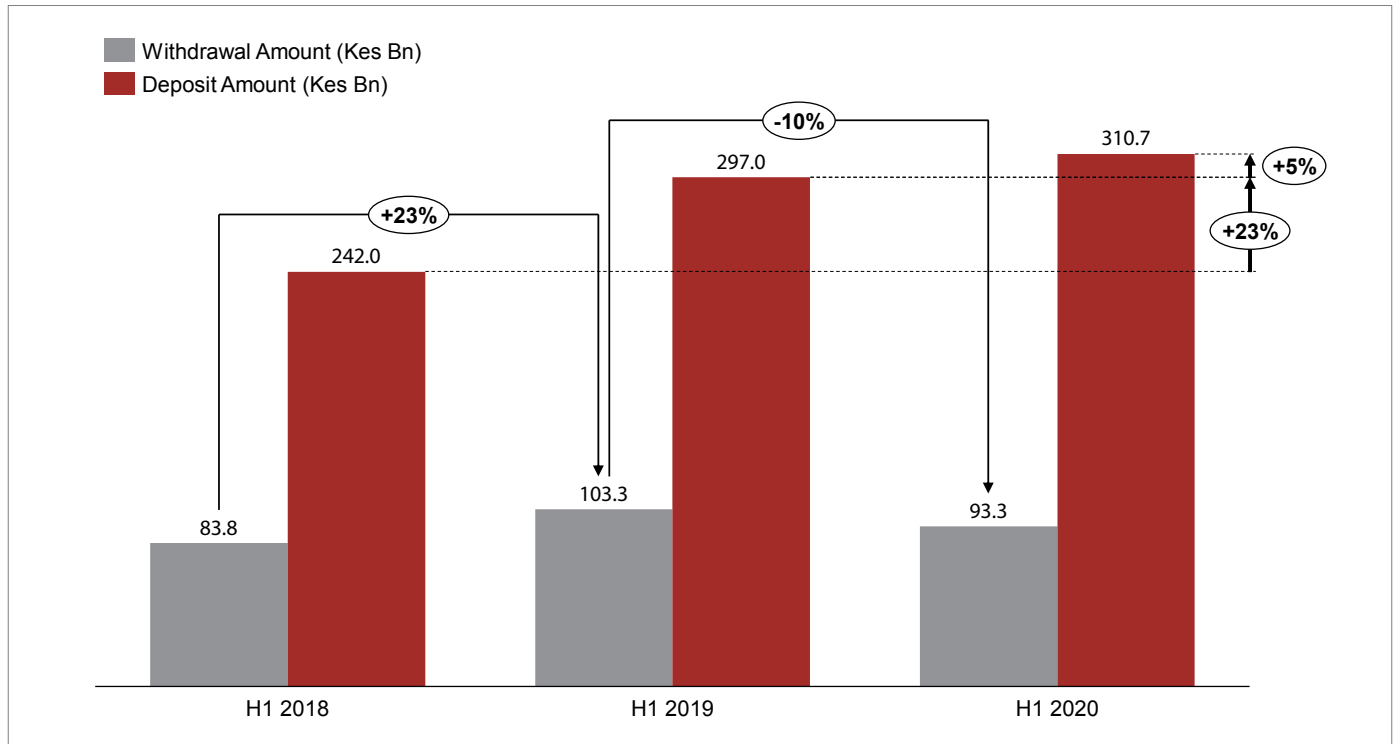


* H1 2020, Eazzy Fx transactions in thousands

* H1 2020, Eazzy Fx transactions in thousands

Focus Area 5: Fintech Innovation and Digitization

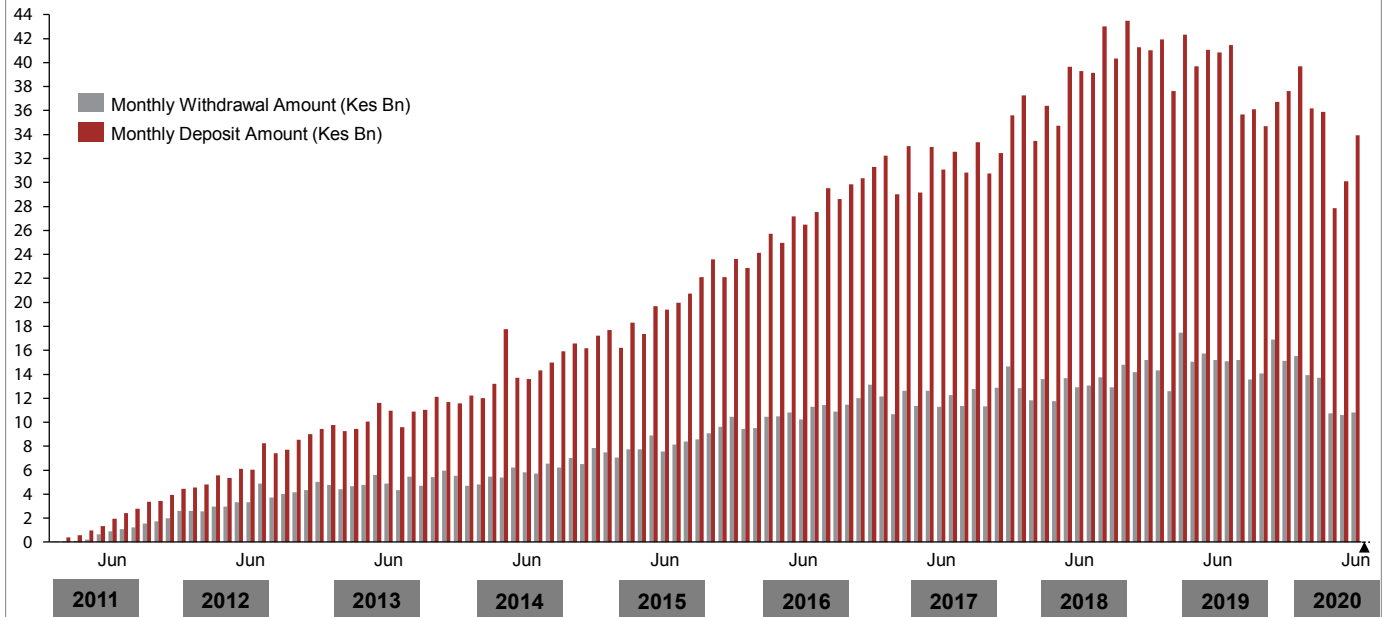
Agency Banking Volumes



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

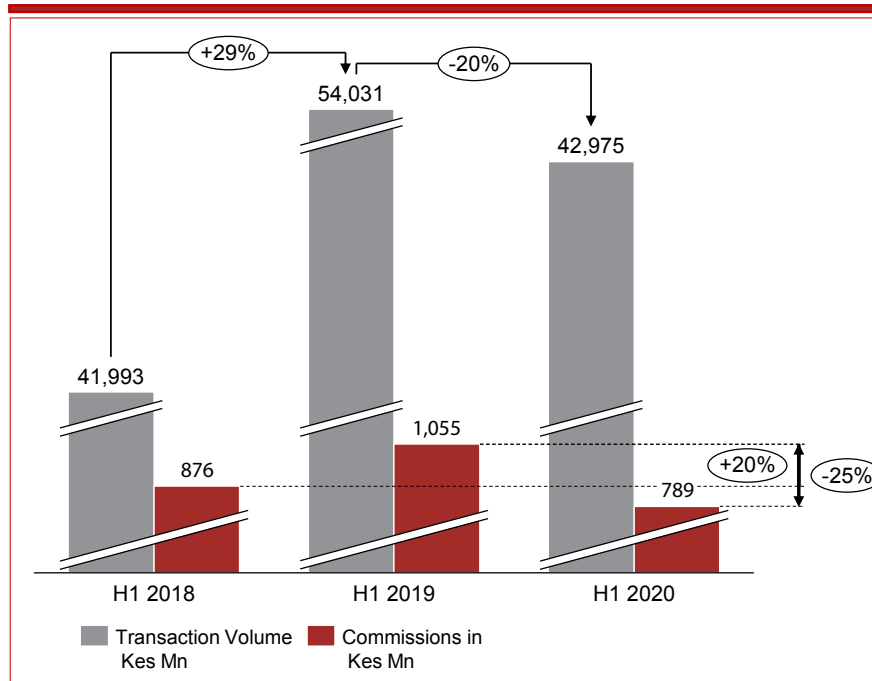


Focus Area 5: Fintech Innovations in Merchant Banking

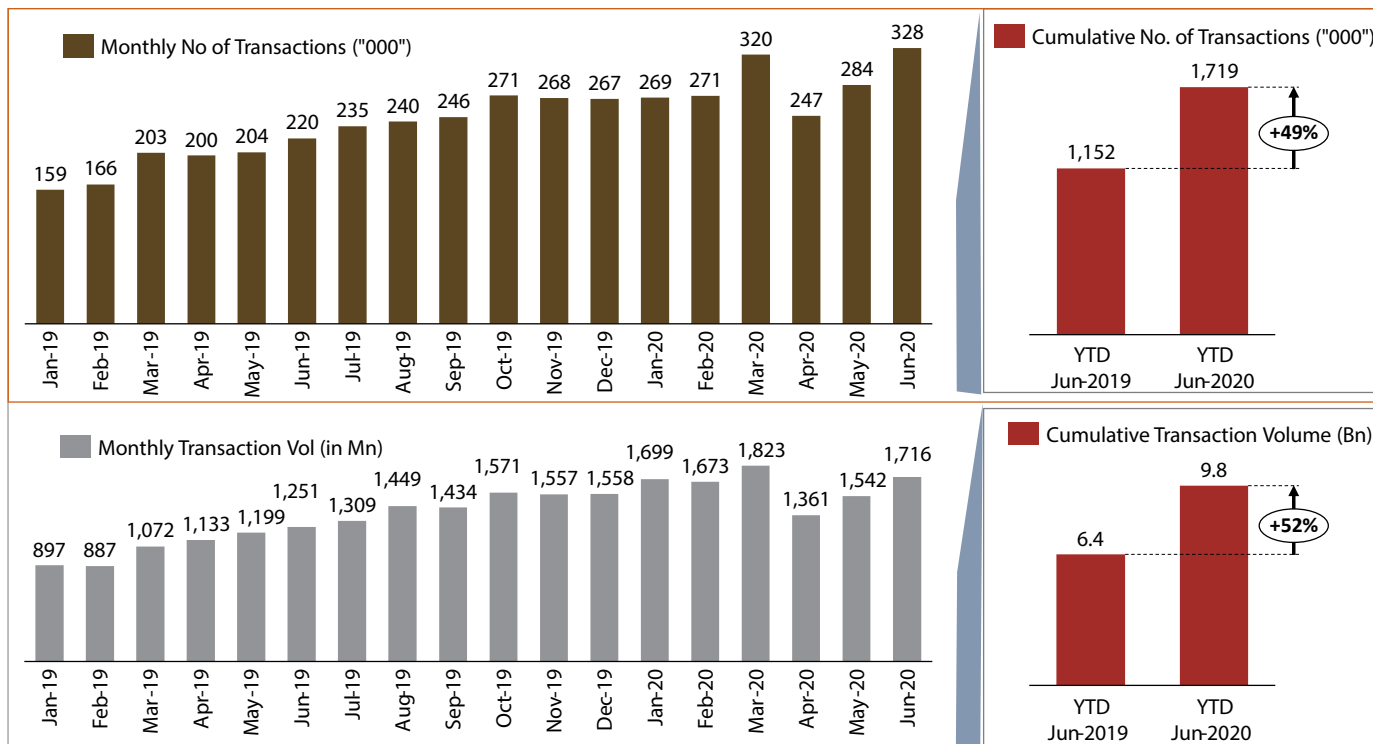
Using a universal POS that converges Mobile Wallets, Cards & Digital payments



