

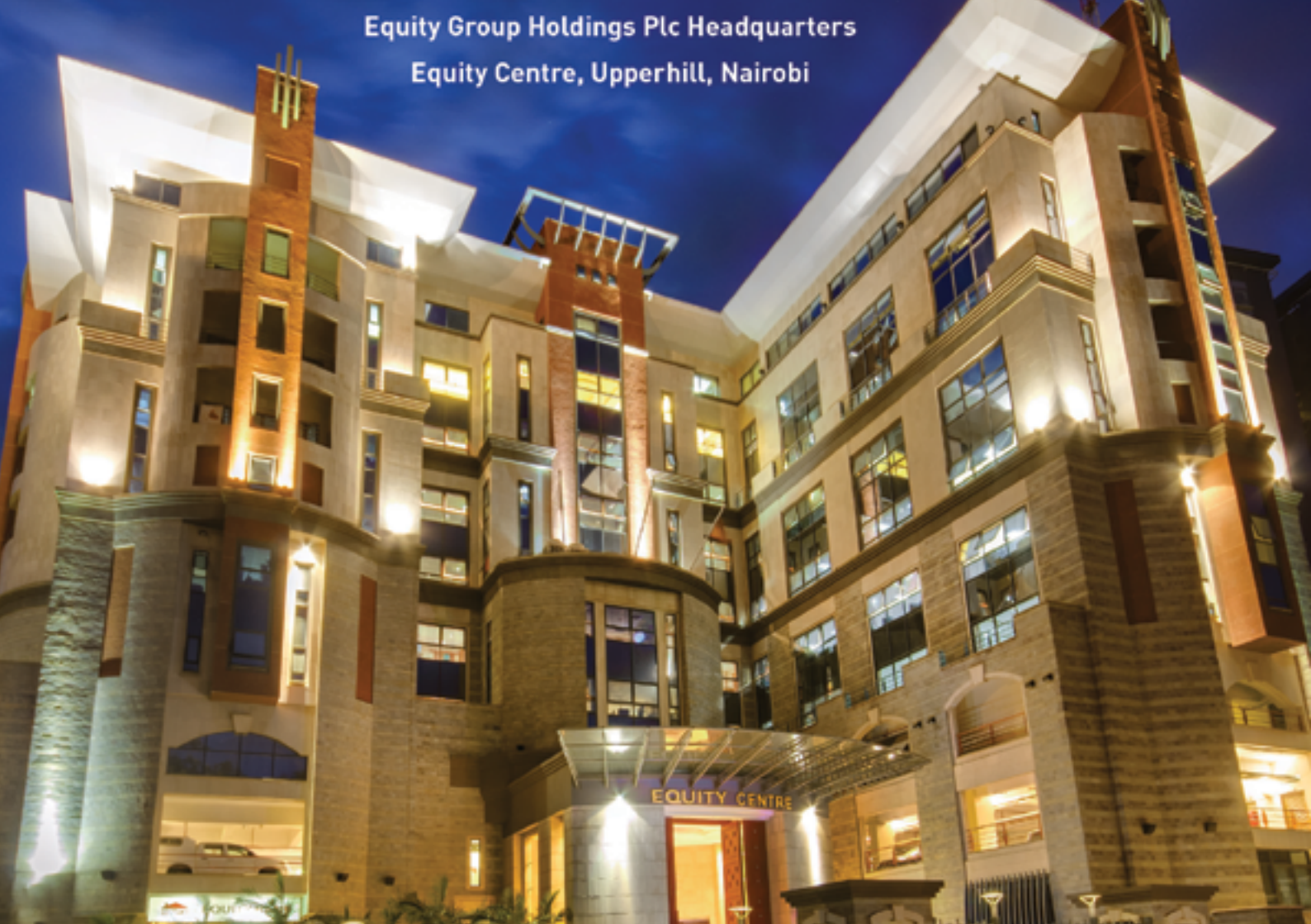


INVESTOR BRIEFING H1 2024 PERFORMANCE



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 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.

Our Inspiration

That when years turn our vision dim and gray, we shall still see beauty in the tired wrinkles of our faces and shall take comfort out of the fact and knowledge that when we were given the opportunity, we did all we could to empower our people to exploit opportunities and realize their full potential on the road to economic prosperity.

Our Core Values:



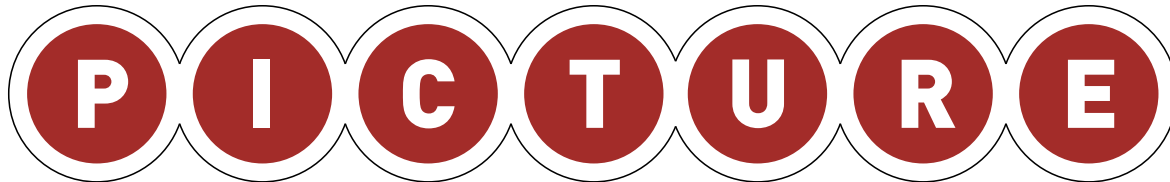
Integrity



Teamwork



Respect and Dignity
for the Customer



Professionalism



Creativity & Innovation



Unity of Purpose



Effective Corporate
Governance





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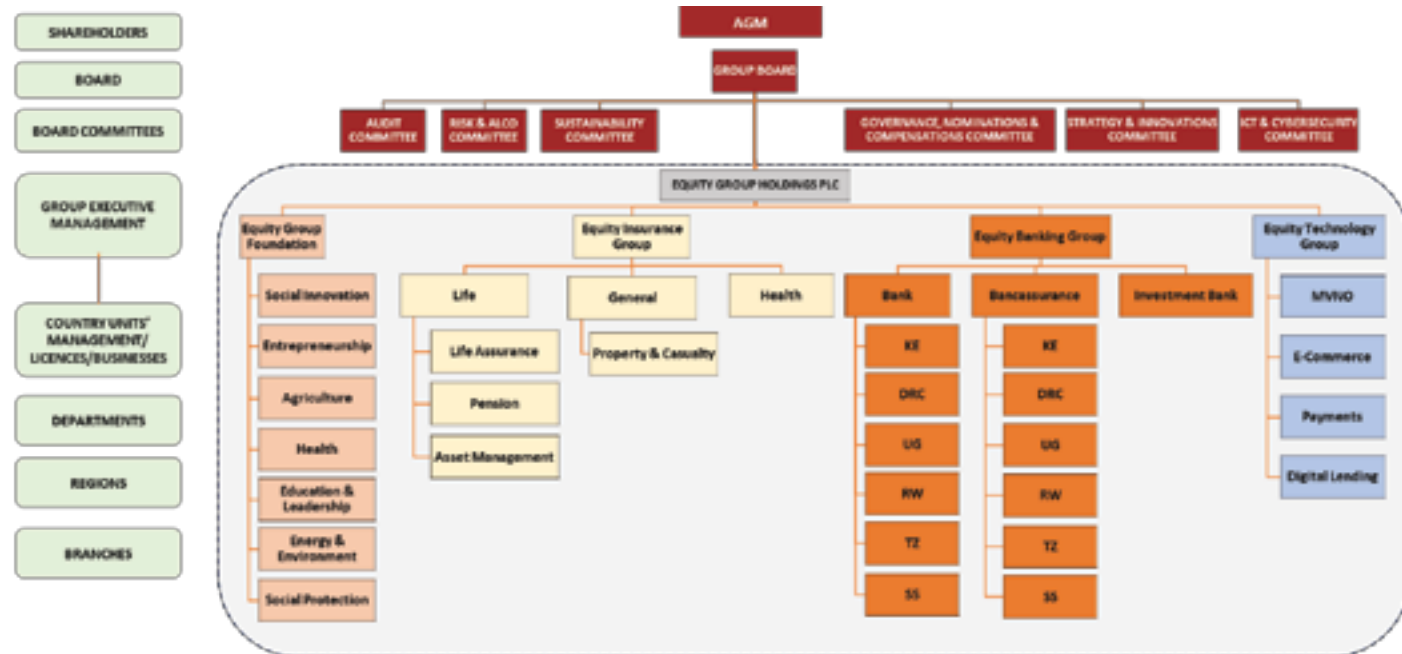
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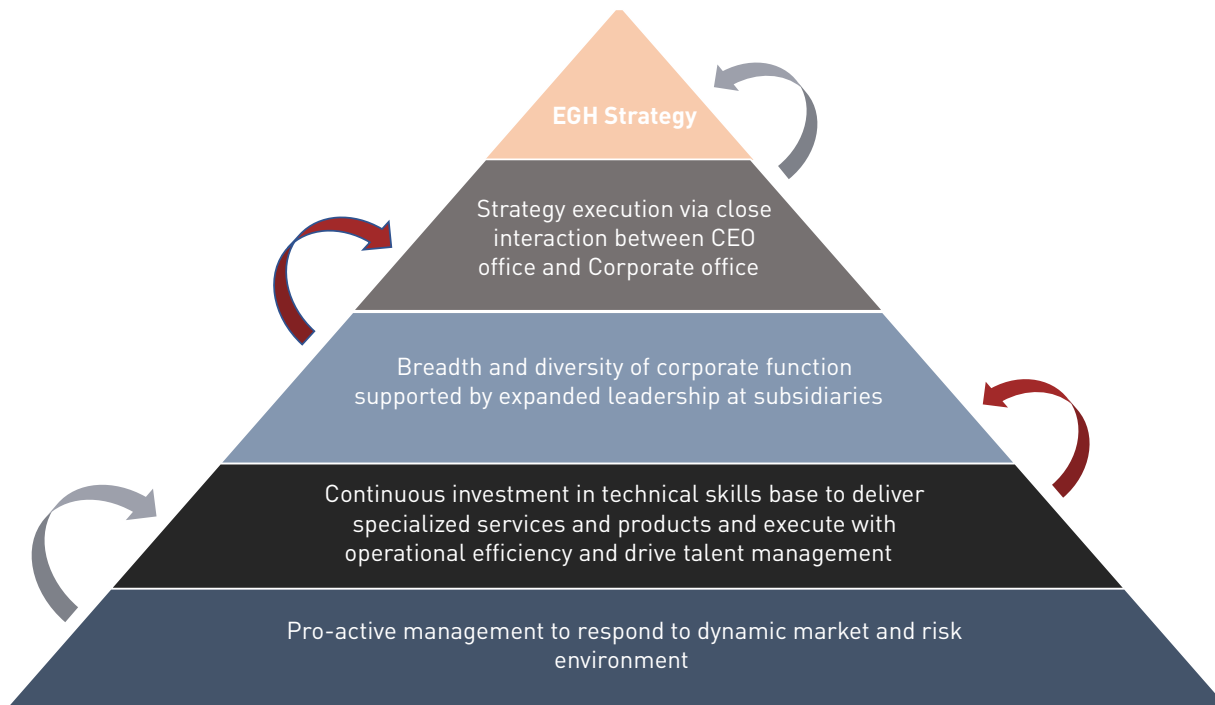
Governance and Organizational Structure

Governance & Risk Management Framework



Governance and Organizational Structure

Breadth and Depth of the Management Team



Group Executive Management



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



Samwel Kirubi
Group Chief Operating
Officer



Brent Malahay
Group Chief Strategy Officer



Gertrude Karugaba
Chief Legal Officer



Sam Gitwekere
Group Chief Risk Officer



David Ngata
Group Finance Director



Emmanuel Deh
Group Director Credit Risk



Lydia Ndirangu
Group Company Secretary

Group Executive Management



David Ssegawa
Group Director Human
Resources Operations



Ignatius Chicha
Group Director Treasury



Rene Kalonji
Chief Product Officer



Christine Browne
Group Director Special
Assets



Joy DiBenedetto
Group Director
Communications



Michael Kwofie
Chief Information Officer



Paul Wafula
Group Director Compliance



Thelma Kganakga
Chief Information
Security Officer



Beth Kithinji
Group Chief Internal Auditor

Group Executive Management



Gerald Warui
Managing Director,
Equity Bank Kenya



Isabella Maganga
Managing Director,
Equity Bank Tanzania



Anthony Kituuka
Managing Director,
Equity Bank Uganda



Addis Ababa Othow
Managing Director,
Equity Bank South Sudan



Hannington Namara
Managing Director,
Equity Bank Rwanda



Célestin Muntuabu
Managing Director,
EquityBCDC S.A.



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



Alvin Okari,
Managing Director
Finserve Africa Limited

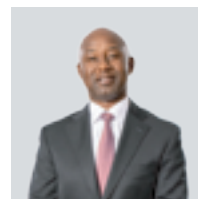
Group Board of Management



Prof. Isaac Macharia
Non-Executive Chairman



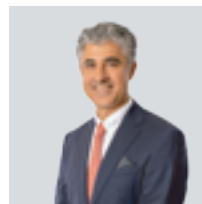
Dr. James Mwangi, CBS
Group Managing Director and
Chief Executive Officer



Samwel Kirubi
Executive Director



Dr. Edward Odundo
Non-Executive Director



Vijay Gidoomal
Non-Executive Director



Jonas Mushosho
Non-Executive Director



Dr. Helen Gichohi
Non-Executive Director



Dr. Evans Baiya
Non-Executive Director



Samuel Mwale
Non-Executive Director



Lydia Ndirangu
Group Company Secretary



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Press Release

Press Release

EQUITY GROUP HOLDINGS PLC REPORTS HALF YEAR PROFIT AFTER TAX OF KSHS 29.6 BILLION

- Total Assets grow by 6% to Kshs 1.75 trillion
- Deposits grow by 11% to Kshs 1.3 trillion
- Half-year profit after tax up by 12% to Kshs 29.6 billion
- Regional businesses contribute 49.7% of total assets and 50.2% of profit before tax for the period
- EGH continues product diversification with the receipt of a General Insurance license.
- Highest market capitalization in Sub-Saharan Africa

Against a backdrop of continued macroeconomic headwinds of high interest rates and volatile exchange rates across the markets that the Group operates in, Equity Group Holdings Plc (EGH) continues to demonstrate resilience, recording a balance sheet growth of 6% which is above the prevailing inflation rate of 4%, bringing its total assets as at 30th June 2024 to Kshs.1.75 trillion with the regional subsidiaries accounting for 49.7%.

The Group, which has been named as the top financial brand in Africa and the 2nd Strongest Banking Brand in the world and backed by its motto of "Growing Together in Trust" has seen its deposit franchise grow 11% year on year to Kshs.1.3 trillion with its customer base now at 20.7 million. This growth in deposits has resulted in a 55% increase in cash and cash equivalents to Kshs.341 billion and growth in investment securities to Kshs.459 billion resulting in an overall strong liquidity position of 57%.

While releasing the half year results, Dr. James Mwangi Equity Group Holdings Managing Director and Chief Executive Officer said: "We are optimistic that the strong liquidity of the Group has positioned us to effectively support our customers as the economy starts showing signs of improvement in the key markets we operate in, signaled by some of the regulators' reduction of the Central Bank Reference rates. With the improved liquidity, the Group continued to optimize its balance sheet reducing leverage by Kshs.75 billion of expensive borrowings."

Shareholders' funds grew by 13% to Kshs.220 billion strengthening the Group's ability to underpin the private sector led Africa Resilience and Recovery Plan (ARRP) by investing in new subsidiary undertakings in the Insurance Group as well as positioning it well to continue to take advantage of any market opportunities similar to the acquisition made in Rwanda in 2023.

The Group registered a robust top line growth with interest income growing by 22% to Kshs. 84.8billion from Kshs 69.8billion despite the high inflation and high interest shocks which saw returns to customers in the form of interest expense grow 30% to Kshs. 30.4 billion from Kshs. 23.4 billion. Non-funded income continues to grow steadily increasing by Kshs.5 billion and yielding a total income growth of 16% to Kshs.95.1 billion, up from Kshs.82.1 billion year on year.

The Group's offensive strategy of regional and product diversification continues to bear fruit with Kenya banking subsidiary contributing 43% of revenue from 46% in the previous period. As business continues to grow in the DRC and with synergies realized from the CogeBanque acquisition in Rwanda, subsidiaries now account for 47% of total loans (2023- 44%) and contribute 51% of profit after tax.

The operating environment characterized by turbulent global macro-economic shocks saw the Group continuing with its defensive conservative and prudent approach with loan loss provisions growing by 35% to Kshs. 8.5 billion. This has seen NPL coverage ratios remain at 70% with a Non-Performing Loans (NPL) ratio of 12.9%, way below the latest published industry average of 16.3%. The Group continues to make significant strides in its differentiated managerial capability and in enhancing its control environment to better position the Group to navigate the challenging macroeconomic and complex regulatory landscape while driving sustainable growth. The Group's continued investment to modernize its infrastructure coupled by high inflation has seen its expenses increase by 27%.

The Group recorded a half-year Profit after Tax of Kshs.29.6 billion representing a 12% year on year growth, with earnings per share increasing to Kshs.7.6 up from Kshs. 6.7. Regional subsidiaries accounted for 50.2% of the profit before tax for the period. This performance is coupled by strong capital buffers with core capital ratio of 15.8% and total capital ratio 18.4% versus regulatory threshold of 10.5% and 14.5% respectively.

“We are proud that the Group has sufficient cushion on its key balance sheet buffers being liquidity, capital and NPL coverage while at the same time it continues to report above industry profitability metrics with return of average equity of 26.7% and return on average assets of 3.4%,” added Dr. Mwangi.

Having disrupted and transformed the banking industry, EGH identified insurance as critical to contribute to business and individual resilience and protection. The Group was recently granted a general insurance license in addition to the already existing life assurance license. With this, the Group will offer holistic and integrated financial services to both corporate, SME and retail customers by availing insurance solutions for all customer needs by protecting life, health and wealth through its diverse product offering. By leveraging on the strategic capabilities and partnerships in banking, healthcare, distribution, SMEs, agriculture and technology sectors, the Group aims to provide customer centric, digital first and efficient products that are accessible to millions of customers and enable them to bridge the protection gap and fulfil their goals. EGH’s extensive branch network, as well as unparalleled network of over 1.1 million agents and merchants continues to play a critical part of the insurance distribution strategy for all customer segments by ensuring ease of access and service for customers. As at June 2024, the Group had issued over 12 million life policies and had 1.5 million unique customers consuming life assurance and pension products.

The Group’s transformation goes beyond regional and product offering diversification, to a technology led and enabled business under One Equity offering, that enables self-services with unparalleled convenience and ease based on freedom of channel choice. Digital channels dominate with 84% of transactions, Agency channels process 9% of transactions while ATMs and Merchant acquiring each process 2% of transactions and branches handle only 3% of transactions. The Group has rolled out a common product house that allows cross selling and bundling of products under the One Equity offering – a one stop shop for financial services.

The Group has developed an iconic brand and was ranked one of the most valuable in the Nairobi Securities Exchange (NSE) and Africa’s top banking brand. The Group’s impact continues to be felt in climate action, where the International Finance Corporation (IFC) recognized Equity as having the highest number of climate finance eligible transactions, most of which were in climate adaptation and mitigation in agriculture. The Group has also partnered with Microsoft and Mastercard Corporation to digitize 10 million customers under the community pass initiative.

On 8th August 2024, EGH commissioned 113 Equity Leaders Program (ELP) scholars from Kenya, Rwanda, Uganda and DRC who have received full scholarships to pursue their university education in various global universities across the world. The scholarships, worth Kshs 2.8 billion (USD.2.7 million) saw 13 students admitted to Ivy League universities, bringing the total number of Equity Leaders Program Scholars who have attended the Ivy Leagues to 204. The total number of scholars that have attended global universities through this program is 970. In the backdrop of a challenging macroeconomic environment, Equity Group Foundation has offered customized capacity building programs to 570,006 Micro and Small Enterprises (MSMEs) that received Entrepreneurship training, with a total of Kshs. 355.4 billion disbursed to 305,771 MSMEs under the Young Africa Works Program. This program has created at least 1.3 million jobs for young people.

Dr. Mwangi said, “Despite the challenging environment, Equity has chosen to operate in a sustainable manner. In the coming weeks the Group will release its third sustainability report that highlights the Group’s approach to embed Sustainability in its strategy by becoming an early adopter of Taskforce for Nature Finance Disclosure in Africa, demonstrating not only a sustainability focus at customer level but also supporting nature restoration by having achieved 29.5 million trees planted. The Group continues to take a leading role in climate finance through extending over Kshs. 26 billion (USD 200 million) in the form of climate finance.”

-ENDS-

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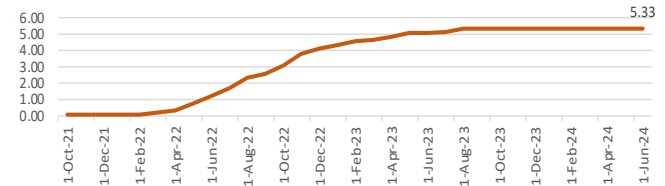
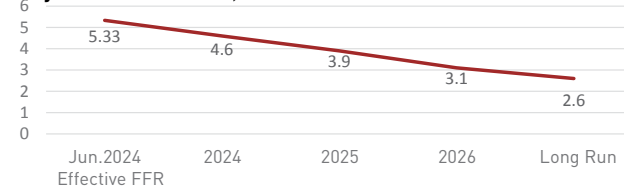


Macroeconomic Overview

Global macro environment - Global GDP to grow by 3.2% in 2024 and 3.3% in 2025 from surprising strong US, China and India economies

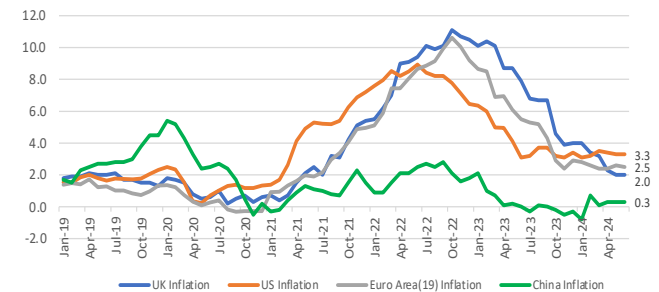
Pausing of higher longer interest rates and most major central banks have started gradual cuts of benchmark rates

Projected US Fed Rate, %



- ✓ Major central banks have initiated accommodative shifts, with the European Central Bank (ECB), Bank of Canada (BoC), Bank of England and Danish Central bank implementing 25 bps rate cuts. The US Fed is expected to review its rate in the September policy meeting sending a signaling effect of easement in the coming quarter.
- ✓ Kenya's Central bank and other regional central banks have followed suit
- ✓ Despite projected cuts, sustained higher rates in major economies may constrain capital flows to EMDEs, exacerbating funding constraints. This could intensify LCY depreciation pressures amid widening current account deficits and diminishing FX reserves due to FCY debt servicing and elevated import costs.

