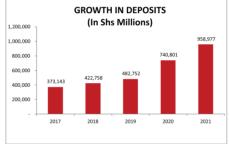
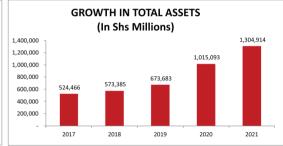
## EQUITY GROUP HOLDINGS PLC AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 315T DECEMBER 2021

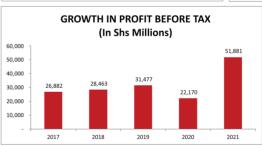


	EQUITY BANK (KENYA)		EQUITY GROUP HOLDINGS PLC			
	LIMITED		COMPANY GROUP			
STATEMENT OF FINANCIAL POSITION AS AT	BANK 31st Dec 31st Dec		31st Dec 31st Dec		31st Dec 31st Dec	
	2020 Shs. '000' (Audited)	2021 Shs. '000' (Audited)	2020 Shs. '000' (Audited)	2021 Shs. '000' (Audited)	2020 Shs. '000' (Audited)	2021 Shs. '000' (Audited)
A. ASSETS     Cash (both local & foreign)     Balances due from Central Bank of Kenya     Kenya Government and other securities held for dealing purposes	13,027,022 16,633,521 -	13,433,637 13,723,722 -	8,818,038 - -	11,102,776 - -	44,484,008 16,633,521 -	62,747,113 13,723,722 -
4. Financial assets at fair value through profit and loss 5. Investment securities: a) Held to maturity:	195,157,006 13,390,327	339,082,615 12,605,835	- - -	- - -	217,407,885 15,842,417	394,101,448 13,707,113
a. Kenya Government securities     b. Other securities  b) Available for sale:     a. Kenya Government securities	13,390,327 - 181,766,679 162,290,072	12,605,835 - <b>326,476,780</b> 215,880,077	- -	-	13,390,327 2,452,090 <b>201,565,468</b> 162,309,318	12,605,835 1,101,278 <b>380,394,335</b> 215,880,077
b. Other securities     Composits and balances due from local banking institutions	19,476,607 9,516,400	110,596,703	- -	-	39,256,150 29,543,160	164,514,258 71,016,771
Deposits and balances due from banking institutions abroad     Tax recoverable     Loans and advances to customers (net)	80,808,444 - 313,065,151	71,642,727 239,076 381,742,909	- 54,326	-	156,432,181 279,439 477,847,189	95,293,948 562,166 587,775,071
Loans and advances to destoners (net)     Balances due from group companies     Investments in associates     Investments in subsidiary companies	652,737	607,160	- - - 80,451,544	81,234,820	4/7,047,107	567,775,071
Investments in Joint ventures     Investment properties     Property and equipment	- 5,334,684	- 4,446,229	11,814	10,473	5,575,912 15,903,898	5,580,558 15,199,979
Prepaid lease rentals     Intangible assets     Beferred tax asset     Retirement benefit asset	6,496,942 11,268,837	8,533,952 12,878,475	90,055	113,318	9,621,193 13,206,930	10,738,263 14,939,828
20. Other assets 21. TOTAL ASSETS	15,689,023 <b>667,649,767</b>	20,505,150 <b>877,414,892</b>	550,967 <b>89,976,744</b>	7,308,054 <b>99,769,441</b>	28,157,999 <b>1,015,093,315</b>	33,234,957 <b>1,304,913,824</b>
B. LIABILITIES     22. Balances due to Central Bank of Kenya     23. Customer deposits     24. Deposits and balances due to local banking institutions	420,236,822 603,550	469,671,798 -	- - -	- - -	740,800,779 -	958,977,000 -
Deposits and balances due to foreign banking institutions     Other money market deposits     Borrowed funds	75,907,728 5,674,800 64,279,082	178,781,156 3,751,309 95,333,081	10,937,529	- 11,461,062	9,927,450 87,220,864	4,427,745 123,912,325
Balances due to group companies     Tax payable     Dividends payable	153,152 720,990 -	12,397 - 7,000,000	, , , <u>-</u> - -	62,504	1,640,859 -	925,351 -
31. Deferred tax liability 32. Retirement benefit liability 33. Other liabilities 34. TOTAL LIABILITIES	13,376,223 <b>580,952,347</b>	16,465,530 <b>771,015,271</b>	440,830 11,378,359	1,346,771 12,870,337	1,338,555 2,404,916 33,119,092 <b>876,452,515</b>	970,766 1,268,608 38,240,659 <b>1,128,722,454</b>
C. SHAREHOLDERS' FUNDS 35. Paid up / assigned capital 36. Share premium / (discount) 37. Revaluation reserve	30,000,000 9,964,132 5,160,545	30,000,000 9,964,132 (322,075)	1,886,837 15,325,264	1,886,837 15,325,264	1,886,837 15,325,264 (4,378,592)	1,886,837 15,325,264 (6,316,207)
38. Retained earnings / (accumulated losses) 39. Statutory loan loss reserve 40. Other reserves 41. Proposed dividends	41,572,743	66,757,564 - -	61,386,284 - -	58,365,979 - - 11,321,024	118,765,898 576,960	146,780,570 171,039 - 11,321,024
42. Non-controlling interests 43. TOTAL SHAREHOLDERS' FUNDS 44. TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	86,697,420 667,649,767	106,399,621 877,414,892	78,598,385 89,976,744	86,899,104 99,769,441	6,464,433 138,640,800 1.015.093,315	7,022,843 176,191,370 1,304,913,824