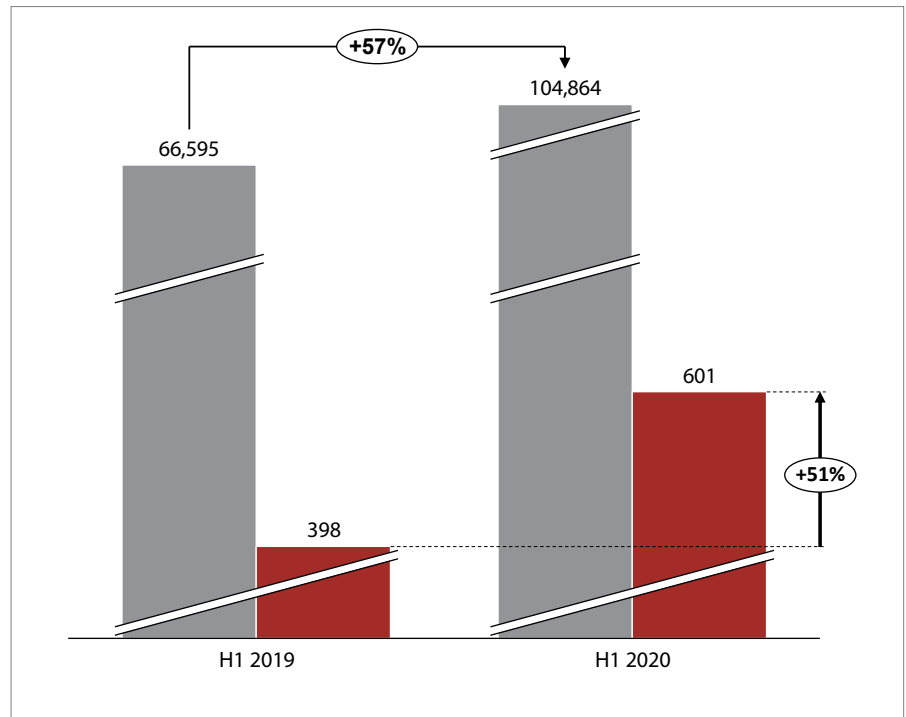
- Equity is leading in **Acquiring and Issuing**
- **Best in class payment channel** services work well with merchants



Focus Area 5: Fintech Innovations in EazzyPay

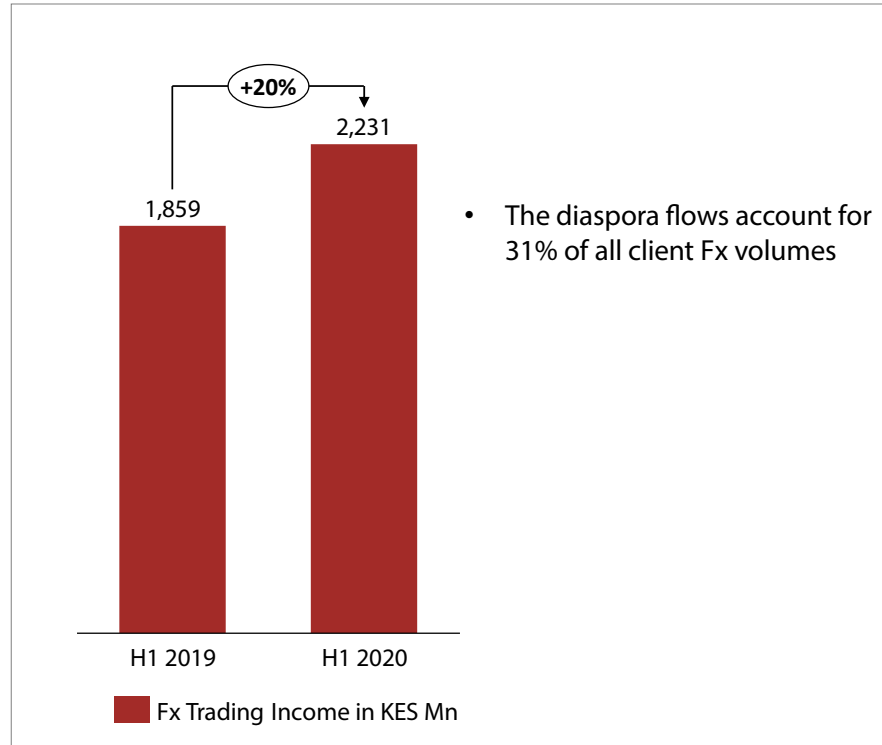
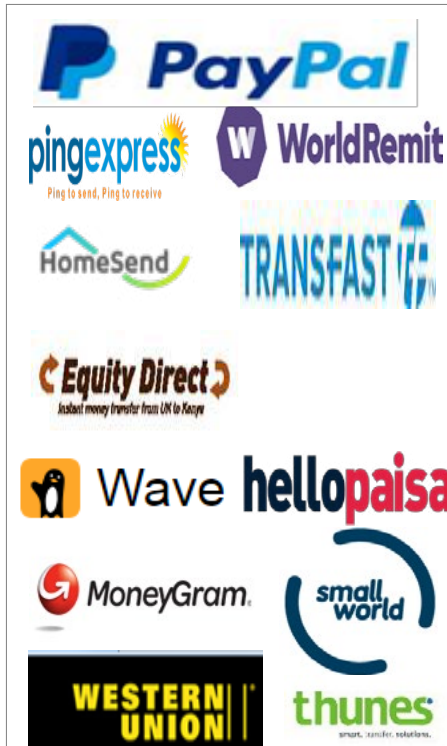


Focus Area 5: Fintech Innovations in Diaspora Remittances



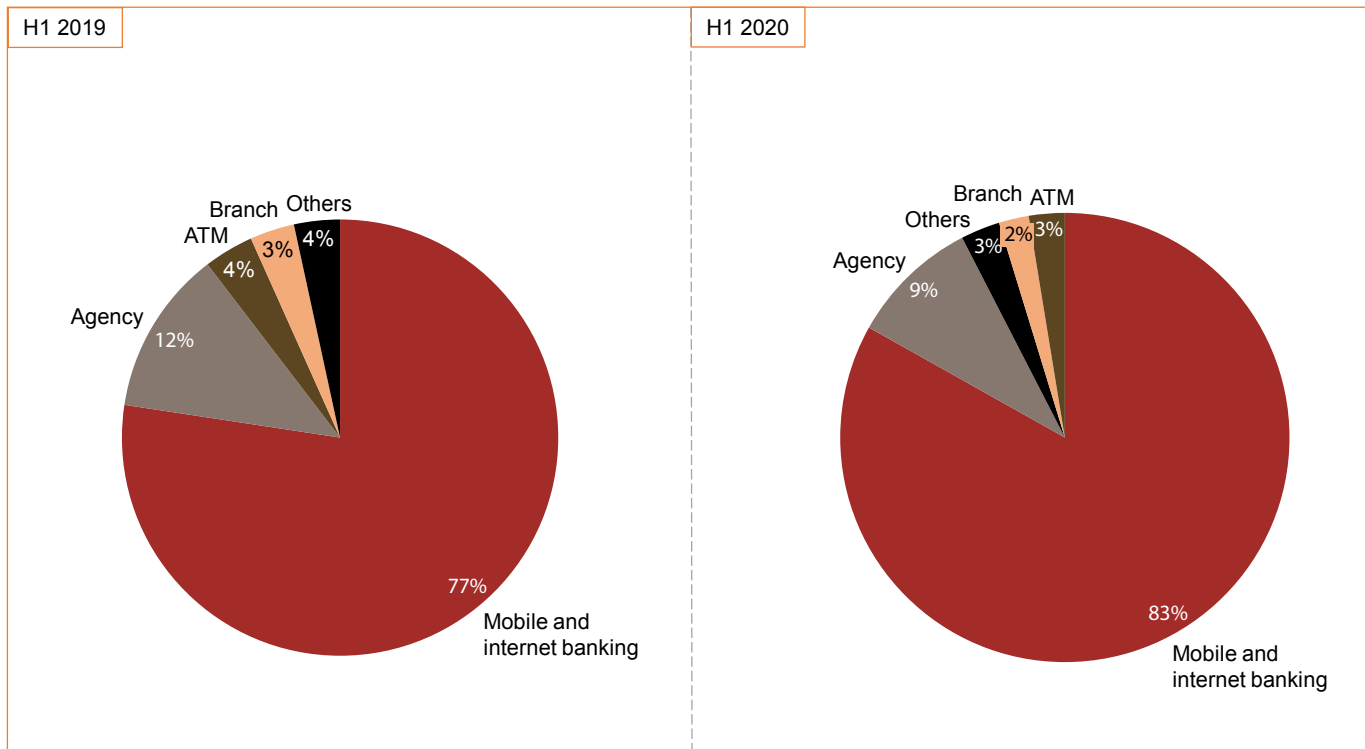
■ Transaction Volumes in Kes Mn ■ Diaspora Commissions in Kes Mn

