

Financial and non-Financial interventions for Stakeholders in Food & Agriculture Value Chains

29th March 2023



Our Corporate Philosophies



Equity Group's Philosophies

OUR PURPOSE:

Transforming lives, giving dignity and expanding opportunities for wealth creation

OUR MISSION:

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

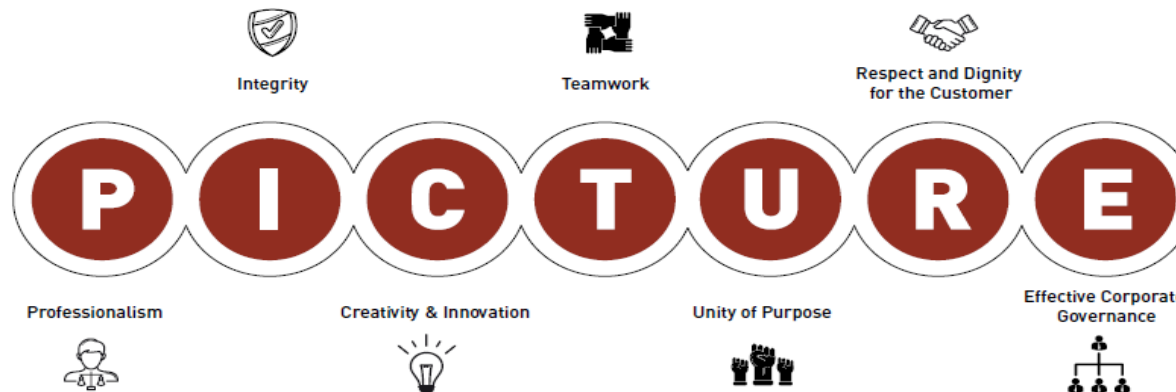
OUR VISION:

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

POSITIONING STATEMENT:

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

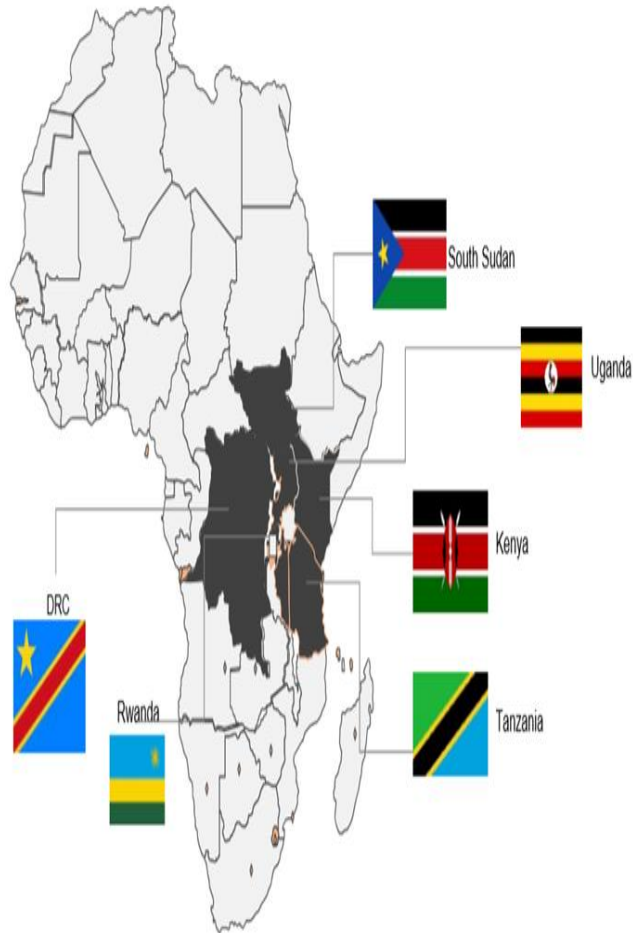
OUR CORE VALUES:



INSPIRATION

"That, when years turn our vision dim and grey,
we shall still be seeing 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 realise their full potential on the road to economic prosperity"

Equity at a Glance



NSE Publicly Listed / Cross Listed at USE & RSE

- Over 16 million customers across the Group
- Profit Before Tax (2022) KES 59.8B
- Asset Base KES 1.4 billion (**One trillion and four billion shillings**)
- Deposits KES 1.05 Trillion
- Loans KES 706.6B

