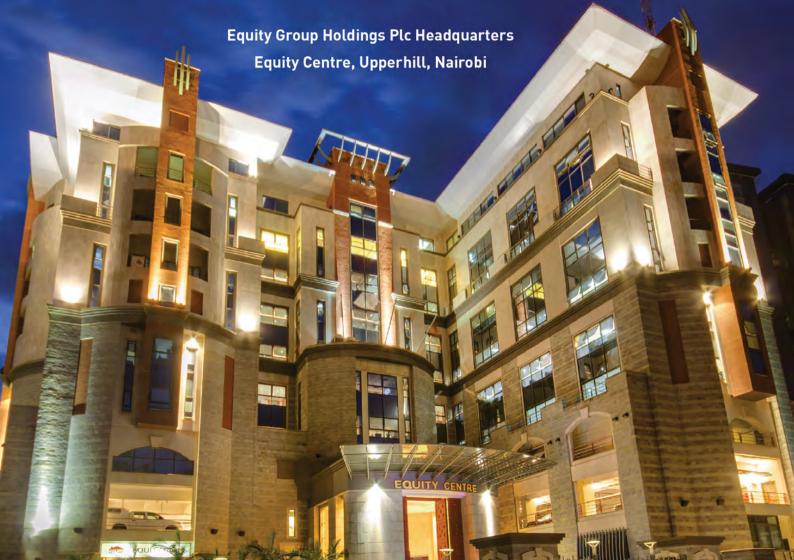
INVESTOR BRIEFING H1 2021 PERFORMANCE





H1 2021 PERFORMANCE

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

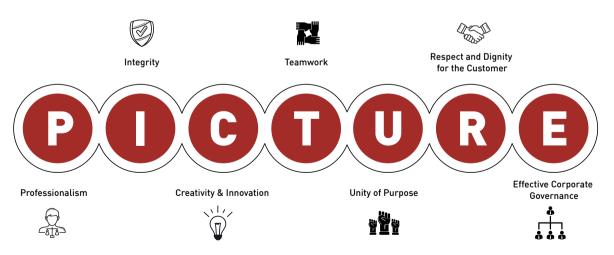
Our Core Values:

Our Mission:

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

Positioning Statement:

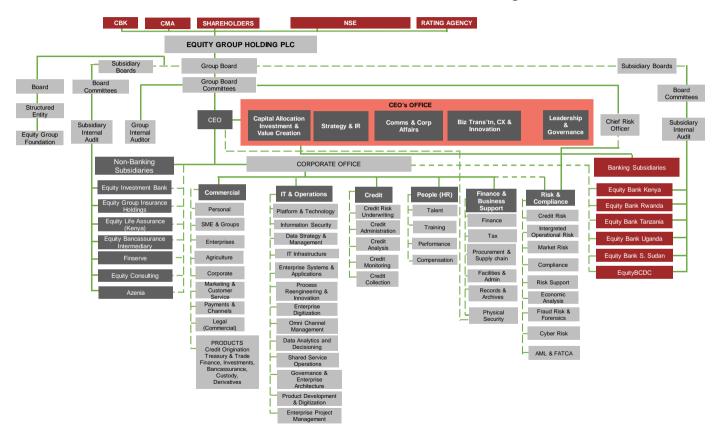
We provide inclusive financial services that transform livelihoods, give dignity and expand opportunities





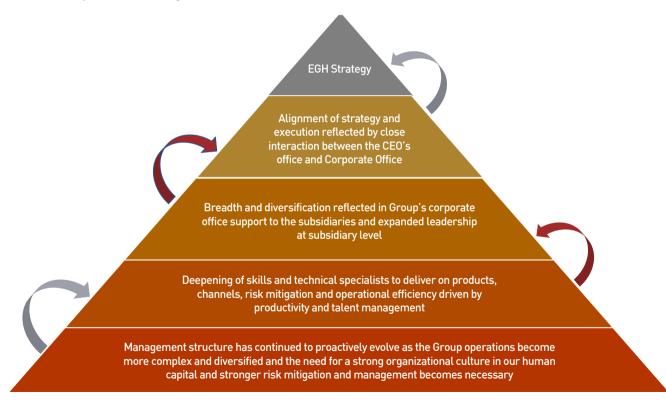
Governance and Organizational Structure

Governance and Organizational Structure



Governance and Organizational Structure (continued)

Breadth and Depth of the Management Team



Group Executive Management



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



Mary Wamae Group Executive Director



Polycarp Igathe Group Chief Commercial Officer



Olanrewaju Bamisebi Group Director, IT and Operations



Sam Gitwekere Group Director, Enterprise Risk



Lydia Ndirangu Group Company Secretary



Brent Malahay Group Director Strategy, Strategic Partnerships and Investor Relations



Elizabeth Gathai Director Digitization and Automation



David Ngata Group Finance Director



Christine Browne Group Director Legal Service



Joy DiBenedetto
Group Director
Communications



Bildard Fwamba Chief Internal Auditor

Group Executive Management



Gerald Warui Managing Director, Equity Bank Kenya



Emmanuel Deh Executive 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, EquityBCDC S.A.



Jean-Claude Tshipama
Deputy Managing Director,
EquityBCDC S.A



Angela Okinda Managing Director, Equity Life Insurance (Kenya) Limited



Janet Maingi Managing Director, Azenia

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 Gidoomal Non-Executive Director



Dr. Helen Gichohi Non-Executive Director



Jonas Mushosho Non-Executive Director



Lydia Ndirangu Group Company Secretary



Press Release

H1 2021 PERFORMANCE

Press Release

Equity Group Holdings Plc Doubles Profitability Validating Its Resilience And Business Continuity Strategy During The Pandemic

- Growth in profit after tax of 98%
- Total Assets growth of 50%
- Growth in Deposits of 51%
- Growth in Net Loans of 29%

Nairobi 17th August 2021... Equity Group Holdings Plc has announced a 98% growth in half year profits to Kshs.17.9 billion up from Kshs.9.1 billion the previous year. Speaking while releasing the results, Equity Group Managing Director and CEO Dr James Mwangi said, "The defensive and offensive strategy adopted by the Group at the onset of the COVID-19 pandemic to create resilience, agility and recovery has been very effective in positioning, navigating and driving performance."

The offensive growth strategy saw deposits register a 51% growth to Kshs.820.3 billion up from Kshs.543.9 billion, while long term borrowed funds grew by 78% to Kshs.102.3 billion up from Kshs.57.6 billion. Net Loans and advances grew by 29% to Kshs.504.8 billion up from Kshs.391.6 billion, while investment in Government securities grew by 46% to Kshs.315.5 billion up from Kshs.216.4 billion resulting in 50% growth in Total Assets to Kshs.1.12 trillion up from Kshs.746.5 billion.

The aggressive growth strategy effected by the Group resulted into a 33% growth in topline Total Income to Kshs.51.6 billion up from Kshs. 38.7 billion driven by a 26% growth in Net Interest Income of Kshs.31.2 billion up from Kshs.24.6 billion and a 45% growth in Non-Funded Income of fees, commission and transactions to Kshs.20.4 billion up from Kshs.14.1 billion.

The defensive approach focused on high asset quality, strong capital and liquidity buffers that saw the Group present a strong non-performing loans (NPL) coverage of 92% up from 73% the previous year attributed to a decline in gross non-performing loans by Kshs.1.3 billion from Kshs.61.2 billion to Kshs. 59.9 billion. Loan loss provision declined by 66% from Kshs.7.7 billion to Kshs.2.6 billion to register cost of risk of 1.2% down from 4.2%.

Net non- performing loans declined by Kshs. 5.4 billion from Kshs.28.3 billion to Kshs.22.9 billion due to the aggressive provisioning the previous year under the defensive strategy. Of the Kshs. 171 billion COVID-19 restructured loan book, Kshs. 162 billion is categorized as performing with Kshs. 103 billion having resumed repayments, Kshs. 6 billion fully repaid, Kshs. 92 billion up to date in repayment and Kshs. 5 billion non performing. Only Kshs 64 billion remains under Covid-19 moratorium constituting only 11% of the entire loan book. Total operating costs grew by 4% to Kshs.27.8 billion against a 33% growth in total income to Kshs.51.6 billion driving profit before tax up to Kshs.23.8 billion up from Kshs.12 billion a growth of 99%.

Press Release (continued)

Efficiency gains saw Cost Income Ratio decline marginally to 48.5% from 48.8% driven by a reduction of cost of funds to 2.6% down from 2.9%. Return on Average Assets (ROAA) grew to 3.3% in spite of the 50% expansion in Total Assets while Return on Average Equity (ROAE) grew to 25% up from 15.4% in spite of 26% growth in Shareholders Funds. Earnings per share grew by 95% to Kshs.4.7 up from Kshs.2.4. Liquidity buffers saw cash and cash equivalent register a growth of 154% to Kshs.219.5 billion up from Kshs.86.6 billion with Liquidity Ratios rising to 62.4% up from 54.2% with Loan to Deposit Ratio declining to 61.5% down from 72.0%. Total capital to risk weighted assets stood at 17.6% while core capital to risk weighted Assets stood at 14.1% as at 30th June positioning the business ready for accelerated growth.

"The strong capital and liquidity ratios have positioned the Group well for continued execution of the offensive strategy particularly in light of improving asset quality and operational efficiency and an improving operating environment," added Dr. Mwangi.

The 6 countries within which the Group operates have projected strong GDP growth rates; Kenya 7.6%, Uganda 6.3%, Rwanda 5.7%, South Sudan 5.3%, DRC 3.8% and Tanzania 2.7% [IMF 2021 projections] with fairly stable Micro Economic Environment, making the Group well positioned to continue with its offensive and defensive strategy for resilience, agility, recovery and rapid growth.