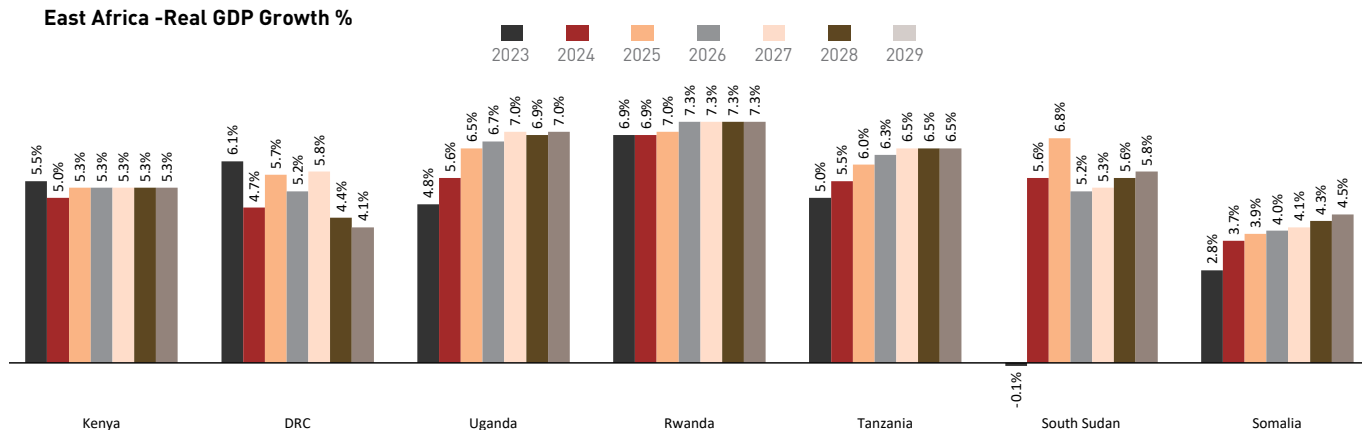
Inflation YOY % -UK, US, EuroZone-19, China



Sources: US FED; statistics Bureaus and IMF

East Africa - GDP projected to grow at 5.3% and 5.8% in 2024 and 2025/2026

Fiscal consolidation as governments bring down their fiscal deficits to sustainable levels and create fiscal space



- ✓ The FY 2024/2025 budgets by most of the member states of the East African Community indicated fiscal consolidation, implying continued focus on reducing the budget deficit.
- ✓ The region's robust real GDP growth will mobilize the government revenue hence lower public debt/GDP in the medium term.
- ✓ Downsides:
 - Moody's Credit rating agency downgraded the three major banks in Kenya, KCB group, Cooperative bank and Equity group from B3 to Caa1 with a negative outlook citing the banks high sovereign risk exposure
 - El Nino rains climate shock (flooding and destruction of infrastructure)
 - Regional and global contractionary monetary policy
 - Global and regional geopolitical risks (Eastern DRC, Sudan Khartoum civil war, Russia-Ukraine conflict, Israel-Palestine)

East Africa is one of the fastest growing regions in the world and this is EGH's home

“East Africa is set to continue to lead Africa’s growth pulse”⁽²⁾



Accounts for the highest number of countries in Africa with GDP \rightarrow 5%



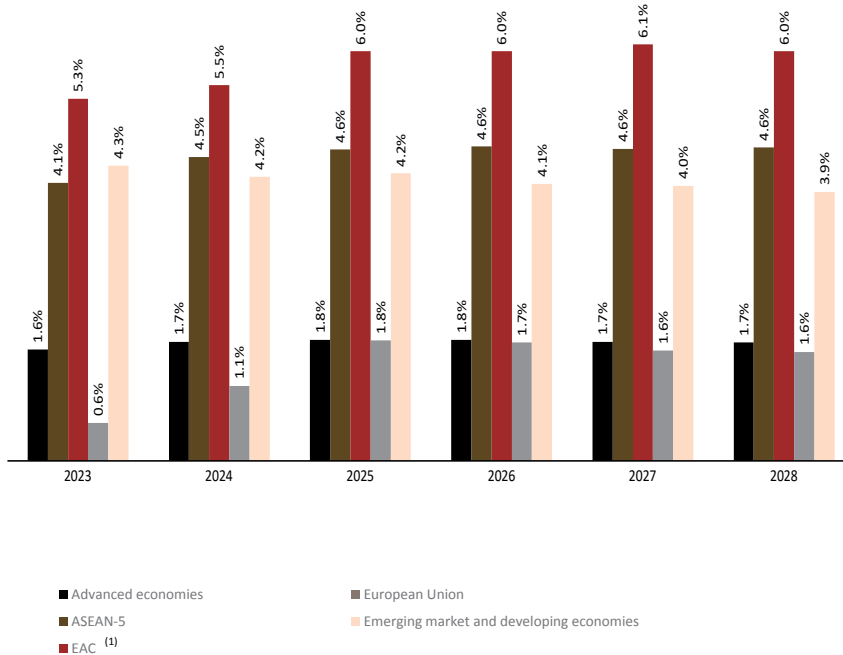
Second largest recipient of FDI flows in Africa, second only to North Africa



Key destination for global remittances (Kenya – leading recipient, Rwanda – registered 2nd largest growth in 2023)⁽³⁾










Robust track record of successful Eurobond issuances with unparalleled subscription rates



Notes: (1) EAC includes Kenya, DRC, Rwanda, Uganda, Tanzania and South Sudan. (2) AfDB's Africa's macroeconomic performance and outlook Report January 2024 (3) World Bank.

Sources: IMF, Africa Development Bank's

There is significant upside opportunity in East Africa & EGH is uniquely positioned to tap into this growth potential

| | 2023 GDP Growth | Debt to GDP | Exchange Rate vs USD | Monetary Policy Rate | Inflation Rate |
|--|-----------------|-------------|----------------------|----------------------|----------------|
|  Kenya | 5.5% | 73.0% | 128.7 | 13.0% | 5.0% |
|  DRC | 6.1% | 11.1% | 2,285.0 | 25.0% | 21.2% |
|  Uganda | 4.8% | 49.7% | 3,785.0 | 10.25% | 3.2% |
|  Rwanda | 6.9% | 46.1% | 1,311.0 | 7.5% | 0.6% |
|  Tanzania | 5.0% | 69.9% | 2,596.0 | 6.0% | 3.1% |
|  South Sudan | -0.1% | 48.3% | 1,582.0 | 15.0% | 5.8% |
|  Somalia | 2.8% | - | 571.0 | - | 5.3% |



Tanzania and Rwanda are in top 10 fastest growing countries in the world



>63% of target population is 24 years and below, median age is between 15 - 19 years (global average, 30 years)



DRC holds significant mineral deposits in copper, lithium, cobalt, copper



Average Insurance penetration in the region is at 1.34%

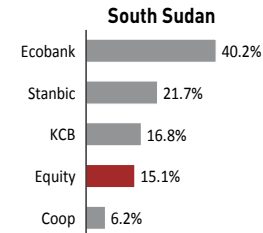
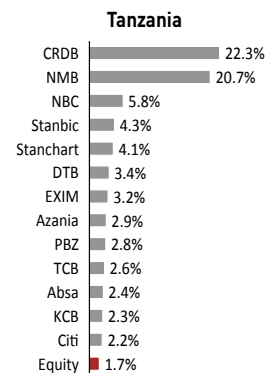
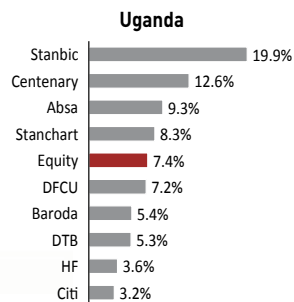
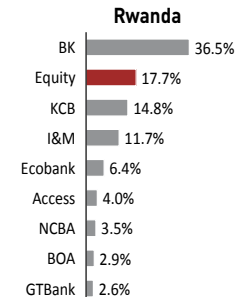
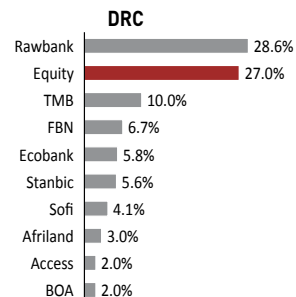
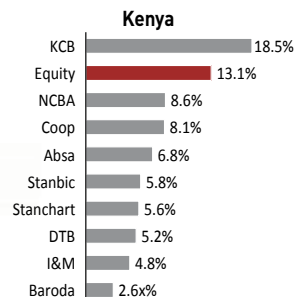


199.7 million mobile devices connected to a mobile network with the East Africa Community (EAC) - 100% penetration.

Notes: [1] Selected East Africa countries analysis aggregates data from Kenya, DRC, Uganda, Rwanda, Tanzania and South Sudan [2] CAGR: compound annual growth rate calculated from 2023 to 2028
Sources: IMF

Equity Group presence and Market Position

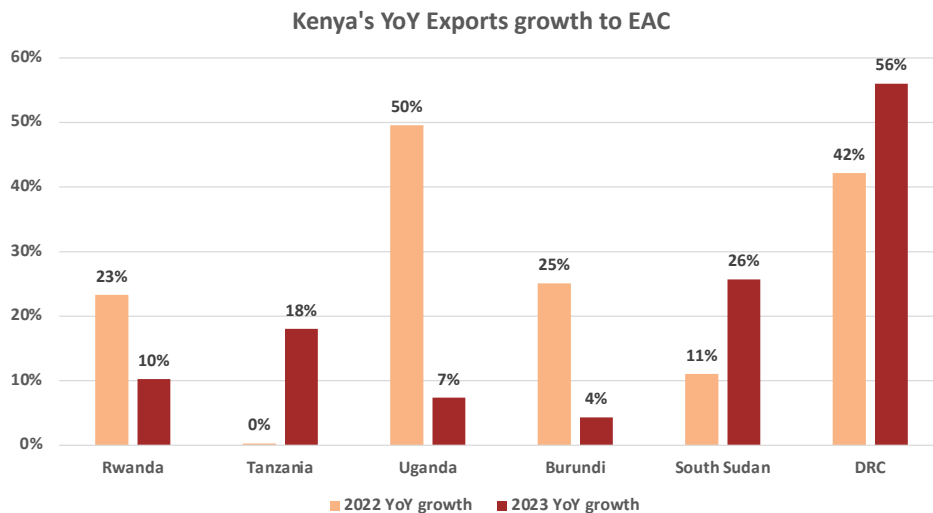
Equity asset market position among top 2 in most markets



Source: Equity Strategy, Central banks, bank financial statements

EGH is at the heart of East Africa's thriving ecosystem of trade connections

DRC is now the largest trading partner with Kenya with exports of USD66M. EGH has been instrumental having organized over 20 trade missions.



Significant market expansion driving growth opportunities



Regional integration, harmonization and collaboration



Robust infrastructure developments to bolster activity



Strategic geographical location—trade and transport gateway

Source: Q1 2024 Kenya National Bureau of statistics, balance of payment report.



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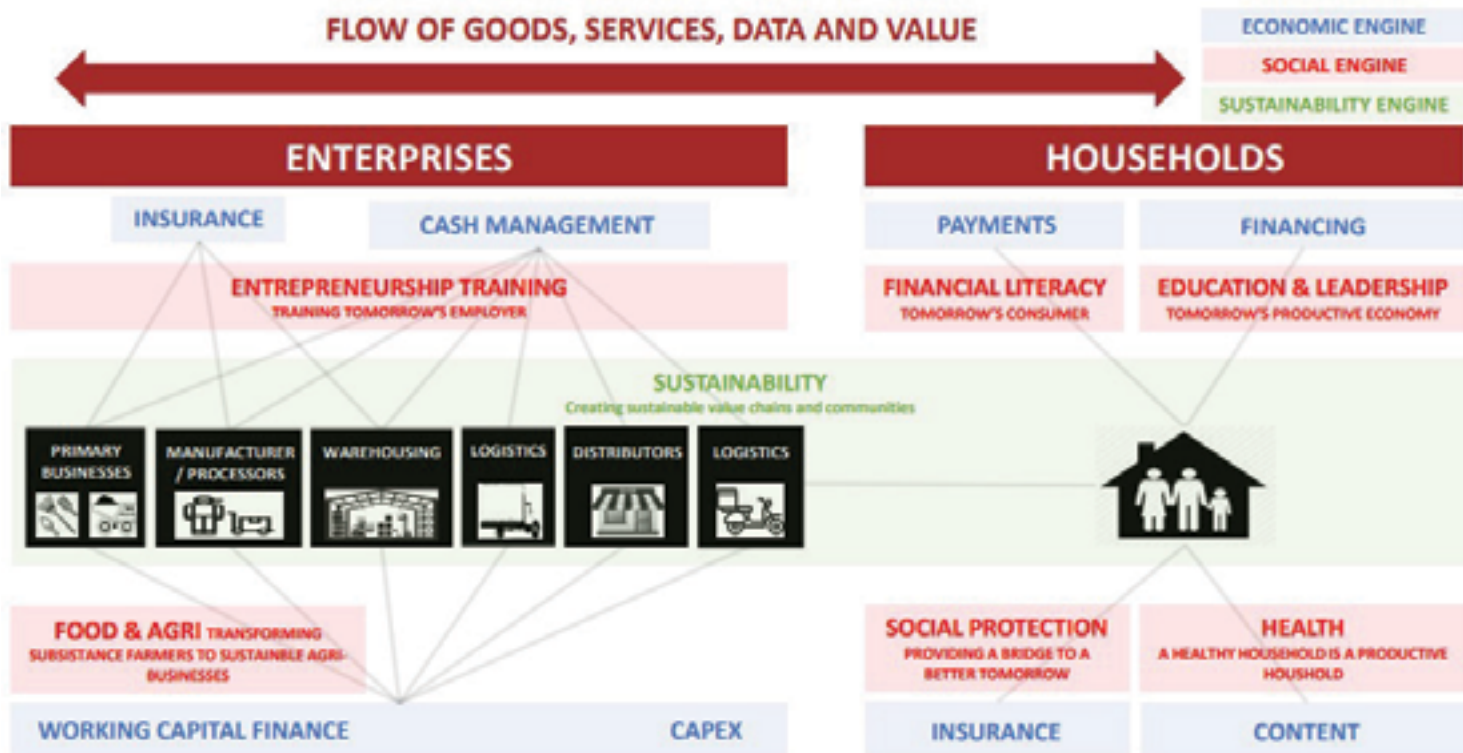
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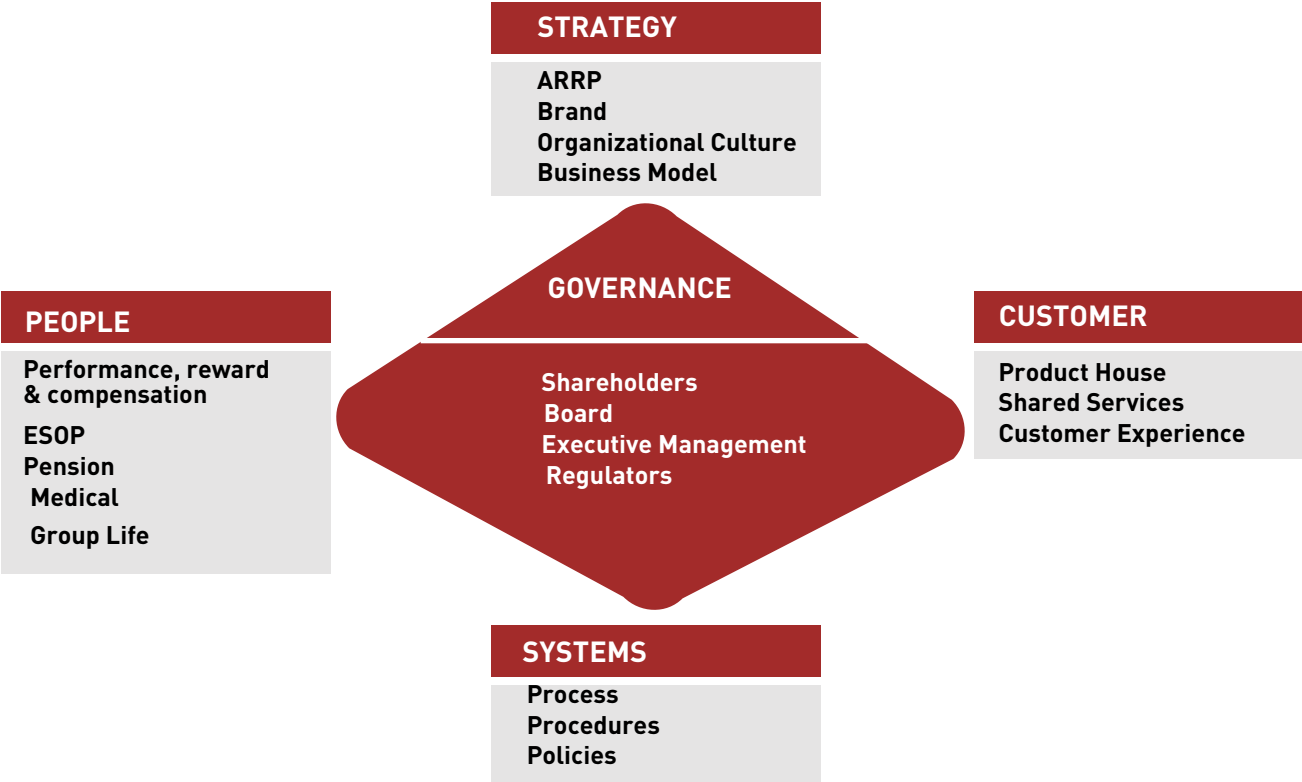
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Strategy Overview

Equity Group's tri-engine business model executed through ecosystem approach that holistically supports value chains and households

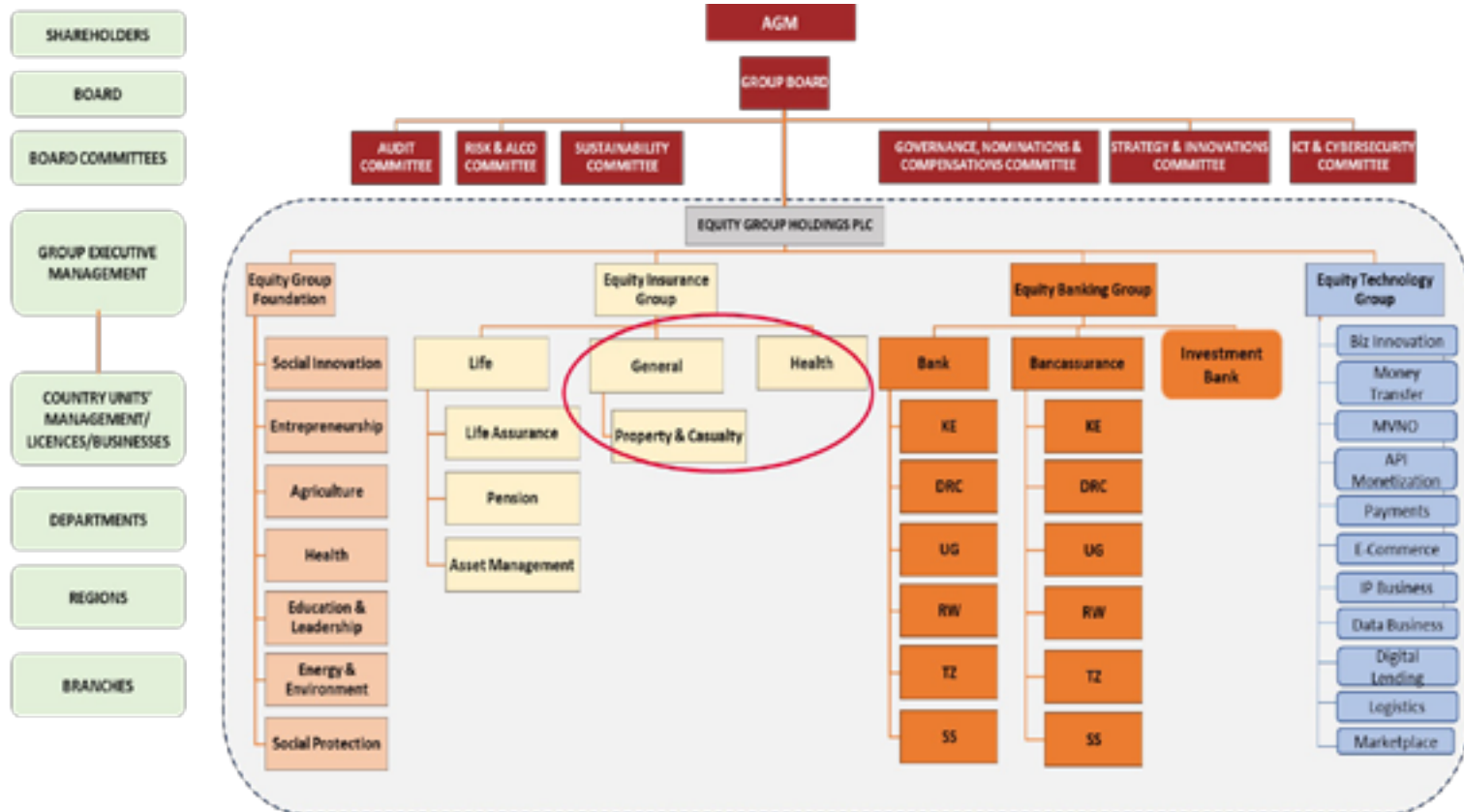


Equity Group Transformation



Organization Structure

Incorporation of a health insurance subsidiary



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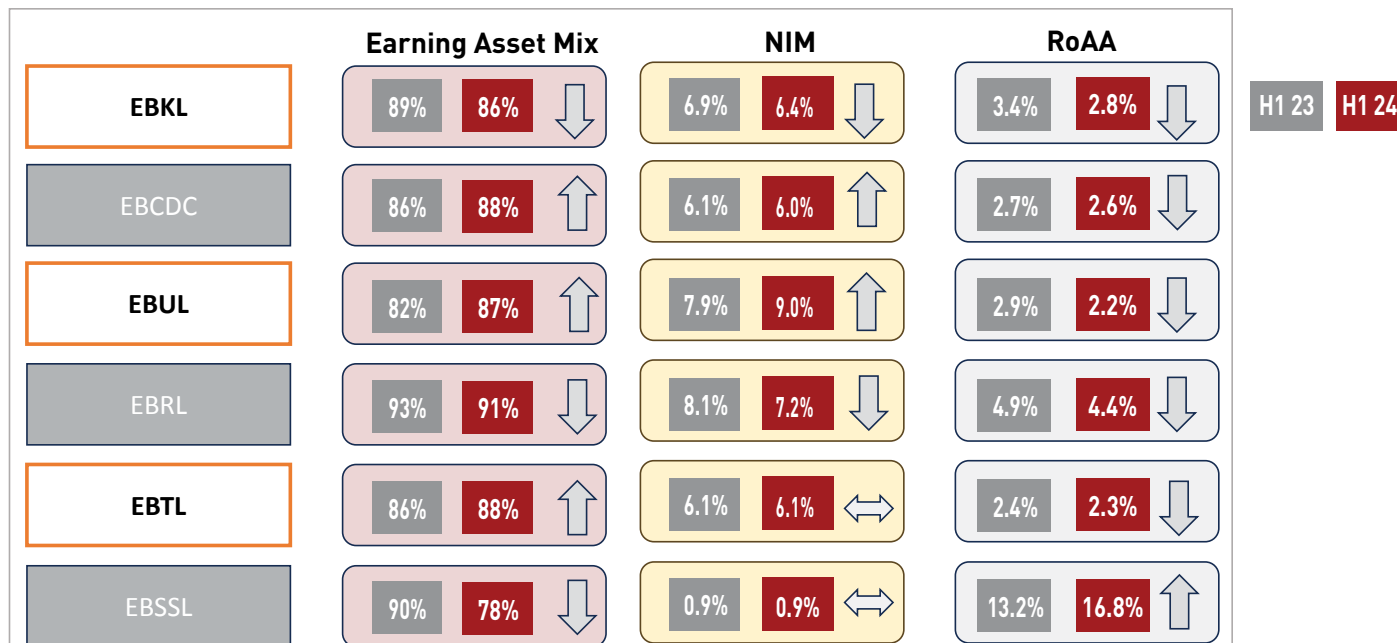
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Banking Group