Ownership

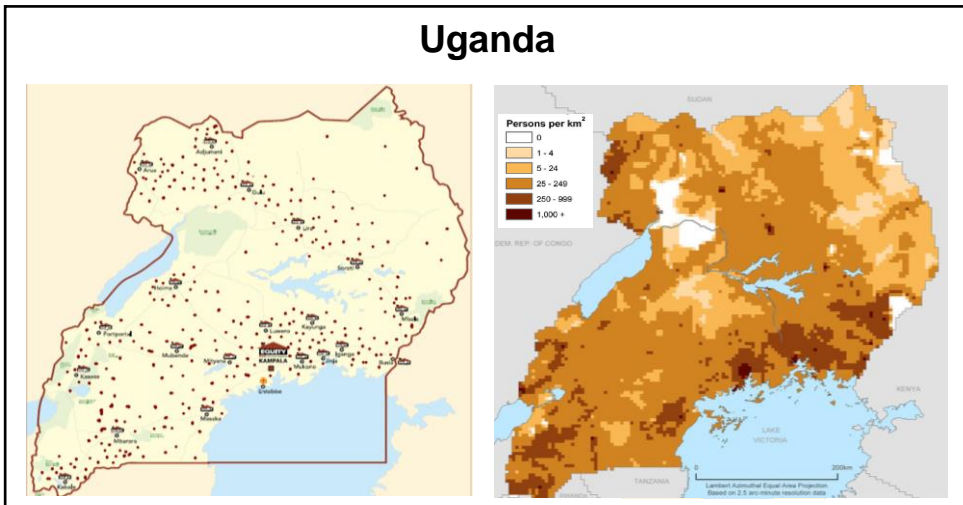
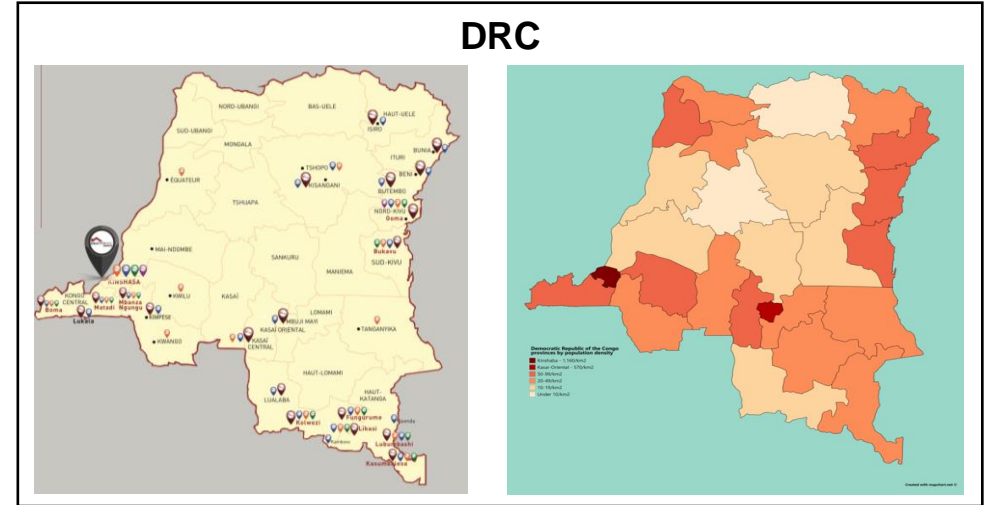
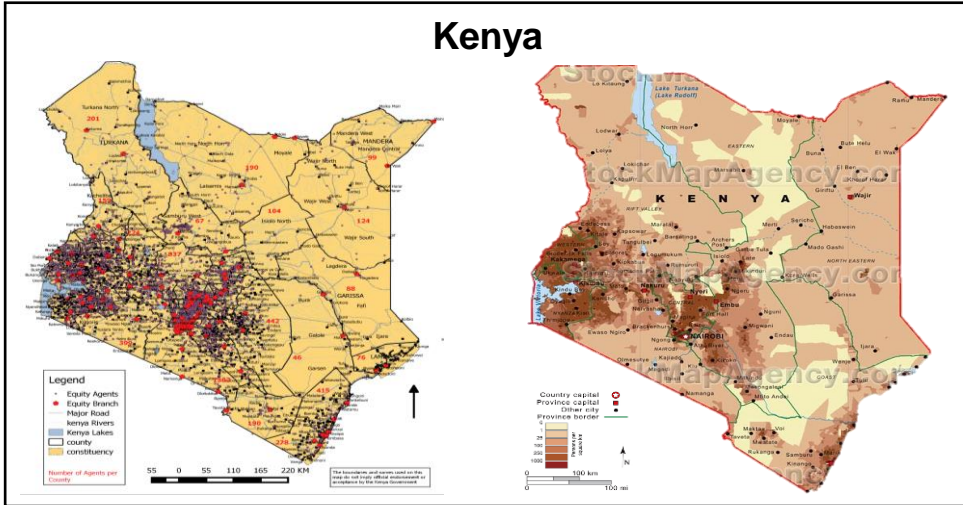
- Over 30,000 shareholders