Focus Area 5: Fintech Innovations in FX Trading



Focus Area 5: Fintech Innovation and Digitization

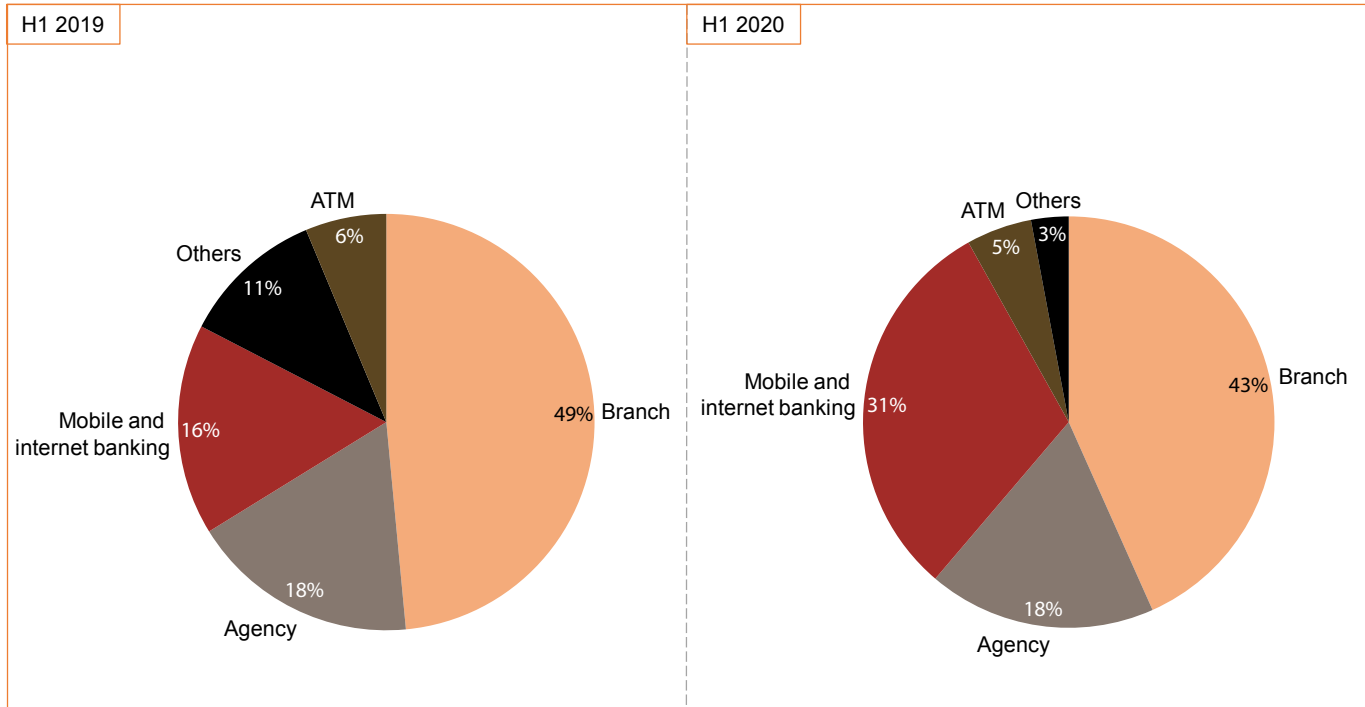
98% of our Transactions Outside the branch



Focus Area 5: Fintech Innovation and Digitization

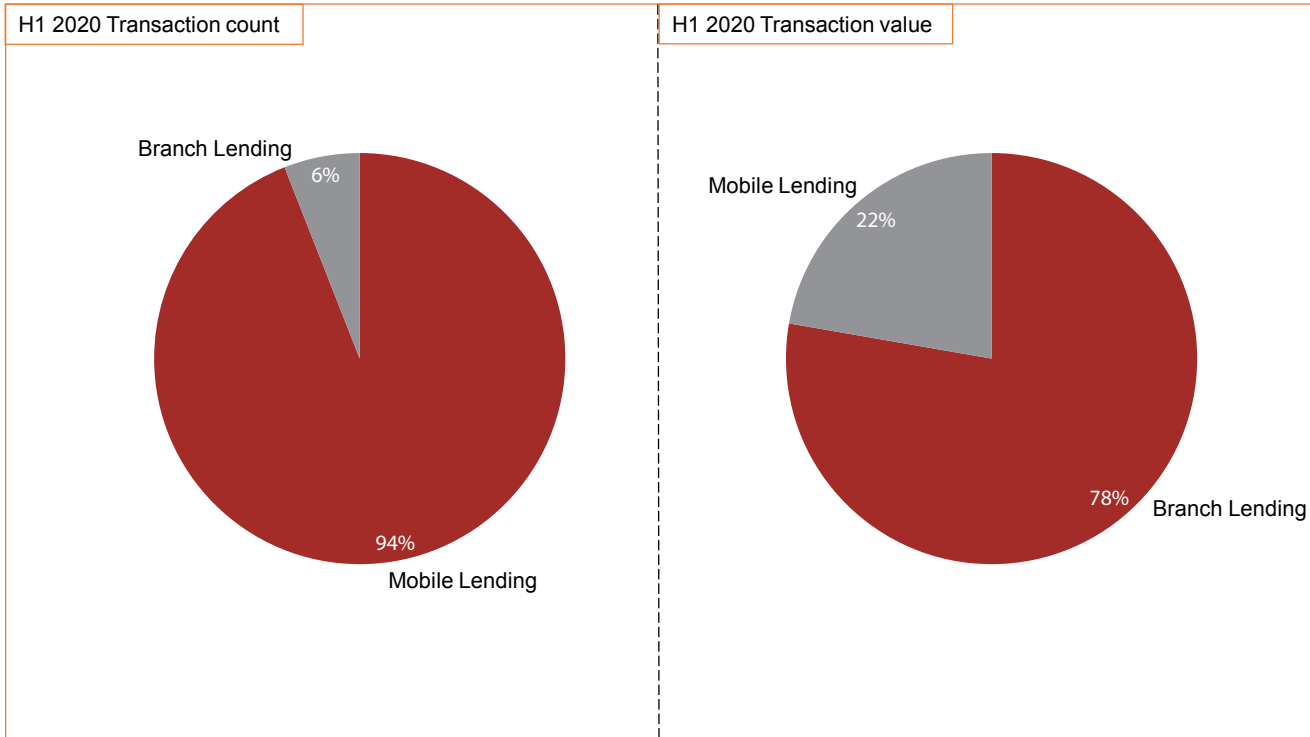
57% of our Transactions Value Outside the branch

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

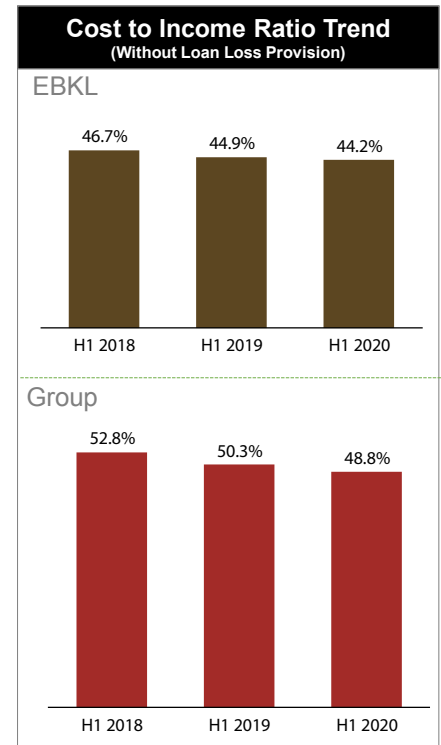
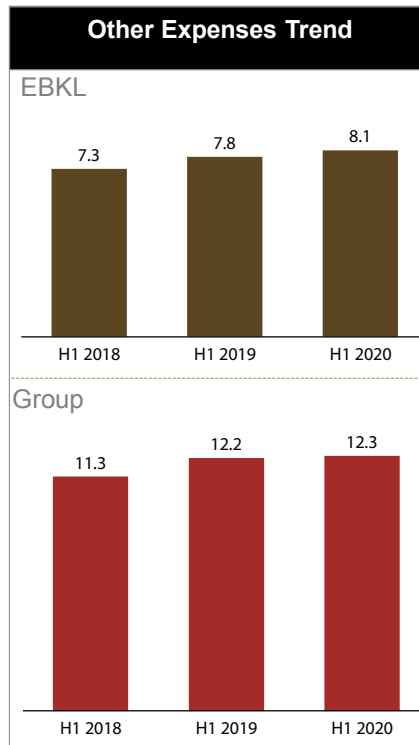
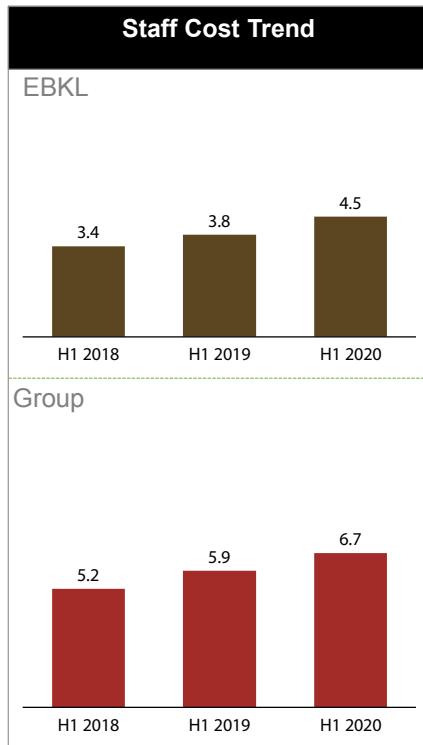