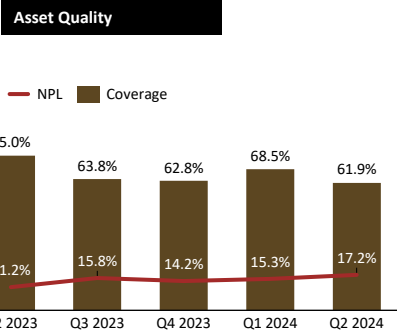
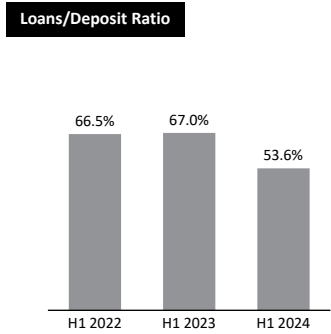
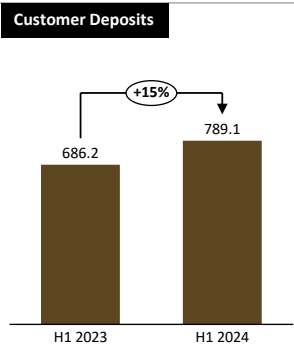
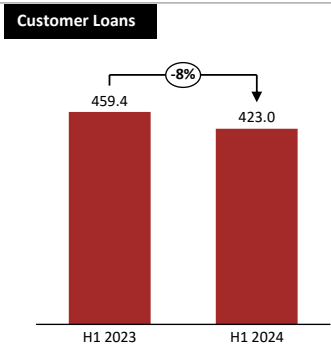
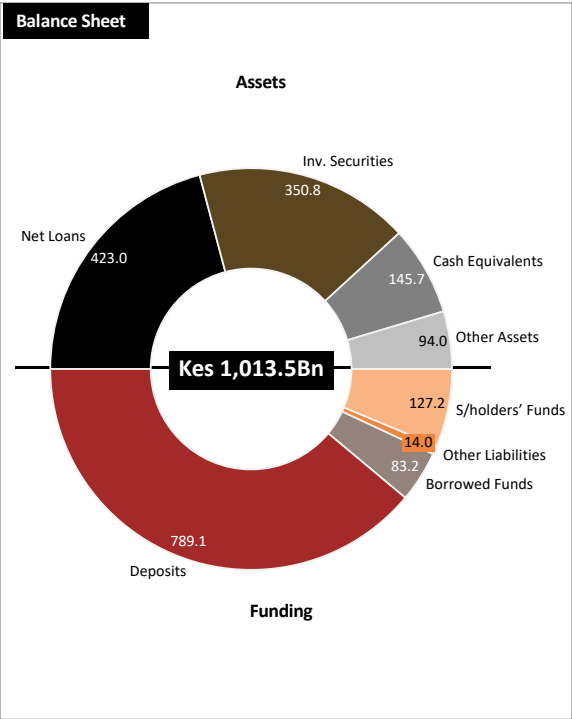
Banking Group Balance Sheet Optimization and Efficiency

Earning Assets constituting majority of the balance sheet; yielding strong margins



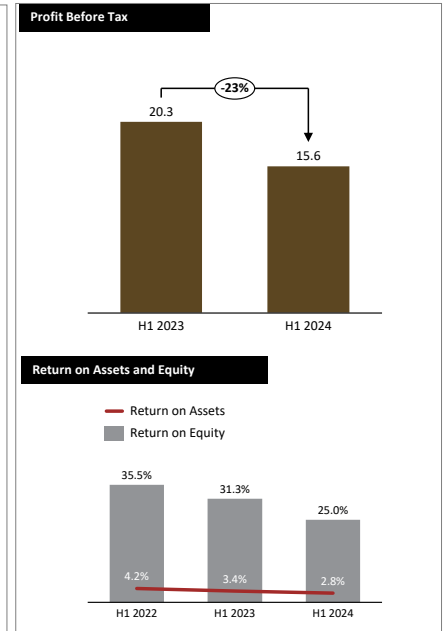
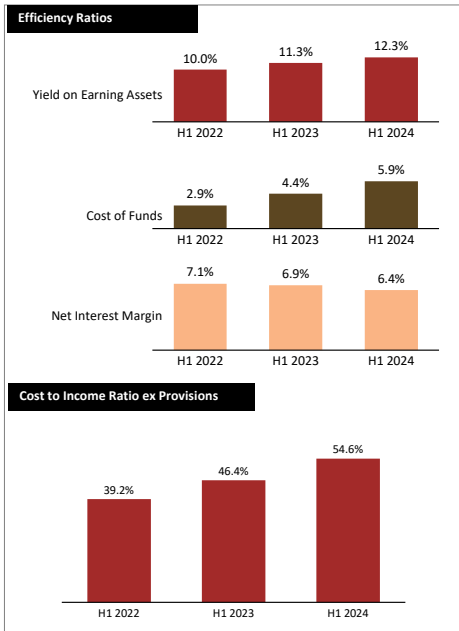
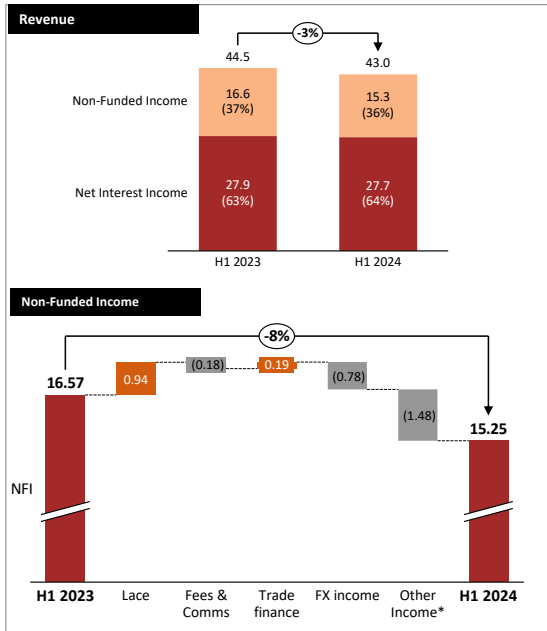
EBKL Balance Sheet

(Figures in Kes Billion)



EBKL P&L

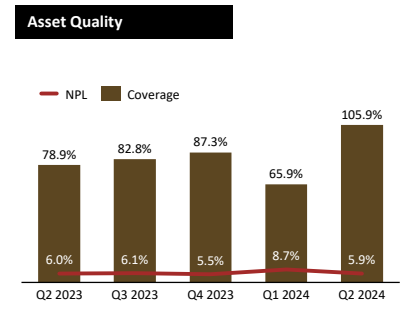
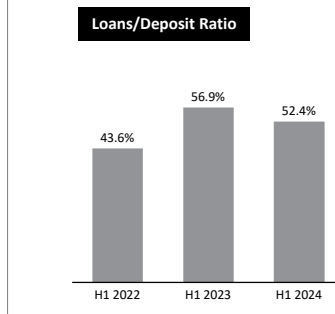
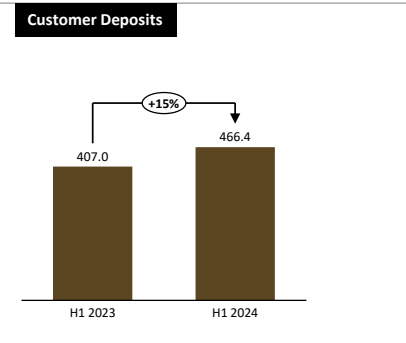
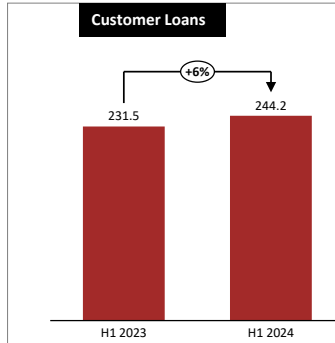
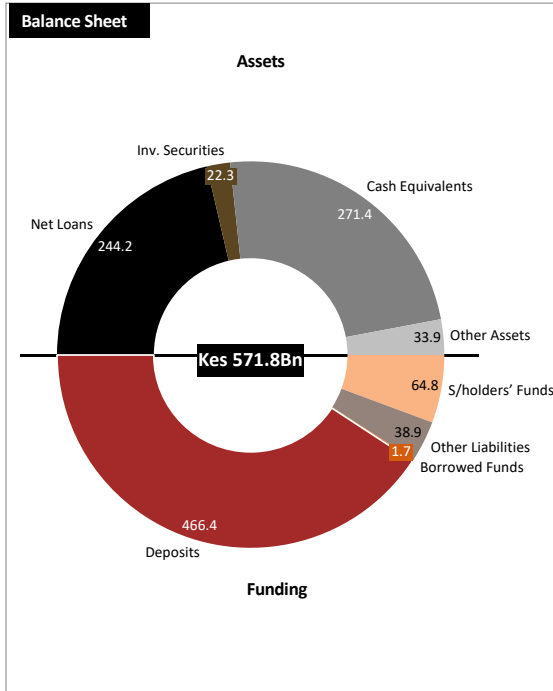
(Figures in Kes Billion)



*Other income relates to trading gains, unrealized revaluation gains/loss and other commissions

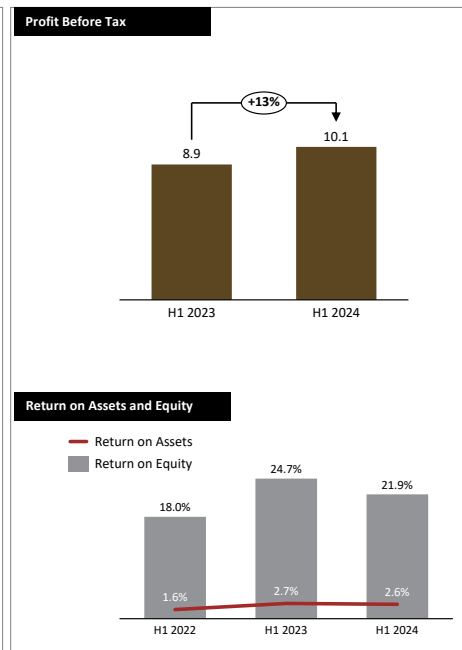
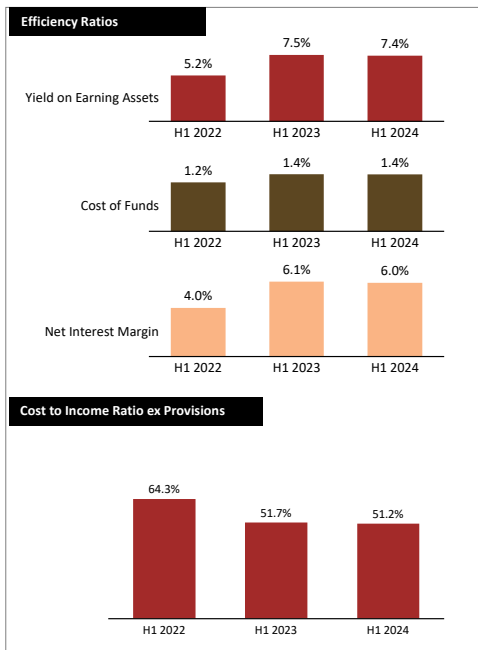
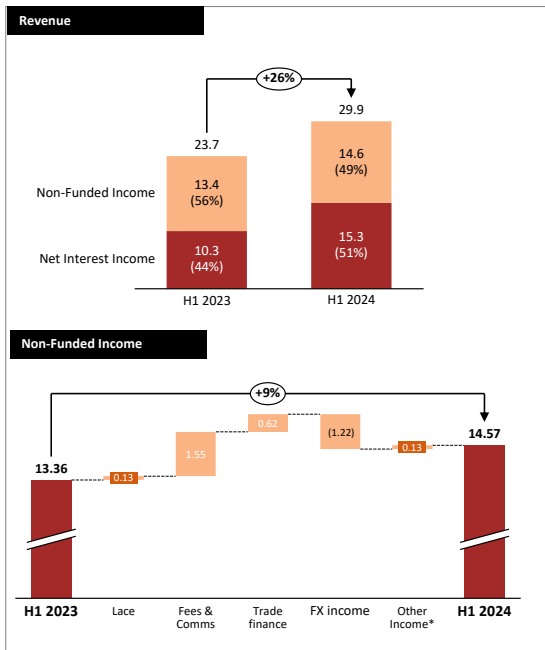
EBCDC Balance Sheet

(Figures in Kes Billion)



EBCDC P&L

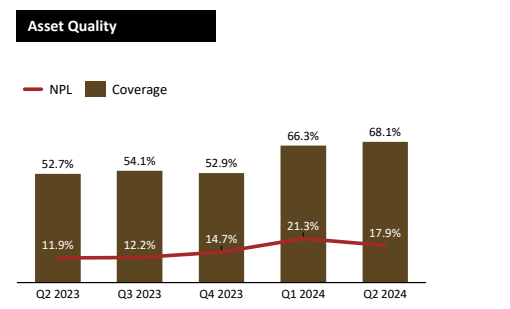
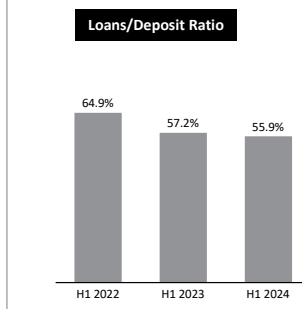
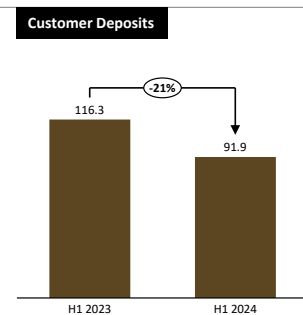
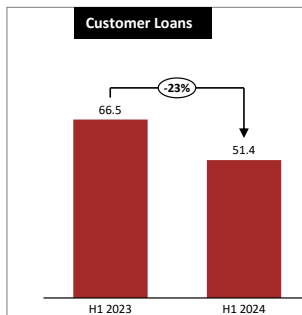
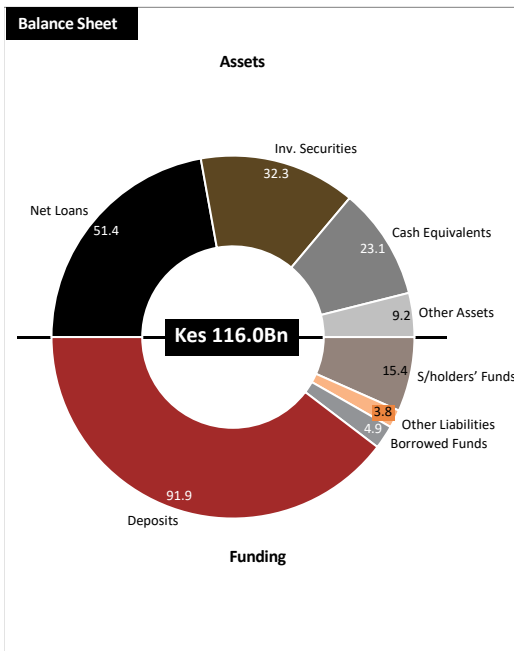
(Figures in Kes Billion)



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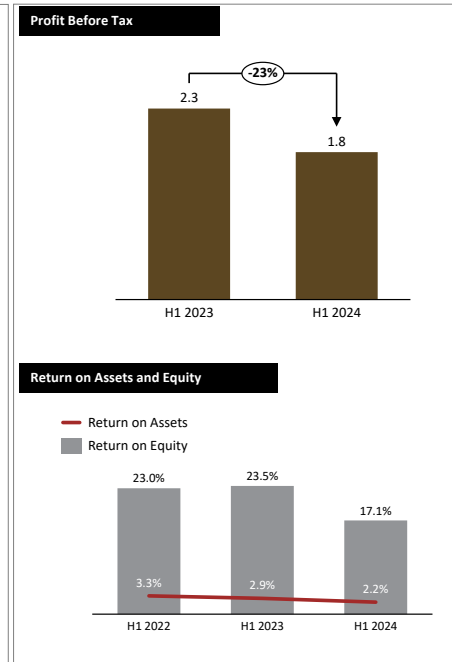
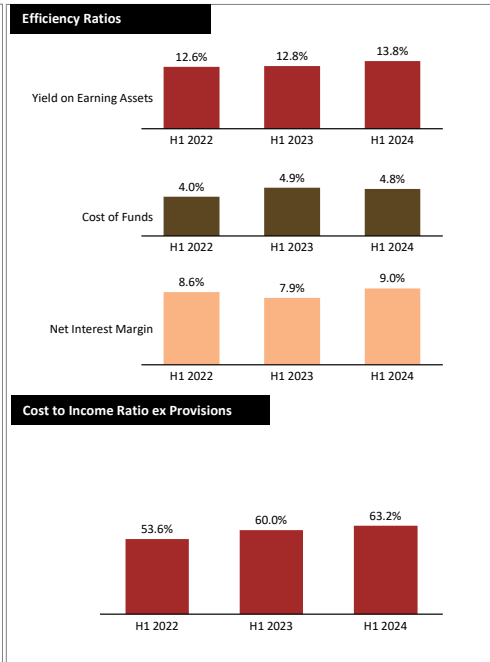
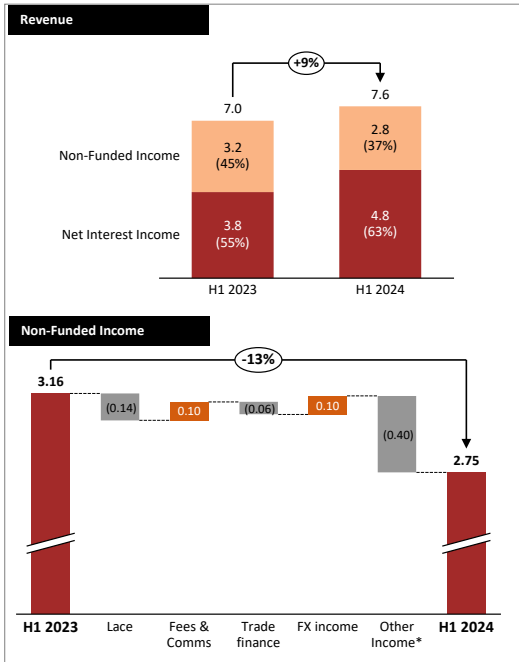
EBUL Balance Sheet

(Figures in Kes Billion)



EBUL P&L

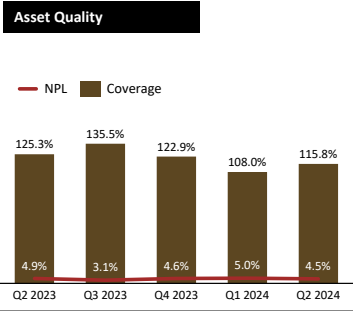
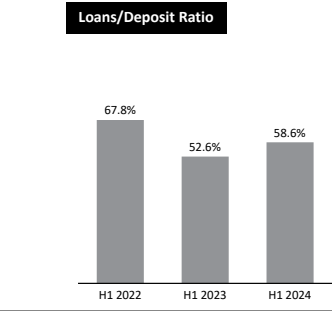
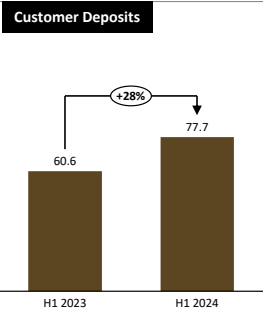
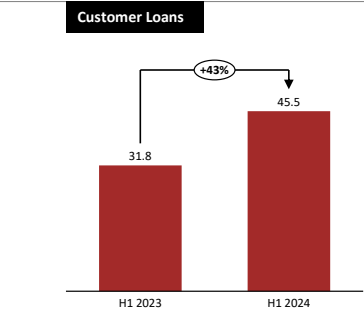
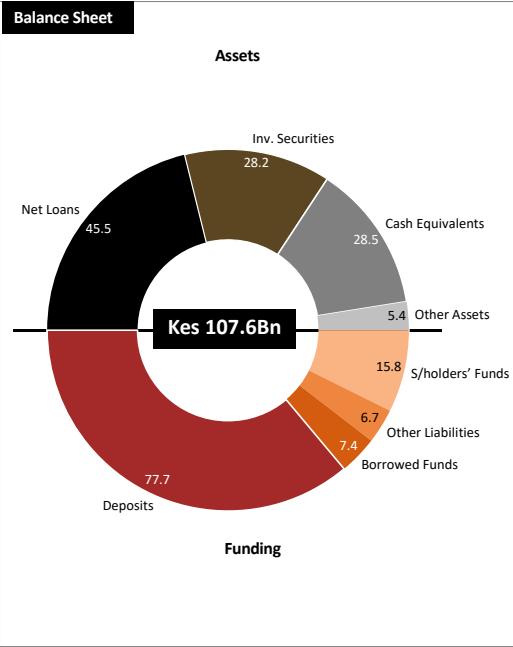
(Figures in Kes Billion)



*Other income relates to trading gains, unrealized revaluation gains/loss and other commissions