Strategic Investors

- Arise B. V.
 - RabboBank
 - Norfund
 - FMO
- British American Investments Company (Kenya) Limited
- Equity Bank ESOP

Regional presence: Kenya, Rwanda, Tanzania, Uganda, South Sudan, and DRC

Expansive infrastructure network



Bank agents: 53,151
Branches: 336
Points of sale terminals: 34,862
ATMs: 725

How we reach and interact with our customers all the time and anywhere



Physical channels

Branches



336

ATMs



725

POS



34,862

Alternative channels

Distributed - Mobile

3G

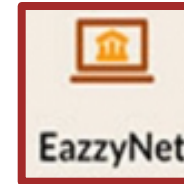


2G



Distributed - Desktop

Personal



Business



Distributed third party - Agents



53,151

Overview of the “Africa Recovery and Resilience Plan”



The Plan

The Africa Recovery and Resilience Plan is aimed at catalysing a **natural resources-led transformation of Africa, led by enhancing agricultural throughput, formalizing extractive value chains and connecting these primary sectors to global supply chains that require diversification and secure sourcing.**

Equity Group’s execution of the “Africa Recovery and Resilience Plan” will be underpinned by its **Social and Economic Engines** that capacitates value chains (Social Engine) and provide holistic financial solutions to productive ecosystems (Economic Engine).

Equity Group’s excess liquidity (currently 1.5% of cumulative GDP of east and central Africa) will be redirected to the private sector across various value chains.

6 Pillars of the Plan

The Plan comprises 6 strategic pillars that ensure a systematic and holistic framework for execution:

- **Ecosystems of natural resources in agriculture and extractives** – more coordinated, connected and capacitated supply chains and mechanization will drive higher throughput of raw materials and ultimately lead to a more inclusive industrialization of Africa.
- **Manufacturing and logistics ecosystem** – Africa has an opportunity to leverage off and expand existing productive capacities to industrialize by connecting to global value chains that are in the process of regionalizing and diversifying.
- **Trade and investment** – access to new markets, technology, capital and skills will enrich and enhance offtake of African products and services
- **MSMEs** – connectivity of small businesses into formal value chains will drive inclusive, broader and more sustainable growth
- **Social transformation and environmental** – capacity building of value chain stakeholders, especially amongst smallholder farmers and MSMEs will drive productivity gains of African value chains
- **Technology-enabled economy** – online businesses will accelerate connectivity and velocity in ecosystems.

