

Equity Bank's Growth and Success since Listing on the NSE (2006)

Listing on the Nairobi Securities Exchange (NSE) bears a number of benefits to the issuer, investors, shareholders and the economy at large. Here is Equity Bank's story:

Equity Bank was listed on the NSE in 2006, listing 90.5 million shares, to accord itself and its shareholders the benefits of the stock market liquidity and price discovery. This enabled 2,500 shareholders at the time to buy and sell their shares to a wider population.

The Bank was listed by introduction at a share price of Ksh. 90 per share. The Bank's performance has grown over the years, currently standing at a market capitalisation of Ksh. 148 Billion.

According to Equity Bank, listing on the NSE provided an opportunity for its customers, investors and prospective investors to be part of what continues to be a Kenyan success story. It also offered an objective valuation of the Bank's shares and an enhancement of its price discovery mechanism.

Trading at the NSE was a better mechanism for the exchange of shares for the Bank's shareholders, an opportunity for the Bank to enhance corporate governance structures, corporate image and disclosure standards, as well as an avenue for it to raise additional capital at a later stage. The bank has since moved on to cross-list in other markets in the region, namely Uganda Securities Exchange and Rwanda Stock Exchange.

As at August 2018, Equity Bank's market capitalisation stood at Ksh. 196 billion. Its business model has attracted both local and international recognition. In 2008 and again in 2009, the Bank was recognised as the Top Banking Superbrand in Kenya and in East Africa.

The Banker Top 1000 World Banks 2018 has globally ranked the Bank at position 11 on Return on Assets, position 35 on Soundness (Capital Assets Ratio) and position 44 on Profits on Capital. Locally, the Bank was placed first in Kenya, with US\$. 848 million in Tier 1 capital.

Since listing on the NSE, Equity Bank has attracted formidable investors such

as Helios. The investment was to a tune of \$185 million in 2007, the largest single investment to a company in Africa at the time.

In 2015, the Group took a step further in enhancing its reach and financial inclusion agenda by commencing operations in the Democratic Republic of Congo after a successful acquisition of ProCredit Bank. This was its 6th banking subsidiary after venturing into Kenya, Uganda, Tanzania, South Sudan and Rwanda.

Despite the economic slump experienced around the international and local markets, Equity Bank has attracted more investments since its listing on the NSE.

The Group's third quarter results for the period ended September 30, 2018, continue to reflect its resilience in a difficult but improving operating environment. Profit After Tax recorded an eight percent growth to Ksh. 15.8 billion, up from Ksh. 14.6 billion for the same period last year. Profit Before Tax (PBT) also grew by eight percent to reach Ksh. 22.4 billion, up from Ksh. 20.7 billion.

Equity Group's strategy of regional expansion and business diversification resulted in double digit growth, validating its decision to expand into the East and Central Africa region. The Uganda Bank subsidiary's PBT grew by 35 percent, Rwanda by 70 percent, DRC by 117 percent and South Sudan by 53 percent.

International lenders increased their long-term funding to the Group by eight percent to reach Ksh. 56.2 billion, up from Ksh. 52.2 billion, signifying the global lenders' confidence in the Group's risk management and business models.

Equity Bank has grown its customer base to 12.7 million, an indication that it remains robust. The Bank has already developed and adopted a sustainable business model to cushion the business as well as boost value creation for shareholders. Innovation has proved to be a great enabler in driving growth, and the Bank is already registering efficiency gains from digitisation.

Growth in Profit

