The Case for Equity Group

Presentation by Dr James Mwangi, CBS
MD & CEO Equity Group

Cornell University

September 2015
What is democratizing finance?
Who Are The Unbanked Globally?

**Gender:**
Have an account at a formal financial institution, worldwide:

- **Men:** 55%
- **Women:** 47%

**Age:**
Worldwide, those aged 15-24 are 33% less likely to have an account, and 40% less likely to have saved formally (compared to those aged 25-64).

**Education:**
- More than 2x as likely:
  - Tertiary
- Primary or less

In developing economies, adults with a tertiary education are more than twice as likely to have a formal account as those with a primary education or less.

**Income:**
- More than 3x as likely:
  - Richest 20% → Poorest 20%

In developing economies, the richest 20 percent of adults in a country are more than three times as likely to save in a formal financial institution as the poorest 20 percent of adults.

**Residence:**
- Urban residents: 35%
- Rural residents: 22%
2030 Agenda for Sustainable Development

Sustainable Development Goals (SDGs),

What are the proposed Global Goals?
The Case for Equity Group
Corporate Philosophies

Purpose
We exist to transform the lives and livelihoods of our people socially and economically by availing to them modern, inclusive financial services that maximise their opportunities.

Vision
To be the champion of the socio-economic prosperity of the people of Africa.

Mission Statement
We offer inclusive, customer-focused financial services that socially and economically empower our clients and other stakeholders.

Values
Professionalism
Integrity
Creativity & Innovation
Teamwork
Unity of purpose
Respect & Dignity for customers
Effective Corporate Governance
The Early Years
Equity 0

- Beginning
- Founders’ conviction
- Founders’ social mission
- Driven by needs of the local community
- Turn around/re-engineer business model (i.e., creation of deposit taking and lending financial institution)
- A powerful vision but limited capacity to deliver it
Branch and Brand
CBK RATING AS AT 31ST DECEMBER 1993

OVERALL ASSESSMENT:
- Institution technically insolvent

MANAGEMENT:
- Weak & Poor

ASSET QUALITY:
- Unsatisfactory, poor non performing loans 54%

CAPITAL ADEQUACY:
- Capital fully eroded by accumulated losses.

EARNINGS & PROFITABILITY:
- Society threatened to grind to a halt
- Deposits utilized to meet operating expenses
- Return to profitability threatened by need for provision for bad & doubtful debts

LIQUIDITY:
- Liquidity of 5.8% compared to minimum legal requirement of 20%
- Deposits base volatile & unstable
Re-engineering the Business
STRATEGY

Our Strategic Journey

<table>
<thead>
<tr>
<th>Year</th>
<th>EQUITY 1.0</th>
<th>EQUITY 2.0</th>
<th>EQUITY 3.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td></td>
<td>Equity Building Society - 18th</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>Equity Bank 1st or 2nd depending on ranking criteria</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Savings led Model
- High volume low margin to offer accessibility and affordability
- Dignity and honor to our people while changing their lives and livelihoods

- Driving Financial Inclusion by scaling to micro, small and medium enterprises to empower our people create wealth and achieve prosperity

Equity Building Society - 18th

- Strategic positioning to capture disproportionate share of $4 billion growth in East Africa using a simple shared prosperity model. Giving our people Freedom, choice and control to scale social and economic impact.
Giving Dignity and Honour by Offering Access and Affordability with Savings-Led Model

Equity 1.0

- Build strategy
- Develop model
- Establish capacity
- Build culture and philosophy

Competition Mattress

Equity Building Society - 66th

1994 → 2004
Creating Wealth and Prosperity By Driving Financial Inclusion and Scaling Enterprises

Equity 2.0

- Reposition strategy for future
- Change legal and operating structure
- High growth and financial leadership
- Scale Global distribution network
- Build socio-economic brand

Competition: Banks

Equity Building Society - 18th
IMPACT
Home of 50% of all bank account holders in Kenya
Growth in Volume Customer Deposits
Growth in Borrowing Clients
Growth in Loan Portfolio