Focus Area 5: Fintech Innovation and Digitization

94% of our Loan Transactions via Mobile Channel



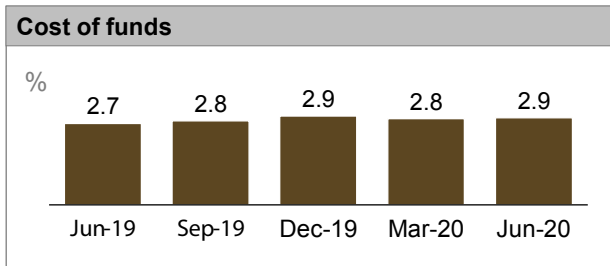
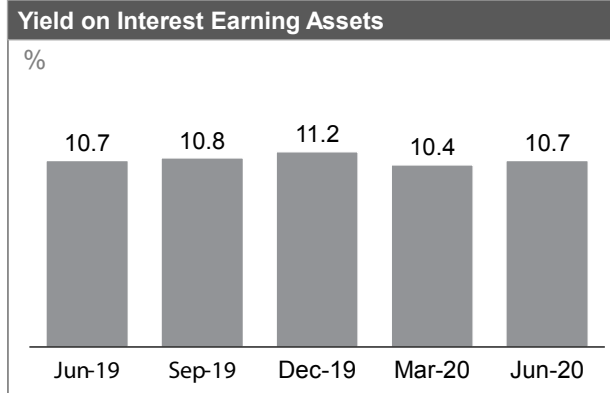
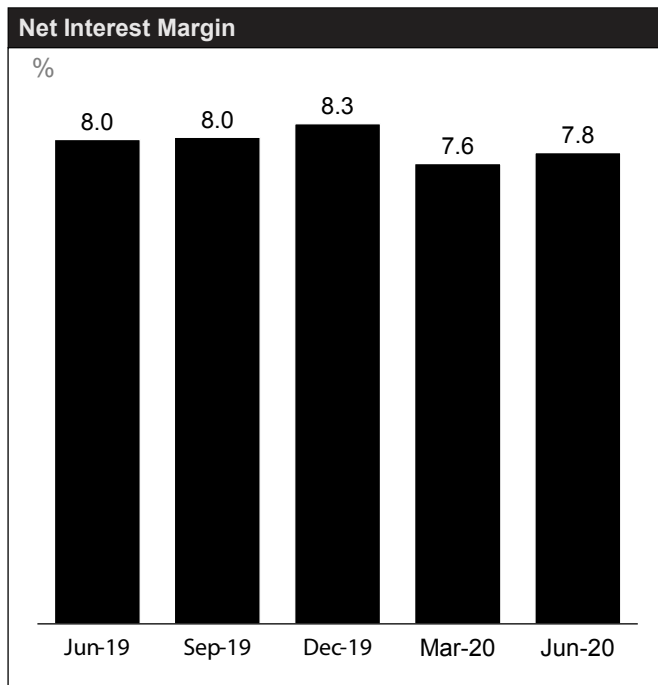
Focus Area 6: Efficiency and Cost Optimization



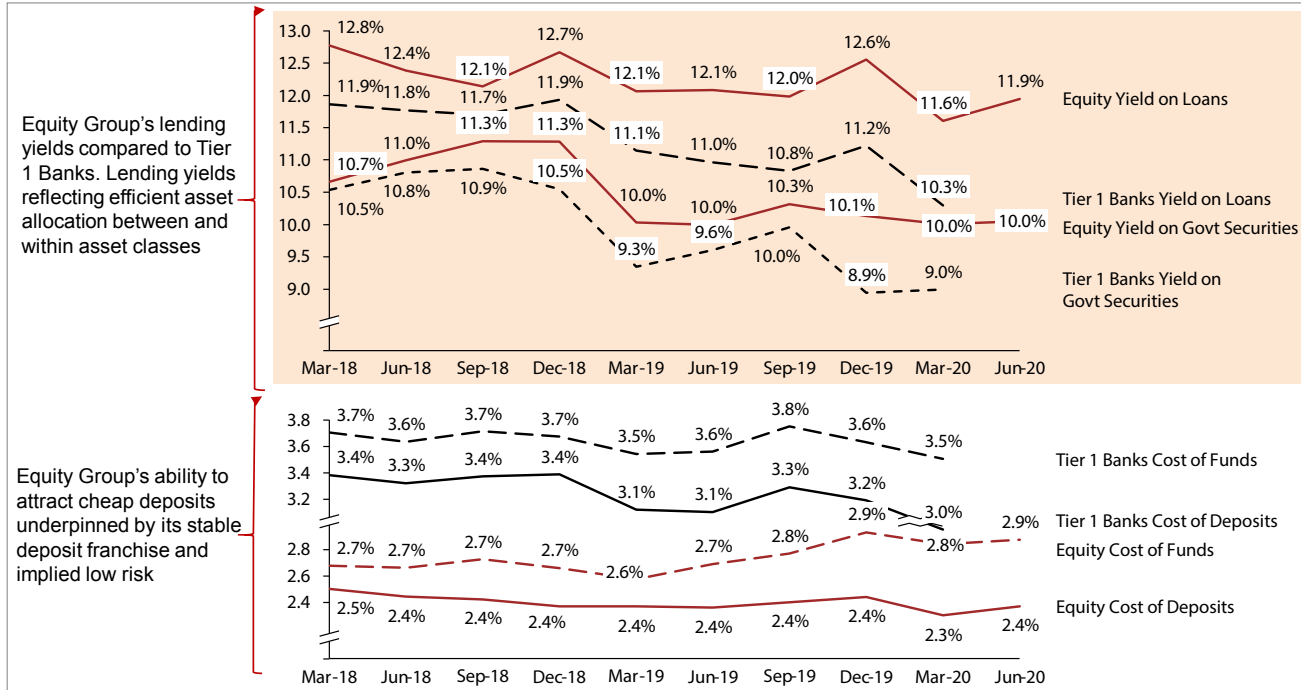
Focus Area 6: Efficiency and Cost Optimization

Net Interest Margin

Group

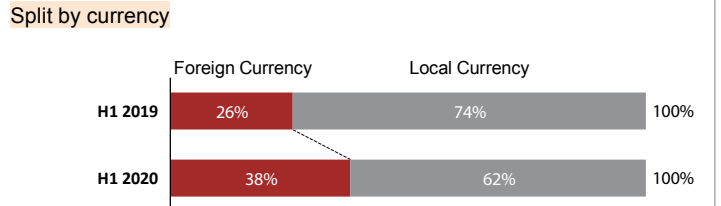
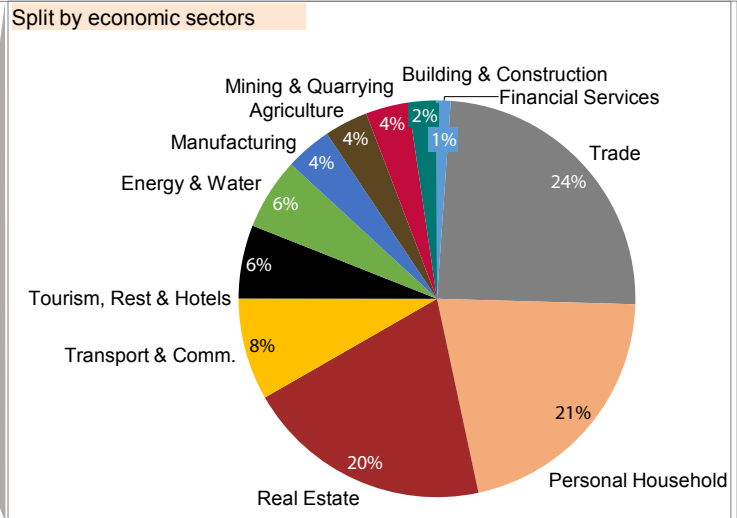
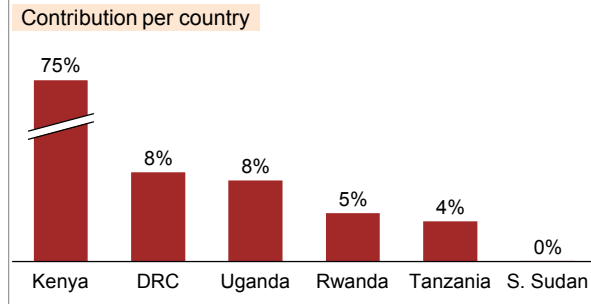
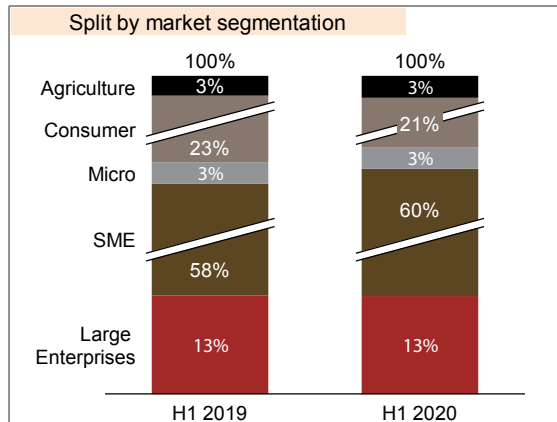


