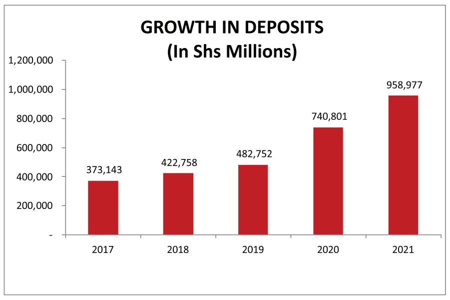
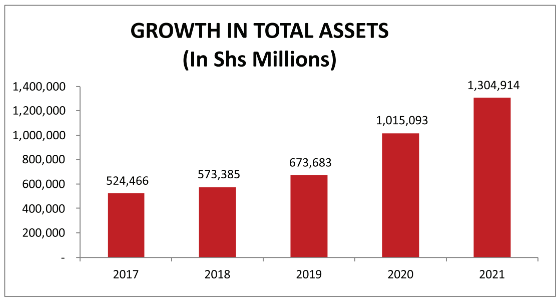
EQUITY GROUP HOLDINGS PLC AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31ST DECEMBER 2021

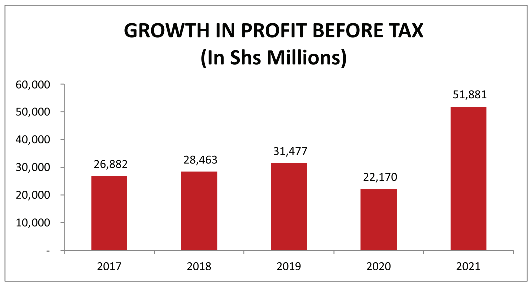
EQUITY

	EQUITY BANK (KENYA) LIMITED		EQUITY GROUP HOLDINGS PLC			
	BANK		COMPANY		GROUP	
STATEMENT OF FINANCIAL POSITION AS AT	31st Dec 2020 Shs. '000' (Audited)	31st Dec 2021 Shs. '000' (Audited)	31st Dec 2020 Shs. '000' (Audited)	31st Dec 2021 Shs. '000' (Audited)	31st Dec 2020 Shs. '000' (Audited)	31st Dec 2021 Shs. '000' (Audited)
A. ASSETS						
1. Cash (both local & foreign)	13,027,022	13,433,637	8,818,038	11,102,776	44,484,008	62,747,113
2. Balances due from Central Bank of Kenya	16,633,521	13,723,722	-	-	16,633,521	13,723,722
3. Kenya Government and other securities held for dealing purposes	-	-	-	-	-	-
4. Financial assets at fair value through profit and loss	-	-	-	-	-	-
5. Investment securities:	**195,157,006**	**339,082,615**	**-**	**-**	**217,407,885**	**394,101,448**
a) Held to maturity:	**13,390,327**	**12,605,835**	**-**	**-**	**15,842,417**	**13,707,113**
a. Kenya Government securities	13,390,327	12,605,835	-	-	13,390,327	12,605,835
b. Other securities	-	-	-	-	2,452,090	1,101,278
b) Available for sale:	**181,766,679**	**326,476,780**	**-**	**-**	**201,565,468**	**380,394,335**
a. Kenya Government securities	162,290,072	215,880,077	-	-	162,309,318	215,880,077
b. Other securities	19,476,607	110,596,703	-	-	39,256,150	164,514,258
6. Deposits and balances due from local banking institutions	9,516,400	10,579,240	-	-	29,543,160	71,016,771
7. Deposits and balances due from banking institutions abroad	80,808,444	71,642,727	-	-	156,432,181	95,293,948
8. Tax recoverable	-	239,076	54,326	-	279,439	562,166
9. Loans and advances to customers (net)	313,065,151	381,742,909	-	-	477,847,189	587,775,071
10. Balances due from group companies	652,737	607,160	-	-	-	-
11. Investments in associates	-	-	-	-	-	-
12. Investments in subsidiary companies	-	-	80,451,544	81,234,820	-	-
13. Investments in joint ventures	-	-	-	-	-	-
14. Investment properties	-	-	-	-	5,575,912	5,580,558
15. Property and equipment	5,334,684	4,446,229	11,814	10,473	15,903,898	15,199,979
16. Prepaid lease rentals	-	-	-	-	-	-
17. Intangible assets	6,496,942	8,533,952	-	-	9,621,193	10,738,263
18. Deferred tax asset	11,268,837	12,878,475	90,055	113,318	13,206,930	14,939,828
19. Retirement benefit asset	-	-	-	-	-	-
20. Other assets	15,689,023	20,505,150	550,967	7,308,054	28,157,999	33,234,957
21. TOTAL ASSETS	**667,649,767**	**877,414,892**	**89,976,744**	**99,769,441**	**1,015,093,315**	**1,304,913,824**
B. LIABILITIES						
22. Balances due to Central Bank of Kenya	-	-	-	-	-	-
23. Customer deposits	420,236,822	469,671,798	-	-	740,800,779	958,977,000
24. Deposits and balances due to local banking institutions	603,550	-	-	-	-	-
25. Deposits and balances due to foreign banking institutions	75,907,728	178,781,156	-	-	-	-
26. Other money market deposits	5,674,800	3,751,309	-	-	9,927,450	4,427,745
27. Borrowed funds	64,279,082	95,333,081	10,937,529	11,461,062	87,220,864	123,912,325
28. Balances due to group companies	153,152	12,397	-	-	-	-
29. Tax payable	720,990	-	-	62,504	1,640,859	925,351
30. Dividends payable	-	7,000,000	-	-	-	-
31. Deferred tax liability	-	-	-	-	1,338,555	970,766
32. Retirement benefit liability	-	-	-	-	2,404,916	1,268,608
33. Other liabilities	13,376,223	16,465,530	440,830	1,346,771	33,119,092	38,240,659
34. TOTAL LIABILITIES	**580,952,347**	**771,015,271**	**11,378,359**	**12,870,337**	**876,452,515**	**1,128,722,454**
C. SHAREHOLDERS' FUNDS						
35. Paid up / assigned capital	30,000,000	30,000,000	1,886,837	1,886,837	1,886,837	1,886,837
36. Share premium / (discount)	9,964,132	9,964,132	15,325,264	15,325,264	15,325,264	15,325,264
37. Revaluation reserve	5,160,545	(322,075)	-	-	(4,378,592)	(6,316,207)
38. Retained earnings / (accumulated losses)	41,572,743	66,757,564	61,386,284	58,365,979	118,765,898	146,780,570
39 Statutory loan loss reserve	-	-	-	-	576,960	171,039
40. Other reserves	-	-	-	-	-	-
41. Proposed dividends	-	-	-	11,321,024	-	11,321,024
42. Non-controlling interests	-	-	-	-	6,464,433	7,022,843