Millions

- 1994: $35
- 1995: $97
- 1996: $122
- 1997: $230
- 1998: $327
- 1999: $450
- 2000: $860
- 2001: $1,189
- 2002: $1,734
- 2003: $3,099
- 2004: $5,885
- 2005: $10,930
- 2006: $21,836
- 2007: $44,194
- 2008: $63,378
- 2009: $78,302
- 2010: $113,824
- 2011: $135,692
- 2012: $171,363
- 2013: $214,170
- 2014: $236,815

Jun'15
Growth in Profit

Millions

19,002 17,419 12,834 9,045 5,278 5,022 2,379 1,103 501 218 142 111 55 25 9 11 18 25 35 55 111 142 218 501 1,103 2,379 5,022 5,278 9,045 12,834 17,419 19,002 22,364

12,095

Total Assets

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Assets (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>487</td>
</tr>
<tr>
<td>2001</td>
<td>1,260</td>
</tr>
<tr>
<td>2002</td>
<td>1,881</td>
</tr>
<tr>
<td>2003</td>
<td>2,576</td>
</tr>
<tr>
<td>2004</td>
<td>3,924</td>
</tr>
<tr>
<td>2005</td>
<td>6,707</td>
</tr>
<tr>
<td>2006</td>
<td>11,456</td>
</tr>
<tr>
<td>2007</td>
<td>20,024</td>
</tr>
<tr>
<td>2008</td>
<td>53,129</td>
</tr>
<tr>
<td>2009</td>
<td>78,836</td>
</tr>
<tr>
<td>2010</td>
<td>100,812</td>
</tr>
<tr>
<td>2011</td>
<td>143,018</td>
</tr>
<tr>
<td>2012</td>
<td>196,294</td>
</tr>
<tr>
<td>2013</td>
<td>243,170</td>
</tr>
<tr>
<td>2014 Jun'15</td>
<td>344,572</td>
</tr>
<tr>
<td>2015</td>
<td>400,993</td>
</tr>
</tbody>
</table>
Share Holders Funds

![Chart showing Share Holders Funds over years from 1994 to 2014 Jun'15. The values are in Millions. The chart shows an increase in Share Holders Funds over the years.]
Growth in Staff
Turn Equity from Somewhere You Go to Something You Do - Lifestyle (Freedom, Choice, Control)

Equity 3.0

- Leverage on technology and innovation
- Convergence of financial products and services
- Segment inclusion for focused strategic delivery
- Scale brand visibility and loyalty
- Fanatical operational discipline

- Disrupt our self - virtualization
- Scale agency banking
- Digitize process
- Increase access and enhance experience
- Seamlessly integrate channels to improve experience

Equity Bank 1st or 2nd depending on ranking criteria

Competition Cash

1994 2004 2014 2024

Re-design operating model for efficiency and high performance

Increase access and enhance experience
Equity Group is comprised of 5 major components:

- **BANK**: The leading inclusive bank in East Africa, with a strong base for pan-African growth.
- **FINSERVE**: A distinctive agile, convenient and secure mobile channel that seamlessly integrates and converges bank accounts and other financial products and services while providing value-add telecoms products and services.
- **INVESTMENT BANK**: Investment services for our corporate clients: brokerage, custodial and advisory.
- **INSURANCE**: Insurance products to deepen the financial inclusion of our clients while providing cover for risk mitigation of banking products.
- **FOUNDATION**: A unique approach to impacting the lives of African in our communities using the Bank’s existing infrastructure, enormous human capital and Brand.
SOCIO-ECONOMIC TRANSFORMATION IS AT OUR CORE

AGRIBUSINESS
- Partnerships for a Green Revolution
- Initiatives to Support Livestock and Dairy Farmers and to Deliver Crop Insurance
- Collaboration with Coffee Board Horticulture Association, Kickstart, Africa Harvest

WOMEN’S FINANCING
- Fanikisha: Partnerships with Women Enterprise Fund to offer Training and Lending
- Loan products that have increased loan repayment periods and reduced interest rates including a $59 million fund exclusively for rural women

YOUTH ENTERPRISE FINANCING
- Vijana Business Loans to Youth: Offering Flexible Collateral, Quick Approvals and Flexible Repayment Terms as well as Business Training to support Youth Enterprise.