Focus Area 6: Efficient Financial Intermediation

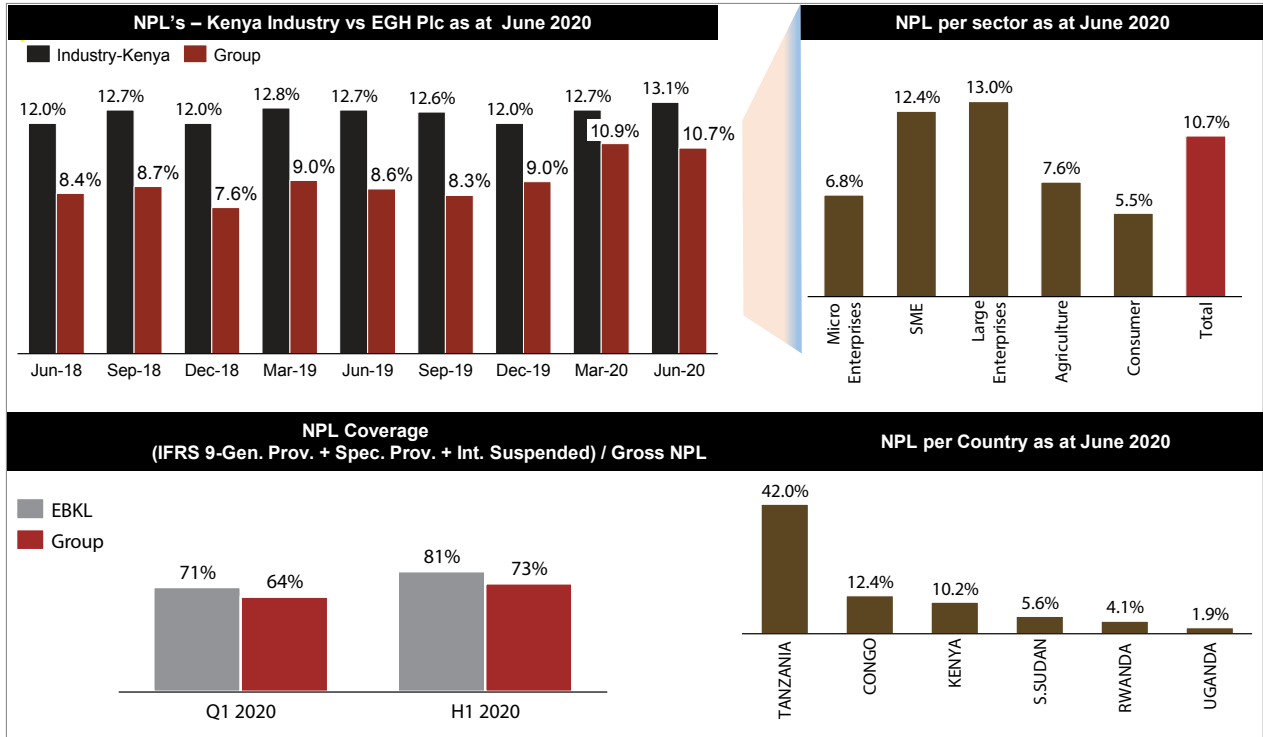


Tier 1 Banks excludes Equity Group. Industry data available up to Mar 2020

Focus Area 7: Asset Distribution (Group)



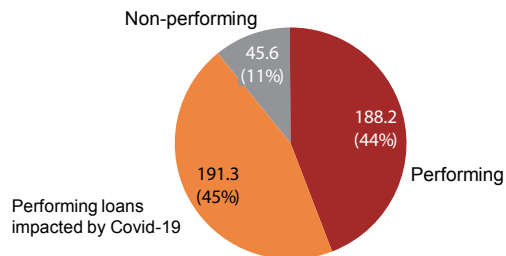
Focus Area 7: Asset Quality



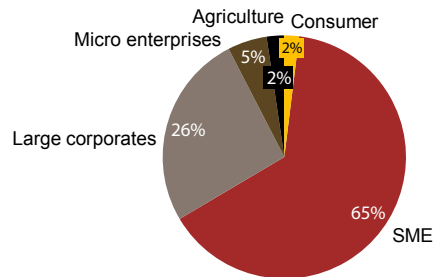
Focus Area 7: Asset quality and Covid-19 accommodated loans

As part of the Bank's commitment to support lives and livelihoods, the Bank has identified 45% of the loan book to be accommodated for COVID-19 purposes, analysed as below:

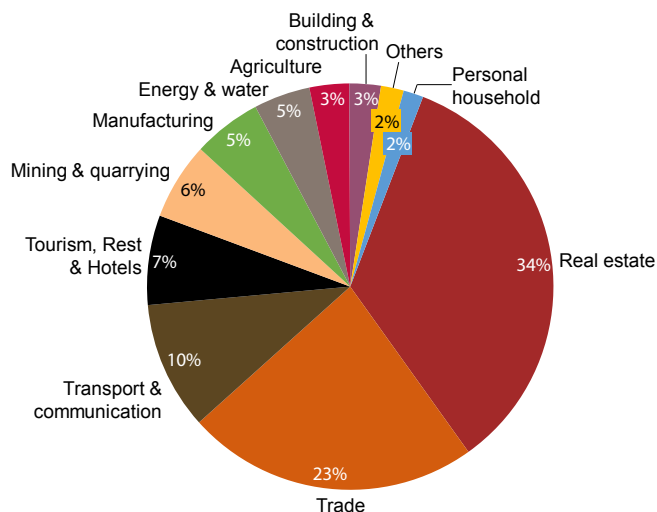
Overall loan book split in Kes Billion



Performing loans impacted by Covid-19 split by investor sector

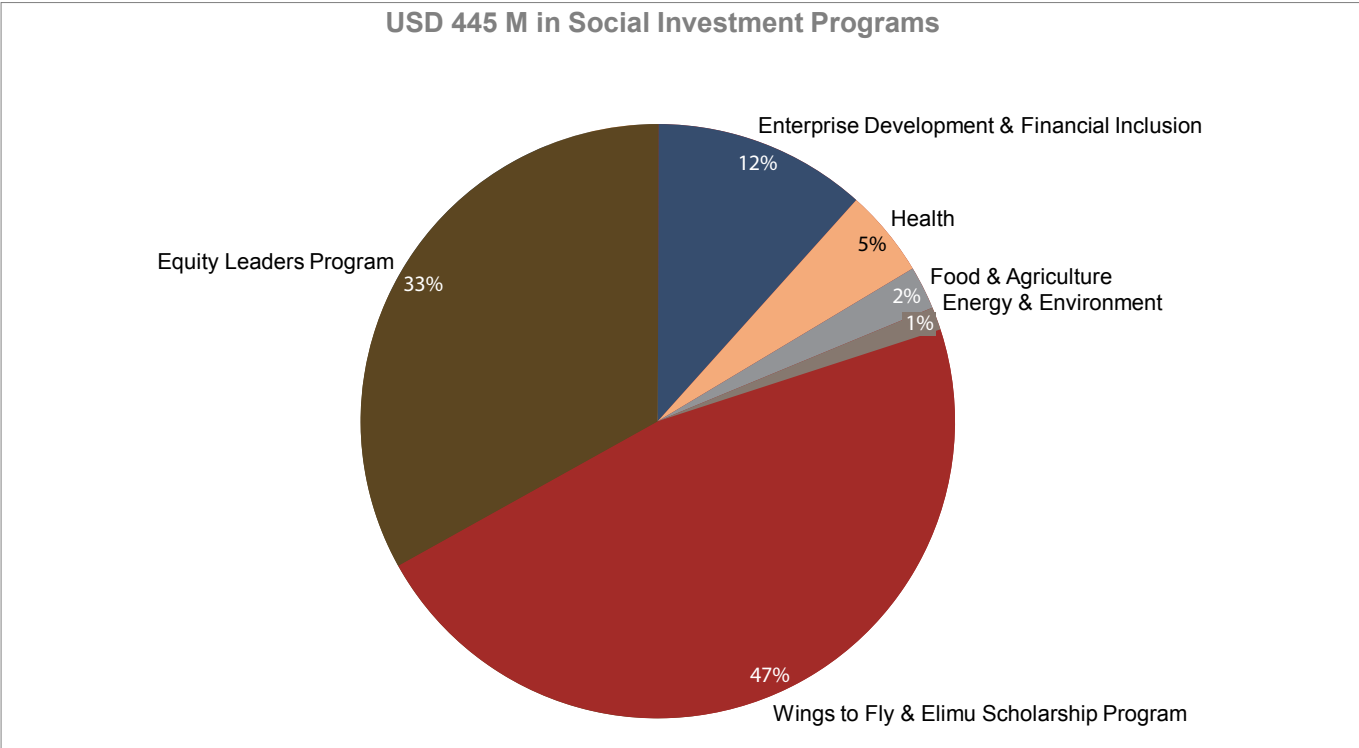


Performing loans impacted by Covid-19 split by economic sector



Focus Area 8: Impact Investment

Impact & Social Investment Programs



Focus Area 8: Impact Investment

Shared Prosperity Business Model and its Social Impact



2019 Wings to Fly Graduates

- 96% secondary school completion
- 82% attained university entry grades

Equity Leaders Program

- 13,775 University Scholars
- 633 attending or alumni of global universities
- 6,713 Paid Internships

638,522
Peasant Farmers transformed to Agribusiness

35,813
Small and Medium Sized Farmers Supported

2,076,599
Women and Youth Trained in Financial Education

3,330,195
Households Reached with Social Protection Programs

KES 74B
Disbursed via Cash Transfers

1.08 Million
Trees planted

153,762
Clean energy products distributed

96,300
MSMEs Trained in Entrepreneurship

KES31.6B
Disbursed to 106,609 MSMEs under the Young Africa Works Program

USD
445,256,699
Total Funds Raised for Programs

216,628
Cumulative Patient Visits to Equity Afia Clinics



BUSINESS VALIDATION

Global Ratings and Accolades

MOODY'S

Equity Bank Credit Rating

- National Rating: B2
- Global Rating: Aaa.ke/KE-1
- Rating Outlook: Negative

Same as the sovereign rating

The Banker TOP 1000 WORLD BANKS 2020

- Position 20 globally on Return on Assets
- Position 62 globally on Soundness (Capital Assets Ratio)
- Position 55 globally on Profits on Capital
- Position 754 largest bank globally



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



- Best Bank in Africa
- Best Digital Bank in Africa
- Excellence in Leadership in Africa



Equity Bank Credit Rating

- Long Term Rating: AA-
- Short Term Rating: A1
- Rating Outlook: Negative



African Business Leadership Awards 2020

- African CEO of the Year - Dr. James Mwangi

Global Ratings and Accolades



- 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



Equity Bank has been recognised for the last 12 Years since 2007 as the Top Banking Superbrand in Kenya.