43. TOTAL SHAREHOLDERS' FUNDS	**86,697,420**	**106,399,621**	**78,598,385**	**86,899,104**	**138,640,800**	**176,191,370**
44. TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	**667,649,767**	**877,414,892**	**89,976,744**	**99,769,441**	**1,015,093,315**	**1,304,913,824**
STATEMENT OF COMPREHENSIVE INCOME						
1. INTEREST INCOME						
1.1 Loans and advances	34,069,068	40,042,329	-	-	52,033,992	63,816,320
1.2 Government securities	19,086,254	26,027,769	-	-	20,936,048	29,453,698
1.3 Deposits and placements with banking institutions	247,435	450,346	422,924	603,150	548,485	868,056
1.4 Other interest Income	246,308	133,216	-	-	246,308	206,956
1.5 Total interest income	**53,649,065**	**66,653,660**	**422,924**	**603,150**	**73,764,833**	**94,345,030**
2. INTEREST EXPENSES						
2.1 Customer deposits	10,602,273	13,367,359	-	-	13,717,169	17,877,502
2.2 Deposits and placements from banking institutions	69,538	142,019	-	-	1,324,960	1,547,215
2.3 Other interest expenses	2,956,656	3,721,930	12,529	570,062	3,573,913	6,109,339
2.4 Total interest expenses	**13,628,467**	**17,231,308**	**12,529**	**570,062**	**18,616,042**	**25,534,056**
3. NET INTEREST INCOME	**40,020,598**	**49,422,352**	**410,395**	**33,088**	**55,148,791**	**68,810,974**
4. NON-INTEREST INCOME						
4.1 Fees and commissions income on loans & advances	5,770,609	6,766,149	-	-	6,619,616	7,743,510
4.2 Other fees and commissions income	8,384,805	8,959,322	-	-	16,052,314	21,601,439
4.3 Foreign exchange trading income	3,690,302	3,810,531	-	-	6,210,112	8,186,655
4.4 Dividend income	-	-	606,800	8,703,347	-	-
4.5 Other income	5,932,193	3,337,767	10,046	(97,023)	9,626,039	7,043,811
4.6 Total non-interest income	**23,777,909**	**22,873,769**	**616,846**	**8,606,324**	**38,508,081**	**44,575,415**
5. TOTAL OPERATING INCOME	**63,798,507**	**72,296,121**	**1,027,241**	**8,639,412**	**93,656,872**	**113,386,389**
6. OPERATING EXPENSES						
6.1 Loan loss provision	23,357,937	2,359,783	-	(1,168)	26,631,273	5,844,707
6.2 Staff costs	9,694,384	11,096,447	28,328	10,204	15,418,429	19,108,213
6.3 Directors' emoluments	22,685	38,187	24,906	35,515	123,778	181,817
6.4 Rental charges	212,461	285,475	3,530	1,174	377,478	460,985
6.5 Depreciation on property and equipment	2,897,288	2,684,601	1,797	1,779	5,349,609	5,240,378
6.6 Ammortisation charges	1,014,002	971,519	-	-	1,251,548	1,987,182
6.7 Other operating expenses	12,392,407	13,817,798	753,238	153,261	23,512,357	28,682,087
6.8 Total operating expenses	**49,591,164**	**31,253,810**	**811,799**	**200,765**	**72,664,472**	**61,505,369**
7.0 Profit / (loss) before tax and exceptional items	**14,207,343**	**41,042,311**	**215,442**	**8,438,647**	**20,992,400**	**51,881,020**
8.0 Exceptional items - Gain on bargain purchase	-	-	-	-	1,177,390	-
9.0 Profit / (loss) after exceptional items	**14,207,343**	**41,042,311**	**215,442**	**8,438,647**	**22,169,790**	**51,881,020**
10. Current tax	(7,599,106)	(8,117,434)	(61,687)	(161,189)	(10,306,675)	(11,425,908)
11. Deferred tax	7,395,831	(740,056)	5,574	23,263	8,236,431	(383,498)
12. Profit / (loss) after tax and exceptional items	**14,004,068**	**32,184,821**	**159,329**	**8,300,721**	**20,099,546**	**40,071,614**
12.1 Minority interest	-	-	-	-	(310,148)	(897,185)
13. Profit / (loss) after tax and exceptional items and minority interest	**14,004,068**	**32,184,821**	**159,329**	**8,300,721**	**19,789,398**	**39,174,429**
14. Other comprehensive income						
14.1 Gains / (losses) from translating the financial statements of foreign operations	-	-	-	-	411,243	4,173,515
14.2 Fair value changes in available for sale financial assets	2,779,632	(5,482,620)	-	-	2,964,356	(7,098,035)
14.3 Remeasurement of defined benefit obligation	-	-	-	-	(635,591)	786,750
14.4 Share of other comprehensive income of associates	-	-	-	-	-	-
14.5 Income tax relating to components of other comprehensive income	-	-	-	-	-	-
15. Other comprehensive income for the year net of tax	**2,779,632**	**(5,482,620)**	**-**	**-**	**2,740,008**	**(2,137,770)**
16. Total comprehensive income for the year	**16,783,700**	**26,702,201**	**159,329**	**8,300,721**	**22,839,554**	**37,933,844**
EARNINGS PER SHARE - BASIC & DILUTED	466.80	1,072.83	0.04	2.20	5.24	10.38
DIVIDEND PER SHARE - DECLARED	-	233.33	-	-	-	-

