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# Equity spreads its wings in Nyanza

*By John Oyuke*

Fresh from recording a massive pretax profit of Sh5.02 billion, Equity Bank is now widening its reach in Nyanza Province.

The bank at the weekend unveiled four more branches in the province as it moved to consolidate its growth and expansion across the country.

Equity — currently Kenya's fastest growing banking institution — opened branches in Siaya, Mbita Point, Kisumu and Homa Bay districts on February 14.

All events were officiated by Prime Minister Raila Odinga.

Equity has based its strategy on services for the poor and its profits have doubled every year for the past five years as it expanded and targeted Kenyans who previously held no formal bank accounts.

The highlight of the weekend events was a consultative meeting in Siaya and a dinner hosted by the bank for the business community from the region at the Tom Mboya Labour grounds in Kisumu.

And as part of the launch activities in the region, the bank will simultaneously conduct financial literacy campaigns to encourage people to seek credit in the bank.

Last Thursday, Equity Bank announced a Sh5 billion profit for the year ending December 2008, which is a 111 per cent rise compared to Sh2.378 billion posted in the previous year (2007).

Equity's profits have grown despite tough times last year, when the local economy saw a bout of political unrest that hit key sectors.

## **Business model**

Chief Executive James Mwangi said the business model of high volumes and low margins had proved resilient during the hard economic times.

He said customers were attracted by the "affordability of Equity."

The bank's expansion strategy had seen it evolve into an inclusive financial provider with an infrastructure in Kenya that currently stands at 106 branches.

It also has over 500 Visa branded ATMs, village mobile banking units as well as over 2500 points of sale across the country.

Currently, about 3.1 million Kenyans bank with Equity, making the financier home to 49 per cent of all bank accounts in Kenya.

The bank has entered into the regional market, with full operations in Uganda, and advance preparations are in place for operations in Southern Sudan. As part of its growth and expansion strategy in Western Kenya, Equity Bank has also partnered with the World Economic Forum under the project, Business Alliance Against Chronic Hunger in a series of economic initiatives in Nyanza, with a view to fully commercialise small scale agriculture and make it competitive.

To support the **Millennium Village Projects**, the bank will extend credit to 14 pilot activities in Siaya district through Kilimo Biashara, with the objective of increasing increase their household incomes as well address food security challenges.

Equity Bank and BAACH will sign a partnership to scale up the activities this year, and provide the Siaya community access to financial credit to improve their farming activities to meet the Millennium Development Goals.

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