- 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



- Customer Service Survey 2019
- Best Overall- 2nd place
- Recognised for Dignity & Respect and Satisfactory Digital experience



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

2020 National Banking Awards and Accolades



Brand	<ol style="list-style-type: none"> 1. Best Overall Bank - 9 years running 2. Best Bank in Tier 1 - 6 years running 3. Best Bank in Sustainable CSR - 4 years running 4. Most customer-centric bank - 3 years running 5. Bank with the lowest charge for individuals - 4 years running
Franchise Segment	<ol style="list-style-type: none"> 1. Best Bank in SME Banking - 2 years running 2. Best Bank in Retail 3. Best Bank in Agency Banking - 6 years running 4. Best Bank in Mobile Banking- 3 years running 5. Best Commercial Bank in Microfinance - 6 years running 6. Best Bank in Internet Banking - 1st Runner Up 7. Best Bank in Corporate Banking - 1st Runner Up 8. Bank with the lowest charge for loans - 1st Runner Up
Product	<ol style="list-style-type: none"> 1. Best Bank in Mortgage Finance 2. Best Bank in Agriculture and Livestock Financing - 2 years running 3. Special Judges Award for Product Innovation - Elimu Scholarship 4. Best Bank in Product Marketing - 1st Runner Up 5. Best Bank in Product Innovation - 1st Runner Up 6. Best Bank in Trade Finance - 1st Runner Up - 3 years running
Leadership	<ol style="list-style-type: none"> 1. CEO of the Year - Dr. James Mwangi - 4 years running 2. Corporate Banker of the Year - Moses Ndirangu 3. Outstanding Young Banker - Dennis Maranga

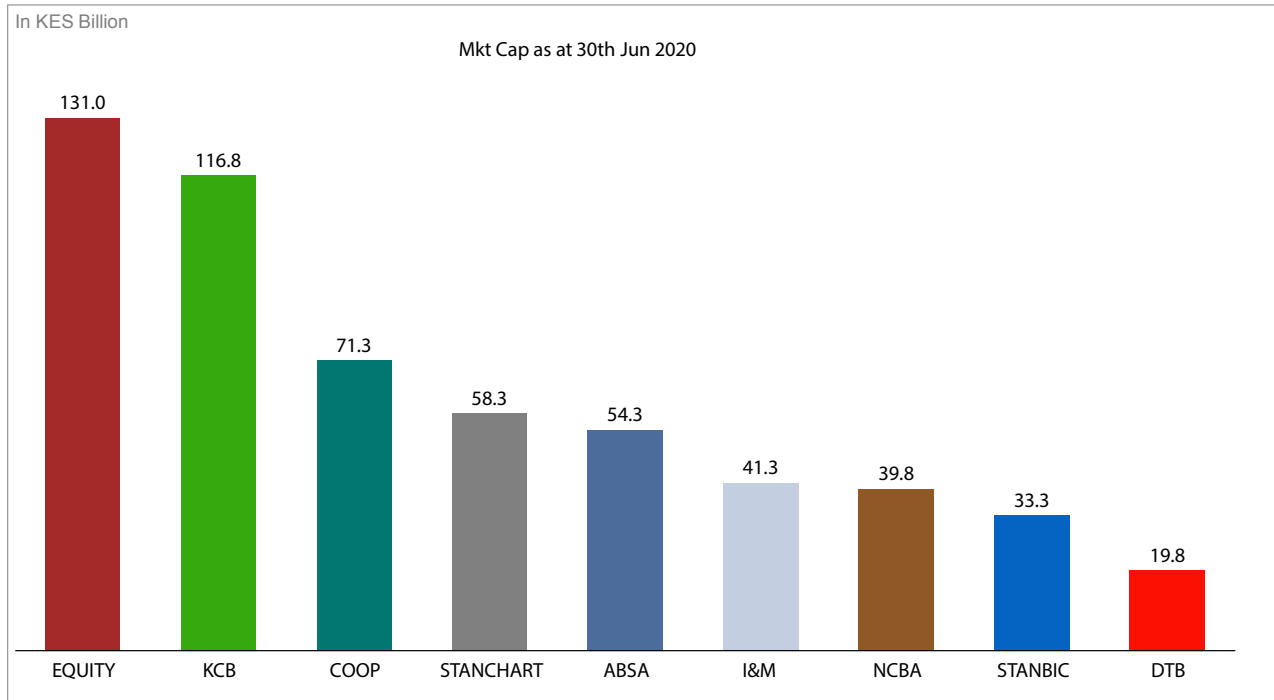
Global Ratings and Accolades



Equity Group's MD and CEO, Dr. James Mwangi, was honoured in the 2019 Bloomberg 50 list. This is an honorary list of fifty innovators, entrepreneurs, and leaders who have impacted the global business landscape in measurable ways. Dr. Mwangi was lauded for his contribution in steering Equity Bank to have presence in the greater Central and Southern Africa region. He was honored alongside environmental activist Greta Thunberg, New Zealand Prime Minister Jacinda Ardern, CNN President and Warner Media Chairman Jeff Zucker, Singer and entrepreneur Rihanna, among others.

Market Validation

Market Capitalization





**INTERMEDIATION AND
FINANCIAL PERFORMANCE**

Balance Sheet

<i>KES Billion</i>	H1 2019	H1 2020	Growth
Assets			
Cash & Cash Equivalents	90.7	86.6	-5%
Government Securities	179.6	216.4	20%
Net Loans	320.9	391.6	22%
Other Assets	47.5	51.9	9%
Total Assets	638.7	746.5	17%
Liabilities & Capital			
Deposits	458.6	543.9	19%
Borrowed Funds	55.9	57.6	3%
Other Liabilities	21.5	21.6	1%
Shareholders' Funds	102.7	123.4	20%
Total Liabilities & Capital	638.7	746.5	17%

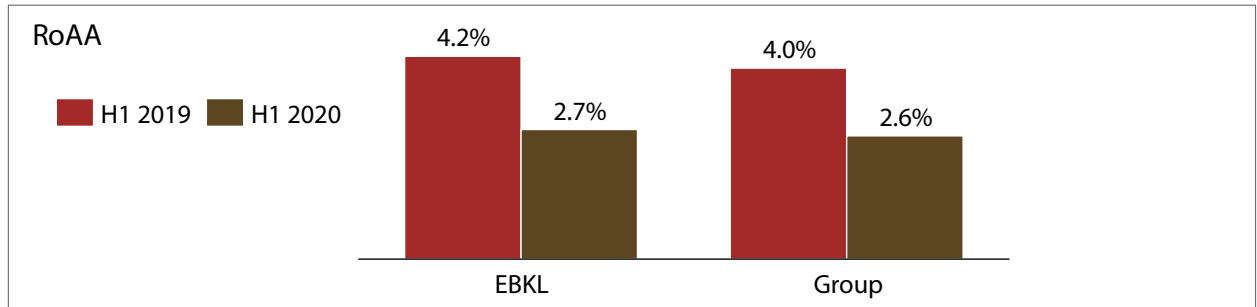
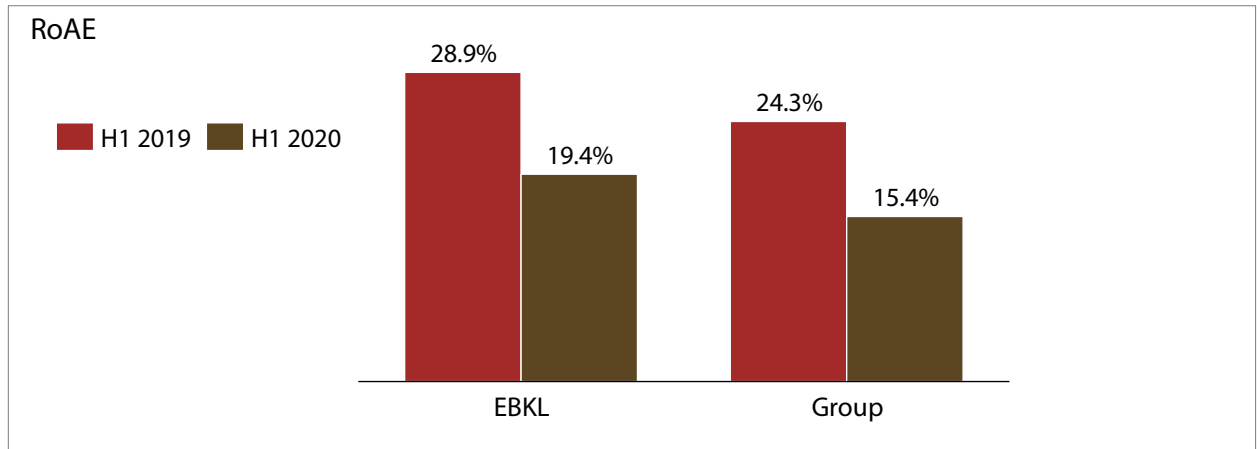
-24% PAT Growth

<i>KES Billion</i>	H1 2019	H1 2020	Growth
Interest Income	27.7	32.8	18%
Interest Expense	6.6	8.2	24%
Net Interest Income	21.1	24.6	17%
Non Funded Income	14.5	14.1	-3%
Total Income	35.6	38.7	9%
Loan Loss Provision	0.5	7.7	1582%
Staff Costs	5.9	6.7	13%
Other Operating Expenses	12.2	12.3	1%
Total Costs	18.6	26.7	44%
Net gain/loss on monetary assets	0.04	-	-100%
PBT	17.0	12.0	-29%
Tax	5.0	2.9	-42%
PAT	12.0	9.1	-24%

*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>	H1 2019	H1 2020
Gross loan loss provisions	0.92	8.05
Loan recoveries	0.46	0.32
Net loan loss provisions	0.46	7.73

RoAE and RoAA Trend



Financial Ratios

	EBKL	EBKL	Group	Group
	H1 2019	H1 2020	H1 2019	H1 2020
Profitability				
Yield on Loans	11.0%	10.9%	12.1%	12.0%
Yield on Government Securities	10.0%	10.2%	10.0%	10.1%
Yield on Interest Earning Assets	10.6%	10.5%	10.7%	10.7%
Cost of Deposits	2.2%	2.5%	2.4%	2.4%
Cost of Funds	2.6%	2.9%	2.7%	2.9%
Net Interest Margin	8.0%	7.6%	8.0%	7.8%
Cost to Income Ratio with provisions	46.6%	67.5%	52.9%	69.3%
Cost to Income Ratio without provision	44.9%	44.6%	50.3%	48.8%
RoAE	28.9%	19.4%	24.3%	15.4%
RoAA	4.2%	2.7%	4.0%	2.6%
Asset Quality				
PAR	8.7%	10.2%	8.6%	10.7%
Cost of Risk	0.4%	4.7%	0.6%	4.2%
Leverage				
Loan / Deposit Ratio	67.6%	69.3%	70.0%	72.0%
Capital Adequacy Ratios				
Core Capital to Risk Weighted Assets	14.3%	12.3%	17.5%	16.9%
Total Capital to Risk Weighted Assets	16.8%	16.3%	19.5%	20.2%
Liquidity				
Liquidity ratio	61.6%	59.4%	56.5%	54.2%