The regional approach with Kenya now being only 60% of the Group balance sheet mitigates national shocks and sovereign risks. Group efficiencies shared with the subsidiaries are quickly translating regional growth to value creative growth, with majority of the regional subsidiaries Return on Average Equity being higher than their cost of capital.

Business transformation through innovation and digitization continues to yield an agile and efficient business with value proposition for customers being enhanced by convenience, control and freedom of choice over their money and lifestyle fulfilment. 97% of customer transactions are now online, on self- service devices and third-party platforms. COVID-19 pandemic has acted as a tail wind for customers' adoption of digital offering fastening the pace of business transformation with significant upside on efficiency as the Group increasingly becomes a technology platform and transform from being a fixed cost business to a variable cost business.

The Group has accepted and adapted to the COVID-19 environment as the new normal. Through digitization, we have enabled and continue to support our clients to adopt online banking making banking what they do on devices as opposed to where they go. Banking has become a 24-hour business with fulfillment of lifestyle with digital payments becoming the new battlefield for banking.

We have witnessed resilience and recovery of businesses with digital banking transactions growing by 57.6% to 606.9 billion up from 385.2 billion transactions same period the previous year. The value of the digital transactions increased 111.3% to Kshs.2.5 trillion up from Kshs.1.16 trillion for a corresponding period the previous year.

H1 2021 PERFORMANCE

Press Release (continued)

The legacy banking whose value of transaction declined by 12% to Kshs.1.1 trillion down from Kshs.1.25 trillion for the previous year to June has registered a growth of 24% to Kshs.1.37 trillion. The acceptance and adaptation to a Covid-19 environment as the new normal saw the Group's asset base grow by 50% to reach Kshs.1.12 trillion driven by customers' deposit growth of 51% and net loans and advances to clients by 29%.

The strong capital and liquidity buffers position the Group strategically for good performance going forward. The Group has intensified its shared prosperity model, rolling out a massive Covid-19 program of protecting frontline health workers in 56 county and national referral hospitals and 60 faith-based hospitals through an elaborate initiative to provide Personal Protective Personal Equipment (PPE). This support is ongoing for a period of 3 years for County and National Referral hospitals and will carry on for a period of 18 months for the faith-based hospitals that are designated Covid-19 management facilities.

This is in collaboration and partnership with the Kenya COVID-19 Fund Board. The Group has scaled its Equity Afia health franchise to 38 medical doctors and 45 health clinics and hope to record 600,000 patient visits by end of the year.

The Group has over the last two years scaled the Wings to Fly Scholarship Program (funded by Mastercard Foundation, Equity Bank, KfW and other partners) with 18,000 Elimu Scholarships by the Government of Kenya with the support of World Bank bringing the Secondary School Scholarships to 37,000. The Equity Leadership Program has thus far benefitted 17,000 scholars, 893 being beneficiaries of Global Scholarships and the balance attending Kenyan Public universities and TVETs. The Group has intensified the Energy and Environment Program by providing financing for one million clean energy devices, offering to transform 30,000 schools that use wood fuel for cooking in their kitchens to use LPG and planting 35 million trees.

The Group continues to offer support to the Government, UN Agencies and donor community to reach 3.3 million households with cash payments under the Social Safety Net Program. The Group has intensified effort to transform peasant farmers with agri-business and enhance financial and entrepreneurial capacity of over 3 million enterprises.

The Group is optimistic about the future outlook of business given its continued delivery of convenience from the transformation strategy of the economic engine hand in hand with an enhanced trust capital brought on by shared prosperity programs of the Equity Group Foundation, the Social engine of the Group. The improving operating environment continues to enhance the strategic positioning of strong capital and liquidity buffers and an agile balance sheet.



Macroeconomic and Operating Environment

The Great Multi Crises - COVID-19

Global Health crisis · Cases reported as of 22 July, 2021 Global Africa 6.3M 4.1M 161K 193M Cases Cases Deaths Deaths Vaccinations reported as of 22 July, 2021 Africa Global 20M Fully 1.4B Fully 3.8B 61M vaccinated Doses given vaccinated Doses given Kenva Region(Countries we operate) 902K Fully 3.6M 595K Fully 1.6M vaccinated Doses given vaccinated Doses given • COVID -19 delta variant originally from India now spreading in the region leading to new lockdowns in Uganda and Rwanda as well as

tightened restrictions in some parts of Kenya

Humanitarian and Economiccrisis IMF - Approximately 107 million people will fall below the poverty line by end of 2021 due to COVID-19 World Bank forecasts global activity is to expand 4% 2 2021, below previous expectations amid a sharp resurgence of new COVID-19 cases IMF - Optimistic GDP growth forecasts after vaccines 6.30% %00.9 2021 3.40% 2022 Globally Advanced Emerging & Sub-saharan Developing **Economies** Africa International Labour Organisation - Projects that at least 36 million jobs will be lost in 2021

COVID-19 Management and Responses

Key government and banks' regulator interventions across the region

- Encouraged financial institutions to accommodate loan restructuring for their clients
- Promotion of the use of e-payments to reduce risk of contaminated bank notes
- · Reduced the Cash Reserve Ratio (CRR) to boost banks liquidity
- Formulating stimulus packages and budget policies to support most affected sectors like tourism
- Tanzania FY 2021/2022 budget policies support the fight of COVID-19 like exemption of import duty on medical products and supplies
- Securing Rapid Credit Facility from IMF to mitigate the social effects of the pandemic.
 Tanzania currently negotiating a USD 571 million facility
- Imposing new lockdowns (Uganda and Rwanda), tightening restrictions in disease infected areas (Kenya) and imposing travel bans from countries with COVID-19 resurgence
- Acquisition and administering of COVID-19 vaccines for the population

Regional COVID-19 Financial Assistance from IMF (Rapid Financing Instrument) Kenya

\$

USD 3,086 million

Uganda

\$

USD 1,492 million

Rwanda

\$

USD 268 million

DRC

\$

US D 363 million

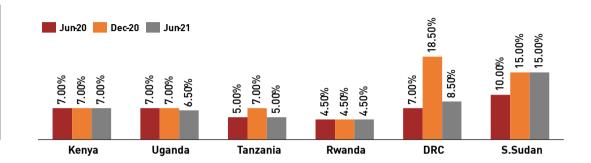
South Sudan

\$

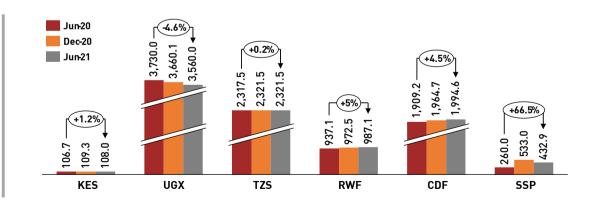
USD 226 million

Regional CBR and Currency Depreciation

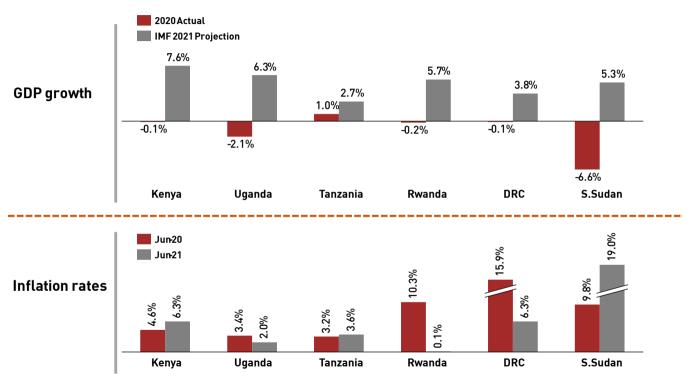




Regional Currency Depreciation to USD



Real GDP Growth projected to improve across the Region



Source: IMF & CBK

Equity Social Investments Complements Government Efforts against COVID-19 Pandemic

Kes 4.9 Billion to complement Government's health and social responses as well as support our customers













Health Response

Waived fees on mobile banking transactions to discourage use of cash and leveraged off our health clinics to support educational awareness. Transaction fee foregone amounted to Kes 2.0 Billion

Social Response

Equity Group
Foundation, Mastercard
Foundation and Dr.
James Mwangi family
contribution to the
COVID-19 fund totalling
Kes 1.7 Billion

Loan restructuring

In response to the challenging operating environment for customers, we have identified borrowers impacted by COVID-19 who account for 31% of our loan portfolio. Loan restructuring fees waived amounted to Kes 1.2 Billion

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, not recommending a dividend payment in 2020 and raised USD 100 million of Tier 2 capital

Risk management

In response to a challenging operating outlook, we partnered with development institutions to obtain partial credit guarantee on select borrowers and enhanced our provisioning intensity to proactively manage emerging risks

Liquidity buffers

In response to the potential liquidity risk arising from accommodation of our customers and the challenging environment, the Group secured DFI funding amounting to USD 380 million in FY 2020 and USD 150m in 2021 to strengthen liquidity; liquidity levels now rising to 62% from 54%