Objectives of the Plan

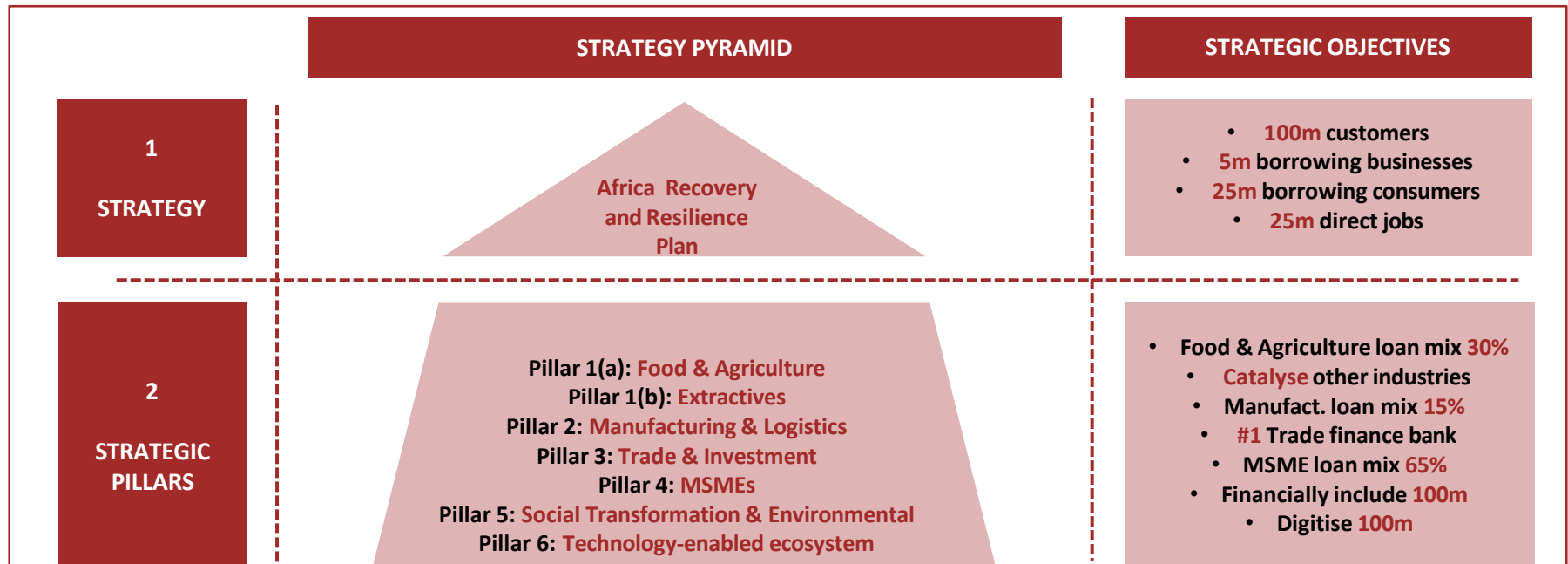
2025 objectives include:

- 1. Inclusivity of 100 million online customers:** Economic inclusion of households and financially enable value chains
- 2. Multiplier effect of 5 million borrowing businesses and 25 million borrowing consumers:** borrowing businesses to expand productive capacities to drive value chain expansion and employment, whilst consumer borrowing to enable household aspirations
- 3. Employment of 50 million:** 25 million direct jobs to be created as businesses grow and a further 25 million indirect jobs created as value chains expand and deepen
- 4. Additional private sector lending in excess of almost 2% of regional GDP:** loan book to be directed to agriculture (30%), manufacturing (15%), MSMEs (65%).

2025 Strategy Framework



Equity Group's 2025 strategy is a multi-pronged and holistic solution to achieve social and economic transformation of Africa. The strategy comprises 6 strategic pillars that will be operationalized through a collaborative, deliberate and ecosystem-centric approach



Financing of along the entire Agriculture Value Chain through ecosystem banking approach