OTHER DISCLOSURES	EQUITY BANK (KENYA) LIMITED		EQUITY GROUP HOLDINGS PLC			
	BANK		COMPANY		GROUP	
	31st Dec 2020 (Audited)	31st Dec 2021 (Audited)	31st Dec 2020 (Audited)	31st Dec 2021 (Audited)	31st Dec 2020 (Audited)	31st Dec 2021 (Audited)
1) NON-PERFORMING LOANS AND ADVANCES						
a) Gross non-performing loans and advances	42,824,644	35,470,102	-	-	59,392,899	53,855,751
b) Less interest in suspense	6,157,258	6,581,408	-	-	8,765,884	9,351,743
c) Total non-performing loans and advances (a-b)	**36,667,386**	**28,888,694**	**-**	**-**	**50,627,015**	**44,504,008**
d) Less loan loss provision	22,350,223	19,055,037	-	-	28,296,995	27,663,281
e) Net non- performing loans (c-d)	**14,317,163**	**9,833,657**	**-**	**-**	**22,330,020**	**16,840,727**
f) Discounted value of securities	14,317,163	9,833,657	-	-	22,330,020	16,840,727
g) Net NPLs exposure (e-f)	**-**	**-**	**-**	**-**	**-**	**-**
2) INSIDER LOANS AND ADVANCES						
a) Directors, shareholders and associates	4,635,346	5,448,385	-	-	5,484,014	7,872,267
b) Employees	5,776,376	6,949,088	-	-	7,919,910	9,838,368
c) Total insider loans and advances and other facilities	**10,411,722**	**12,397,473**	**-**	**-**	**13,403,924**	**17,710,635**
3) OFF BALANCE SHEET ITEMS						
a) Letter of credit, guarantees and acceptances	73,879,069	84,420,733	-	-	104,002,031	118,887,152
b) Forwards,swaps and options	35,124,888	31,858,978	-	-	35,124,888	31,858,978
c) Other contigent liabilities	-	-	-	-	-	-
d) Total contigent liabilities	**109,003,957**	**116,279,711**	**-**	**-**	**139,126,919**	**150,746,130**
4) CAPITAL STRENGTH						
a) Core capital	**70,268,038**	**93,843,221**	**-**	**-**	**119,668,525**	**135,753,752**
b) Minimum statutory capital	1,000,000	1,000,000	-	-	4,173,124	4,173,124
c) Excess / (deficiency)	**69,268,038**	**92,843,221**	**-**	**-**	**115,495,401**	**131,580,628**
d) Supplementary capital	21,850,000	38,652,350	-	-	33,609,907	50,430,660
e) Total capital (a+d)	**92,118,038**	**132,495,571**	**-**	**-**	**153,278,432**	**186,184,412**
f) Total risk weighted assets	**566,959,169**	**704,635,701**	**-**	**-**	**809,585,432**	**1,051,431,620**
Ratios						
g) Core capital / total deposit liabilities	**14.1%**	**14.5%**	**-**	**-**	**16.2%**	**14.2%**
h) Minimum statutory ratio	8.0%	8.0%	-	-	8.0%	8.0%
i) Excess / (deficiency) (g-h)	**6.1%**	**6.5%**	**-**	**-**	**8.2%**	**6.2%**
j) Core capital / total risk weighted assets	**12.4%**	**13.3%**	**-**	**-**	**14.8%**	**12.9%**
k) Minimum statutory ratio	10.5%	10.5%	-	-	10.5%	10.5%
l) Excess / (deficiency) (j-k)	**1.9%**	**2.8%**	**-**	**-**	**4.3%**	**2.4%**
m) Total capital / total risk weighted assets	**16.2%**	**18.8%**	**-**	**-**	**18.9%**	**17.7%**
n) Minimum statutory ratio	14.5%	14.5%	-	-	14.5%	14.5%
o) Excess / (deficiency) (m-n)	**1.7%**	**4.3%**	**-**	**-**	**4.4%**	**3.2%**
p) Adjusted core capital / total deposit liabilities*	**14.2%**	**14.5%**	**-**	**-**	**16.2%**	**14.2%**
q) Adjusted core capital / total risk weighted assets*	**12.5%**	**13.3%**	**-**	**-**	**14.8%**	**12.9%**
r) Adjusted total capital / total risk weighted assets*	**16.3%**	**18.8%**	**-**	**-**	**19.0%**	**17.7%**
5) LIQUIDITY						
a) Liquidity ratio	**73.1%**	**92.4%**	**-**	**-**	**59.3%**	**63.4%**
b) Minimum statutory ratio	20.0%	20.0%	-	-	20.0%	20.0%
c) Excess / (deficiency) (a-b)	**53.1%**	**72.4%**	**-**	**-**	**39.3%**	**43.4%**