Equity Bank Business Model and Strategy

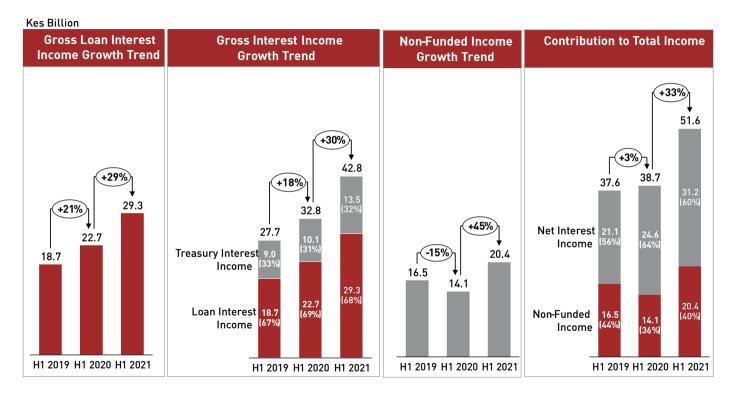
Equity Bank Business Model & Strategy Focus

Inclusive, High volume, Low Margin, Digital and Experiential, Agile and Quality-Driven Business Model

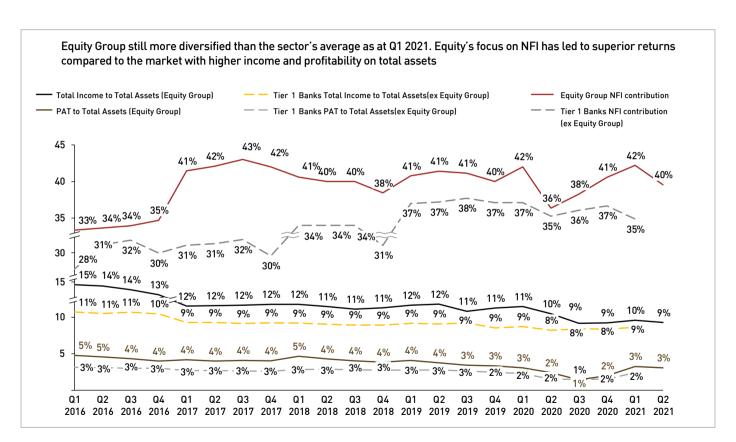
1.	Non-Funded Income Growth
2.	Treasury efficiency
3.	Geographical expansion and Business Diversification
4.	Balance Sheet Efficiency, Optimization and Agility
5.	Business Transformation- Innovation and Digitization
6.	Asset Quality, Distribution and Risk Mitigation
7.	Efficiency and Cost Optimization
8.	Impact Investment & Social Brand Development

Focus Area 1: Non-Funded Income Growth



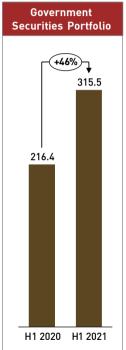


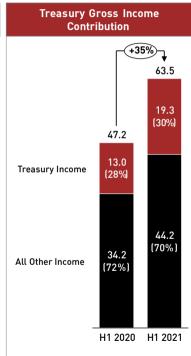
Focus Area 1: NFI Contribution

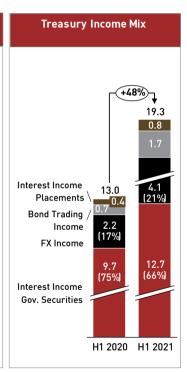


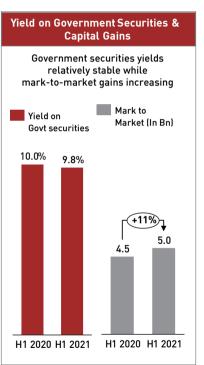
Focus Area 2: Treasury Efficiency

Kes Billion









Note: Income calculation above is before funding costs

H1 2021 PERFORMANCE

Focus Area 3: Subsidiaries Performance and Contribution

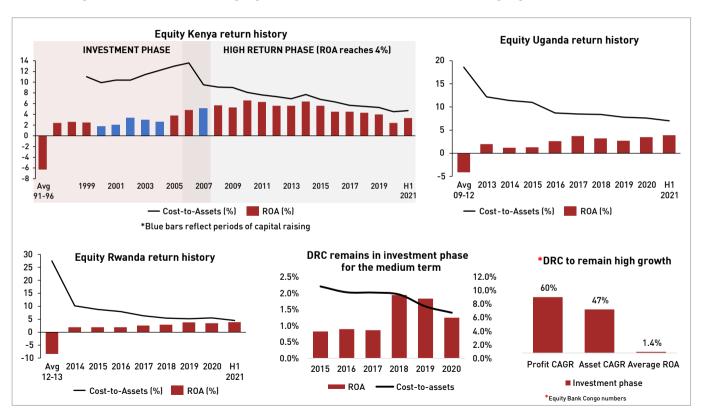
H1 2021	EBTL	EBRL	EBUL	EBSS	Equity BCDC	EIA	EIB	Finserve	Other Subs Total (% Contribution)	EBKL (% Contribution)	Group (% growth)	Other Subs Contribution H1 2021	Other Subs Contribution H1 2020
Deposit <i>YoY Growth</i>	19.4 10%	30.8 20%	57.3 45%	7.7 22%	274.8 282%				390.1 40%	583.3 60%			28%
Loan <i>YoY Growth</i>	17.2 31%	22.8 20%	43.0 36%	0.3 492%	88.7 160%				172.0 34%	332.8 66%			25%
Assets YoY Growth	29.6 6%	42.5 22%	72.6 39%	11.8 19%	328.3 280%	0.9 46%	0.7 24%	2.3 0%		774.4 61%			28%
Revenue YoY Growth	1.4 72%	2.3 31%	4.4 40%	-0.3 -185%	9.5 164%	0.6 13%	0.1 327%	0.7 5%		33.9 64%			28%
Cost before provisions YoY Growth	1.0 21%	0.9 7%	2.3 27%	0.2 6%		0.1 -7%	0.0 10%			13.2 52%			36%
PBT before provisions YoY Growth	0.4 1876%	1.4 54%	2.1 59%	-0.5 -490%	2.3 125%	0.4 22%	0.1 199%	0.2 15%	6.4	20.5 76 %			20%
PBT YoY Growth	0.2 229%	1.1 56%	1.8 108%	-0.5 -490%	1.8 277%	0.4 22%	0.1 199%	0.2 14%		18.9 7 8%			21%
PAT <i>YoY Growth</i>	0.1 181%	0.8 56%	1.3 108%	-0.5 -610%	1.6 447%	0.3 15%	0.1 199%	0.2 1%		14.4 79%			19%
RoAE	5.3%	25.4%	25.7%	-30.4%	12.6%	181.8%	47.5%	20.5%	15.5%	31.9%	25.0%		
Cost of Capital	20%	19%	19%	>25%	22%	18%	18%	18%	21%	18%	19%		

Performance Trend - Banking Subsidiaries: Value creation and growth

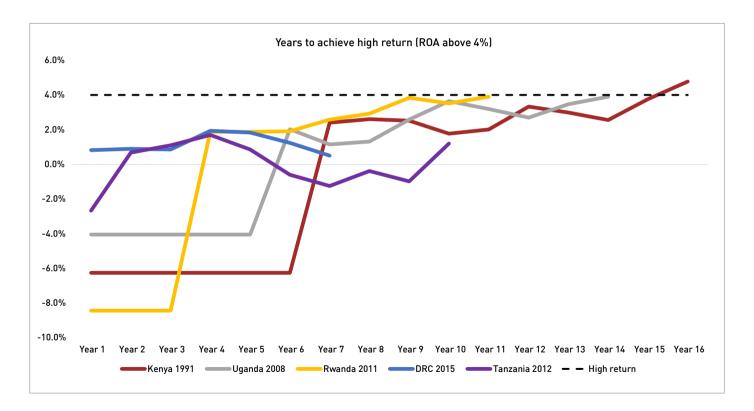
	RoAE	
Subsidiary	H1 2020	H1 2021
BKL	19.4%	31.9%
EBUL	17.9%	25.7%
BRL	20.5%	25.4%
BTL	-9.3%	5.3%
quityBCDC	7.3%	12.6%
BSSL	6.4%	-30.4%

C	ost-to-Assets Rat	tio
Subsidiary	H1 2020	H1 2021
EBKL	4.7%	3.7%
EBUL	7.6%	7.0%
EBRL	5.2%	4.5%
EBTL	6.1%	6.6%
EquityBCDC	6.6%	4.6%
EBSSL	4.4%	3.8%

Regional subsidiaries are high-growth assets, with UG and RW becoming high-return subsidiaries as well



Subsidiaries achieving high returns in shorter periods

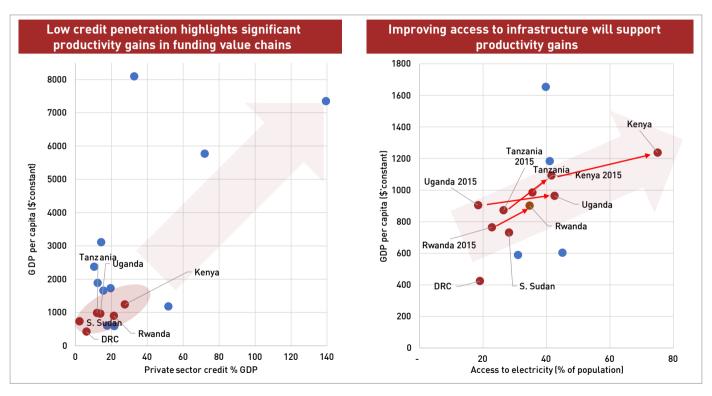


- Present in 6 countries and a commercial representative office in Ethiopia
- We are a Top 2 bank in our two largest markets and in the Top 5 in three other markets
- Population of ~387 million
- Nominal GDP of ~USD 378 Bn
- EBC and BCDC operations merged effective 31 December 2020 to create EquityBCDC
- EquityBCDC is the second largest subsidiary of Equity Group Holdings