ENVIRONMENTAL CONSERVATION
- Conservation of the Mau Forest, the largest indigenous montane forest in East Africa, in partnership with Equity Bank, Kenya Wildlife Service, Nation Media Group, East Africa Breweries Ltd., the Green Belt Movement, Kenya Forest Service, and the FAO
- Tree planting programs in conjunction with schools and Bank branches

FINANCIAL INCLUSION
- Hunger Safety Net Program (HSNP)
- Social Payments for Food Security
- Orphaned and Vulnerable Children Program (OVC)

Established the Equity Group Foundation (EGF) in 2008 to maximize socio-economic impact and leverage Equity Bank’s unique assets and position at the base of the pyramid.

- Commits 2% of revenue to EGF
- Unlocks its branch infrastructure to support and implement EGF programs
- Develops financial instruments that respond to user needs
We have Developed an Economic and Social Brand through the Foundation...

EGF improves financial access, financial capability, and individual and household financial security by connecting low-income populations to bank accounts and expert financial literacy training.

EGF promotes the conservation and smart use of natural resources by expanding forest cover, improving water security and promoting the use of renewable energy and energy-efficient technologies.

EGF stimulates job creation and economic growth by providing micro and small entrepreneurs with advice, mentorship and entrepreneurship training.

EGF has a strong commitment to innovation in all of its program areas in order to promote new ideas, experimentation and, eventually, greater impact and scale. Priority areas of focus include education innovation and the offering of unique content and services to improve lives via mobile.

EGF seeks to break the cycle of poverty and develop the next generation of leaders through increased access to secondary and tertiary education.

EGF helps create jobs, improve market access, and expand agricultural production by working in partnership with small and medium-sized farmers to increase their production capabilities, business acumen, and access to technology and financial services.

EGF increases access to comprehensive health financing and private sector-led, affordable, high-quality, and standardized health services.
... with tangible and scalable impact to date
Equity has a strong starting point among Africa’s leading banks in terms of both growth and profitability

NOTE: Africa (excluding Egypt) largest 20 banks in terms of assets, plus selected exciting banks (Capitec, Equity & KCB)
1 2008-2012 assets CAGR, and 2012 assets

SOURCE: Bank annual reports; KPMG Angola Banking Report; press articles
Equity has set an ambitious growth target across Africa over the next 10 years.

**6 countries in East Africa**
- Population of ~245 million (~29 million are banked)
- Nominal GDP of ~USD 129 Bn
- ~10 million members

**15 countries across Africa**
- Population of ~810 million
- Nominal GDP of ~USD 2,259 Bn
- ~100 million members

*Source: McKinsey & Company*
## Financial Inclusion & Profile of Clients - Equity Bank Sub Sahara Africa Footprint Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>GNI per capita ($)</th>
<th>Findex-2014 Financial Institution Account (% age 15+)</th>
<th>Mobile Account (% age 15+)</th>
<th>Has debit card (% age 15+)</th>
<th>Saved at a financial institution (% age 15+)</th>
<th>Borrowed from a financial institution (% age 15+)</th>
<th>Insurance Penetration Rate (total Premiums/GDP %) (Source-Regulators)</th>
<th>Capital Markets Penetration Rate (total market capitalization/GDP %) - Source-ASEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya</td>
<td>$1160</td>
<td>55.2%</td>
<td>58.4%</td>
<td>34.7%</td>
<td>30.2%</td>
<td>14.9%</td>
<td>3.4%</td>
<td>55.83% (2013)</td>
</tr>
<tr>
<td>Uganda</td>
<td>$600</td>
<td>27.8%</td>
<td>35.1%</td>
<td>17.8%</td>
<td>16.8%</td>
<td>15.7%</td>
<td>0.85%</td>
<td>38.23% (2013)</td>
</tr>
<tr>
<td>Tanzania</td>
<td>$860</td>
<td>19%</td>
<td>32.4%</td>
<td>11.5%</td>
<td>9%</td>
<td>6.5%</td>
<td>0.9%</td>
<td>33.4% (2014)</td>
</tr>
<tr>
<td>Southern Sudan</td>
<td>$950</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Rwanda</td>
<td>$630</td>
<td>38.1%</td>
<td>18.1%</td>
<td>4.5%</td>
<td>25.5%</td>
<td>8.2%</td>
<td>2.3%</td>
<td>26% (2011)</td>
</tr>
<tr>
<td>DR Congo</td>
<td>$430</td>
<td>10.9%</td>
<td>9.2%</td>
<td>3.8%</td>
<td>4.7%</td>
<td>3.4%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Sources: Swiss Re, Sigma Report No.3/2014; The Little Data Book on Financial Inclusion 2015; Regulators Annual Reports, African Securities Exchanges Association, World Bank
... and will result in a 26% annual growth rate in the member base.