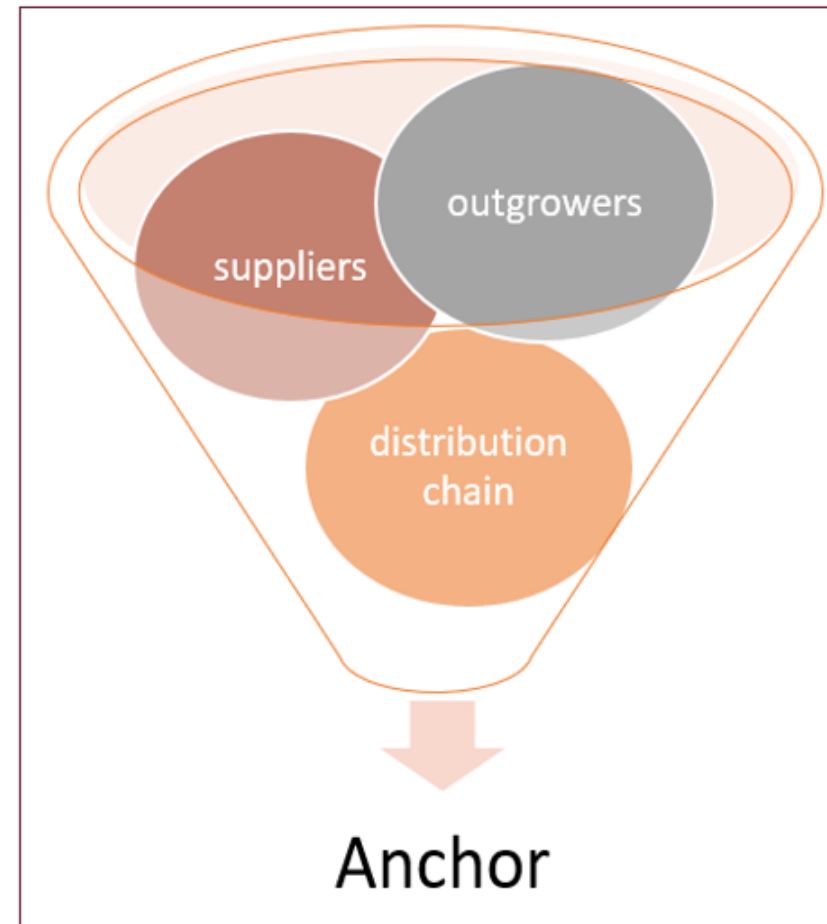


The financing model of Equity is along the entire value chain of agriculture and covers; -

- ❑ Pre-primary activities
- ❑ Primary production
- ❑ Secondary production
- ❑ Marketing and distribution – Export / Local market

The target beneficiaries therefore include;-

- ❑ Agro-inputs suppliers, on-farm services providers, e.t.c
- ❑ Small, medium and large-scale farmers
- ❑ Agricultural inputs manufacturers and suppliers
- ❑ Aggregators - farm produce buyers and middlemen
- ❑ Agro-processors, pack houses and other value addition stakeholders
- ❑ Exporters, transporters, warehouse, wholesalers, retailers e.t.c



Food and Agriculture Financial Interventions



PRODUCT/ SOLUTION	TARGET BENEFICIARIES	PURPOSES SUPPORTED
Agric Remittance Finance	<ul style="list-style-type: none"> Farmers operating Monthly Agricultural Remittance Accounts with EBKL in either Tea or Dairy farming 	<ul style="list-style-type: none"> <input type="checkbox"/> Purchase Farm Inputs <input type="checkbox"/> Finance Farmer’s Social & Economic Devt needs
Agribusiness Finance	<ul style="list-style-type: none"> MSME Agric Producers Agriculture-based entrepreneurs in Trade, Processing, Logistics, etc. 	<ul style="list-style-type: none"> <input type="checkbox"/> Finance Agricultural Production <input type="checkbox"/> Basic farm development, <input type="checkbox"/> Stock acquisition <input type="checkbox"/> Agro trader working Capital <input type="checkbox"/> Financing against produce in warehouses
Agricultural Assets and Machinery Finance	<ul style="list-style-type: none"> Clients seeking Movable Capital Assets such as; Farm equipment & Motorable Assets, Plant & Machinery in Agric. Distribution & Processing 	<ul style="list-style-type: none"> <input type="checkbox"/> Tractors, heavy farm machinery, Trucks <input type="checkbox"/> Plant & Processing machinery in food processing, milling, e.t.c <input type="checkbox"/> Commodity Storage Equipment <input type="checkbox"/> Agricultural-Related Energy & Environmental Technology systems
Commercial Agriculture Finance	<ul style="list-style-type: none"> Medium to Large-Scale Investments across All Agriculture Value Chains - Production, Postproduction and any Agriculture-based Enterprises development. 	<ul style="list-style-type: none"> <input type="checkbox"/> Large Farms Production Inputs <input type="checkbox"/> Working capital <input type="checkbox"/> Projects financing i.e., factory establishment & expansion, mortgage facilities, <input type="checkbox"/> Fixed Asset Acquisition

UNIQUE FEATURES OF F&A FINANCING:

- **Production Financing:** - Matched to production cycle cash flows or farm sales remittance cycles.
- **Disbursements:** - Inputs, Assets, Production financing disbursed directly to Vendors /Suppliers accounts

Support to Export Value chains



Farmers and Aggregators	Processor/Exporters	Transporters
<ul style="list-style-type: none"> • Crop Advances/Invoice Discounting • Inputs financing chemicals, Fertilizer • Asset financing e.g., Motorised pruning • Clean Energy solutions –e.g., solar powered irrigation pumps • Social needs like school fees, Medical • Insurance services 	<ul style="list-style-type: none"> • Working capital /overdrafts–to off take • Construction projects • Asset finance - Trucks , equipments. • Waste Management solutions • Trade financing - Invoice and LPO • Insurance- General, Motor insurance. 	<ul style="list-style-type: none"> • Asset finance –Trucks • Working capital-fuel • Personal social and development needs • Trade financing • Insurance-General and Motor insurance
<p>Other Benefits cutting across.</p> <ul style="list-style-type: none"> • Capacity building – FE/EE Training • NOTE: All loans have flexible loan repayment plans matched to Clients income patterns and crop cycles. 		