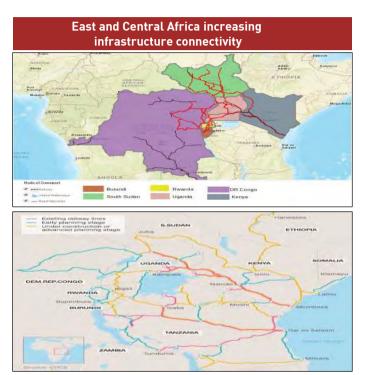
Source: World Bank

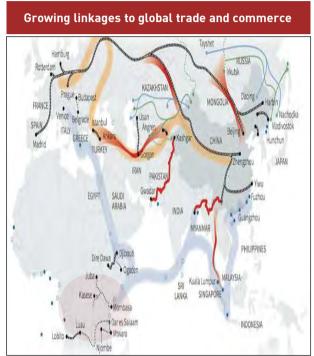
Productivity gains coming from improving access to credit and infrastructure



Source: World Bank

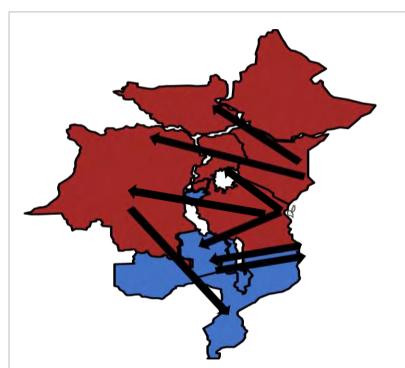
Regional trade and growing connectivity to global trade underpinned by expanding trade corridors





Source: World Bank, Reuters, "Rail in Ethiopia Riding High while Kenya Still Lagging Behind," The Nairobi Network, March 25, 2014, http://www.thehabarinetwork.com/wp-content/uploads/2014/03/Kenya-RegionalTransportation-Map.jpg., UNCTAD, Northern Corridor Transit and Transport Coordination Authority

Equity Group regional presence to drive cross-border trade and support informal traders



NORTHERN CORRIDOR

Gateway through Kenya to landlocked countries of Uganda, Rwanda, Burundi, South Sudan and eastern DRC

LAPSSET CORRIDOR

Infrastructure project connecting Kenya, Ethiopia and South Sudan

MTWARA CORRIDOR

Infrastructure project connecting southern Tanzania, Northern Mozambique, eastern Malawi and Eastern Zambia

BEIRA CORRIDOR

Gateway through Mozambique connecting landlocked countries of Zimbabwe, Zambia, Malawi and southern DRC

TAZARA CORRIDOR

Gateway connecting landlocked Zambia to Dar es Salaam

CENTRAL CORRIDOR

Gateway connecting landlocked Rwanda, Burundi and eastern DRC to Dar es Salaam

TANGA CORRIDOR

Gateway connecting landlocked Uganda to Tanga via Lake Victoria

H1 2021 PERFORMANCE

Focus Area 3: Geographical Expansion and Business Diversification

DRC significant resource endowment

- DRC has the largest reserves of Coltan/tantalite (estimated at 60-80% of global reserves). Coltan is used in many electronic devices including mobile phones
- DRC also has huge copper and cobalt reserves. Copper and cobalt demand will be accelerated by increased usage of electric vehicles and charging stations (5x more than gas car), renewable energy and storage systems, 5G base stations
- DRC has a large young population, ~93 million, with 45% of the population in urban centres presenting consumption opportunities
- President Felix Tshisekedi has instituted governance reforms to ensure political stability of the Nation
- The President has committed to a review of all the existing mining contracts to ensure they are beneficial for the Nation and its people
- DRC has made an application to join the East African Community which will foster trade in the region
- On July 15 2021, DRC and IMF entered in a 3-year arrangement under the Extended Credit Facility(ECF) worth US\$1.52 billion aimed at maintaining macroeconomic stability, increasing fiscal space, and promoting a sustainable and private sector-led economic growth



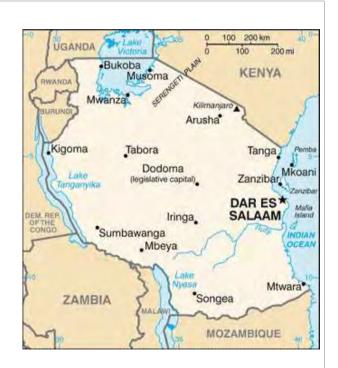
Landmark Oil Pipeline deal signed by Uganda and Tanzania

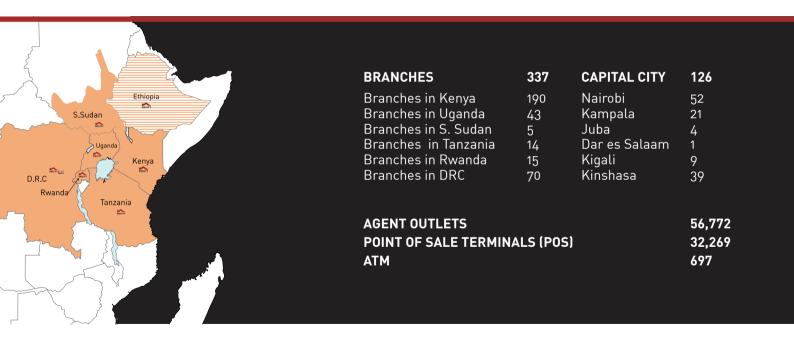
- Tripartite East African Crude Oil Pipeline project agreement (EACOP) signed off on 11 April 2021 between Uganda, Tanzania and large oil companies
- The deal paves way for:
 - US\$ 15Bn investment (c.40% of Uganda GDP)
 - Construction of 1,440km (\$3.55bn) electrically heated crude oil pipeline from Ugandan Albertine region to Tanzanian seaport of Tanga
 - Creation of c.10,000 plus jobs
 - Possible peak production of 230,000 barrels per day



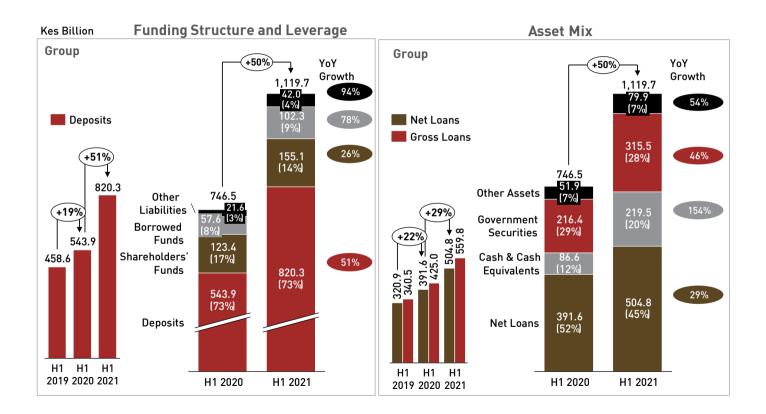
Promising Tanzania Operating Environment

- Tanzania president, Samia Suluhu Hassan's, visit to Kenya in early May eased bilateral relations between the two trade partners. The two countries agreed to eliminate trade barriers which began in 2016 and aggravated by conflicting COVID-19 protocols in 2020
- Tanzania, on 20 May 2021 signed the host country EACOP agreement with Total and the Ugandan government for the construction of a \$3.55 billion oil pipeline which will see Tanzania earn \$12.7 for each barrel transported. The project is at Land acquisition stage
- The Tanzanian and Kenyan governments have entered into an agreement to build a gas pipeline from Dar es Salaam to Mombasa which will increase trade between the two countries
- The application by Democratic Republic of Congo (DRC) to join the East African Community presents a huge opportunity to Tanzania due to its proximity to DRC and its reliance on neighboring countries for agricultural resources. DRC has approximately 93 million population and is rich natural resources
- Tanzania FY 2021/2022 budget proposes tax measures that create a conducive investment climate that is suitable for local and foreign direct investment which include:
- $_{\mbox{\scriptsize 0}}\;$ Exemption from income tax, interest derived from all Government bonds
- o 5% depreciation allowance for assets used in the EACOP
- VAT exemptions on imported raw materials, supply of goods and services to EACOP and NGOs, cold rooms, insurance on livestock and artificial grass
- Removal of the requirement of 15% refundable additional import duty deposit on sugar for industrial use

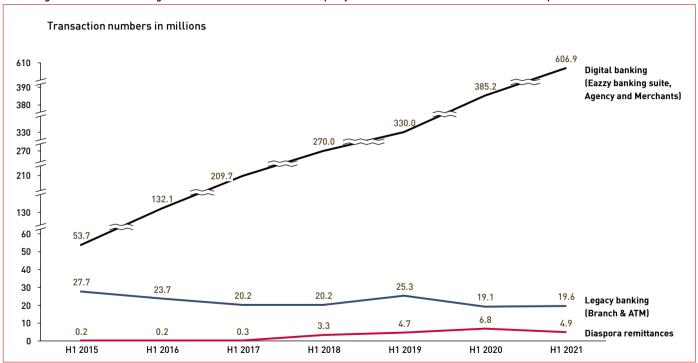




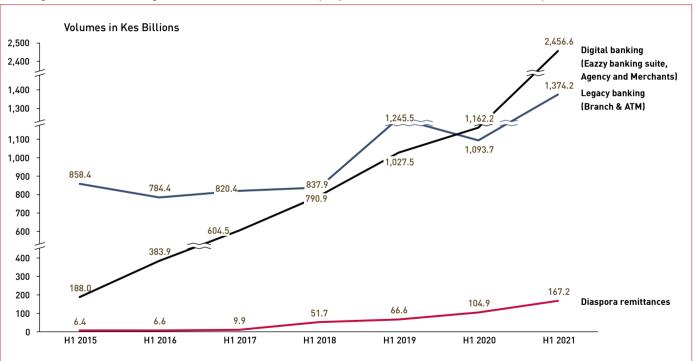
Focus Area 4: Balance Sheet Efficiency, Optimization and Agility