Projected members, mid-part of range (Millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Members (Millions)</th>
</tr>
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<tbody>
<tr>
<td>2014</td>
<td>10.2</td>
</tr>
<tr>
<td>18</td>
<td>27.6</td>
</tr>
<tr>
<td>17</td>
<td>20.6</td>
</tr>
<tr>
<td>16</td>
<td>16.0</td>
</tr>
<tr>
<td>15</td>
<td>12.6</td>
</tr>
<tr>
<td>2024</td>
<td>102.2</td>
</tr>
<tr>
<td>2023</td>
<td>85.3</td>
</tr>
<tr>
<td>2022</td>
<td>72.8</td>
</tr>
<tr>
<td>2021</td>
<td>60.7</td>
</tr>
<tr>
<td>2020</td>
<td>49.3</td>
</tr>
<tr>
<td>2019</td>
<td>38.7</td>
</tr>
<tr>
<td>2018</td>
<td>27.6</td>
</tr>
<tr>
<td>2017</td>
<td>20.6</td>
</tr>
<tr>
<td>2016</td>
<td>16.0</td>
</tr>
<tr>
<td>2015</td>
<td>12.6</td>
</tr>
</tbody>
</table>

Source: 2014 numbers based on Equity Banks year end forecasts as received from the Finance Team; First five year numbers for each country based on the Equity Bank financial model; Remaining years to 2024 based on straight line extrapolation to reach 2024 target.
MOBILE CHANNEL to drive towards a cash-lite society

Leading the NEXT GENERATION of mobile banking and financial services

Bringing VALUABLE RELEVANT CONTENT and SERVICES to meet users’ everyday needs

93% of Kenyans are mobile phone users and
73% are mobile money customers

“Time seems to be fast approaching when banks may not necessarily continue to exist as they are constituted today even though banking services will undoubtedly continue to be required... Equity Group’s innovations are informed by this reality and are geared towards supporting banking becoming something you do, as opposed to somewhere you go to transact. Our members are increasingly gaining more freedom, choice, and control.” Dr. James Mwangi

“We strongly believe that the entry of the MVNO into the Kenyan market will stimulate and sustain overall market growth through a new range of innovative products and service propositions that will give more choice and value to consumers.”

Airtel Africa CEO Mr. Christian De Faria

“Airtel Kenya’s deal with Equity Bank offers an ideal model of collaboration between banks and telecoms, allowing convergence of mobile and banking, with the customer in mind.”

Techmoran
Scaling EGF- My Life – Equitel Mobile Virtual Network Operator- MVNO (Telecom- Banking Convergence)
Our future is here.

We deserve even more freedom, choice, and control to manage our businesses, our money, and our lives with ease. The freedom and control to plan, budget, save and borrow loans to fund our dreams. The choice to stay in touch with those we love and those we relate with. Welcome to Equitel.

**Bank on your hand**
You can now do your banking at the comfort of your phone. Open an Equitel account instantly, happy bank, by dialing *247#. Check your bank balance. Transfer money, send and receive money, withdraw cash, apply for a loan, repay your loan, request for a statement, saw, budget and fund specific goals.

**Send and receive cash**
Sending money to other Equitel members is FREE! It’s as easy and the money goes straight into their Equity bank accounts. You can also send money to other mobile money networks (M-PESA, Airtel Money, and Orange Money) other banks, global credit and debit cards.