Food & Agriculture Financing Solution to Exporters



Broad based Financial Solutions to exporters -

- Corporate accounts
- Payment and collection solutions
- Internet banking (EazzyBiz)
- Treasury solutions – FX, Hedging, etc.
- Insurance

KEY VALUE CHAINS SUPPORTED BY THE BANK

- Dairy, Animal protein and Fisheries
- Tea
- Floriculture
- Production inputs supply chain
- Agri-Trade and agribusinesses
- Horticulture (Vegetables, herbs, fruits)
- Grains & oilseeds
- Coffee
- Agricultural Machinery and Tractors

Digitization of businesses is a major focus of Equity under our Marshal Plan



POS



Mobile



Agency Banking



Internet Banking



Branch



ATM

Strengthening of value chains through capacity building

Equity Group Foundation supports technical capacity building and financial literacy training contributing to the empowerment of primary producers and Agri-MSME's



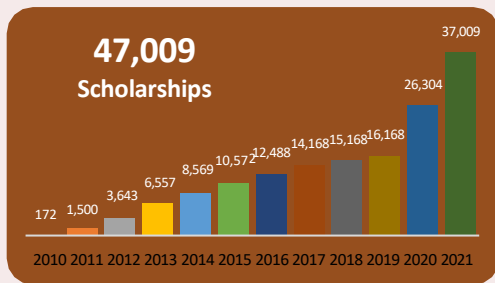
BUDGETING	<ul style="list-style-type: none">◆ Distinguishing between Wants and Needs◆ Household vs Business Budgeting◆ Farm Business Expenses vs Household Expenses
SAVINGS	<ul style="list-style-type: none">◆ Long-term versus short term goals◆ Illustrate the savings plan game◆ Identify savings avenues to farmers
FINANCIAL SERVICES	<ul style="list-style-type: none">◆ Link needs with the Bank products and Services◆ Demonstrate Mobile banking functionalities◆ Introduce Insurance solutions & concepts
DEBT MANAGEMENT	<ul style="list-style-type: none">◆ Description of Debt and its features◆ Balance between Savings Vs loans◆ Analysis behind ability to repay a loan

Social investments through Equity Group Foundation



Building capacity in value chains

EDUCATION AND LEADERSHIP DEVELOPMENT → TODAY'S LEARNERS WILL BECOME TOMORROW'S PRODUCTIVE ECONOMY AND WILL DRIVE PRODUCTIVITY GAINS OVER THE LONG TERM