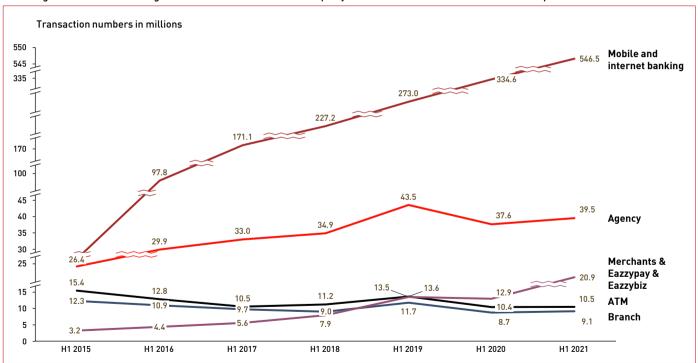
Digital business: Enabling transition from fixed cost to 3rd party variable cost channels and self-service platforms



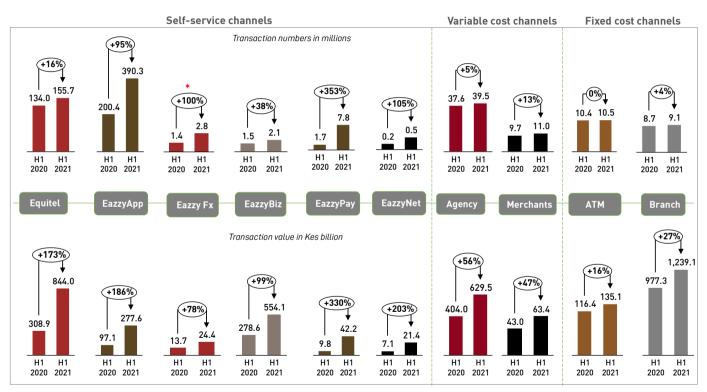
Digital business: Enabling transition from fixed cost to 3rd party variable cost channels and self-service platforms



Digital business: Enabling transition from fixed cost to 3rd party variable cost channels and self-service platforms



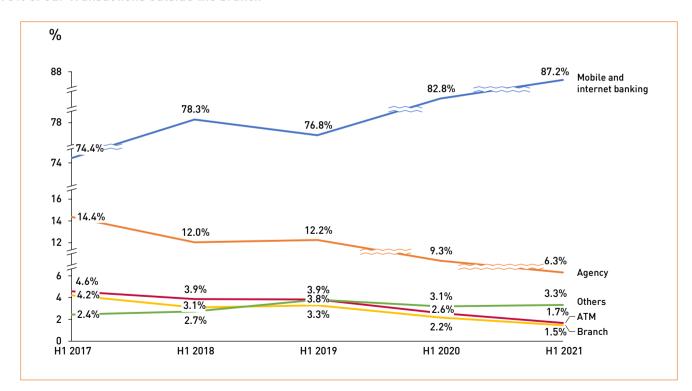
Migrating from Fixed and variable cost channels to self-service channels



^{*} Eazzy Fx transaction numbers in thousands

Focus Area 5: Business Transformation - Fintech Capabilities: Digital Business

98% of our Transactions outside the branch



Focus Area 5: Business Transformation - Fintech Capabilities: Self-Service Channels

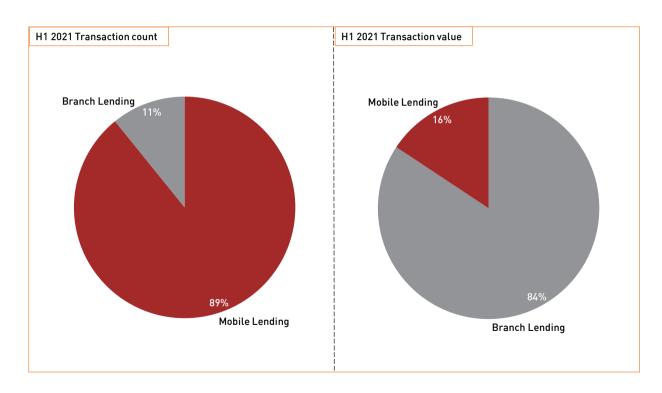
68% of our Transactions Value outside the branch

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



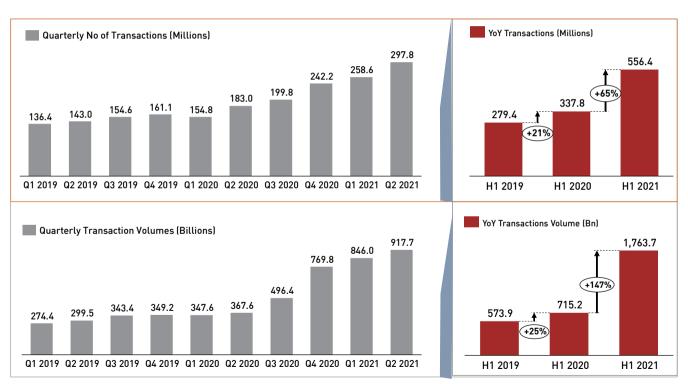
Focus Area 5: Business Transformation - Fintech Capabilities: Data Strategy, Decision Science and Analytics

89% of our Loan Transactions via Mobile Channel



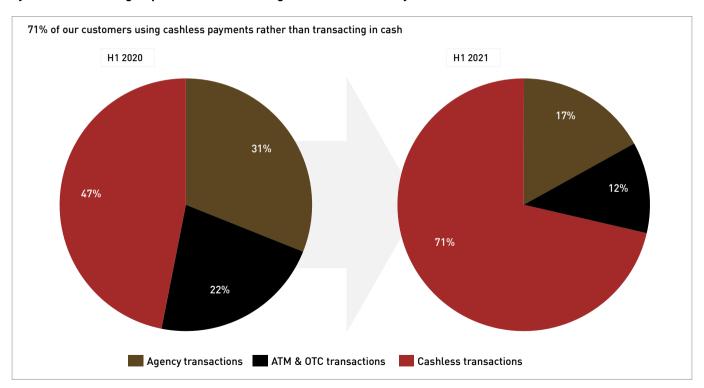
Focus Area 5: Business Transformation - Fintech Capabilities: Lifestyle Support

Payments Processing Capabilities



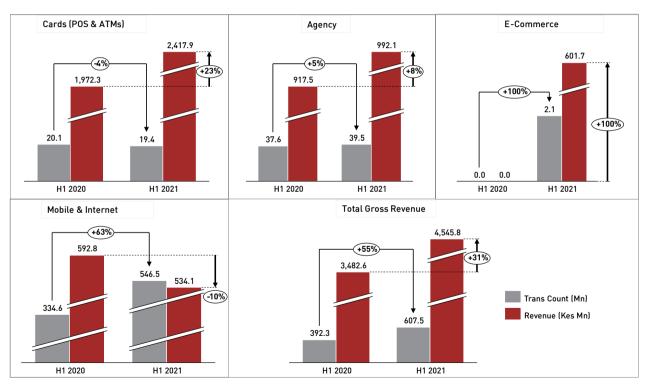
Focus Area 5: Business Transformation - Fintech Capabilities: Lifestyle Support

Payments Processing Capabilities - Promoting a Cashless Economy



Focus Area 5: Business Transformation - Fintech Capabilities: Lifestyle Support

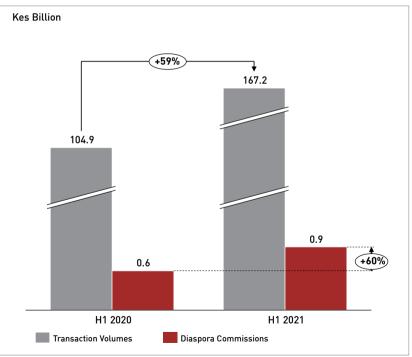
Payments Processing Capabilities



Focus Area 5: Business Transformation – Fintech Capabilities: Compressing Time and Geography

Remittances Processing

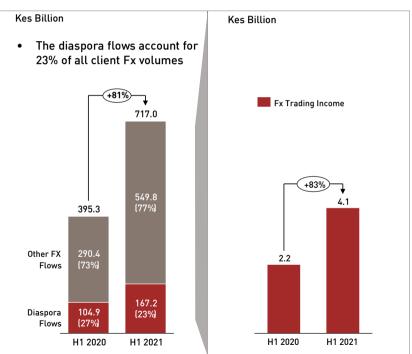


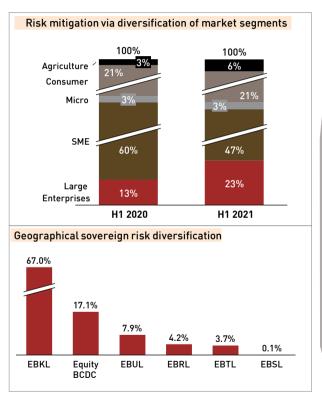


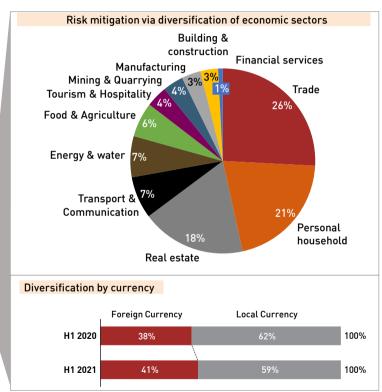
Focus Area 5: Business Transformation - Fintech Capabilities: Global Presence