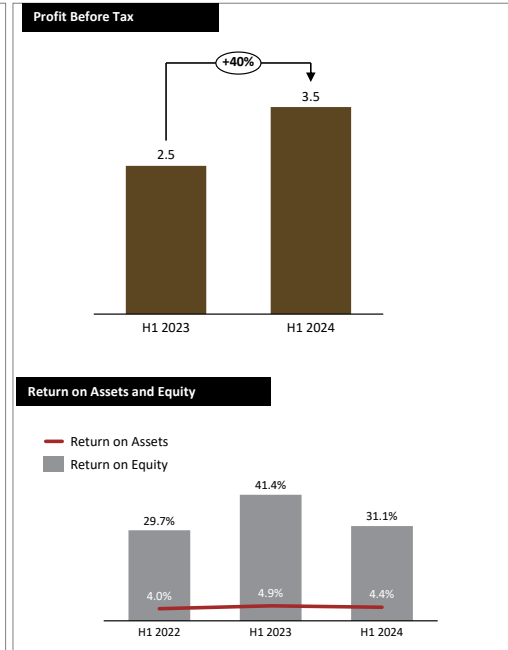
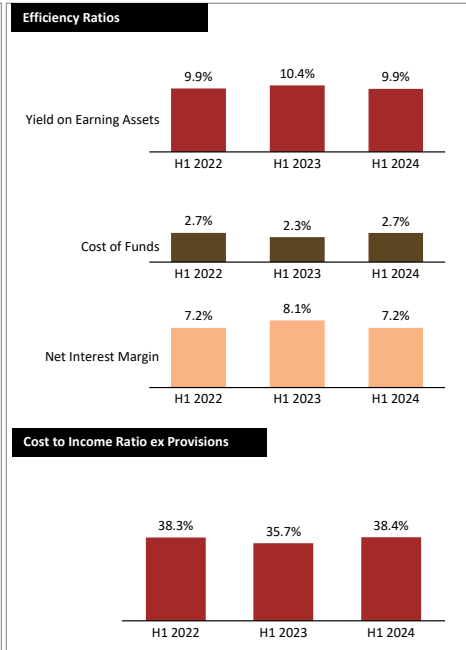
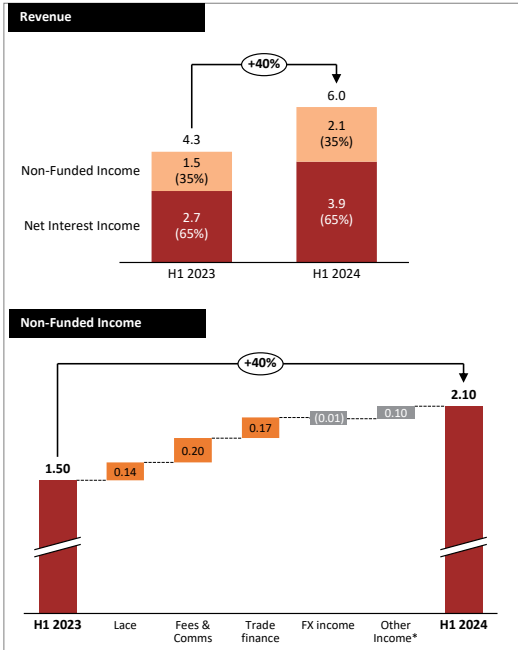
EBRL Balance Sheet

(Figures in Kes Billion)



EBRL P&L

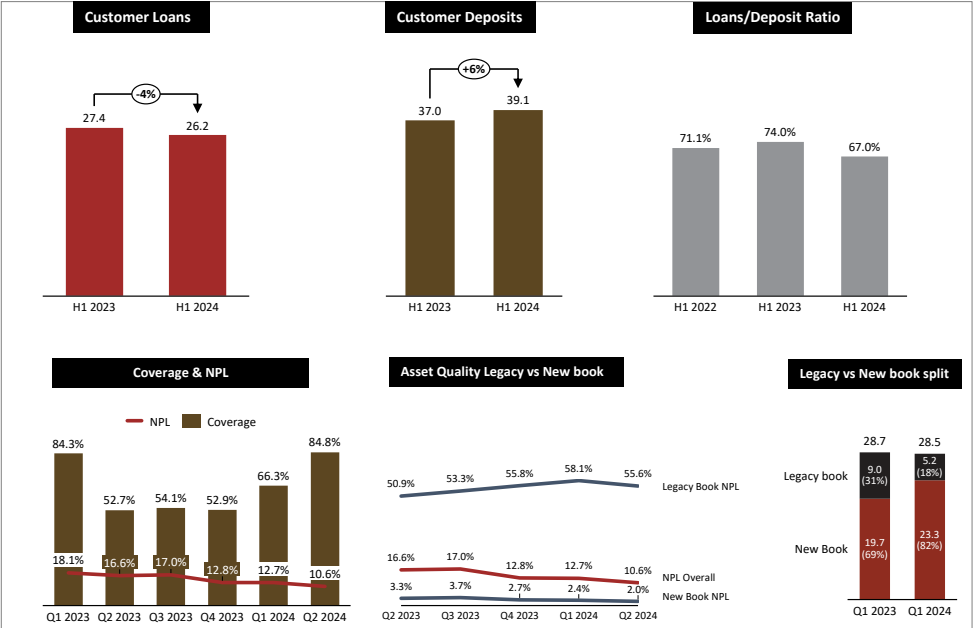
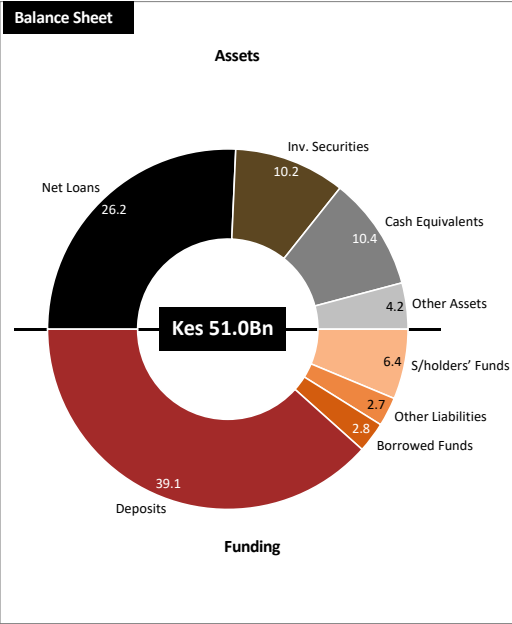
(Figures in Kes Billion)



*Other income relates to trading gains, unrealized revaluation gains/loss and other commissions

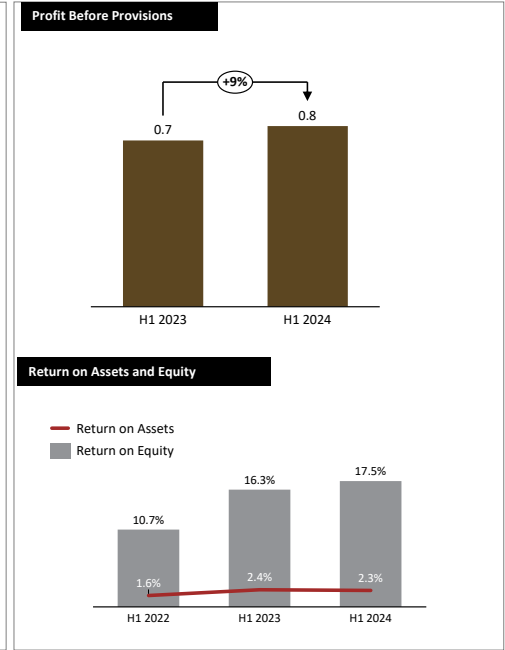
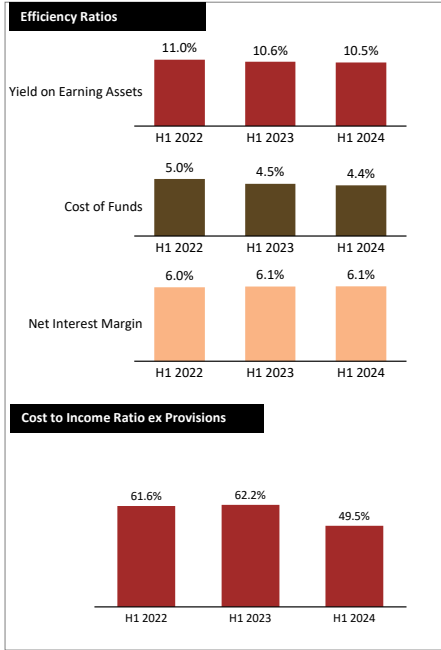
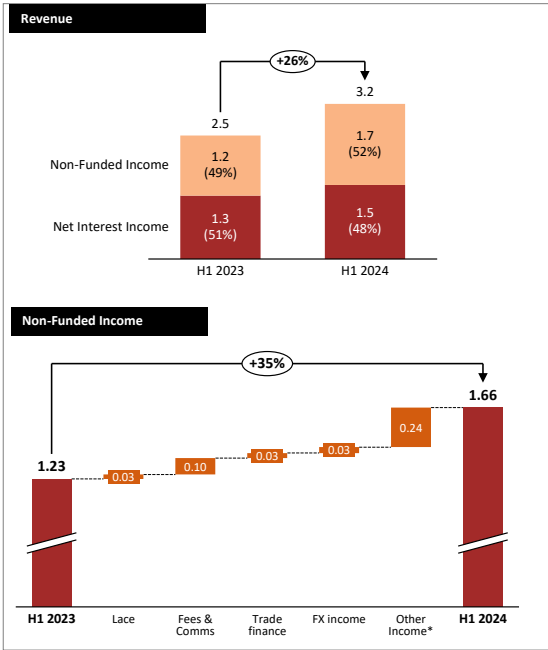
EBTL Balance Sheet

(Figures in Kes Billion)



EBTL P&L

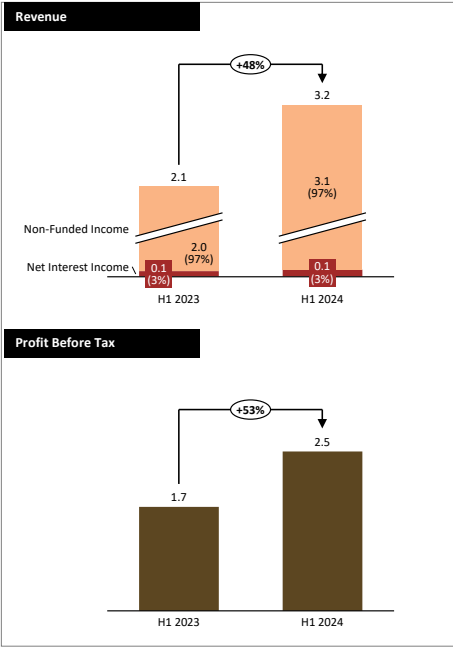
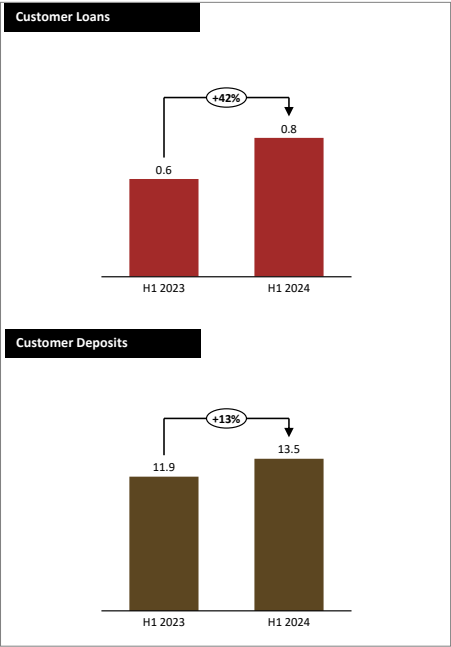
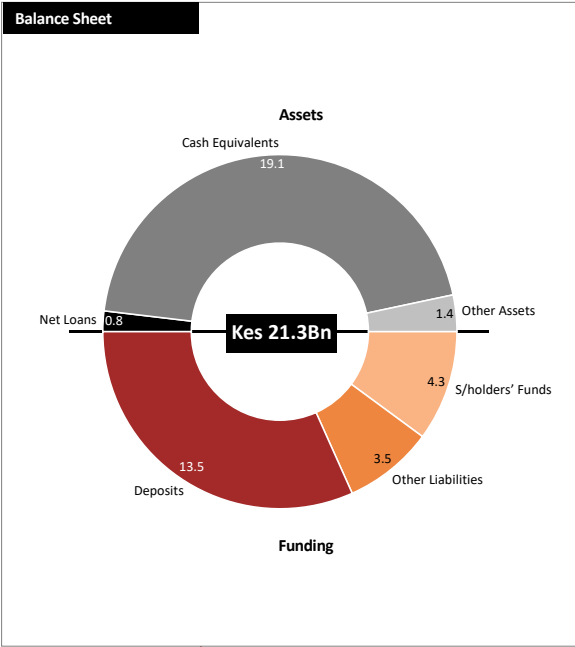
(Figures in Kes Billion)



*Other income relates to trading gains, unrealized revaluation gains/loss and other commissions

EBSSL Balance Sheet & P&L

(Figures in Kes Billion)



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Overall Banking Group Performance

Regional Diversification of Banking Business

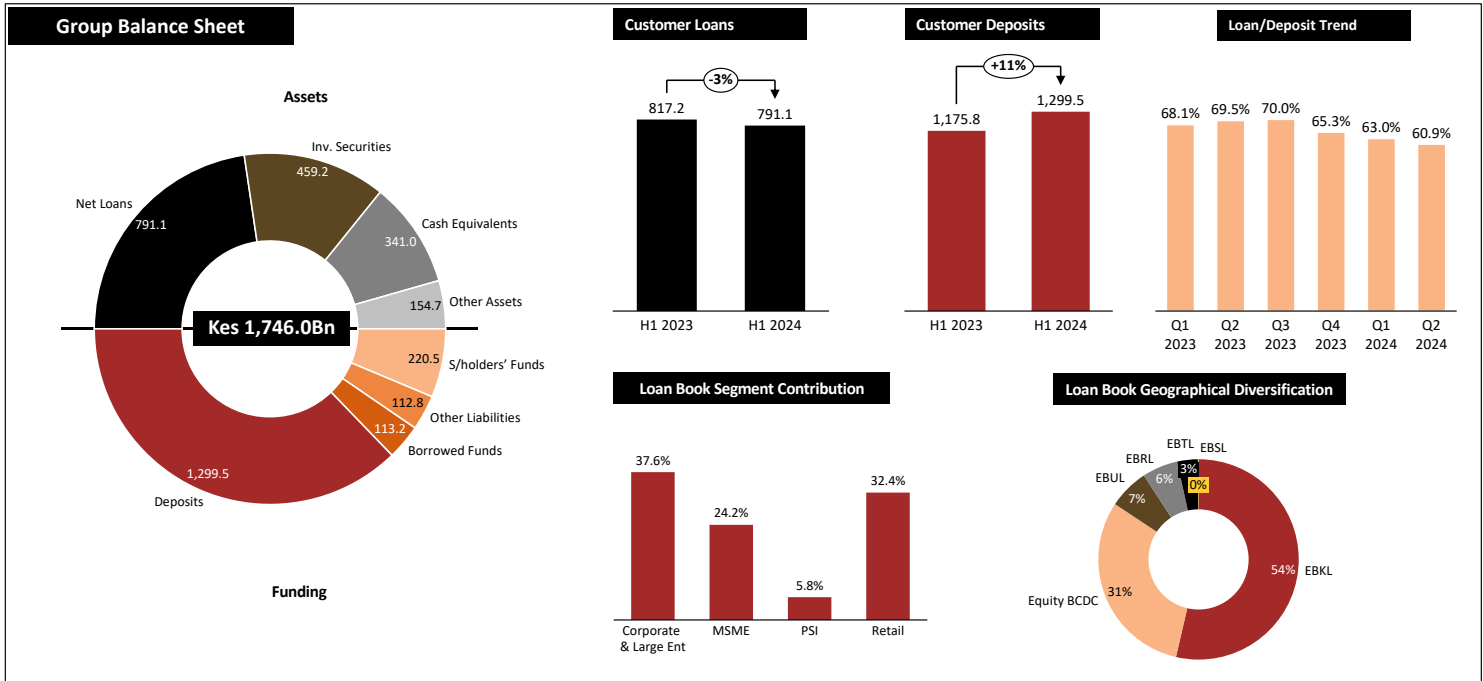
Contribution of banking subsidiaries

(Figures in Kes Billion)

| H1 2024 | EBTL | EBRL | EBUL | EBSS | Equity BCDC | Regional Subs Total (% Contribution) | EBKL (% Contribution) | Banking Group Total (% growth) | Banking Subs Contribution H1 2024 | Banking Subs Contribution H1 2023 |
|------------------------|-------|-------|-------|-------|-------------|--------------------------------------|-----------------------|--------------------------------|-----------------------------------|-----------------------------------|
| Deposit | 39.1 | 77.7 | 91.9 | 13.5 | 466.4 | 688.6 | 789.1 | 1,477.7 | 47% | 48% |
| <i>YoY Growth</i> | 6% | 28% | -21% | 13% | 15% | 47% | 53% | 12% | | |
| Loan | 26.2 | 45.5 | 51.4 | 0.8 | 244.2 | 368.1 | 423.0 | 791.1 | 47% | 44% |
| <i>YoY Growth</i> | -4% | 43% | -23% | 42% | 6% | 47% | 53% | -3% | | |
| Assets | 51.0 | 107.6 | 115.9 | 21.3 | 571.8 | 867.6 | 1,013.5 | 1,881.1 | 46% | 45% |
| <i>YoY Growth</i> | 2% | 36% | -19% | 17% | 13% | 46% | 54% | 6% | | |
| Revenue | 3.2 | 6.0 | 7.6 | 3.2 | 29.9 | 49.9 | 41.6 | 91.5 | 55% | 47% |
| <i>YoY Growth</i> | 26% | 40% | 9% | 48% | 26% | 55% | 45% | 9% | | |
| Cost before provisions | 1.6 | 2.3 | 4.8 | 0.6 | 15.3 | 24.6 | 23.4 | 48.0 | 51% | 49% |
| <i>YoY Growth</i> | 0% | 51% | 15% | 29% | 25% | 51% | 49% | 18% | | |
| PBT before provisions | 1.6 | 3.7 | 2.8 | 2.6 | 14.6 | 25.2 | 18.2 | 43.4 | 58% | 45% |
| <i>YoY Growth</i> | 68% | 34% | 0% | 53% | 28% | 58% | 42% | 1% | | |
| PBT | 0.8 | 3.5 | 1.8 | 2.5 | 10.1 | 18.7 | 15.6 | 34.3 | 55% | 44% |
| <i>YoY Growth</i> | 9% | 40% | -23% | 53% | 13% | 55% | 45% | -6% | | |
| PAT | 0.6 | 2.5 | 1.4 | 1.8 | 7.4 | 13.8 | 13.9 | 27.7 | 50% | 42% |
| <i>YoY Growth</i> | 10% | 43% | -23% | 56% | 19% | 50% | 50% | 2% | | |
| RoAE | 17.5% | 31.1% | 17.1% | 76.0% | 21.9% | 24.5% | 25.0% | 24.7% | | |
| RoAA | 2.3% | 4.4% | 2.2% | 16.8% | 2.6% | 3.1% | 2.8% | 2.9% | | |

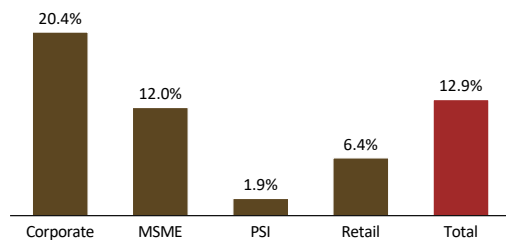
EGHL Balance Sheet

(Figures in Kes Billion)

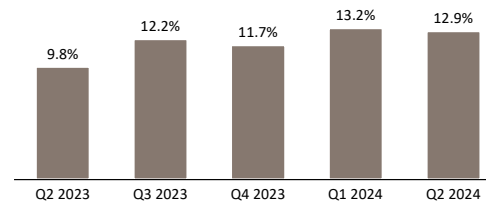


Asset Quality, Distribution and Risk Mitigation

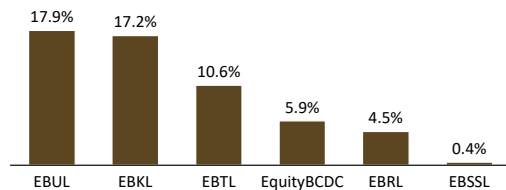
NPL Ratio by Segment



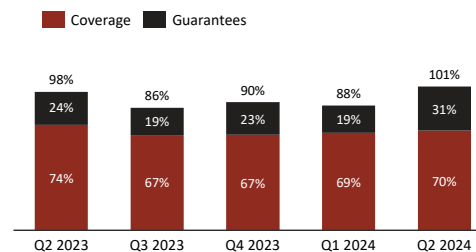
Group NPL Ratio



NPL Ratio by Country



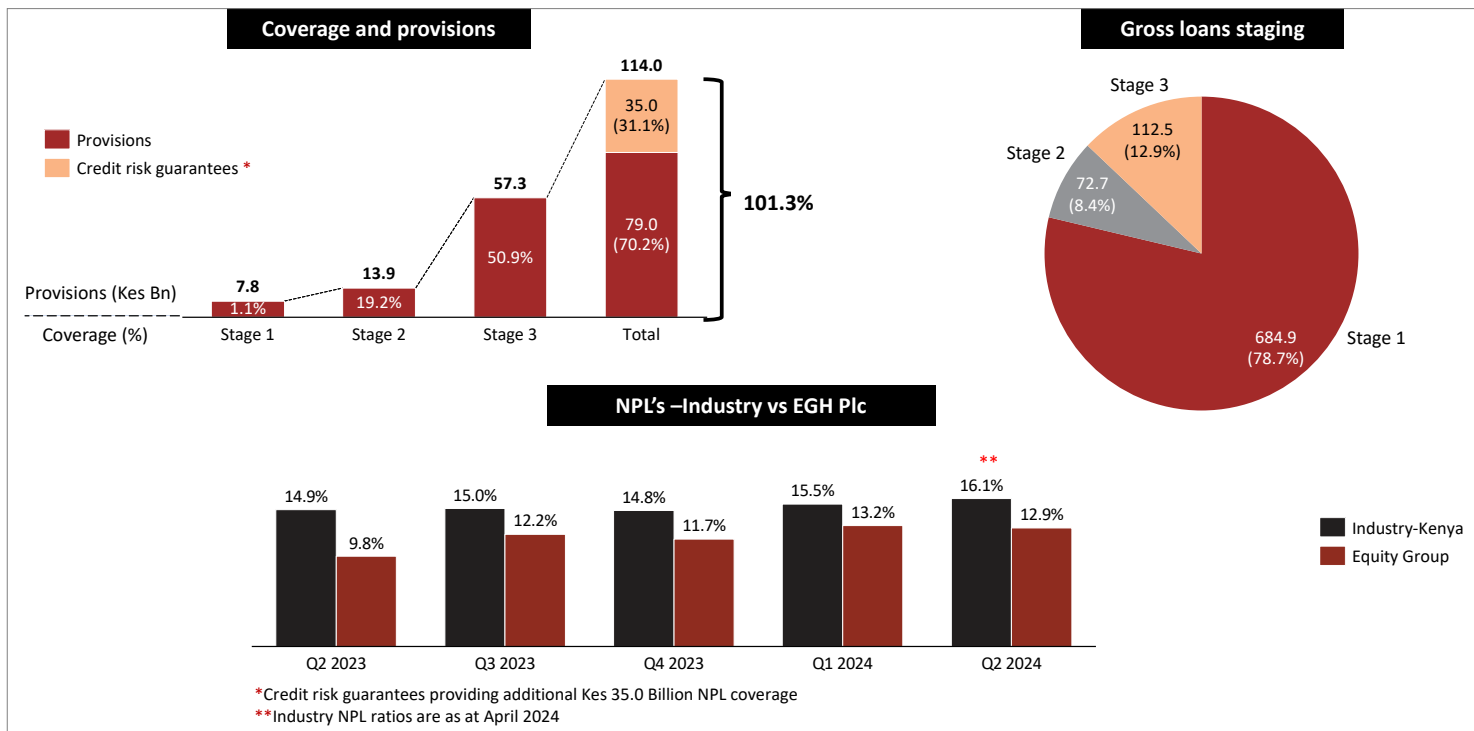
NPL Coverage Ratio



Asset Quality, Distribution and Risk Mitigation

Prudent approach to credit risk management

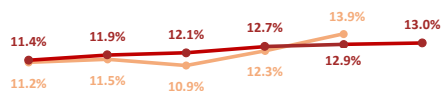
(Figures in Kes Billion)