**Pay your bills**
It’s quick and easy to pay for utilities using Equitel. No long lines, no busy hawks, no noise. No hake. You can pay KOLO, Water bills, DSTV, Startimes, and many more right on your phone.

**Apply and get a Loan**
Ask for a loan right on your phone. You don’t have to fill in any forms. Just go to the Easy loan menu and follow the simple steps. It’s easy.

**Stay in control**
Check your balance any time of day or night. Once you know how much you have, you can plan, budget, and fund your goals.

**Easy shopping**
You don’t need cash to go shopping. You can pay for goods directly from your phone. Just pay to the seller’s Equity account ensuite from your Equitel line. They will receive the money instantly and you will both get notifications immediately. And it’s all FREE!

**Cardless banking**
You don’t need your ATM card to bank. Use your phone to withdraw money straight from any Equity Bank ATM or Equity Agent. It’s quick, safe, and easy.

**Manage your chama**
Keep track of your chama payments, investments, and loan disbursements through reminders and notifications. All on your phone.

**Fundraising with ease**
In our heritage, we support one another because it’s part of our culture. You can now fundraise virtually without a physical meeting.

**Stay in touch**
Make calls, send messages, and access the internet at any time of day or night at affordable rates. Whenever your time is about to run out, we will send you a free reminder to top up, and you can also set up a top-up standing order. You can also buy airtime from Equity Agents.

**Access information and knowledge**
You can access useful and exciting information on your phone. Click on “My Life” and enjoy a variety of topics including maternal health, financial planning and budgeting, agriculture, education, financial literacy, entrepreneurship, and more.

**Grow your wealth**
Stay and work hard, government bonds and unit trust at the convenience of your phone. It is easy.

**Get well soon**
Top up your Equitel line with Ksh. 250 every month. Then, in case you are admitted in hospital for 2 nights or more, we will support you with Ksh. 1,500 to help your bills. And it’s FREE!

Karibu Member. Pick your Equitel SIM card today at any Equity branch. To become a Member, dial *247# and open an Equity account instantly hapa hapa. Exercise your freedom, make your choice and take control.
1ST REGIONAL LISTED INVESTMENT GROUP HOLDING COMPANY

Subsidiary Boards

Shareholders

Group Board

CEO

CEO’s office

Director Strategy, Legal, Company Secretary

Director Strategic Partnerships & Programme Mgt

Director Corp. Comms. & Public Relations

Director, Brand & Culture

Non-banking Subsidiaries

Equity Group Foundation

Equity Investment Bank

Equity Insurance Agency

Consulting

Infrastructure Services

Corporate Office

Chief Operating Officer

Chief Technology and Information Officer

Chief Marketing Officer

Chief Officer of Banking Operations

Banking Subsidiaries

Equity Bank Kenya

Equity Bank Rwanda

Equity Bank Tanzania

Equity Bank Uganda

Equity Bank South Sudan

1 100% wholly-owned banking subsidiaries, each with own Board of Directors compliant with local regulations
Equity Group – Key Selected Partnerships

**Banking Partners**
- FMO
- China Development Bank
- IFC
- World Bank
- HSBC
- FSD Kenya
- KfW
- MEF
- European Investment Bank
- GIZ

**Payment Partners**
- UnionPay
- SWIFT
- MasterCard
- Google
- Visa
- Diners Club International
- American Express
- PayPal
- Equity Direct
- vfx

**Foundation Partners**
- UNIFEM
- The MasterCard Foundation
- Millennium Villages
- Action Against Hunger
- IFAD
- UKaid
- Swisscontact
- USAID
- WFP
- UNICEF
### AN ALL INCLUSIVE FINANCIAL INSTITUTION WITH A REMARKABLE GROWTH STORY