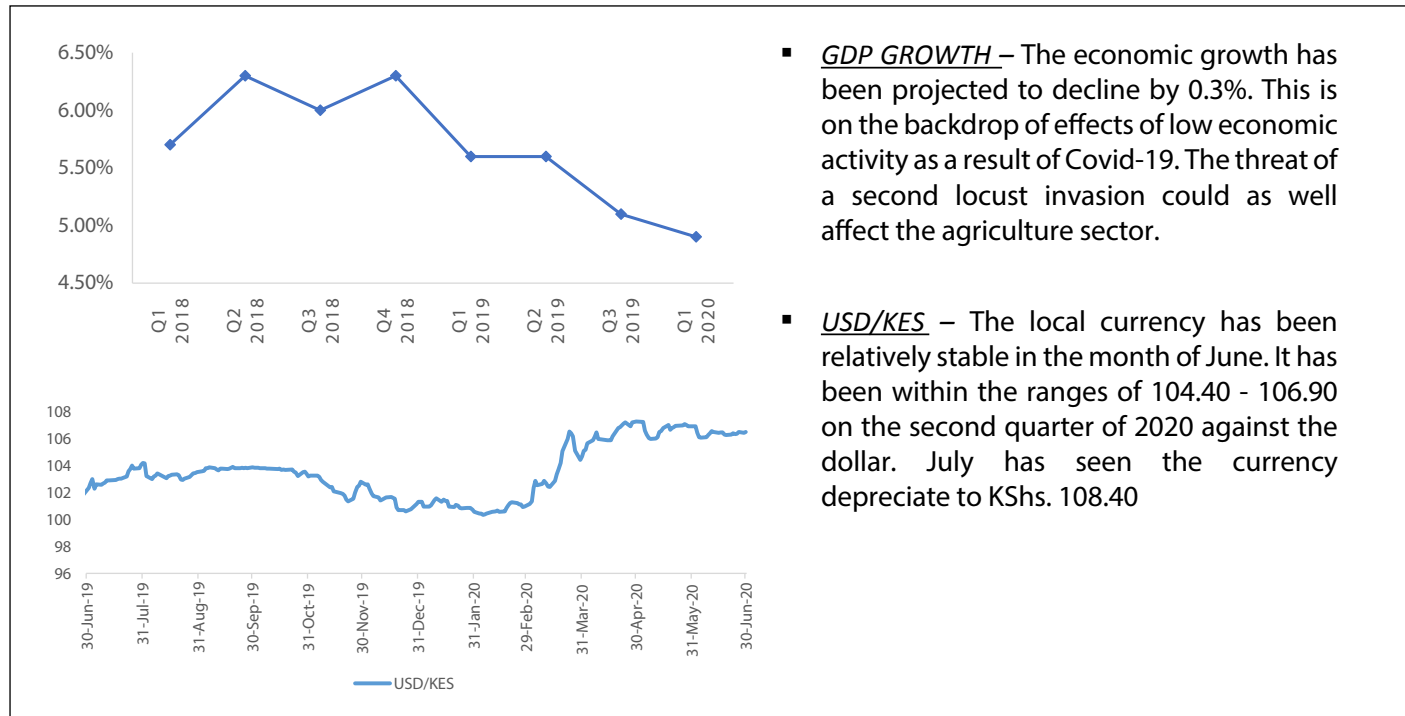
2020 Outlook - Group

	2020 Outlook	H1 2020 Actual
Loan Growth	5% - 15%	22%
Deposit Growth	6% - 12%	19%
Net Interest Margin	8.5% - 9.5%	7.8%
Non Funded Income Mix	40% - 45%	36%
Cost to Income Ratio	49% - 52%	48.8%
Return on Equity	20% - 22%	15.4%
Return on Assets	3.3% - 3.7%	2.6%
Cost of Risk	1.0% - 1.8%	4.2%
NPL	7.5% - 9.0%	10.7%
Subsidiaries Contribution (Assets)	25% - 30%	28%
Subsidiaries Contribution (PBT)	18% - 22%	21%



**APPENDIX MACROECONOMIC
ENVIRONMENT INDICATORS &
TRENDS - KENYA**

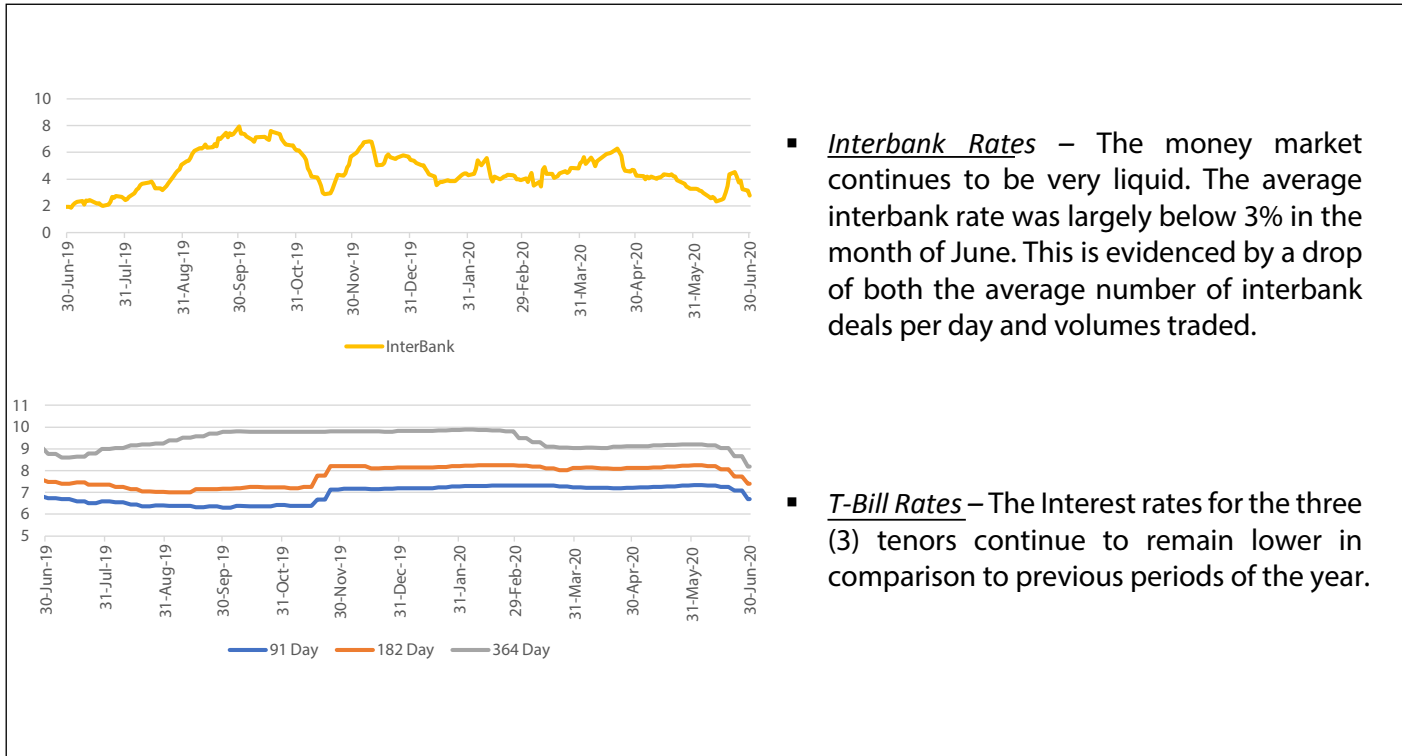
Macroeconomic Environment



- **GDP GROWTH** – The economic growth has been projected to decline by 0.3%. This is on the backdrop of effects of low economic activity as a result of Covid-19. The threat of a second locust invasion could as well affect the agriculture sector.
- **USD/KES** – The local currency has been relatively stable in the month of June. It has been within the ranges of 104.40 - 106.90 on the second quarter of 2020 against the dollar. July has seen the currency depreciate to KShs. 108.40

Source: CBK Rates, foreign exchange rates and the Kenya National Bureau of Statistics, Quarterly GDP rates.

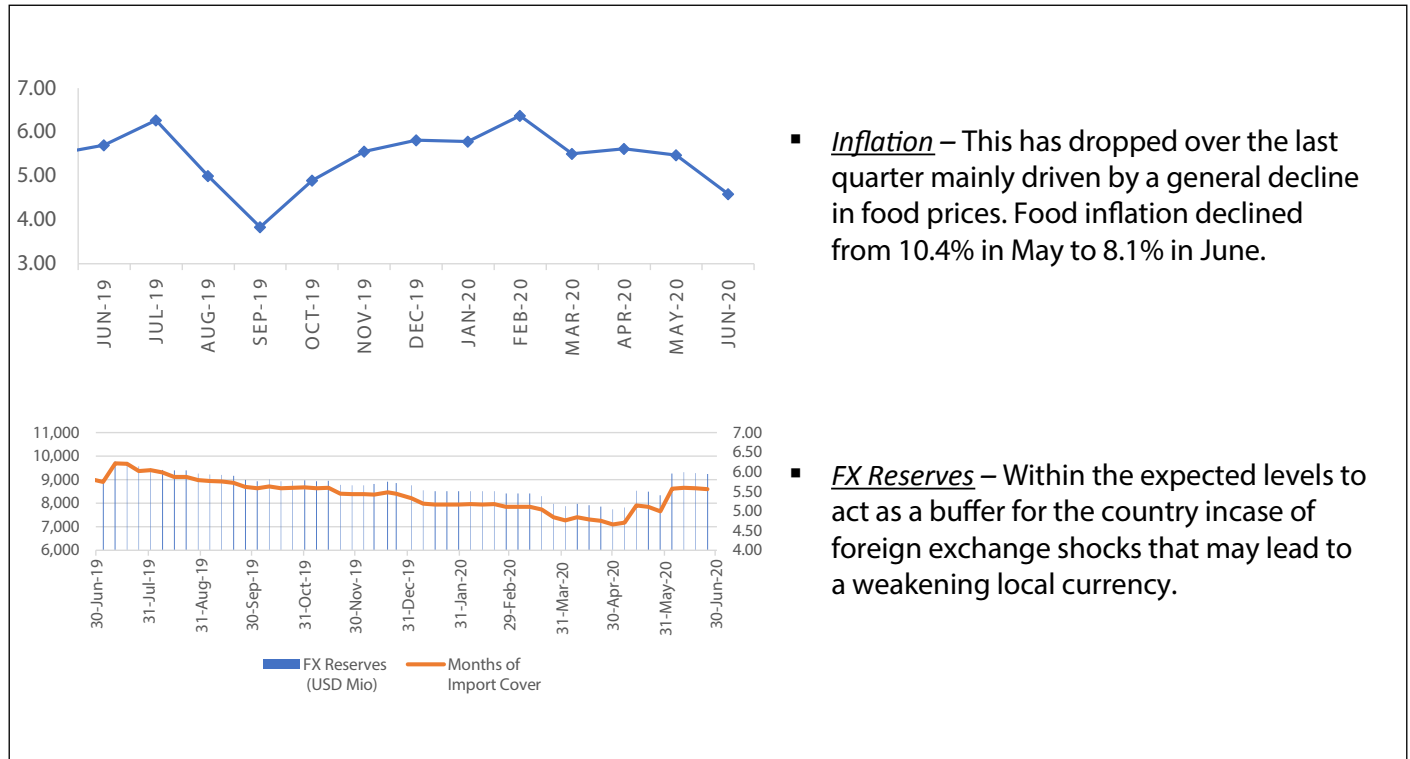
Macroeconomic Environment (continued)



- Interbank Rates – The money market continues to be very liquid. The average interbank rate was largely below 3% in the month of June. This is evidenced by a drop of both the average number of interbank deals per day and volumes traded.
- T-Bill Rates – The Interest rates for the three (3) tenors continue to remain lower in comparison to previous periods of the year.