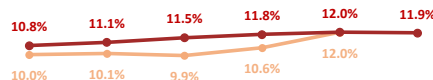
Tier 1 Banks excludes Equity Group. Industry data available up to Q4 2023

Profit and Loss Efficiency Financial Intermediation

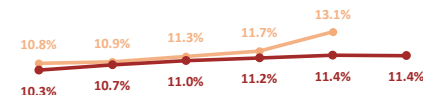
Yield on Loans



Yield on Government Securities



Yield on Interest Earning Assets



Q1 2023 Q2 2023 Q3 2023 Q4 2023 Q1 2024 Q2 2024

Tier 1 Banks Equity

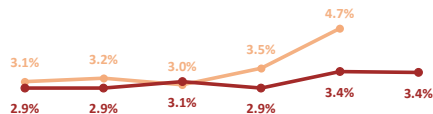
Q1 2023 Q2 2023 Q3 2023 Q4 2023 Q1 2024 Q2 2024

Tier 1 Banks Equity

Q1 2023 Q2 2023 Q3 2023 Q4 2023 Q1 2024 Q2 2024

Tier 1 Banks Equity

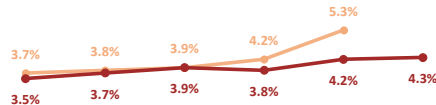
Cost of Deposits



Q1 2023 Q2 2023 Q3 2023 Q4 2023 Q1 2024 Q2 2024

Tier 1 Banks Equity

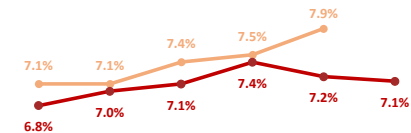
Cost of Funds



Q1 2023 Q2 2023 Q3 2023 Q4 2023 Q1 2024 Q2 2024

Tier 1 Banks Equity

Net Interest Margin

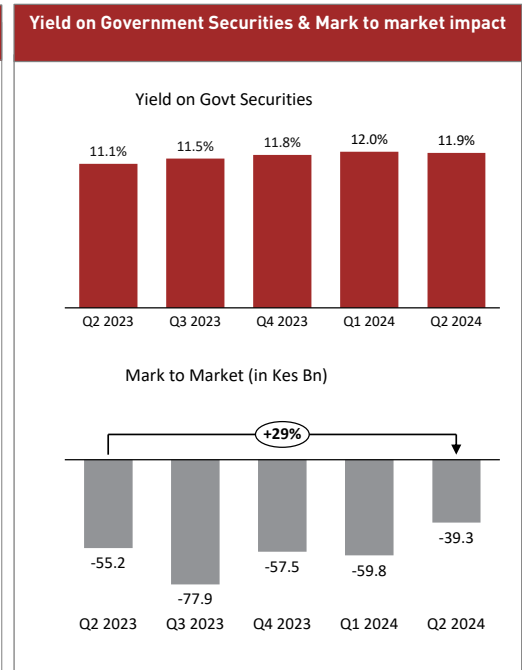
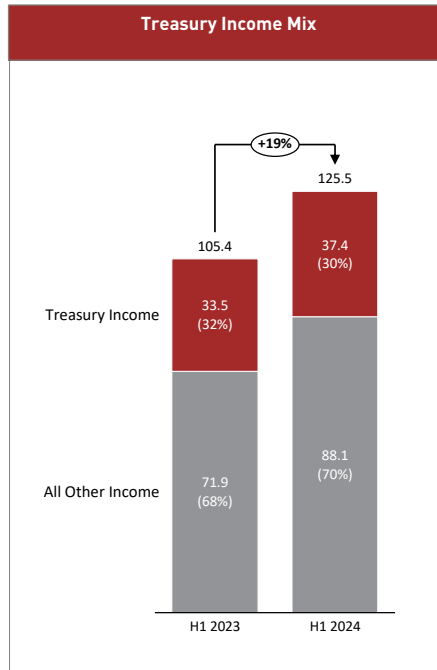
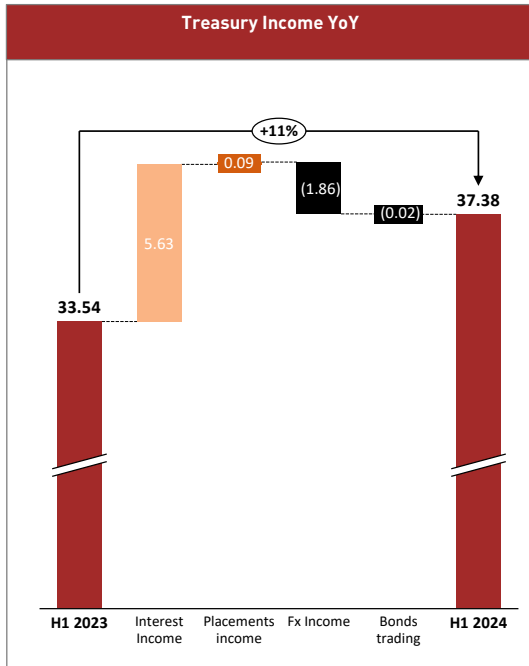


Q1 2023 Q2 2023 Q3 2023 Q4 2023 Q1 2024 Q2 2024

Tier 1 Banks Equity

Non-Funded Income - Treasury Efficiency

(Figures in Kes Billion)

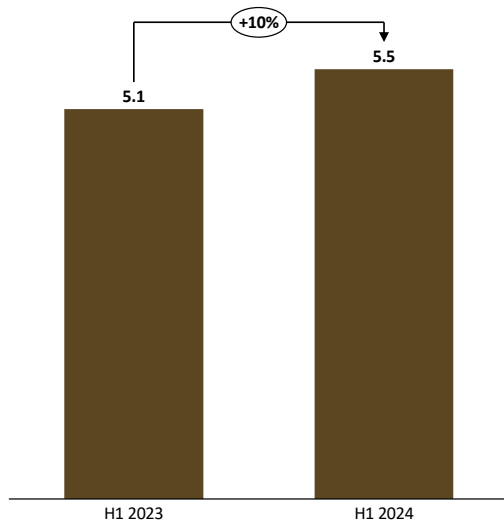


Note: Income calculation above is before funding costs

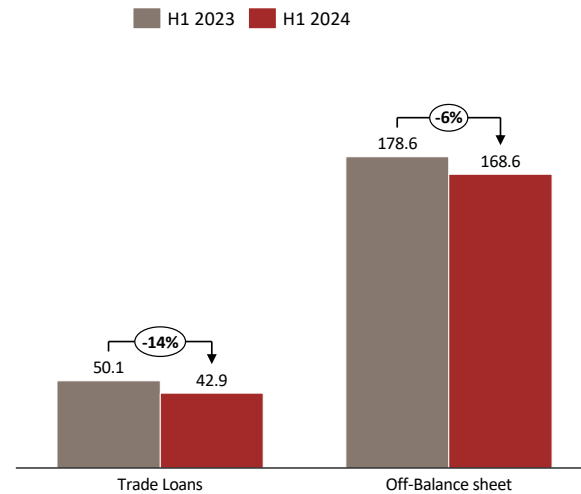
Non-Funded Income - Trade Finance Performance

(Figures in Kes Billion)

Gross trade finance revenue



Trade finance facilitation



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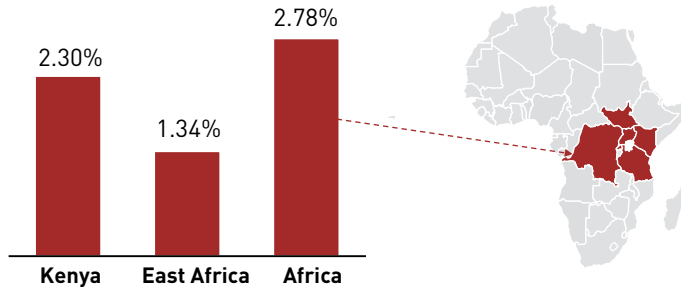


Insurance Group

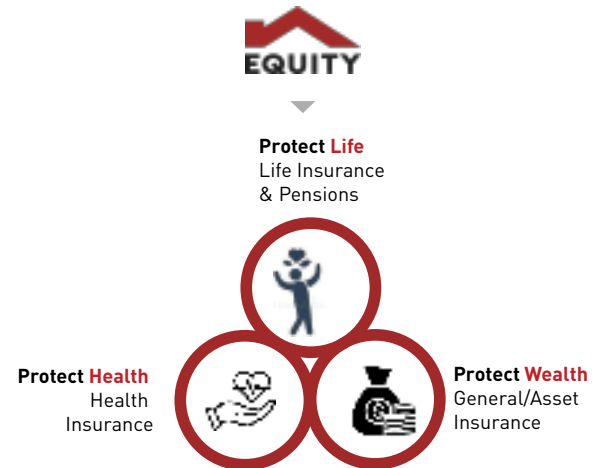
Equity Insurance Group : The Opportunity

Opportunity in Africa & the Equity Strategic Intent

Low Insurance Penetration in Africa



- Low average insurance penetration rates (Africa 2.78%, East Africa 1.34%)
- +150 insurance companies in the market with limited success
- Africa is <3% of global insured losses compared with 18% population representation.
- GWP \$70Bn in Africa in 2021 (SA, 70% and largely General)
- Consumers in Africa are an event away from financial distress
- Insurance has a social and economic role to play in society.
- African communities largely self-insure through traditional means and direct cash payments
- Opportunity lies in resolving challenges facing the industry in Africa such as:
 - Access
 - Relevance or Suitability
 - Affordability
 - Reliability

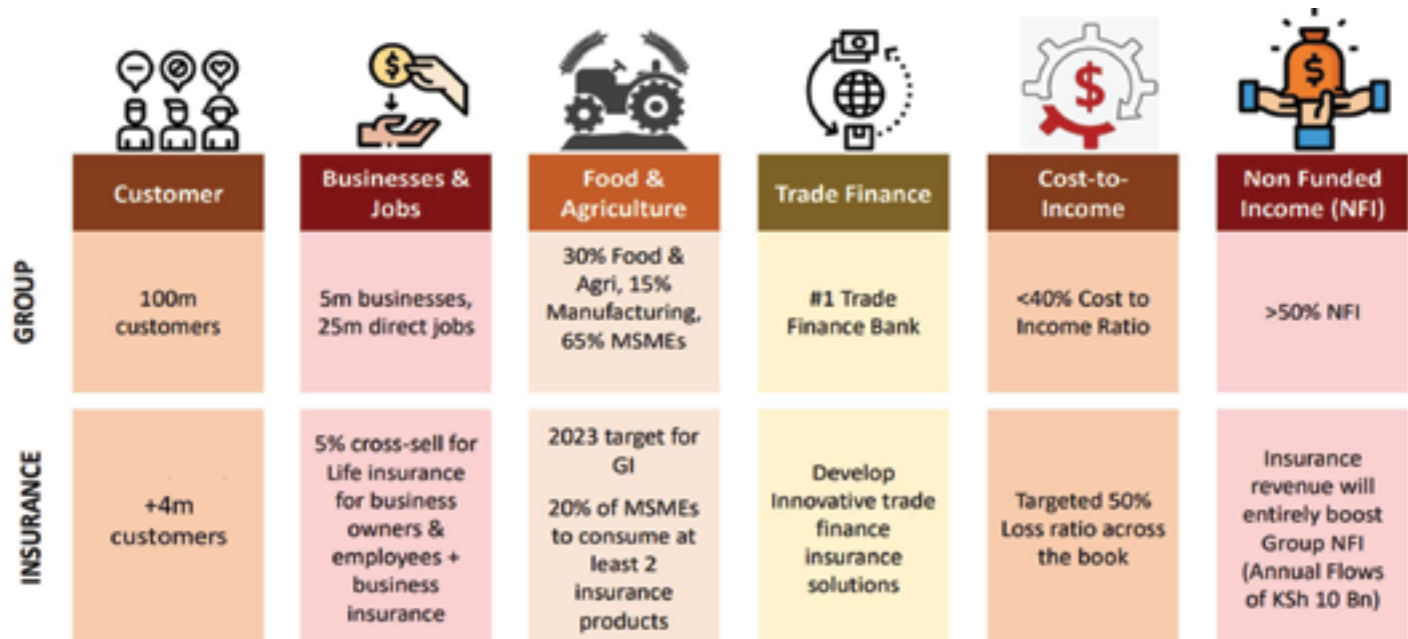


Impact/Desired Outcome

- ✓ Social Economic Prosperity
- ✓ Increased Insurance Uptake & Penetration
- ✓ Improved Quality of Life
- ✓ Vibrant Economy
- ✓ Peace of Mind for Members

Equity Insurance Group

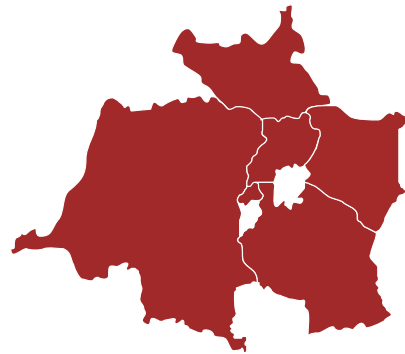
Africa Recovery and Resilience Plan | Strategic Alignment



Equity Insurance Group : The Opportunity

Opportunity in Africa & the Equity Strategic Intent

East Africa Market & Industry Statistics



| | | | | | |
|------------------------------|--------|--------|--------|--------|-------|
| 2022 GDP (Billion USD) | 116.64 | 59.25 | 47.00 | 74.54 | 11.04 |
| Saving Rate | 9.8% | ** | 11.5% | 11.4% | 14.3% |
| Adequacy Level | Low | Low | Low | Low | Low |
| Life Expectancy | 62.13 | 62.87 | 59.18 | 59.18 | 64.52 |
| Working population | 27.8Mn | 48.9Mn | 19.4Mn | 27.9Mn | 7.9Mn |
| % of workforce to population | 63% | 52% | 53% | 53% | 68% |
| Insurance Penetration | 2.3% | 0.4% | 0.8% | 1.68% | 1.6% |

The average Insurance penetration rate across the countries that Equity Operates in stands at only 1.34%

** Data not readily available

Market Positioning | Strong Start

Equity Insurance | Life (Long Term) Insurance

Kenya's Insurance Industry

Kenyan Industry Premiums

- Total industry premiums: FY 2023–Kes 361Bn; FY2022- Kes 302Bn
- Life: FY 2023– Kes 170Bn (47%); FY2022- Kes 140Bn (46%)
- General: FY 2023– Kes 191Bn (53%); FY2022 - Kes 162Bn (54%)

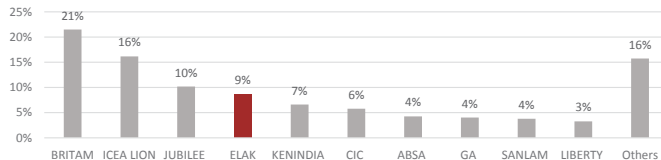
Assets Under Management, FY 2023 Kes 321.5Bn
2022: Kes 270Bn

Fastest growing life assurance solutions

- Deposit Administration (and Pensions)
- Individual Life Assurance
- Group Credit Life

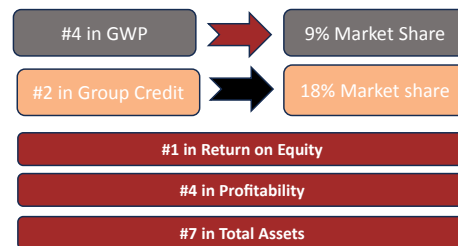
Majority of Insurers profits driven by investment income/investments as opposed to underwriting profits

Life Industry GWP 2023

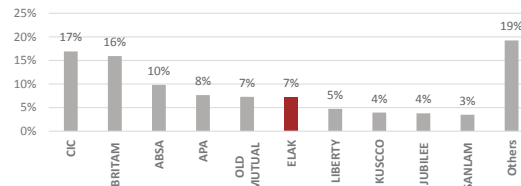


Equity's Market Positioning

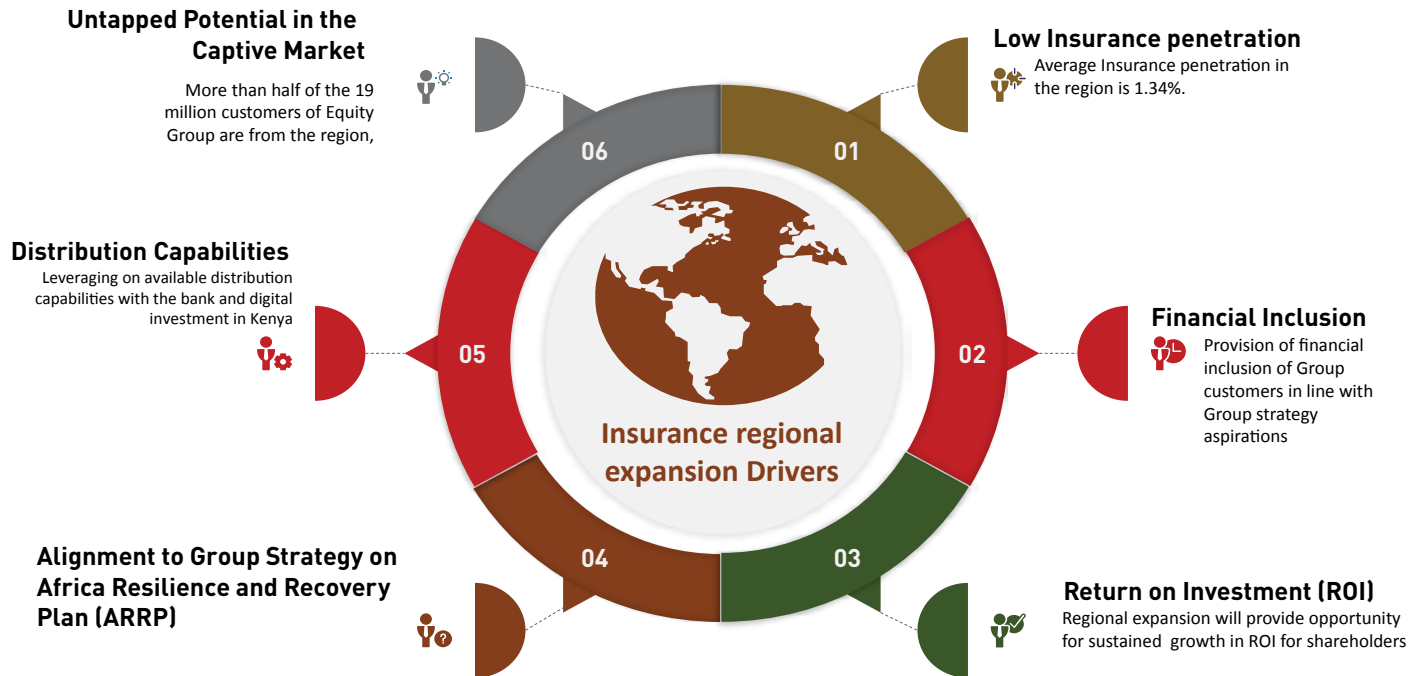
- Equity Group's 1st Insurance subsidiary was operationalized in March 2022 to undertake life insurance business- Equity Life Assurance (Kenya) [ELAK]
- Been in operation for 24 months as at Q1 2024



Group life & Group Credit GWP FY 2023



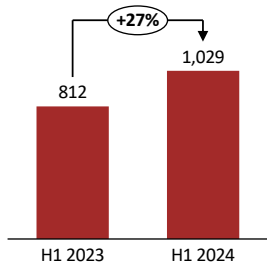
Equity Insurance Holdings | Growth & Expansion



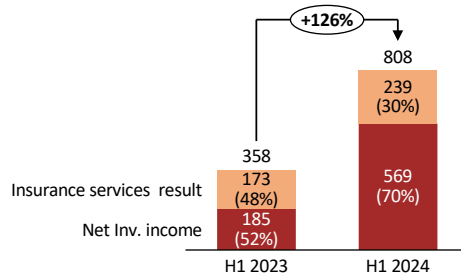
Equity Insurance | Life (Long Term) Insurance

Performance & Growth | Demonstrated Distribution Capability

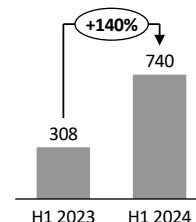
Insurance services Revenue (Kes Mn)



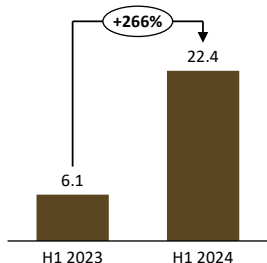
Net Insurance and Investment Revenue (Kes Mn)



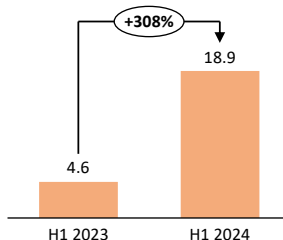
Profit Before Tax (Kes Mn)



Total Assets (Kes Bn)



Insurance Contract Liabilities (Kes Bn)



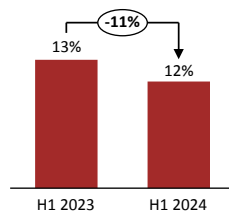
Notes:

- Positive insurance services result demonstrate efficient underwriting – focusing on quality instead of volumes due to Macros
- Increase in insurance service revenue, driven by increased earnings from current business and previously unearned premium reserves
- PBT growth of 140% attributed to increased earned premiums, appropriate underwriting and claims reserving & increased earnings from investments