#### PERFORMANCE TREND ANALYSIS (in KES)

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<tr>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Funding</td>
<td>29m</td>
<td>302m</td>
<td>1.6b</td>
<td>16.3b</td>
<td>159b</td>
<td>246b</td>
</tr>
<tr>
<td>Loans</td>
<td>8.6m</td>
<td>169m</td>
<td>0.8b</td>
<td>10.9b</td>
<td>113.8b</td>
<td>214b</td>
</tr>
<tr>
<td>Total Assets</td>
<td>24m</td>
<td>213m</td>
<td>1.9b</td>
<td>20.0b</td>
<td>196.5b</td>
<td>345b</td>
</tr>
<tr>
<td>Profit Before Tax</td>
<td>(4)m</td>
<td>10.6m</td>
<td>55m</td>
<td>1.1b</td>
<td>12.8b</td>
<td>22.4b</td>
</tr>
<tr>
<td>Shareholders fund</td>
<td>(18)m</td>
<td>22.5m</td>
<td>238m</td>
<td>2.2b</td>
<td>34.2b</td>
<td>64b</td>
</tr>
<tr>
<td>Customers</td>
<td>9k</td>
<td>26k</td>
<td>105k</td>
<td>1.014m</td>
<td>7.150m</td>
<td>9.660m</td>
</tr>
<tr>
<td>Staff</td>
<td>27</td>
<td>57</td>
<td>165</td>
<td>1395</td>
<td>6243</td>
<td>8690</td>
</tr>
</tbody>
</table>

#### WEALTH CREATION FOR SHAREHOLDERS

<table>
<thead>
<tr>
<th>Share Change</th>
<th>Number of Shares</th>
<th>Price</th>
<th>Value</th>
<th>Value Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000: Before split</td>
<td>1</td>
<td>20.00</td>
<td>20</td>
<td>0</td>
</tr>
<tr>
<td>2000: 1:3 Split</td>
<td>4</td>
<td>50.00</td>
<td>200</td>
<td>1,000%</td>
</tr>
<tr>
<td>2004: Bonus 1:5</td>
<td>20</td>
<td>50.00</td>
<td>1,000</td>
<td>5,000%</td>
</tr>
<tr>
<td>2007: Bonus 1:3</td>
<td>60</td>
<td>84.50</td>
<td>5,070</td>
<td>25,350%</td>
</tr>
<tr>
<td>2009: Split 1:10</td>
<td>600</td>
<td>12.50</td>
<td>7,500</td>
<td>37,500%</td>
</tr>
<tr>
<td>2014</td>
<td>600</td>
<td>50.50</td>
<td>30,300</td>
<td>151,500%</td>
</tr>
</tbody>
</table>
Current Status

NSE Publicly Listed/ Cross Listed at USE at RSE
- 10 million customers – 6 countries
- Market Capitalization: ~Ksh 165.7Bn
- Asset Base ~KShs 401 Bn

Ownership
Over 30,000 shareholders

Strategic Investors
- Norfund & Norfinance
- Genesis
- British – American Investments Company (Kenya) Limited
- Equity Bank ESOP

Regional presence – Kenya, Rwanda, Tanzania, Uganda, South Sudan & DRC

Equity Bank is the largest bank in East & Central Africa
Awards & Recognitions
- Global Vision Award- ‘Initiators of the Concepts of the Future that will shape the World Economy’ – *G8 Vision Summit Germany 2007*

- Emerging Markets Most Sustainable Bank of the Year 2009 in Africa & Middle East”...for its responsibility in providing solutions to the world’s most pressing issues and meeting those objectives in a financially viable way”- *International Finance Corporation & Financial Times*

Microfinance Bank of the Year 2008 & 2009- “for assisting local communities and aspiring entrepreneurs to raise finance, ultimately contributing to their growth and development” – African Banker
Best Performing Ai 100 Company of the year in Africa 2008 & 2009 and Best Performing Ai 40 Company of the year in Africa 2010 "financial performance reflected by the strong growth in revenue and profitability, and underpinned by a strong balance sheet"—*African Investor*

- **African Yara Laureate** for helping to innovatively strengthen agricultural value chains and increase Africa's food security.—*Yara Foundation for an African Green Revolution*

- Case study in the leading International Business Schools-Lagos, Stanford, Strathmore, Columbia, IESE
Africa Best Initiative in Support of SMEs & the Millennium Development Goals 2011

*African Investor*

- Africa Most Innovative Bank 2012 *African Banker*
- European Award for Best Practice in 2011 *European Society for Quality Research*
- Best Managed Company in Africa Banking and Finance Sector 2012- Euromoney
- Best Bank in Kenya 2011 *Euromoney Awards for excellence*
- Africa Innovation Leader of the Year -2012
- Most Preferred Kenyan Brand - *Intrabrand Simpson*