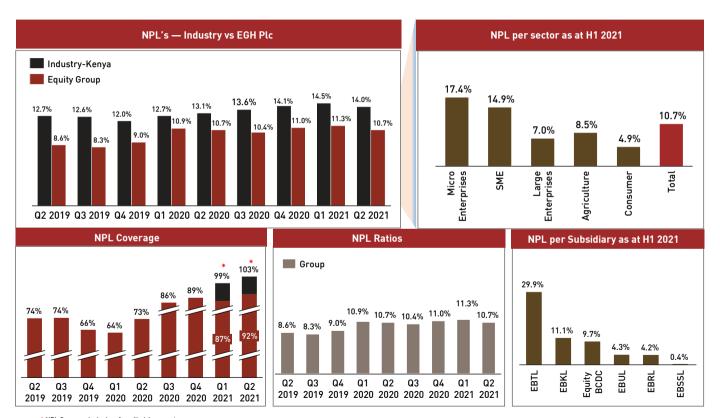
FX Trading - Enabling Global Trade





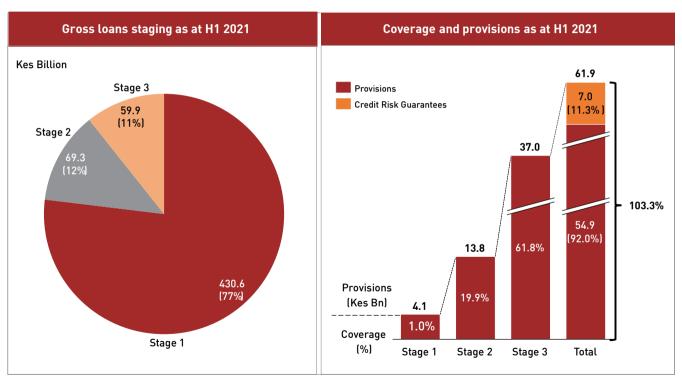






^{*} NPL Coverage inclusive of credit risk guarantees

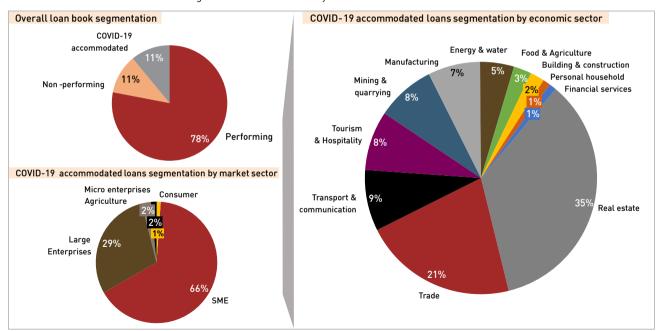
Prudent approach to credit risk management



^{*} Credit risk guarantees providing additional Kes 7.0 Billion NPL coverage

Long-term and Prudent approach driven by deep knowledge and understanding of the Bank's customers

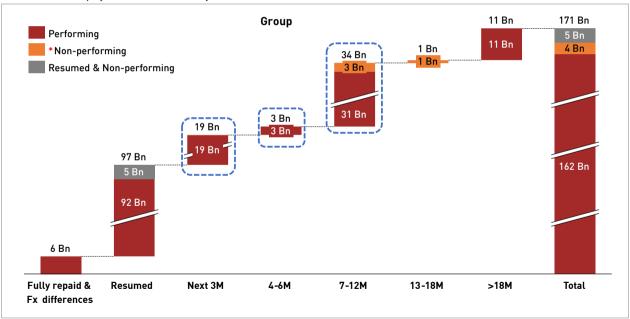
As part of the Group's commitment to support lives and livelihoods and keeping the lights of the economy on, the Group accommodated Kes 171 billion of loans. The group's gross loan book is Kes 560 billion, which represents 31% of the loan portfolio. However, as at the end of June 2021, Kes 103 billion had resumed repayment and Kes 4 billion remains downgraded to NPL (Stage 3). Kes 64 billion therefore remains under moratorium constituting 11% of the loan book analysed as below:



Focus Area 6: Asset Quality, Distribution and Risk Mitigation – Proactive Prudent Management

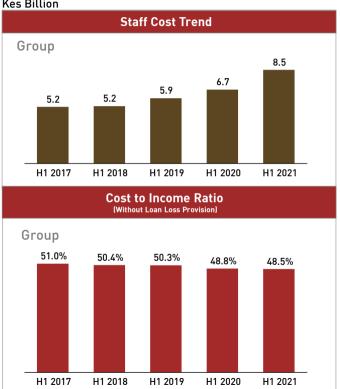
COVID-19 accommodated loans (Kes 171 Bn); Kes 103B resumed repayment, additional Kes 56B expected to resume in 12 Months

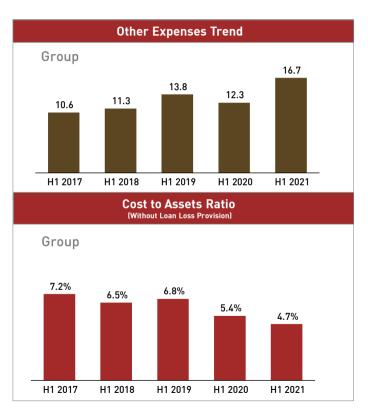


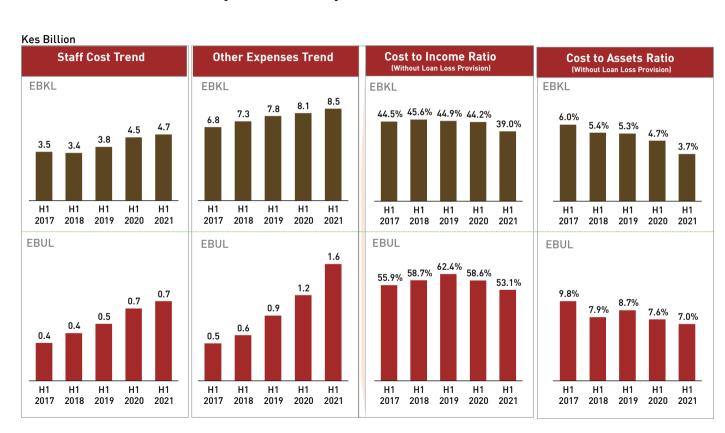


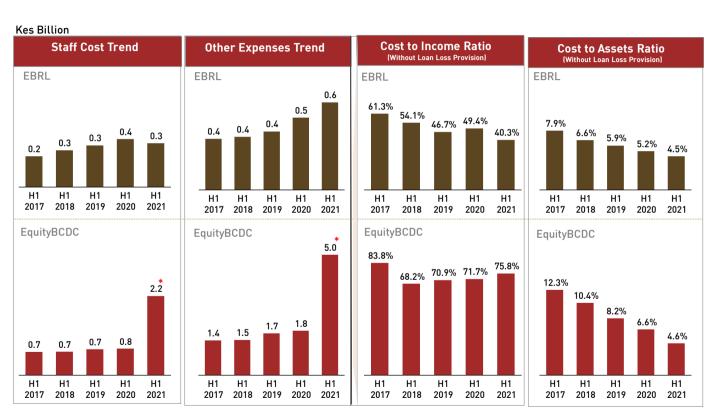
^{*}Non-performing refers to proactively downgraded loans pre-expiry of moratorium

Kes Billion

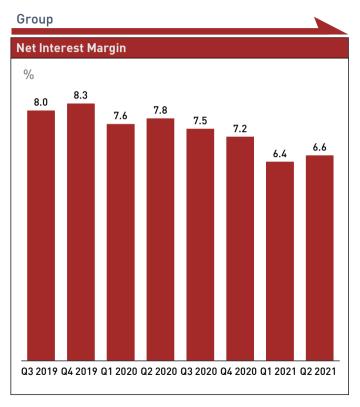




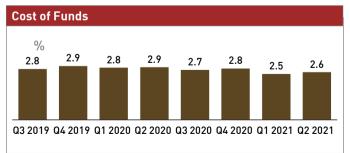




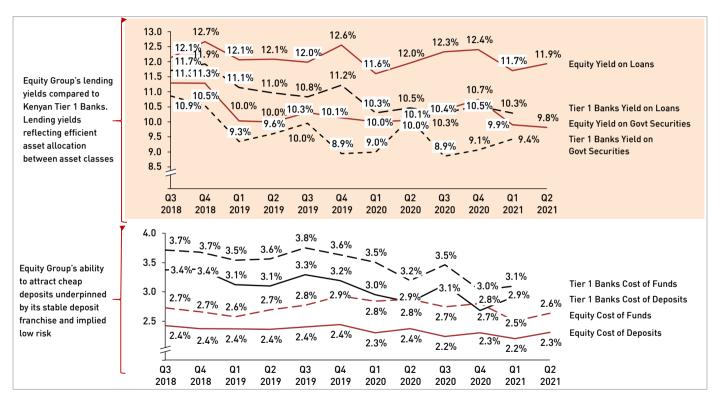
^{*} The increase is as a result of acquisition and merger of ex-BCDC and ex-EBCL