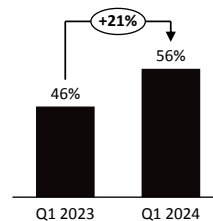
Equity Insurance | Life (Long Term) Insurance

High returns | Demonstrated Distribution Capability

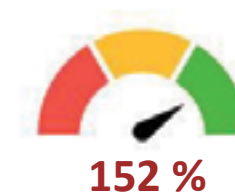
Incurred claims ratio



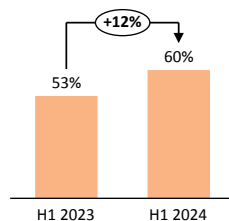
Loss ratio



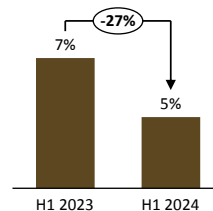
Capital Adequacy Ratio (CAR) as at 30 June 2024



Return on Average Equity (RoAE)



Return on Average Assets (RoAA)



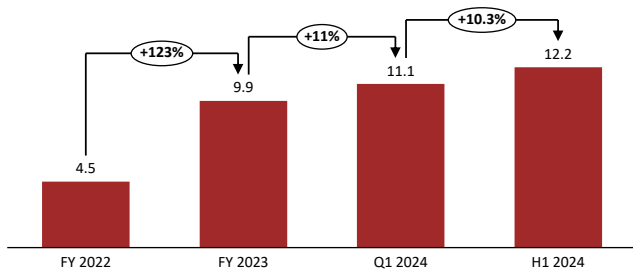
Notes:

- Adequate Capital ratio at 152%
- Growing Return on Equity resulting from growing investment income
- Decreasing Return on Assets due to growth in asset mainly assets under management

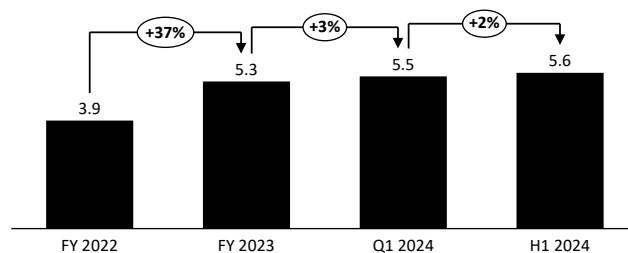
Equity Insurance | Life (Long Term) Insurance

Performance & Growth | Demonstrated Distribution Capability

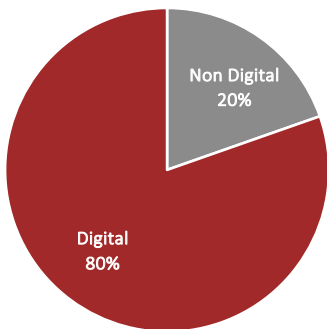
Cumulative No of Policies Issued by ELAK (in Mn)



Cumulative No. of Unique Customers (in Mn)



Distribution Channel (No. of Policies)



Notes:

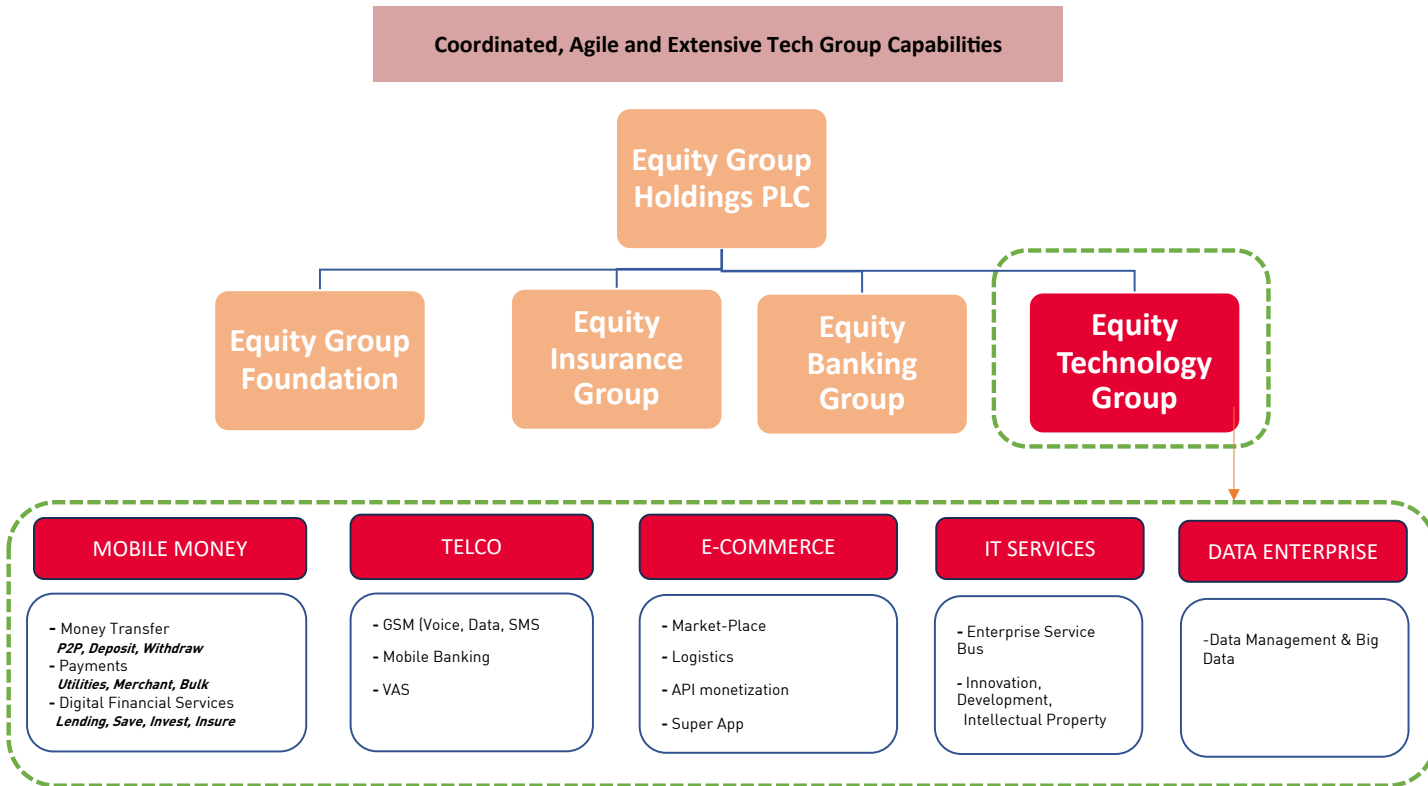
- 12 million policies issued as at 30 June 2024
- 5.6 Million unique customers consuming various insurance products
- Digital Native Insurer with +80% of policies issued digitally due to Insuretech strategy
- Equity bank branch network a critical part of the distribution strategy particularly for non-SME and Non-Consumer Segments



Technology Group

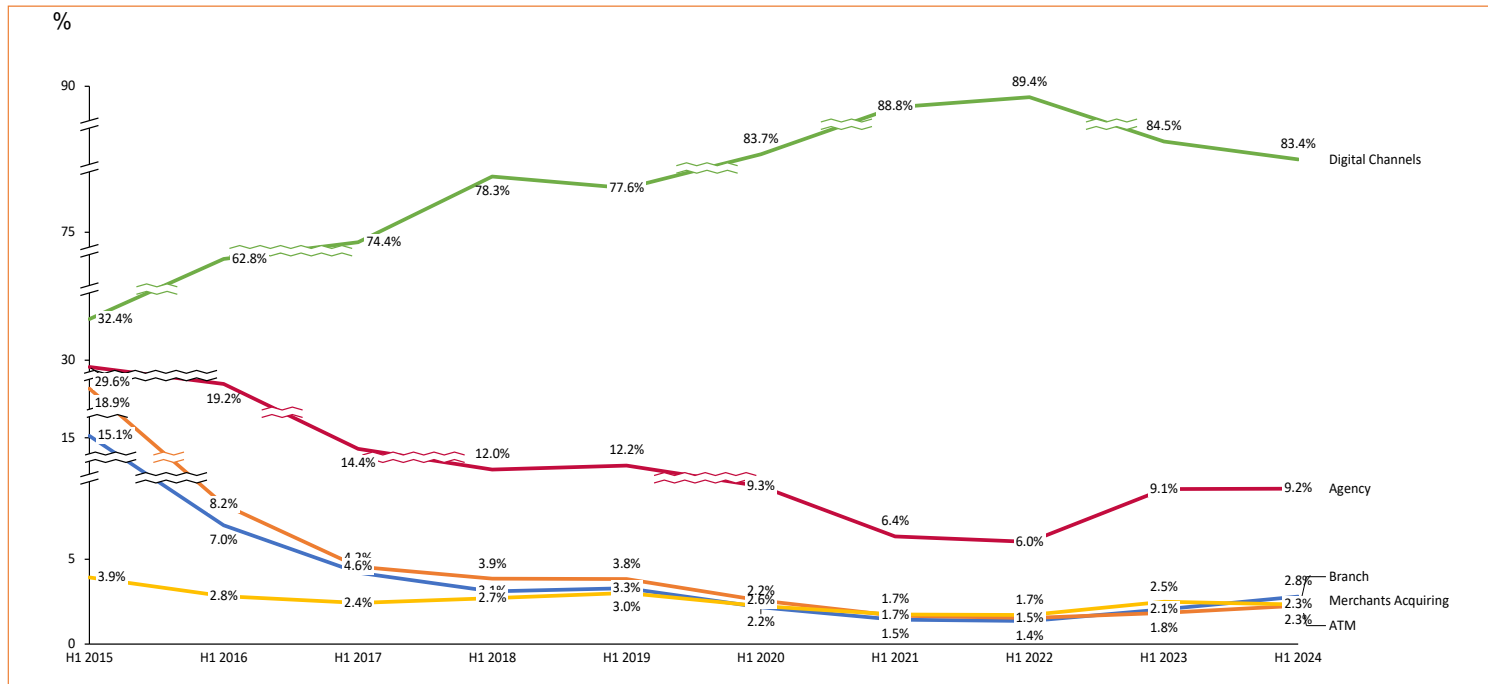
The Future of Technology Group

Deliver and operate a reliable and scalable mobile money platform designed to offer daily relevant products & services



The Technology Group enabling the banking business

Migrating from Fixed and variable cost channels to self-service channels 98% of our Transactions outside the branch



The Technology Group enabling the banking business

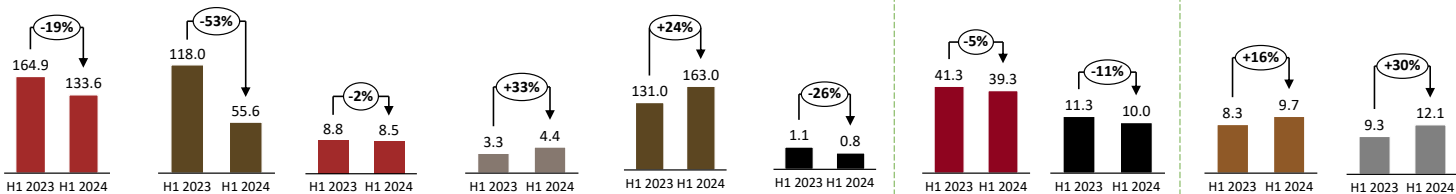
Migrating from Fixed and variable cost channels to self-service channels

Self-service channels

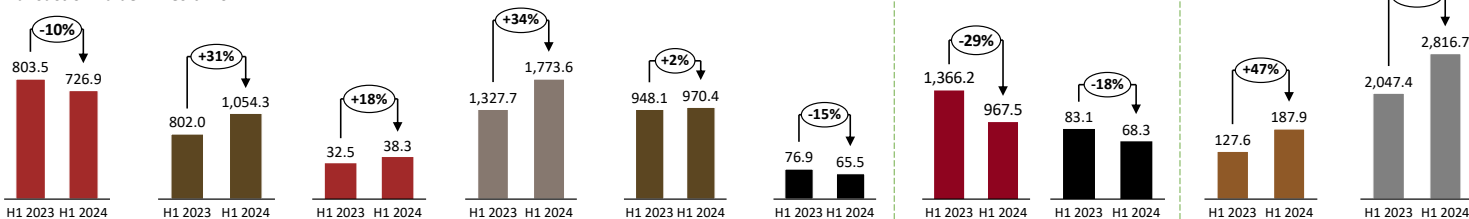
Variable cost channels

Fixed cost channels

Transaction numbers in millions



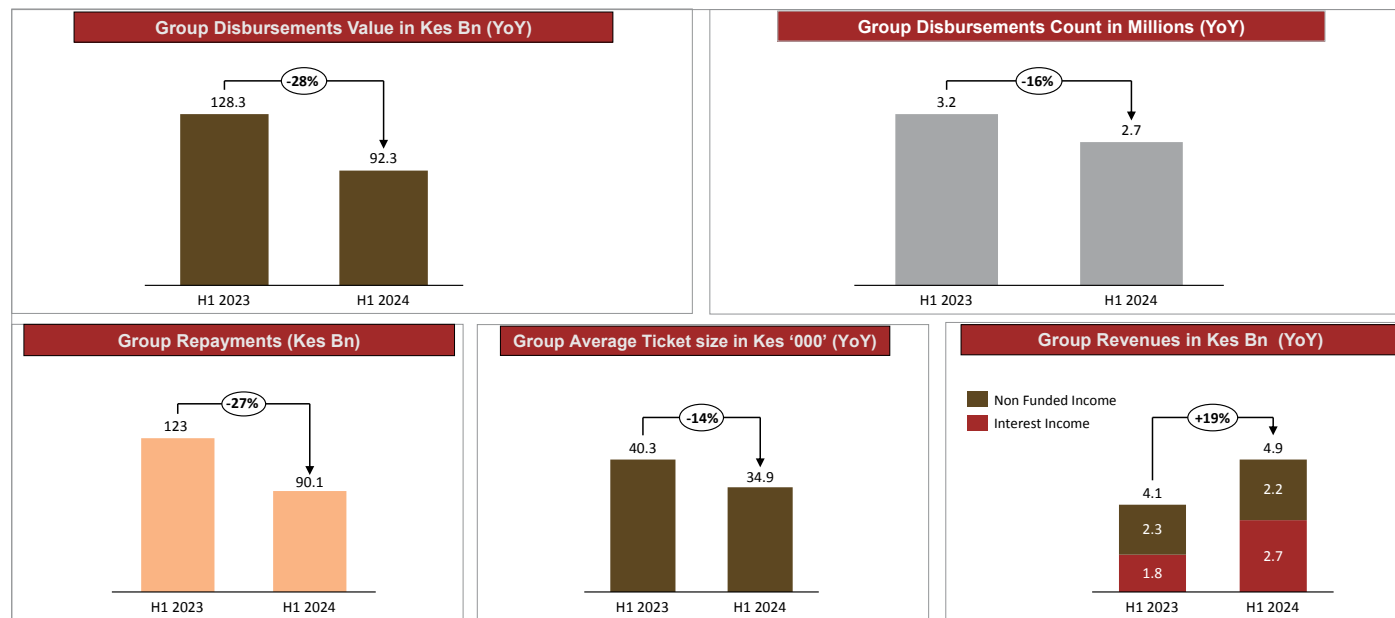
Transaction value in Kes billion



*Eazzy FX transaction numbers in thousands

The Technology Group enabling the banking business

Technology enabled lending



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MEMBER

MEMBER

MEMBER

MEMBER



Contribution of Non-Banking Business

Business Diversification

Contribution of Non-banking business

(Figures in Kes Billion)

| H1 2024 | EBIL | EIB | Finserve | ELAK | Non-Banking Total (% Contribution) | Banking Business Total (% Contribution) | Group [after elimination] (% growth) | Non- Banking Contribution H1 2024 | Non-Banking Contribution H1 2023 |
|------------------------|-------|-------|----------|-------|---------------------------------------|---|---|--|--|
| Assets | 1.32 | 0.84 | 2.20 | 22.41 | 26.77 | 1,881.1 | 1,746.0 | 1.4% | 0.7% |
| <i>YoY Growth</i> | 73% | -3% | -54% | 266% | 1.4% | 98.6% | 6% | | |
| Revenue | 0.49 | 0.16 | 0.94 | 1.09 | 2.67 | 91.5 | 95.1 | 2.8% | 3.0% |
| <i>YoY Growth</i> | -12% | -6% | -7% | 33% | 2.8% | 97.2% | 16% | | |
| Cost before provisions | 0.24 | 0.09 | 0.77 | 0.35 | 1.44 | 48.0 | 49.4 | 2.9% | 3.4% |
| <i>YoY Growth</i> | 29% | 27% | 11% | -32% | 2.9% | 97.1% | 22% | | |
| PBT before provisions | 0.25 | 0.07 | 0.17 | 0.74 | 1.24 | 43.4 | 45.7 | 2.8% | 2.5% |
| <i>YoY Growth</i> | -32% | -28% | -47% | 140% | 2.8% | 97.2% | 10% | | |
| PBT | 0.25 | 0.07 | 0.17 | 0.74 | 1.24 | 34.3 | 37.2 | 3.5% | 2.9% |
| <i>YoY Growth</i> | -32% | -28% | -47% | 140% | 3.5% | 96.5% | 6% | | |
| PAT | 0.18 | 0.06 | 0.12 | 0.52 | 0.87 | 27.7 | 29.6 | 3.1% | 2.8% |
| <i>YoY Growth</i> | -32% | -26% | -47% | 140% | 3.1% | 96.9% | 12% | | |
| RoAE | 61.4% | 22.4% | 22.0% | 60.0% | 46.1% | 24.7% | 26.7% | | |
| RoAA | 26.7% | 15.2% | 9.3% | 4.8% | 6.6% | 2.9% | 3.4% | | |



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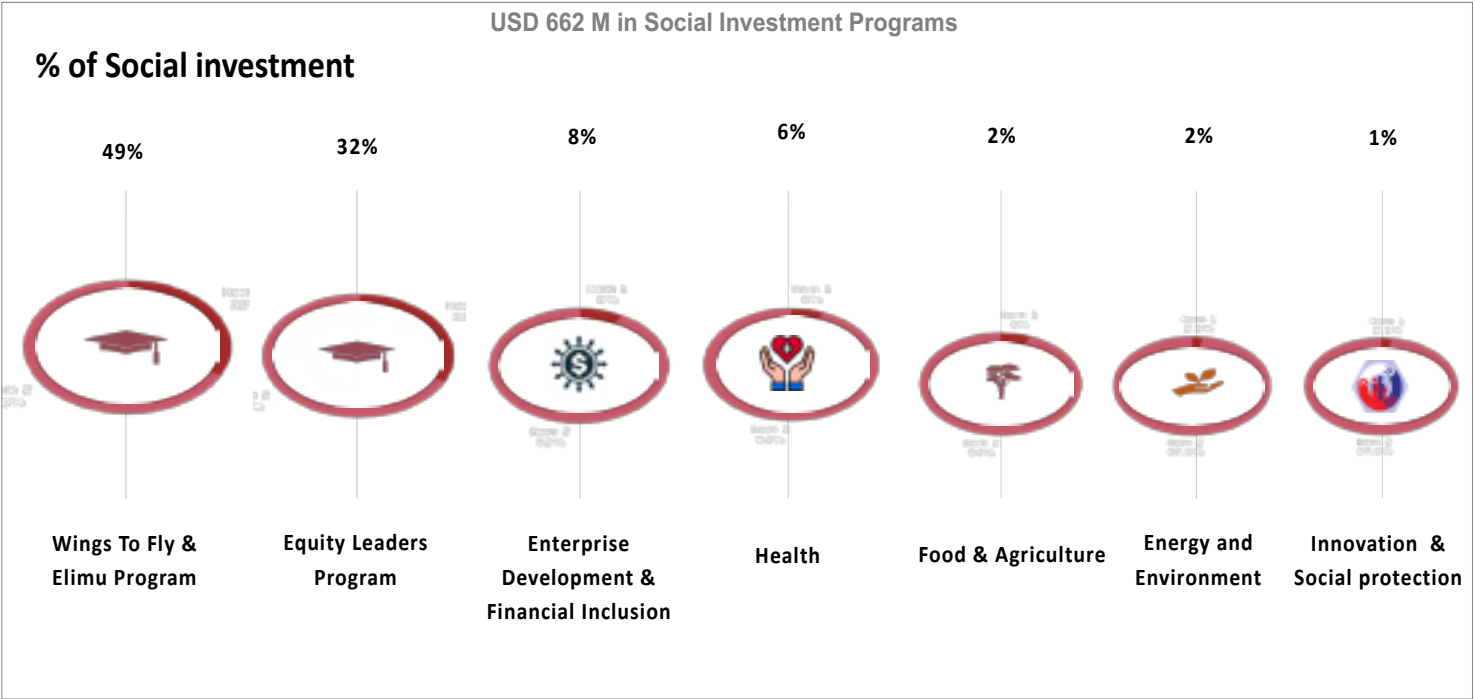
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Equity Group Foundation

Impact Investment and Sustainability

Impact & Social Investment Programs



Strategic Partnerships Validating the Business Model

Banking Partners



Risk Share Partners



EGF Funding Partners

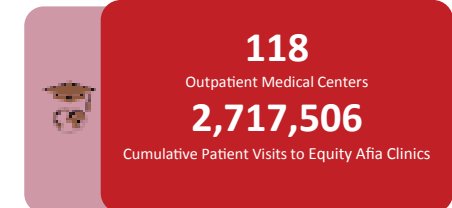
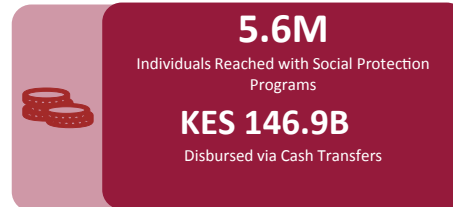
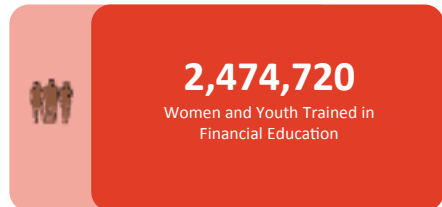
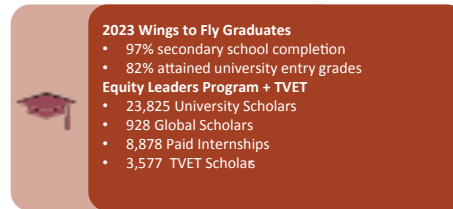
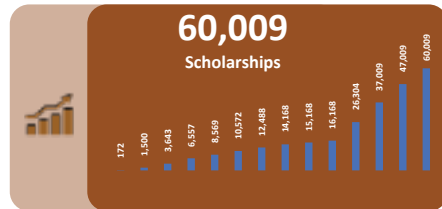