- The only Triple A Brand in Kenya - *Brand Finance East Africa & TNS East Africa - July 2011*

- Most impactful brand in the daily life of Kenyans - 43% - *Business Daily - Aug 2011*

- 3rd most valuable brand that gives Kenyans pride - *Business Daily - Aug 2011*
Banking on the poor no longer a risky business

Equity Bank helped diserase the notion that low-end markets were unbankable

By WACHIRA KANG’ARU

The poor and lowly banking halls were, 10 years and much of the country, it is said to be a banking hall, often referred to as unbankable. To many, the idea of opening a bank account was a dream, as few banks were willing to cater to their needs.

Most of the local commercial banks, especially the big five, had seen the growth of microfinance institutions. They had targeted areas that had been untouched by traditional banking systems.

Central Bank of Kenya confirms that, at the turn of the century, everything was turned upside down in the country. Banks were no longer exclusive to the rich, and even the poorest households could access banking services through microfinance institutions.

SUITED THEIR NEEDS

Equity Bank turned the profitable segment of the market. They offered tailored banking services that suited the needs of the poor. The bank’s approach was to bring the banks to the people, rather than the other way around.

In 1999, for example, Equity Bank had only 1,000 customers, and less than 1,000 of these had borrowed more than KSh 1 billion. In 2004, the bank had more than 500,000 customers, and more than 25% of these had borrowed more than KSh 1 billion.
Equity’s International Rankings

<table>
<thead>
<tr>
<th>Equity Bank</th>
<th>Overall</th>
<th>Soundness</th>
<th>Performance</th>
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<tr>
<td></td>
<td></td>
<td>(Capital Assets Ratio)</td>
<td>(Profits on capital)</td>
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<td>2015 Global Rank</td>
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<td>2014 Global Rank</td>
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Equity’s Global Credit Rating

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<th>Security Class</th>
<th>Rating Scale</th>
<th>Rating</th>
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<tr>
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<td>Stable</td>
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<tr>
<td>Short term</td>
<td>National</td>
<td>A1+ (KE)</td>
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</table>
Equity Has Earned Substantial Accolades In 2015.

2015 Think Business Banking Awards
Equity Has Earned Substantial Accolades In 2015

Most Innovative Bank 2015
Most Innovative Bank
Equity Bank

Best Mobile Payments Solution 2015
Best Mobile Payments Solution
Equity Bank
2014 - Top Banking Brand in Kenya
Awards & Recognition for Dr. James Mwangi, CBS

- Ernst & Young World Entrepreneur Of The Year 2012
- Forbes Africa Person of the Year 2012
- Global Vision Award- Initiator of the Concept of the future that will shape the global economic- *G8 2007 Vision Summit in Germany*
- African Business Person of the Year Runners up 2009- *Commonwealth Business Council*
- Africa CEO of the Year- *Africa Investor 2009*
- African Leader of The Year – *African Leadership Network 2011*
- African Banker the Year – *African Banker 2010 & 2011*
Honors & Responsibilities

- Chairman- Kenya’s Vision 2030 Delivery Board
- Member of the Board of Advisors of the African Leadership Academy
- Member – External Advisory Board; Bill & Melinda Gates Foundation
- Member- Global Advisory Council-VISA
- Member – UN Advisory Group on Inclusive Finance
- Member – UN Advisory Board on Global Sustainability
- Member – G20 Advisory Board on Agriculture
- Member - Clinton Global Initiative
- Member – G8 New Alliance for Food Security and Nutrition
- Member - Global Agenda Council on New Economic Thinking of the World Economic Forum
- Member – Initiative for Global Development (IGD)
- Member – World Economic Council
- Named by Financial Times among the top 50 global emerging market business leaders
- Executive Chairman- Equity Group Foundation
- Trustee- Save the Mau Initiative
- Holder of Five Honorary Doctorate degrees
- Presidential Awards- HSC, MBS, CBS
- Chancellor Meru University of Science and Technology
THANK YOU

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