Focus Area 7: Efficient Financial Intermediation

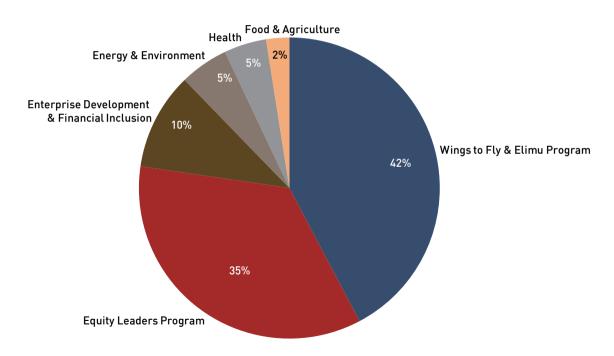


Tier 1 Banks excludes Equity Group. Industry data available up to Q1 2021

Focus Area 8: Impact Investment

Impact & Social Investment Programs

USD 496 M in Social Investment Programs



Focus Area 8: Impact Investment

Shared Prosperity Business Model and its Social Impact



2,243,333

Women and Youth
Trained in Financial

Education

316,969
MSMEs Trained in Entrepreneurship
KES93.9B
Disbursed to 169,110
MSMEs under the
Young Africa Works Program



2021 Wings to Fly Graduates

- 98% secondary school completion
- 86% attained university entry grades

Equity Leaders Program + TVET

- 17,040 University Scholars
- 754 attending or alumni of global universities
- 6,713 Paid Internships



KES 87.3B

Disbursed via Cash Transfers

(®)

USD 496,450,818

Total Funds Raised for Programs

,**2**2

2.05M

Farmers impacted

49,089

Small and Medium Sized Farmers Supported



3.76 Million

Trees planted

273,635

Clean energy products distributed



Equity *Afia* Active Facilities

466,204

Cumulative Patient Visits to Equity Afia Clinics



Business Validation

H1 2021 PERFORMANCE

Global Ratings and Accolades



Equity Bank Credit Rating

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

The Banker

- Position 39 globally on Return on Assets
- Position 149 globally on Soundness (Capital Assets Ratio)
- Position 71 globally on Profits on Capital
- Position 761 largest bank globally



Africa's SME Bank of the Year, 2018. 2019 & 2020



African Business Leadership Awards 2020

• African CEO of the Year - Dr. James Mwangi

Africa's top 150 most valuable brands



- Position 2 in Kenya
- · Position 69 in Africa



2020 Oslo Business for Peace Award Dr. James Mwangi.

The Banker

- · Position 7 overall
- · Position 5 on soundness
- Position 9 on growth performance
- Position 8 on return on risk
- Position 6 on leverage category
- Position 6 on profitability



Africa's best bank for SMEs 2021



Equity Bank Credit Rating

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

Global Ratings and Accolades



- Best Regional Bank East Africa Equity Bank 2021
- Socially Responsible Bank in Africa, 2020
- Best Regional Bank East Africa Equity Bank 2020
- African Bank of the Year, 2018
- African Banker of the Year, 2018 (Dr. James Mwangi)
- Best Retail Bank in Africa, 2017



Equity Bank has been recognised for the last 13 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)



Dr. James Mwangi, named to the 3rd Annual 2019 Bloomberg 50 list



- Bank of the Year- Kenya 2019
- Bank of the Year Uganda 2019
- Bank of the Year Rwanda 2020
- Bank of the Year DRC 2020
- Bank of the Year- South Sudan 2019 & 2020



Customer Satisfactory Survey 2020

• Best Tier 1 (3rd place) - Customer Responsiveness and Satisfactory Digital Experience



Top Acquirer 2019 Award



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

2021 National Banking Awards and Accolades



Brand	 Best Overall Bank – 10 years running Best Bank in Tier 1 – 7 years running Best Bank in Sustainable CSR – 5 years running Best Bank with the Lowest Charge for Individuals – 5 years running Most Customer Centric Bank – 2nd runners up Most Customer Centric Bank in Tier 1 – 2nd runners up
Franchise Segment	 Best Bank in Mobile Banking Best Bank in Product Innovation Best Bank in Agency Banking Best Bank in Internet Banking Best Commercial Bank in Microfinance Best Retail Bank - 2nd runners up Best Bank to Borrow from - 1st runners up Best Bank in SME Banking - 1st runners up
Product	 Best Bank in Trade Finance Best Bank in Agriculture and Livestock Financing Best Bank in Asset Finance Special Judges award for Product Innovation – 1st runners up Best Bank in digital banking – 2nd runners up Best Bank in mortgage finance – 1st runners up
Leadership	1. CEO of the Year Award – Dr. James Mwangi 2. Outstanding Young Banker of the Year- Edwin Njoroge Kiburu

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.

H1 2021 PERFORMANCE

Global Ratings and Accolades

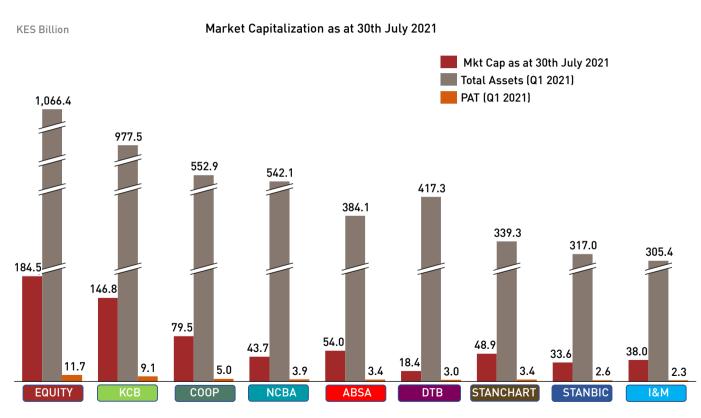
Dr. James Mwangi honouree, 2020 Oslo Business for Peace Award

Honourees are chosen by a prestigious Award committee consisting of past Nobel Prize winners in Peace Economics.

"Dr. James Mwangi receives the Award for his businessworthy values in championing financial inclusion for all in East and Central Africa. Dr. Mwangi helped achieve a social revolution by bringing banking services to people who previously had limited access to them bolstering Kenya's GDP. Dr. Mwangi is an exceptional entrepreneur and humanitarian. The committee sees him as a shinning example of how business leaders can accelerate change and help solve the world's problems," said Per Saxegaard, Founder of the Oslo Business for Peace Awards.



Market Validation



Source: Source: Business Daily August 2, 2021



Intermediation and Financial Performance

Balance Sheet

KES Billion	H1 2020	H1 2021	Growth
Assets			
Cash & Cash Equivalents	86.6	219.5	154%
Government Securities	216.4	315.5 504.8	46% 29%
Net Loans	391.6		
Other Assets	51.9	79.9	54%
Total Assets	746.5	1,119.7	50%
Liabilities & Capital			
Deposits	543.9	820.3	51%
Borrowed Funds	57.6	102.3	78 %
Other Liabilities	21.6	42.0	94%
Shareholders' Funds	123.4	155.1	26%
Total Liabilities & Capital	746.5	1,119.7	50%

H1 2021 PERFORMANCE

Income Statement

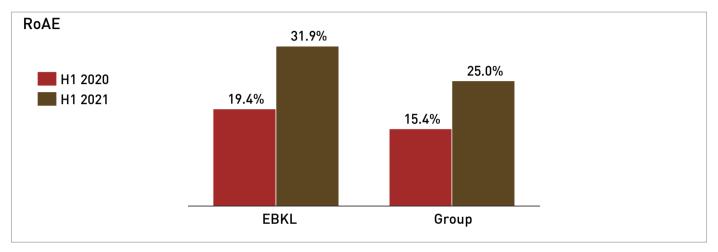
KES Billion

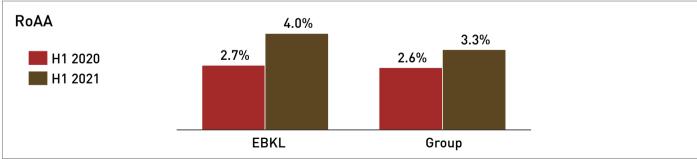
	H1 2020	H1 2021	Growth
Interest Income	32.8	42.8	30%
Interest Expense	8.2	11.6	42%
Net Interest Income	24.6	31.2	26%
Non-Funded Income	14.1	20.4	45%
Total Income	38.7	51.6	33%
*Loan Loss Provision	7.7	2.6	-66%
Staff Costs	6.7	8.5	27 %
Other Operating Expenses	12.3	16.7	35%
Total Costs	26.7	27.8	4%
РВТ	12.0	23.8	99%
Tax	2.9	5.9	103%
PAT	9.1	17.9	98%
Earnings per share	2.4	4.7	95%

^{*}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;

KES Bn	H1 2020	H1 2021
Gross loan loss provision	8.0	2.9
Loan recoveries	(0.3)	(0.3)
Net loan loss provision	7.7	2.6

RoAE and RoAA Trend





Financial Ratios

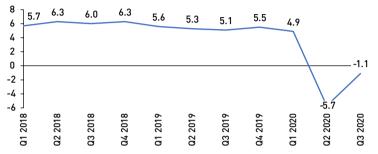
	EBKL	EBKL	Group H1 2020	Group H1 2021
	H1 2020	H1 2021		
Profitability				
Yield on Loans	10.9%	11.4%	12.0%	11.9%
Yield on Government Securities	10.2%	9.8%	10.1%	9.8%
Yield on Interest Earning Assets	10.5%	9.4%	10.7%	9.2%
Cost of Deposits	2.5%	2.3%	2.4%	2.3%
Cost of Funds	2.9%	2.6%	2.9%	2.6%
Net Interest Margin	7.6%	6.8%	7.8%	6.6%
Cost to Income Ratio with provisions	67.5%	44.3%	69.3%	54.1%
Cost to Income Ratio without provisions	44.2%	39.0%	48.8%	48.5%
RoAE	19.4%	31.9%	15.4%	25.0%
RoAA	2.7%	4.0%	2.6%	3.3%
Asset Quality				
PAR	10.2%	11.1%	10.7%	10.7%
NPL Coverage	81%	101%	73%	92%
Cost of Risk	4.7%	1.1%	4.2%	1.2%
Leverage				
Loan / Deposit Ratio	69.3%	57.0%	72.0%	61.5%
Capital Adequacy Ratios				
Core Capital to Risk Weighted Assets	12.3%	11.9%	16.9%	14.1%
Total Capital to Risk Weighted Assets	16.3%	15.1%	20.2%	17.6%
Liquidity				
Liquidity ratio	59.4%	88.4%	54.2%	62.4%