EGF Implementing Partners



Impact Investment and Sustainability

Shared Prosperity Business Model and its Social Impact



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Overall Group Performance

Balance Sheet

| KES Billion | H1 2023 | H1 2024 | Growth |
|--|----------------|----------------|-----------|
| Assets | | | |
| Cash & Cash Equivalents | 219.8 | 341.0 | 55% |
| Government Securities | 485.6 | 459.2 | -5% |
| Net Loans | 817.2 | 791.1 | -3% |
| Other Assets | 122.2 | 154.7 | 27% |
| Total Assets | 1,644.8 | 1,746.0 | 6% |
| Liabilities & Capital | | | |
| Deposits | 1,175.8 | 1,299.5 | 11% |
| Borrowed Funds | 188.4 | 113.2 | -40% |
| Other Liabilities | 86.3 | 112.8 | 31% |
| Shareholders' Funds | 194.3 | 220.5 | 13% |
| Total Liabilities & Capital | 1,644.8 | 1,746.0 | 6% |

Income Statement


| KES Billion | H1 2023 | H1 2024 | Growth |
|----------------------------|-------------|-------------|------------|
| Interest Income | 69.8 | 84.8 | 22% |
| Interest Expense | 23.4 | 30.4 | 30% |
| Net Interest Income | 46.4 | 54.4 | 17% |
| Non-Funded Income | 35.7 | 40.7 | 14% |
| Total Income | 82.1 | 95.1 | 16% |
| Loan Loss Provision | 6.3 | 8.5 | 35% |
| Staff Costs | 14.2 | 16.0 | 13% |
| Other Operating Expenses | 26.4 | 33.4 | 27% |
| Total Costs | 46.9 | 57.9 | 23% |
| Profit Before Tax | 35.2 | 37.2 | 6% |
| Tax | 8.9 | 7.6 | -14% |
| Profit After Tax | 26.3 | 29.6 | 12% |
| Earnings Per Share | 6.7 | 7.6 | 12% |

*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 2023 | H1 2024 |
|---------------------------|---------|---------|
| Gross loan loss provision | 7.1 | 10.5 |
| Loan recoveries | (0.8) | (2.0) |
| Net loan loss provision | 6.3 | 8.5 |

Group Performance highlights H1 2024



Customer Deposits (Kes)

1.30Tn
 11%

Total Income (Kes)

95.1Bn
 16%

Efficiency Ratios

NIM 7.1%  0.1%
 CIR 50.9%  1.9%



Net Loans (Kes)

791.1Bn
 -3%


Profit Before Tax (Kes)

37.2Bn
 21%

Profitability Ratios

ROAE 26.7%  1.0%
 ROAA 3.4%  0.1%

Total Assets (Kes)

1.75Tn
 6%

Profit After Tax (Kes)

29.6Bn
 12%

Financial Ratios

| | EBKL | EBKL | EBCDC | EBCDC | Group | Group |
|---------------------------------------|---------|---------|---------|---------|---------|---------|
| | H1 2023 | H1 2024 | H1 2023 | H1 2024 | H1 2023 | H1 2024 |
| Profitability | | | | | | |
| Interest Yield from Loans & Advances | 11.8% | 14.1% | 10.2% | 10.0% | 11.9% | 13.0% |
| Interest Yield from Gov't Securities | 11.1% | 11.8% | 10.3% | 12.6% | 11.1% | 11.9% |
| Yield from Earning Assets | 11.3% | 12.3% | 7.5% | 7.4% | 10.7% | 11.4% |
| Cost of Deposits | 3.4% | 4.9% | 1.5% | 1.5% | 2.9% | 3.4% |
| Cost of Funds | 4.3% | 5.9% | 1.4% | 1.4% | 3.7% | 4.3% |
| Net Interest Margin | 7.0% | 6.4% | 6.1% | 6.0% | 7.0% | 7.1% |
| Cost to Income with Provisions | 54.5% | 63.8% | 62.4% | 66.3% | 57.6% | 61.7% |
| Cost to Income without Provisions | 46.4% | 54.6% | 51.7% | 51.2% | 49.0% | 50.9% |
| Return on Average Equity | 31.3% | 25.0% | 24.7% | 21.9% | 27.7% | 26.7% |
| Return on Average Assets | 3.4% | 2.8% | 2.7% | 2.6% | 3.5% | 3.4% |
| Asset Quality | | | | | | |
| PAR | 11.2% | 17.2% | 6.0% | 5.9% | 9.8% | 12.9% |
| NPL Coverage | 75.0% | 61.9% | 78.9% | 105.9% | 74.3% | 70.2% |
| Cost of Risk | 1.6% | 1.8% | 2.6% | 3.6% | 1.9% | 2.6% |
| Leverage | | | | | | |
| Loan / Deposit Ratio | 67.0% | 53.6% | 56.9% | 52.4% | 69.5% | 60.9% |
| Capital Adequacy Ratios | | | | | | |
| Core Capital to Risk Weighted Assets | 15.2% | 15.3% | 12.9% | 15.3% | 15.0% | 15.8% |
| Total Capital to Risk Weighted Assets | 19.8% | 18.6% | 14.7% | 17.0% | 19.0% | 18.4% |
| Liquidity | | | | | | |
| Liquidity ratio | 64.7% | 77.7% | 153.9% | 137.7% | 51.1% | 56.7% |

2024 Guidance Vs Actual - Group

| | 2024 Guidance | H1 2024 Actual |
|------------------------------------|---------------|----------------|
| Loan Growth | 2.0% - 5.0% | -3% |
| Deposit Growth | 7.5% - 12.5% | 11% |
| Net Interest Margin | 7.2% - 7.6% | 7.1% |
| Non-Funded Income Mix | 40% - 43% | 42.8% |
| Cost to Income Ratio | 48% - 50% | 50.9% |
| Return on Equity | 25% - 30% | 26.7% |
| Return on Assets | 3.2% - 3.7% | 3.4% |
| Cost of Risk | 2.0% - 2.5% | 2.6% |
| NPL | 9% - 11% | 12.9% |
| Subsidiaries Contribution (Assets) | 50% - 55% | 47% |
| Subsidiaries Contribution (PBT) | 45% - 50% | 56% |

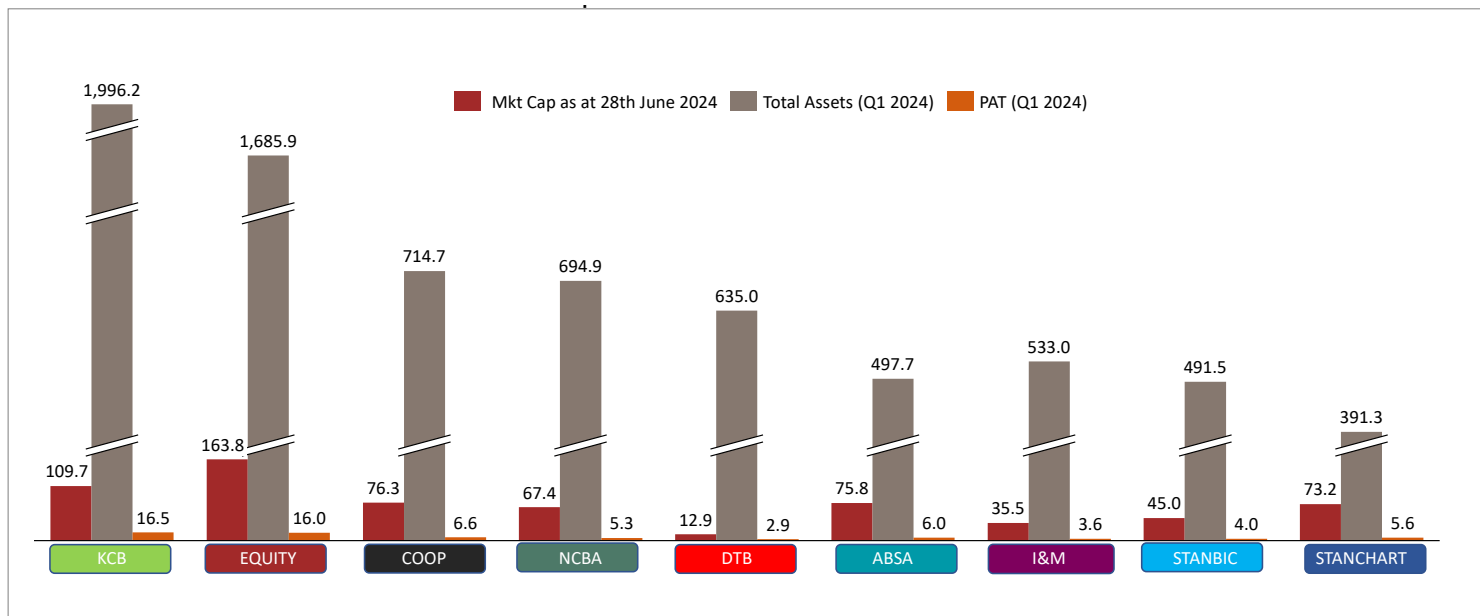


Appendices

Market Validation

(Figures in Kes Billion)

Market Capitalization as at 28th June 2024



Market Capitalization Source: Business Daily July 01, 2024

Global Ratings and Accolades

| | | | | |
|---|---|--|---|--|
|  <p>Equity Bank Credit Rating</p> <ul style="list-style-type: none"> National rating: Caa1 Global Rating: Baa3/aa/KE-3 Rating Outlook: Negative same as sovereigns rating |  <p>World's strongest banking brands 2024</p> <ul style="list-style-type: none"> Position 2 - in the World Position 1 - in Africa Brand Strength Index (BSI) score of 92.5 out of 100 Brand Strength Rating (BSR) of AAA+ 10th most valuable banking brand in Africa |  <ul style="list-style-type: none"> Position 22nd in Africa; Position 761 largest bank globally; Position 149th in soundness (Capital Assets to Assets ratio); Position 71st profits on Capital; Position 39th on Return on Assets |  <p>African Business Leadership Awards</p> <ul style="list-style-type: none"> Lifetime Achievement Award 2023 - Dr. James Mwangi African CEO of the Year 2020 - Dr. James Mwangi |  <p>Equity Bank Credit Rating</p> <ul style="list-style-type: none"> Long Term Rating: AA- Short Term Rating: A1+ Rating Outlook: Stable |
|  <ul style="list-style-type: none"> Dr. James Mwangi recognized among 50 Most Reputable Bank CEOs in Africa |  <p>2020 Oslo Business for Peace Award Dr. James Mwangi.</p> |  <ul style="list-style-type: none"> 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 |  <ul style="list-style-type: none"> 2023 SME Financier of the Year - Africa - Platinum 2023 Product Innovation of the Year - Platinum 2023 Women Financier of the Year - Honorable mention 2022 Best Financier for Women Entrepreneurs - Platinum 2022 SME Financier of the Year - Africa - Silver 2022 Product Innovation of the Year - Honorable Mention |  <ul style="list-style-type: none"> Best Trade Finance Bank in Kenya 2023 |

Global Ratings and Accolades



- Best Bank for Corporate Responsibility in Africa, 2022, 2023 & 2024
- Best Bank for Corporate Responsibility in Kenya, 2023 & 2024
- Overall Best Bank in Kenya, 2023 & 2024
- Best Bank for SMEs in Kenya, 2023 & 2024
- Best Bank in DRC, 2023
- Best Bank for Digital Solutions, 2023
- Africa's Best Bank for SMEs, 2021
- Excellence in Leadership in Africa, 2020



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



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



- Bank of the Year - DRC 2020
- Bank of the Year - Rwanda 2020 & 2021
- Bank of the Year - South Sudan 2019, 2020 & 2021
- Bank of the Year - Uganda 2019 & 2021
- Bank of the Year - Kenya 2019



- Visa Top Acquiring Award 2021
- Visa E-Commerce [Acquiring] Award 2021



Finserve named Best in Banking/ Financial and Insurance Services



- Best Bank for MSME Financing - Position 1
- Overall Winner - Position 2
- Best Client Case Study- Commercial - Position 2
- Best Bank Case Study- Bank Operations - Position 3
- Best Client Case Study - Promoting PWD Accessibility - Position 3



- Mary Wamae - Winner Women on Board Awards 2021
- Equity Group Foundation - 2nd runners up Women on Board Awards Organization of the year

Global Ratings and Accolades



Equity Bancassurance Intermediary Ltd

1. Overall Best Bancassurance Intermediary Ltd
2. Most Customer-Centric Bancassurance Intermediary
3. Best Bancassurance Intermediary in Technology Application
4. Best Bancassurance Intermediary in Life Products – Winner
5. Best Bancassurance Intermediary in Non-Life and Non-Embedded Products - 1st Runners Up

Equity Life Assurance (Kenya) Ltd

1. Chief Executive Officer (CEO) of the Year
2. Life Insurer of the Year Category
3. Most Customer-Centric Underwriter - Life
4. Best Insurance Company in Corporate Social Responsibility Category
5. Claims Settlement Award - Life Assurance Category - 1st Runner-Up

2023 National Banking Awards and Accolades



| | |
|-----------------------------|---|
| Brand | <ol style="list-style-type: none"> 1. Best Bank in Tier 1 – 1st Runners Up <i>(Winner – 9 years running)</i> 2. Overall Best Bank in Kenya – 2nd Runners Up <i>(Winner – 12 years running)</i> 3. Best Bank in Sustainable Corporate Social Responsibility – 1st Runners Up <i>(Winner – 6 years running)</i> 4. The Most Customer-Centric Bank – 2nd Runners Up <i>(Winner – 5 years running)</i> 5. The Bank With The Lowest Tariff – 2nd Runners Up <i>(Winner – 6 years running)</i> |
| Franchise Segment | <ol style="list-style-type: none"> 1. Best Bank in Agency Banking – <i>6 years running</i> 2. Best Bank in Retail Banking – <i>6 years running</i> 3. Best Commercial Bank in Microfinance – <i>7 years running)</i> 4. Best Bank in Digital Banking – 1st Runners Up 5. Best Bank in Mobile Banking – 1st Runners Up <i>(Winner – 3 years running)</i> 6. Best Bank in Corporate Banking – 1st Runners Up – <i>2 years running</i> 7. Best Bank in SME Banking – 2nd Runners Up – <i>(Winner – 2 years running)</i> |
| Product | <ol style="list-style-type: none"> 1. Best Bank in Asset Finance 2. Best Bank in Agriculture & Livestock Financing – <i>4 years running</i> 3. Best Bank in Trade Financing – <i>4 years running</i> 4. Best Bank in Product Marketing (Campaign; Kusave Ni Rahisi Na Equity) – <i>5 years running</i> 5. Special Judges Awards for Product Innovation (EGF - Water Financing) – <i>4 years running</i> 6. Best Bank in Mortgage Finance – 1st Runners Up 7. Best Bank in Product Innovation (Boostika) – 2nd Runners Up |
| Special Recognitions | <ol style="list-style-type: none"> 1. Green Bank in Kenya 2. Class Acts of 20 Years |

Global Ratings and Accolades



**Equity ranked the
2nd Strongest
Banking Brand
in the World 2024**

Position 1 in Africa

- Brand Strength Index (BSI) score of 92.5 out of 100
- Brand Strength Rating (BSR) of AAA+

Global Ratings and Accolades



brand
AFRICA.
AFRICA'S BEST BRANDS
2024

**TOP 10
Most Admired Brands
Financial Services**

- **1. EQUITY**
- **2. Standard Bank**
- **3. absa**
- **4.**
- **5. UBA**
United Bank for Africa
- **6. Ecobank**
The Pan African Bank
- **7. STC**
Sudany Telebank Ltd
- **8. VISA**
- **9. FirstBank**
- **10. BANK OF AFRICA**
Bank Africa Ltd

www.brand.africa

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.

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 shining 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.



Global Ratings and Accolades

Equity Group Managing Director and Chief Executive Officer, Dr. James Mwangi was recognized and awarded the prestigious Lifetime Achievement Award at the All-Africa Business Leaders Awards held at Sun City, South Africa by the Africa Business News, the owners of CNBC Africa and Forbes Africa.

The All-Africa award is given to individuals who have made a remarkable impact on their industry, country and the continent over a period of a lifetime.

The award was presented to Dr. Mwangi by the Deputy President of South Africa, His Excellency Paul Mashatile and Dr. Rakesh Wahi, Co-Founder and Chairman of Africa Business News Group.

Dr. Mwangi's remarkable leadership has propelled Equity Group to become the largest bank in East and Central Africa, positively impacting communities and driving economic progress.

(Photo Courtesy of MaruAnele Fotografik)



DRC, the largest country in SSA, presents a new and exciting frontier for continued sustainable growth for EGH



Linchpin in world's demand for minerals: significant untapped resource potential – largest global producer of cobalt, produces ~11% of world's copper, significant lithium reserves



Potential to be a global agricultural powerhouse: ~80m ha of arable land, incomparable biodiversity (has the 2nd largest tropical forest in the world)



Abundant hydropower potential: Ranked #1 in Africa with respect to its hydropower potential (10,000MW), equivalent to ~13% of global hydropower potential



Attractive demographic dividend: young vibrant population that is a catalyst for economic growth – driving demand, an unmatched workforce leading entrepreneurship / innovation



Strategic location: at the center of Africa, bordering 9 countries, plays a crucial role in inter-regional trade and a key player in global supply chains



Robust governance and institutional reforms: past critical inflection point, received international endorsements (including a US\$500m DPO⁽¹⁾ facility from World Bank in January 2023⁽²⁾)

Notes: (1) Development Policy Operation (DPO) from World Bank (2) In support of critical economic governance reforms
Sources: World Bank, AfDB, Press

2024 U.S. - Kenya State visit

Equity Group Hosts Event On U.S. Capitol To Bolster Public-private Partnerships Between The United States And Kenyan Private Sector

On the sidelines of the historic 2024 U.S.- Kenya State Visit, high-ranking U.S. congressional leaders, government officials, and leaders from the U.S. and Kenyan private sectors gathered in the U.S. Senate for a roundtable discussion on Capitol Hill. Hosted by Equity Group, the Capitol Hill roundtable offered valuable insights into promoting two-way trade and investment between the United States and Africa. Dr. Mwangi spoke about the Africa Recovery and Resilience Plan and the pivotal role Kenya plays in Africa's development.



Equity Group Managing Director and CEO, Dr. James Mwangi speaks to high-ranking U.S. congressional leaders, government officials, and leaders from the U.S. and Kenyan private sector during a roundtable discussion at Capitol Hill, hosted by Equity Group.



L-R: Senator Cory Booker (D-NJ) shakes hands with Equity Group Managing Director and CEO, Dr. James Mwangi during a roundtable discussion at Capitol Hill, hosted by Equity Group.

2024 U.S. - Kenya State visit

Continued...



At the roundtable, Congresswoman Barbara Lee (D-CA) called for tangible outcomes from the three-day U.S.-Kenya State Visit.,



Equity Group Managing Director and CEO, Dr. James Mwangi (Centre) during a panel discussion at the U.S. Chamber of Commerce, where the President of Kenya, H.E. Dr. William Ruto, as part of his official State Visit to Washington, D.C, delivered a public address to the business community alongside senior U.S. officials to share his vision for the economic relationship with the United States and the priority opportunities for business partnership.

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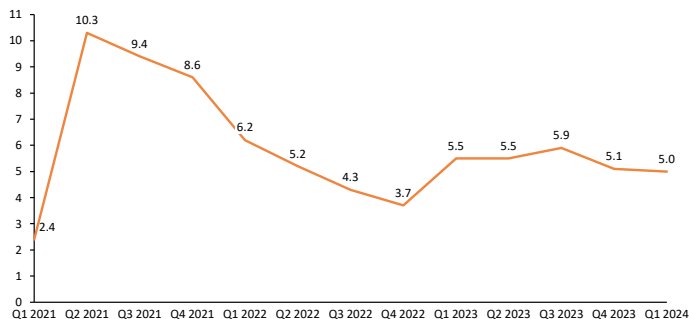


Macroeconomic Environment Indicators & Trends

Kenya: GDP projected to grow 5% in 2024 by the IMF

Downsides may result from Heavy rains displacements and destruction of infrastructure, high interest rates, increased tax burden and public debt repayments

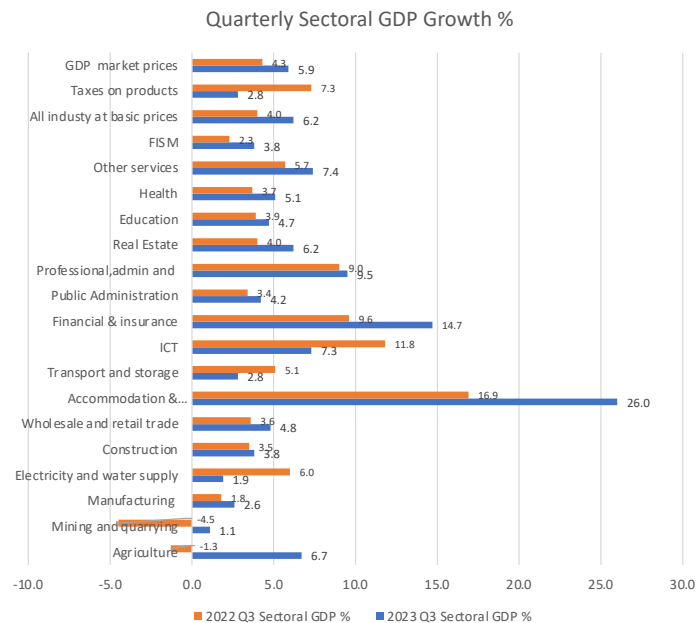
Kenya: Quarterly real GDP growth, % YoY



- ✓ Economy expanded by 5.0% in Q1 2024; a shrink of 0.1% compared to Q4 2023. The growth was supported by robust growth in Agriculture, Forestry and Fishing, real estate, Financial and Insurance, ICT, and accommodation and Food Services.