Wings to Fly

- 98% secondary school completion
- 86% attained university entrance

Equity Leaders Program

- 17,040 university scholars
- 754 attending / alumni global universities

FOOD & AGRICULTURE

→ TRANSFORMING SUBSISTANCE FARMERS TO AGRI-BUSINESSES

3.9m
Farmers impacted

215,512
SME farmers supported

FINANCIAL LITERACY

→ ENABLING TODAY'S UNBANKED TO BE TOMORROW'S CUSTOMER

2,404,400
Women & Youth Trained in Financial Education

ENTREPRENEURSHIP TRAINING

→ TRAINING TODAY'S WORK FORCE TO BE TOMORROW'S EMPLOYER

406,621
Entrepreneurs Trained

KES 223.1bn
Loans to 197,291 MSMEs under Young Africa Works Program

Supporting communities

HEALTH → SUPPORTING A HEALTHY AND PRODUCTIVE COMMUNITY

77 Clinics opened

1,299,523 Patient visits

SOCIAL PROTECTION → PROVIDING A BRIDGE TO A BETTER TOMORROW

3,508,195
Households Reached with Social Protection Programs

KES 95.3bn Cash transfers

ENERGY & ENVIRONMENT → GROWING FOR A SUSTAINABLE FUTURE

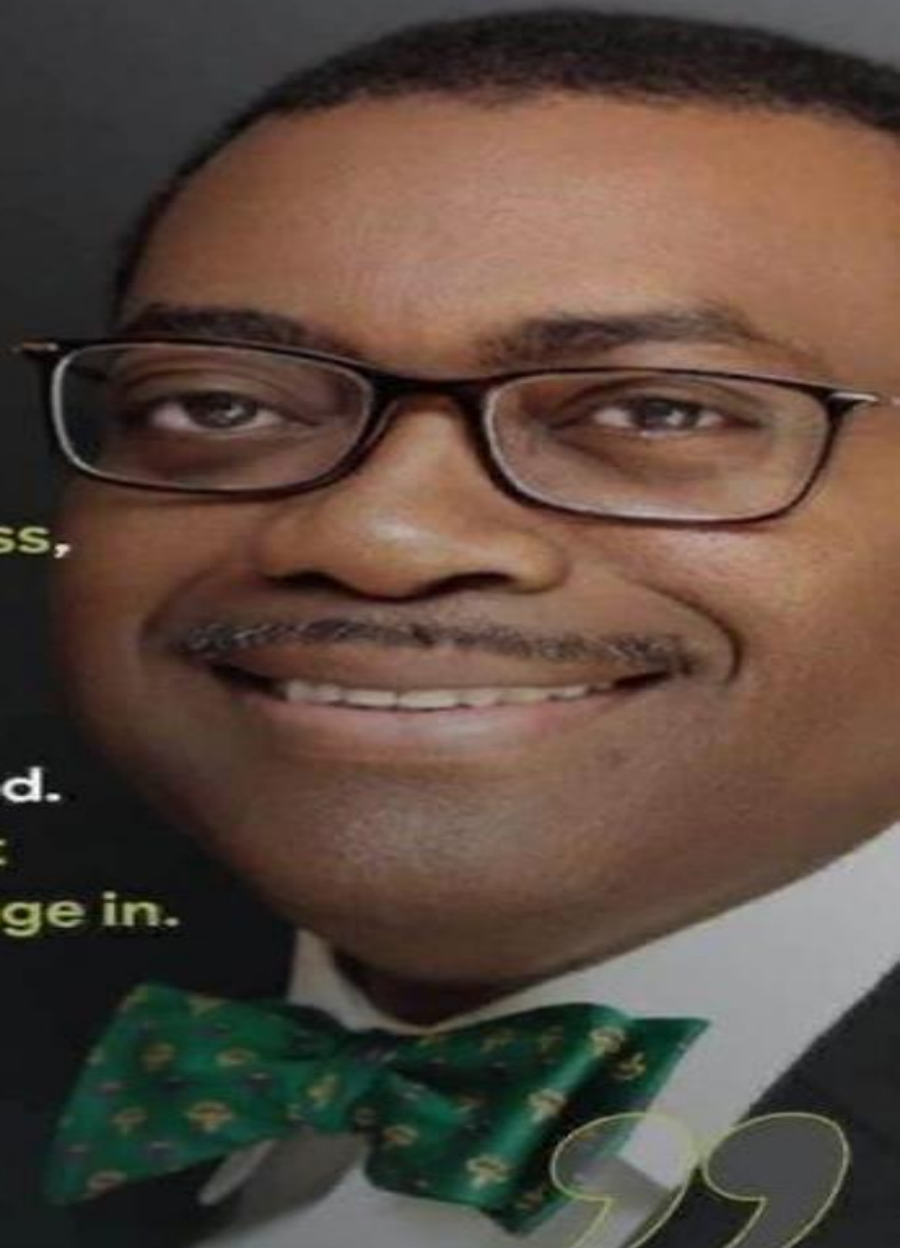
21.8m
Trees planted

375,683 Clean energy products distributed benefiting an estimated 1.3m individuals

“
The **future millionaires**
and **billionaires of Africa**
will not be coming from oil and
gas sector, they will be coming
from the **agriculture sector**. But
I want **African countries** to be
looking at **agriculture as a business**,
not as a way of life.

Nobody smokes gas, nobody
drinks oil, but everybody eats food.
**So food is critical and that is what
Africa has a comparative advantage in.**

- *Akinwumi Adesina,*
President, Africa Development Bank



THANK YOU