*The adjusted capital ratios include the expected credit loss provisions added back to capital in line with the CBK guidance note issued in April 2018 on implementation of IFRS 9.

Proposed Dividend

The Board of Directors has recommended a dividend of Kenya Shillings three (Shs 3.00), for each ordinary share on the issued and paid-up share capital of the Company for the Financial Year ended 31 December 2021. Subject to Shareholders' approval, the dividend will be payable on or before 30th June 2022, to the members of the Company on the share register of the Company on the closure date of 20th May 2022.

Annual General Meeting

A general meeting will be held on 23rd June 2022. Details to be communicated in due course.

Message from the Directors:

The statement of financial position, the statement of comprehensive income and the disclosures presented above have been prepared from the financial records of the Company and its subsidiaries which have been audited by PricewaterhouseCoopers Limited (PwC). The Auditors have issued an unqualified opinion on the Financials. These published statements are also available on the Group's website **https://equitygroupholdings.com** and the board approved them on Monday, 21st March 2022.

To get a full picture of the Group's performance, the complete set of audited financial statements will be available on **https://equitygroupholdings.com** after 4th April 2022 or from the Company Secretary at our offices at Equity Centre, 9th Floor, Hospital Road, Upper Hill.

Signed..............................

Prof. Isaac Macharia
Group Chairman

Signed..............................

Dr. James Mwangi, CBS
Group Managing Director & CEO