Source: KNBS, CBK

Kenya: Quarterly Sectoral GDP Growth %



Kenya: New USD\$1.5Bn Eurobond buy back and IFB 8.5 years issue eased pressure on USD/KES and increased investors confidence on Kenya

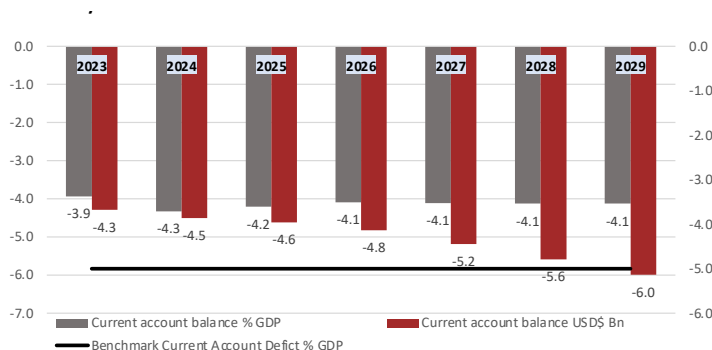
Fall in yields Kenya's New USD\$1.5bn 6 Years 2031 Eurobond Yields



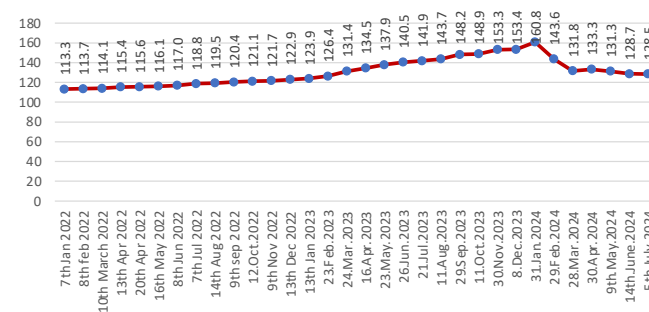
Source: CBK

- ✓ Kenya issued a seven-year Eurobond targeting USD 1.5Bn on 7th Feb. 2024, which was oversubscribed over to USD 5.0Bn, confirming high confidence in the country, with the government accepting its initial offer towards a buying back USD 1.5Bn of the USD 2.0Bn maturing on 24th June 2024.
- ✓ IFB 8.5 Years FCY investors increased domestic FCY supply making the KES appreciate YTD by 16.15 % and substantially narrowing LCY deficit financing target for FY 2023/24.
- ✓ Pressure from public unrest, nullification 2023/2024 finance act and rejection of 2024/2025 finance bill will lead to an upward shift and inversion of the Kenya yield curve.
- ✓ Higher yields on Treasury bills and bonds imply higher borrowing costs for government and “crowding out” credit to MSMEs and households, subdued demand for credit and higher NPLs by strained MSMEs and households, expensive fixed deposits, more banks tapping CBK Reverse Repos and Lender of last resort discount window by banks for liquidity.

Kenya: Weaker external position amidst a narrowing current account deficit of 4.3% of GDP



Kenya: Exchange Rate – KES/USD

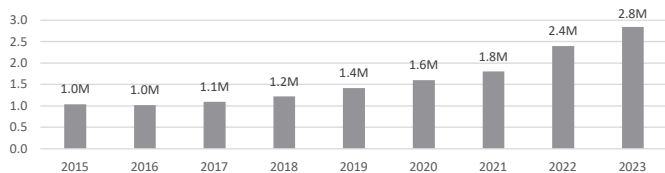


- ✓ Current account deficit % of GDP narrowed from 5.2% in 2022 to 3.9% in 2023 and forecasted to rise to 4.3% in 2024.
- ✓ FX Reserves are below 4 months of imports cover at 3.8 months as at 25th July 2024 (USD 7,311M) with multilateral concessional financing by IMF, World Bank and Regional DFIs expected to continue buffering FX reserves upwards.
- ✓ The KES had YTD appreciated by 20.1% to KES 128.5/\$1 as at 8th July 2024 following oversubscription by over 400% of the new 6-Year 2031 Eurobond repurchase of the June 2024 bond.
- ✓ The foreign financing including disbursements from IMF, World Bank, DFIs and bilateral partners will help anchor USD/KES appreciation.
- ✓ GOK is seeking to diversify its FCY Deficit Financing from USD by issuing Arab Sukuk; Chinese Panda and Japanese Samurai bonds.
- ✓ Moody's Credit rating agency downgraded the three major banks in Kenya, KCB group, Cooperative bank and Equity group from B3 to Caa1 with a negative outlook citing the banks high sovereign risk exposure rendering the banks capital, profitability and liquidity vulnerable.

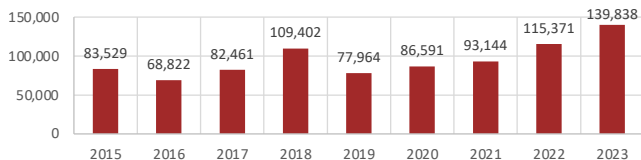
Source: CBK

DRC – GDP growth prospects for the economy are projected to remain favorable, at 5.7% in 2024 and 5.6% in 2025

DRC – Copper Production Metric Tons

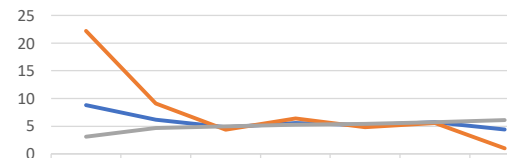


DRC –Cobalt Production Metric Tons



DRC – Real GDP Growth, %

Real GDP % Change- DRC- IMF June 2023 Country Report



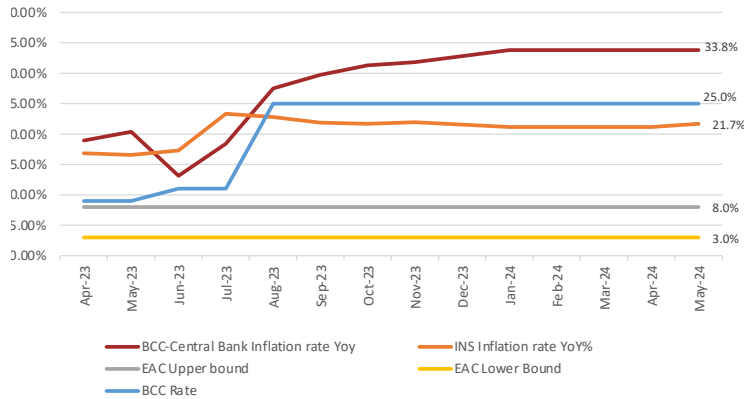
| | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|--|------|------|------|------|------|------|------|
| Real GDP % Change- DRC- IMF June 2023 Country Report | 8.8 | 6.2 | 4.8 | 5.6 | 5.2 | 5.7 | 4.4 |
| of which Extractive GDP % Change | 22.2 | 9.1 | 4.4 | 6.4 | 4.8 | 5.6 | 1 |
| of which Non-Extractive GDP % Change | 3.1 | 4.7 | 5 | 5.3 | 5.4 | 5.7 | 6.1 |

- ✓ Growth prospects for the economy are projected to remain favorable, at 5.7% in 2024 and 5.6% in 2025, driven by the mining sector, construction and public works, and trade.
- ✓ Non-extractive economy’s growth is expected to strengthen from 4.7% in 2023 to 5.9% in 2024 and 5.3% in 2025.
- ✓ GDP growth is expected to average 5.1% over 2024-2028 driven by sustained growth of extractive mining sector, and the gradual acceleration of non-extractive growth more so construction and public infrastructure works.
- ✓ Upsides- ultra high global demand for green minerals for clean energy transition from fossil fuels.
- ✓ Downside –
 - Geopolitical risks from Eastern DRC conflict
 - Potential discontents on electoral process

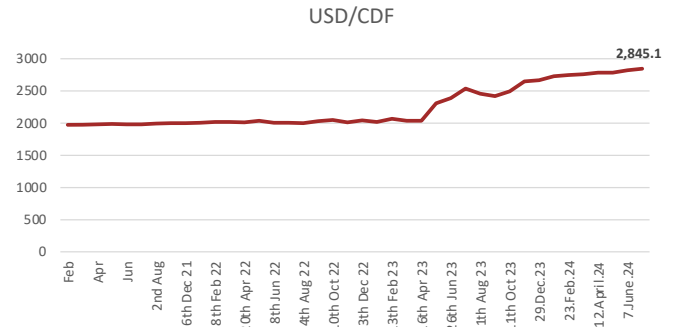
Source: BCC ; IMF

DRC – High runaway inflation at 33.81% (BCC) in January 2024 and 21.67% (INS) in May 2024 to remain elevated due to high imports and CDF Depreciation

DRC – Inflation and Benchmark Interest Rate



DRC – Official Exchange Rate, CDF/\$1

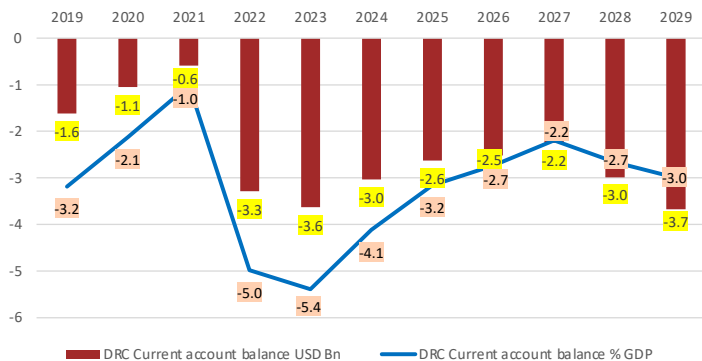


- ✓ The DRC's headline inflation by BCC stood at 33.81% YoY in January 2024 (21.67% by INS on May 2024) and is expected to remain high from low BCC CBR policy transmission, low FX reserve buffers and CDF depreciation.
- ✓ As of July 5th 2024, CDF/USD depreciation was 12.04% YOY. Most of the depreciation occurred in May and June 2023, when the BCC devalued the official exchange rate by 18.45% to close divergence of official and parallel rates.
- ✓ BCC hiked its CBR by 1,400bps from 11% in July 2023 and paused it at 25% from August 2023 to date in a bid to tame high and rising inflation, slow down capital flight and support CDF from further depreciation

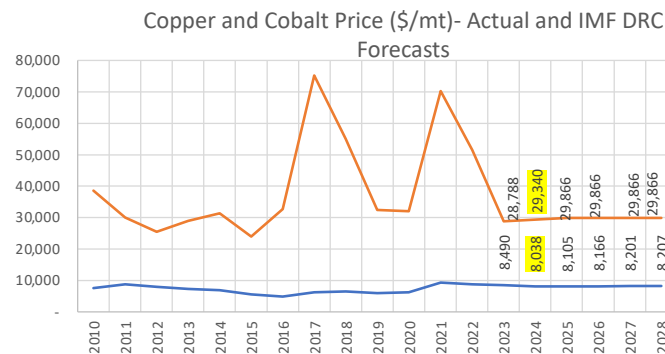
Source: BCC

DRC – Current account deficit to narrow from -5.4% of GDP in 2023 to -4.1% in 2024 and -3.2% in 2025 from strong copper and cobalt production

DRC – Current Account, % of GDP



DRC – Copper Price (\$/mt)- Actual and Forecast

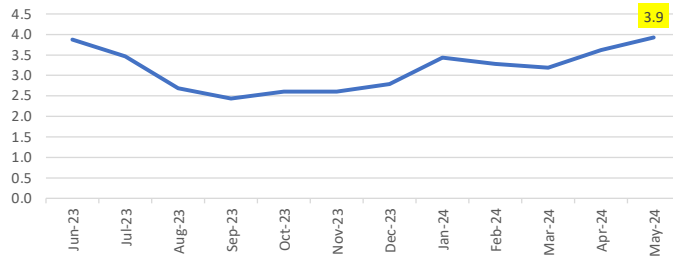


- ✓ Clean energy transition from oil and coal fuels will significantly heighten demand for aluminum, copper, nickel, and tin by 2025 leading to increase in imports for these minerals.
- ✓ Downside risk to the current account is disruption of mining by Eastern DRC conflict and higher than planned government spending on imports which would exert further pressure on the CDF to depreciate.

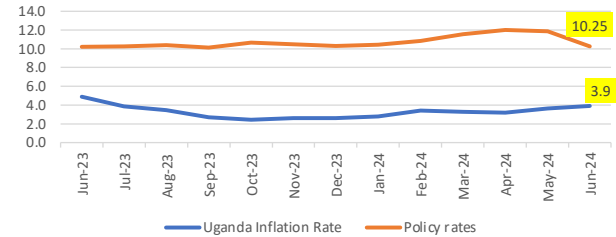
Source: IMF; BCC

Uganda: GDP to grow from 4.8% in 2023 to 5.6% in 2024 before accelerating after oil exports

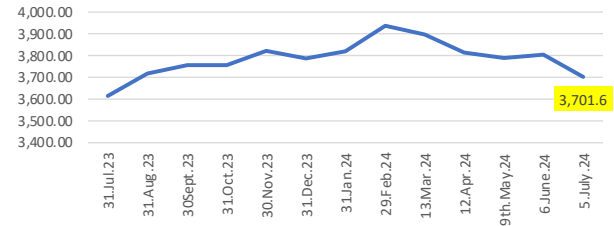
Uganda: Inflation, % YoY



Uganda: Inflation & Policy Rates



Uganda: USD/UGX Selling Rate- Interbank Foreign Exchange Market (IFEM)

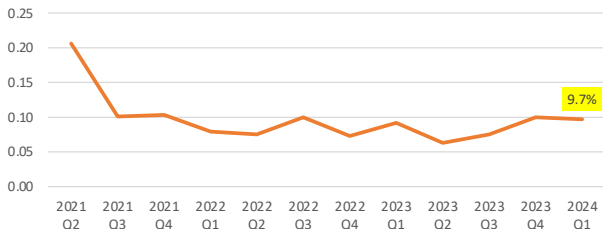


- ✓ Uganda's headline inflation stood at 3.9% YoY in June 2024 from 4.9% YoY in June 2023 due to the fall in food and tight BOU monetary policy rise to 10.25%.
- ✓ Uganda's MPC increased the CBR to 10.25% in April 2024 to stabilize the volatile exchange rate and to contain inflation.
- ✓ Headline inflation is expected to rise to mid-single-digits in 2024 on the back of energy and imported inflation and UGX depreciation.
- ✓ The Current Account Deficit was high at -8.8% of GDP in 2022 and is expected to remain high above -5% of GDP benchmark threshold at -7.7% of GDP in 2023, -7.2% of GDP in 2024 and -7.6% of GDP in 2025 due to high oil CAPEX imports before narrowing to -5.7% of GDP in 2026 as oil exports kicks in.
- ✓ USD/UGX rate on 5th July 2024 was UGX 3701.59, 2.39% YoY depreciation due to low FX Reserves, high current account deficit and EMDEs funding freeze.

Source: UBOS ; BOU

Rwanda: Robust growth at 9.7% in Q1 2024 with the projection of 6.6 percent growth in 2024 driven by services sector, recovery of agriculture sector and mega infrastructures like Bugesera Airport

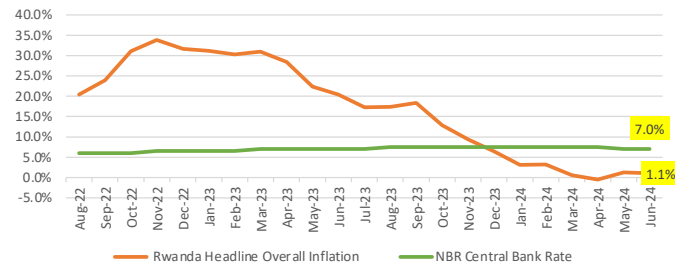
Rwanda: real GDP growth, % YoY



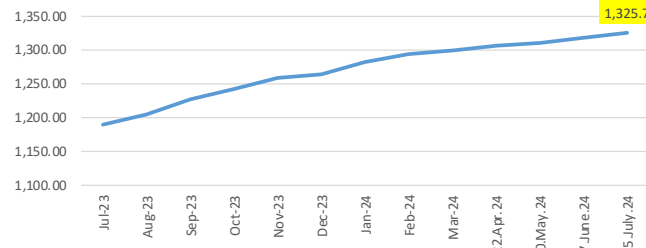
- ✓ Rwanda's Q1 2024 real GDP grew by 9.7%. Real GDP growth is projected to drop to an average of 6.6% in 2024 and 2025, driven by climate shocks to agriculture.
- ✓ The NBR implemented a 50bp monetary policy easing on May 29th, 2024, reducing the benchmark rate to 7% after maintaining a neutral stance for two consecutive policy meetings at 7.5%.
- ✓ Inflation eased to 1.1% YoY in June 2024 down from 22.4% YoY in May 2023 due to base effect of interest rate cut by the central bank in August 2023. Inflation expected to be in within National Bank of Rwanda's target of 2 to 8%.
- ✓ RWF has weakened by 11.42% YOY against USD as of 5th July 2024 to RWF 1,325.72 due to high imports widening current account deficit and reducing BNR FX Reserve buffers.
- ✓ Major downsides include Eastern DRC security and humanitarian crisis, deteriorating cross border trade and security relations with Burundi, contractionary monetary policy, El Nino climate shock as flooding destroys infrastructure, USD- RWF depreciation, global funding freeze and wide current account deficit.

Source: NISR ; BNR

Rwanda: Inflation & Monetary Policy Interest Rate

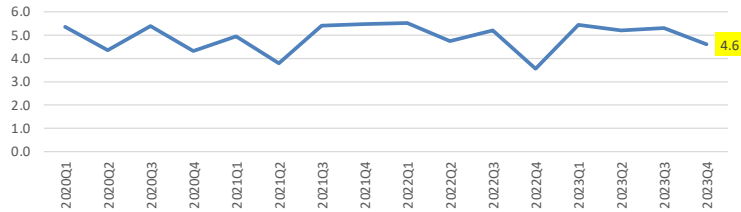


Rwanda: Foreign Exchange Rate, Rwf/\$1



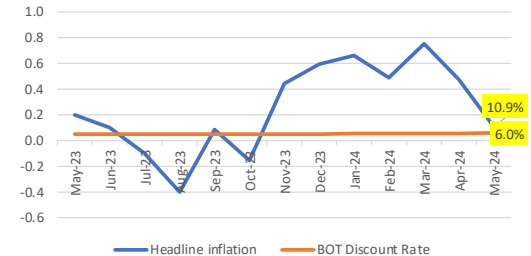
Tanzania: GDP - projected to grow steadily from 5% in 2023 to 6.5% in 2027 driven by minerals, LNG gas, services public infrastructure and government reforms opening the economy

Tanzania: Quarterly Real GDP Growth, % YoY

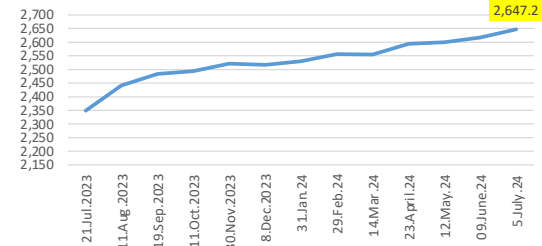


- ✓ Q4 2023 GDP growth of 4.6% was supported by agriculture 3.8% growth, mining 6.5% and services 7.4%.
- ✓ We project real GDP growth will reach 5.7% in 2024 and 6% in 2025, driven by agriculture, manufacturing, and tourism and supported by public investments and reforms to improve the business environment.
- ✓ Headwinds - USD liquidity, wide current account deficit, global funding freeze, global GDP stagnation.
- ✓ Twelve-month headline inflation averaged 0.1 percent in the month of May 2024 with energy, fuel and utilities being the largest contributor at 1.2%.
- ✓ Inflation projected to remain within the target range, though vulnerable to upward risk associated with geopolitical tensions and attacks on shipping vessels in the Red Sea.
- ✓ USD/TZS stood at TZS 2,647.18 on 5th July 2024 to record 12.7% YOY depreciation even as the current account deficit narrows to -4.18% of GDP in 2024 and -3.56% of GDP in 2025.

Tanzania: Inflation and Policy Rate



Tanzania: Foreign Exchange Rate, Tzs/\$1

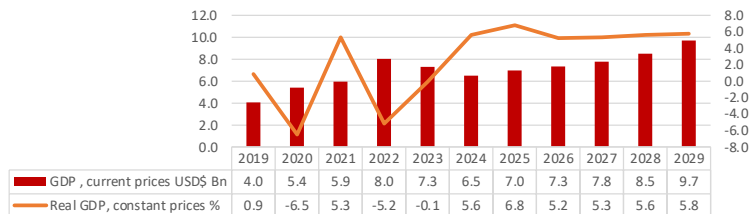


Source: NBS, BOT

South Sudan: Government revenues to decline due to disruption of exports following breakdown of oil pipeline

BOSS hiked CBR by 300bps to 15% to tame inflation and SSP depreciation

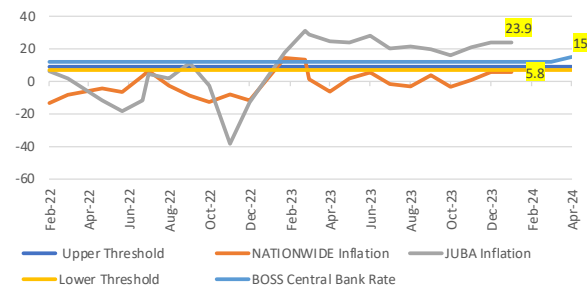
South Sudan – Real GDP Growth, %



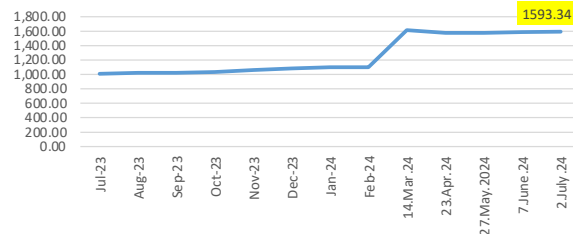
- ✓ South Sudan is expected to show robust growth in FY2024/25, but the headwinds especially from the Sudan crisis are considerable.
- ✓ The oil sector, which accounts for 70% of GDP, saw production decrease from 170kbpd in FY2019/20 and is estimated to have averaged 150kbpd in FY2022/23 by the IMF.
- ✓ BOSS hiked its CBR by 300bps from 12% to 15% to tame high Juba inflation, USD/SSP depreciation and avert capital flight.
- ✓ Inflation is expected to pick up over the short term, on the back of the spike in the prices of imported food, fuel and medication related to the conflict in Sudan (Khartoum) but to remain in the single digits nationally and highly elevated in Juba at double digits.
- ✓ USD/SSP stood at SSP 1,593.34, 57.93% YoY depreciation due to Capital Flight following BOSS decision to suspend use of USD in transactions (De-Dollarization). The country is now facing higher FCY borrowing costs, loss of credibility and predictability of the economy.
- ✓ Downsides in 2024-
 - Breakdown of Oil pipeline that connects Melut basin oil fields to Port Sudan
 - Political instability and humanitarian crisis in Sudan (Khartoum)
 - El Nino flooding of oil fields, high inflation and high SSP Depreciation
 - 2024 Elections and development partner donor fatigue lowering grants

Sources : IMF; NBS; BOSS

South Sudan – inflation, % YoY and Central Bank Rate



South Sudan: Foreign Exchange Rates, SSP/\$1



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.

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Equity Centre - EquityBCDC Le Siège Social, Kinshasa

Equity Centre, 9th Floor, UpperHill
P.O.Box 75104, Nairobi, Tel: 0763 000 000
info@equitygroupholdings.com [f](#) @keEquitybank [t](#) @keEquitybank



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