2021 Outlook - Group

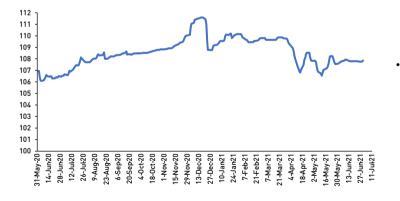
	2021 Outlook	Revised 2021 Outlook	H1 2021 Actual
Loan Growth	25% - 30%	20% - 25%	29%
Deposit Growth	20% - 25%	20% - 25%	51%
Net Interest Margin	7.0% - 8.0%	7.0% - 8.0%	6.6%
Non Funded Income Mix	38% - 43%	40% - 43%	40%
Cost to Income Ratio	40% - 45%	40% - 45%	48.5%
Return on Equity	22% - 27%	25% - 30%	25.0%
Return on Assets	3.0% - 4.0%	3.6% - 4.3%	3.3%
Cost of Risk	2.0% - 3.0%	1.5% - 2.5%	1.2%
NPL	7 % - 10%	7% - 10%	10.7%
Subsidiaries Contribution (Assets)	40% - 45%	40% - 45%	39%
Subsidiaries Contribution (PBT)	25% - 30%	25% - 30%	22%

H1 2021 PERFORMANCE

Macroeconomic Environment - Kenya

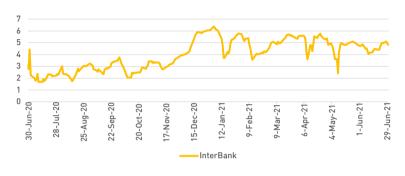


 <u>QUARTERLY GDP GROWTH</u> - Expected to grow as markets open up on recovery from the effects of COVID-19. However, the economic recovery is reliant on the progress of the vaccination effort.

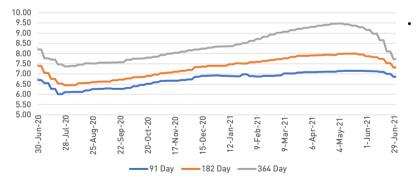


<u>USD/KES</u> -There was some stability of the currency in June on the backdrop of steady remittance inflows that recorded a 20.4% increase year on year.

Macroeconomic Environment - Kenya (continued)



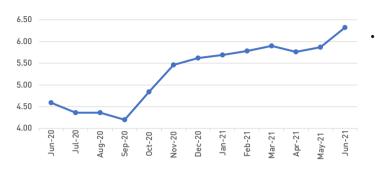
 <u>Interbank Rates</u> – Relatively stable and supported by government payments at the end of the month of June.



<u>T-Bill Rates</u> – The rates have been on the decline posing a re-investment risk upon maturity of the treasury bills. This points to the central bank trying to tame rate hikes.

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

Macroeconomic Environment - Kenya (continued)

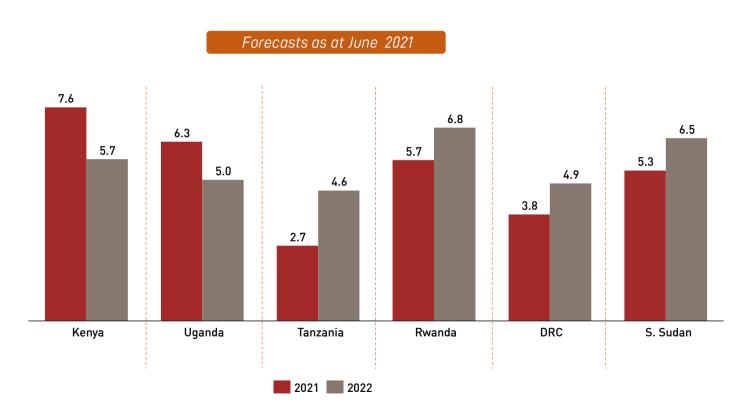


Inflation - Inflation ticked upwards on the month of June as a result of increase in food items. Projected to remain within the Central Bank of Kenya'starget range of 2.5% to 7.5%.



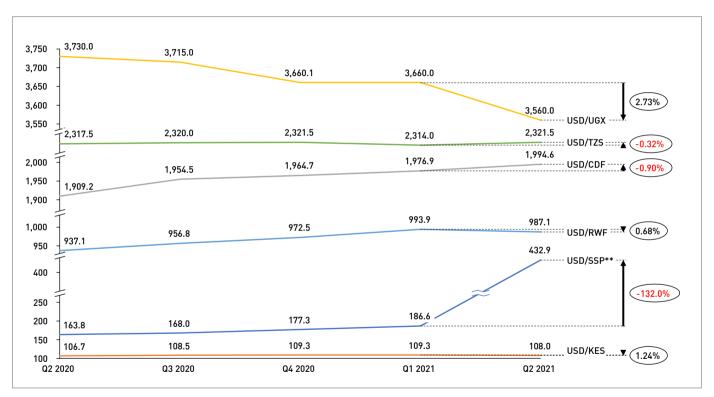
<u>FX Reserves</u> - Boosted by the latest Eurobond issuance Expected to be affected by debt payments within the year.

Projected Regional GDP Growths



Source: IMF & Africa Economic Outlook.

Regional Currencies Depreciation against USD



 $^{{\}it *Regional currencies marginally affected by the US dollar exchange rate apart from the South Sudanese pounds.}$

^{**}USD/SSP rates are as per Bank of South Sudan(BOSS)

Regional Outlook

Uganda

- Amidst the recovery of the economy from the COVID-19 effects, there are emerging challenges on increasing pressure on its natural resources.
- The significant shift of Ugandans to agriculture in response to the COVID-19 crisis has heightened the urgency for the country
 to enhance sustainable use of natural resources. Land degradation, deforestation and climate risks contribute to the country's
 economic vulnerabilities.
- Ugandan interest rates are slowly edging higher as a result of some offshore investors taking profit on their investments.

Tanzania

- Upward risk to inflation remains in Tanzania following recent increase in oil prices in the world market and emergence of new coronavirus variants.
- Annual growth of credit to the private sector was at 4.7% in May and 4.8% in April, up from 2.3% in March 2021.
- The Overnight weighted average rate for the month of June edged upwards to 4.0% from 3.8% in March and total volumes declined by 56% QoQ from TZS 403 billion to TZS 147 billion. The overnight rate is expected to remain range bound between 3.5% and 6.0% in the short to medium term with upward pressure expected.
- The shilling is expected to be stable in the short to medium term, but with a higher risk of depreciation due to limited dollar supply in the country.

H1 2021 PERFORMANCE

Regional Outlook (continued)

Rwanda

- The economic recovery is expected to continue in 2021.
- The real GDP is projected to rebound to 5.7% in 2021, supported by sound economic policies and the vaccine rollout.
- Outstanding credit to private sector grew by 22% in May, driven by authorised credit disbursed and other economic policy support
 measures.

DR Congo

- Unlike the year 2020 where the CDF experienced a depreciation of 17.8% against the USD, its anticipated to have a depreciation
 of 0.85% in the first half of 2021 and this trend is likely to be maintained.
- Inflation is expected to be at 4.7% by end of 2021 against a medium-term objective set at 7.0% by the country's Central Bank.
- At the end of June, the economic growth forecasts point to 3.8% against 1.7% in 2020. This growth will be driven by the mining sector, stability of the macroeconomic framework and supported by the resumption of economic activities.

Regional Outlook (continued)

South Sudan

- Declining exports and private consumption, as well as the effects of the pandemic, floods and higher sub-national conflict intensity have contributed to a worse economic outlook than previously forecasted.
- Oil sector has continued to be the primary driver of growth, with production declining from 180,000 to 154,000 bpd and expected
 to drop as COVID-19 restrictions impacts on movement and OPEC production cuts which has affected production.
- The country anticipates economic recovery from public financial management reforms and the recovery of global oil prices.
- In efforts to stabilise the local currency, the Bank of South Sudan (BSS) has instituted Foreign Exchange reforms to unify the
 official FX rate with the market rate.

Case Studies

The Equity business model is a leading case study in many business schools around the world. In addition, many business schools, organizations and institutions regularly visit the Group to learn firsthand about the brand, its evolution and business strategy. Many financial institutions from around the world make bench-marking exposure visits.

Online: Click link below to read Equity case studies: equitygroupholdings.com/knowledge-resource/#tab_case-studies

Print: Scan QR code below to read Equity case studies:





Equity Centre, 9th Floor, UpperHill P.O.Box 75104, Nairobi. Tel: 0763 063 000

info@equitygroupholdings.com, www.equitygroupholdings.com ¶@keEquitybank ♥@keEquitybank www.ke.equitybankgroup.com



EQUITY GROUP HOLDINGS PLC AND EQUITY BANK (KENYA) LIMITED ARE REGULATED BY THE CENTRAL BANK OF KENYA.