Source: CBK Statistics, Rates, Interbank rates and Treasury rates.

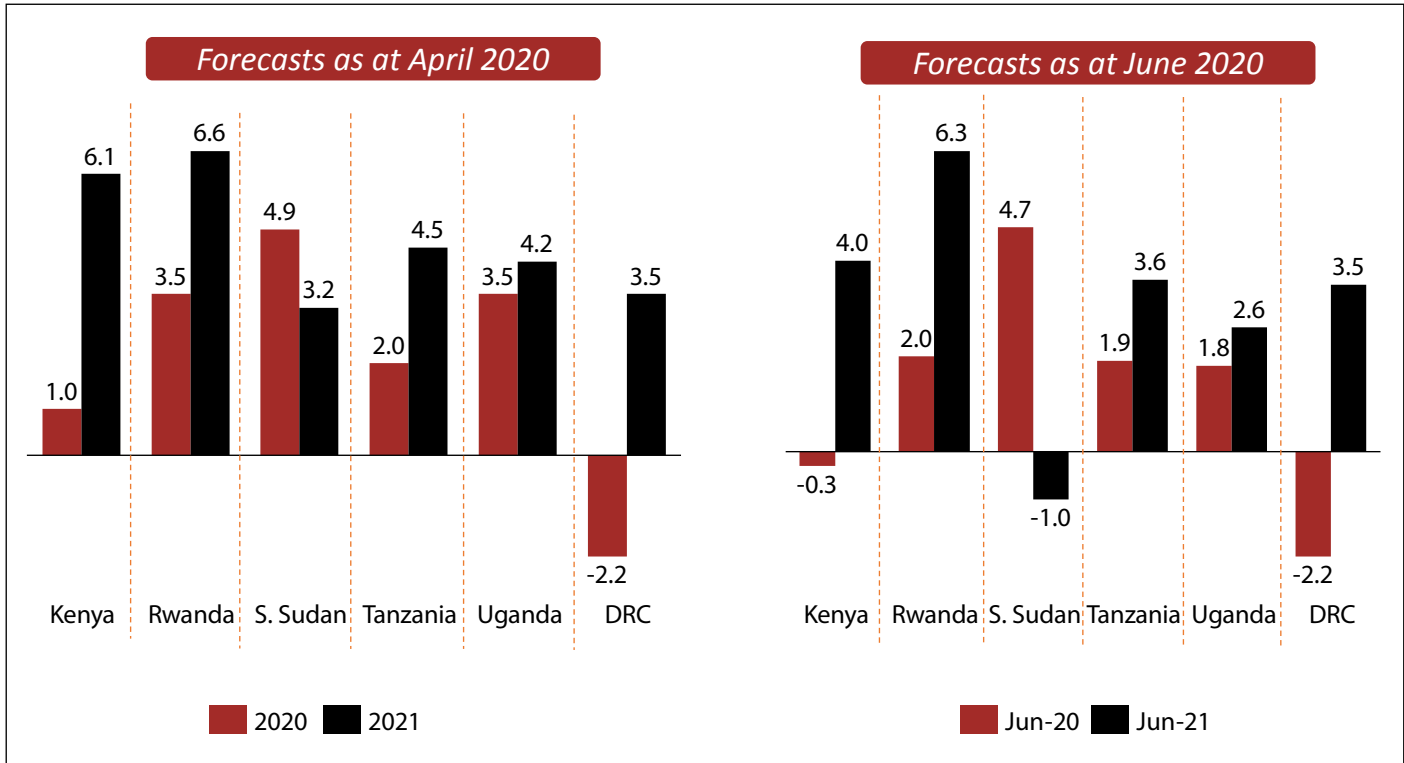
Macroeconomic Environment (continued)



- Inflation** – This has dropped over the last quarter mainly driven by a general decline in food prices. Food inflation declined from 10.4% in May to 8.1% in June.
- FX Reserves** – Within the expected levels to act as a buffer for the country in case of foreign exchange shocks that may lead to a weakening local currency.

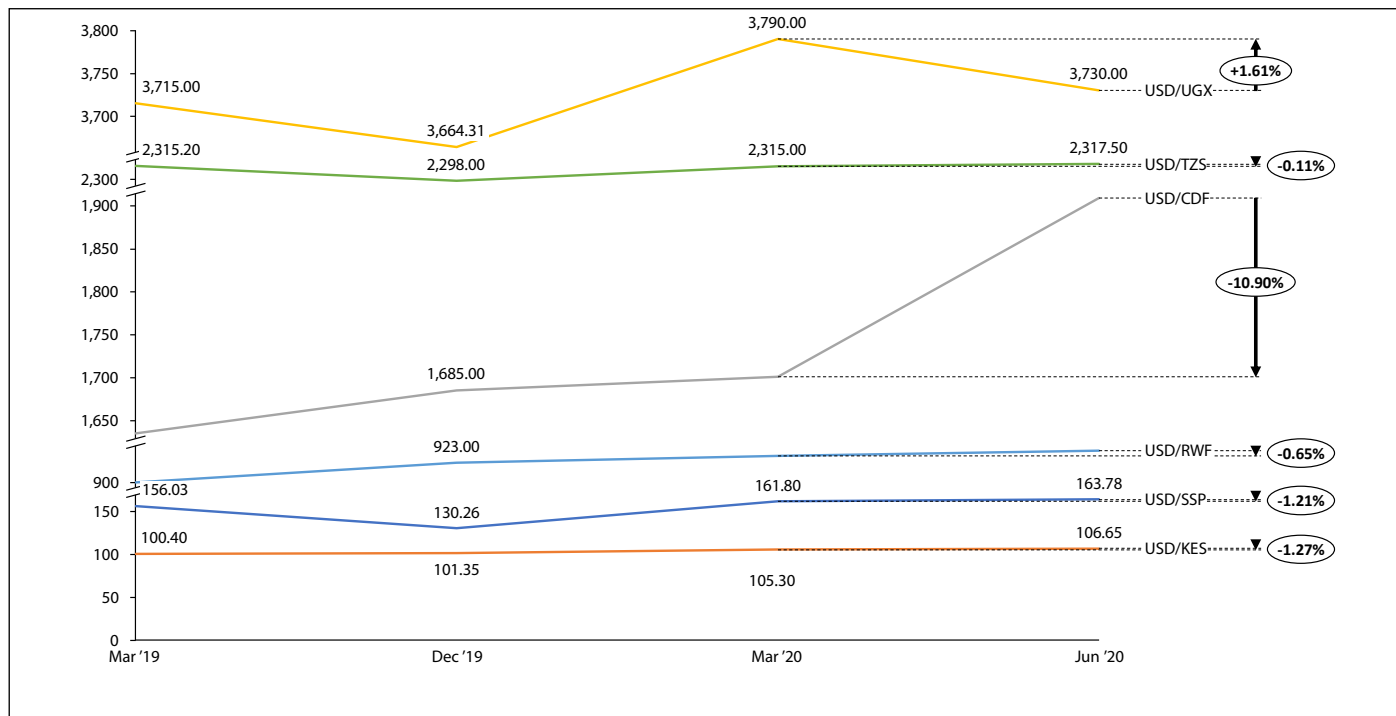
Source: CBK Weekly Bulletin Key monetary & financial indicators and the Kenya National Bureau of Statistics, Monthly CPI rates.

Projected Regional GDP Growths



Source: IMF

Regional Currencies Depreciation against USD



*Regional currencies marginally affected by the US dollar exchange rate.

Regional Currencies Depreciation against USD

South Sudan

- The pandemic's impact is expected to be transmitted through commodity prices and trade as well as flows of foreign direct investment and migrant remittances.
- Oil revenues account for more than 80% of GDP and about 90% of government revenues, which makes South Sudan highly vulnerable to fluctuations in international oil prices.

Tanzania

- The COVID-19 crisis is expected to induce various negative macroeconomic effects to the Tanzanian economy, transmitted primarily through travel and tourism, commodity prices, trade and foreign direct investment (FDI).
- The current account deficit is also expected to weaken to 4.6% of GDP in 2020.
- The spike in gold prices and lower oil import bill may be inadequate to offset the reduction in overall merchandise exports and service receipts.

Regional Outlook

Uganda

- The government presented its FY 2020/21 budget on 11 June that includes an economic stimulus and growth strategy to kickstart the private sector, provide tax relief, improve financial sector stability and restore household income. This should further boost the economy.
- Demand for coffee and other agricultural exports will be weighed down by the Covid -19 pandemic affecting activity in key export destinations in East Africa, Europe and North America over the short term.

Rwanda

- The budget deficit is expected to deteriorate to 7.4% of GDP in 2020 and to 5.8% of GDP in 2021, driven by increased spending on health relief and low tax revenue collection.
- The government designed and approved a national preparedness plan amounting to \$73.5 million to be funded by the government and donors. It approved a national taskforce to lead all the epidemiological, logistics and coordination activities.



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