STATEMENT OF COMPREHENSIVE INCOME	007,047,707	077,414,072	67,770,744	77,707,441	1,013,073,313	1,304,713,624
INTEREST INCOME     I.1 Loans and advances     Government securities     Deposits and placements with banking institutions     At the interest Income	34,069,068 19,086,254 247,435 246,308	40,042,329 26,027,769 450,346 133,216	- - 422,924 -	603,150 -	52,033,992 20,936,048 548,485 246,308	63,816,320 29,453,698 868,056 206,956
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 2.2 Deposits and placements from banking institutions 2.3 Other interest expenses	10,602,273 69,538 2,956,656	13,367,359 142,019 3,721,930	- - 12,529	- 570,062	13,717,169 1,324,960 3,573,913	17,877,502 1,547,215 6,109,339
2.4 Total interest expenses 3. NET INTEREST INCOME 4. NON-INTEREST INCOME	13,628,467 40,020,598	17,231,308 49,422,352	12,529 410,395	570,062 33,088	18,616,042 55,148,791	25,534,056 68,810,974
Fees and commissions income on loans & advances     Other fees and commissions income     Foreign exchange trading income     Unidend income	5,770,609 8,384,805 3,690,302	6,766,149 8,959,322 3,810,531	- - - 606,800	- - - 8,703,347	6,619,616 16,052,314 6,210,112	7,743,510 21,601,439 8,186,655
4.5 Other income 4.6 Total non-interest income	5,932,193 <b>23,777,909</b>	3,337,767 <b>22,873,769</b>	10,046 <b>616,846</b>	(97,023) <b>8,606,324</b>	9,626,039 <b>38,508,081</b>	7,043,811 <b>44,575,415</b>
5. TOTAL OPERATING INCOME 6. OPERATING EXPENSES 6.1 Loan loss provision	<b>63,798,507</b> 23,357,937	<b>72,296,121</b> 2,359,783	1,027,241	<b>8,639,412</b> (1,168)	<b>93,656,872</b> 26,631,273	<b>113,386,389</b> 5,844,707
6.2 Staff costs 6.3 Directors emoluments 6.4 Rental charges	9,694,384 22,685 212,461	11,096,447 38,187 285,475	28,328 24,906 3,530	10,204 35,515 1,174	15,418,429 123,778 377,478	19,108,213 181,817 460,985
Depreciation on property and equipment     Ammortisation charges     Other operating expenses	2,897,288 1,014,002 12,392,407	2,684,601 971,519 13,817,798	1,797 - 753,238	1,779 - 153,261	5,349,609 1,251,548 23,512,357	5,240,378 1,987,182 28,682,087
6.8 Total operating expenses 7.0 Profit / (loss) before tax and exceptional items 8.0 Exceptional items - Gain on bargain purchase	49,591,164 14,207,343 14,207,343	31,253,810 41,042,311 41,042,311	811,799 215,442 215,442	200,765 8,438,647 8,438,647	72,664,472 20,992,400 1,177,390 22,169,790	61,505,369 51,881,020 51,881,020
9.0 Profit / (loss) after exceptional items 10. Current tax 11. Deferred tax 12. Profit / (loss) after tax and exceptional items	(7,599,106) 7,395,831 <b>14,004,068</b>	(8,117,434) (740,056) <b>32,184,821</b>	(61,687) 5,574 <b>159,329</b>	(161,189) 23,263 <b>8,300,721</b>	(10,306,675) 8,236,431 <b>20,099,546</b>	(11,425,908) (383,498) <b>40,071,614</b>
12.1 Minority interest 13. Profit / (loss) after tax and exceptional items and	14,004,068	32,184,821	159,329	8,300,721	(310,148) 19,789,398	(897,185) 39,174,429
minority interest 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     14.3 Remeasurement of defined benefit obligation     14.4 Share of other comprehensive income of associates	2,779,632	(5,482,620) - -	- -	-	2,964,356 (635,591)	(7,098,035) 786,750
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  EARNINGS PER SHARE - BASIC & DILUTED	16,783,700 466.80	<b>26,702,201</b> 1,072.83	<b>159,329</b> 0.04	<b>8,300,721</b> 2.20	<b>22,839,554</b> 5.24	<b>37,933,844</b> 10.38
DIVIDEND PER SHARE - DECLARED	-	233.33	-	2.20	5.24	10.36

						EQ	UIIY
OTHER DISCLOSURES		EQUITY BANK (KENYA) LIMITED		EQUITY GROUP HOLDINGS PLC			
		BANK		COMPANY		GROUP	
11	NON-PERFORMING LOANS AND ADVANCES	31st Dec 2020 (Audited)	31st Dec 2021 (Audited)	31st Dec 2020 (Audited)	31st Dec 2021 (Audited)	31st Dec 2020 (Audited)	31st Dec 2021 (Audited)
a) b)	Gross non-performing loans and advances Less interest in suspense	42,824,644 6,157,258	35,470,102 6,581,408	-	- -	59,392,899 8,765,884	53,855,751 9,351,743
<b>c)</b> d)	Total non-performing loans and advances (a-b) Less loan loss provision	<b>36,667,386</b> 22,350,223	<b>28,888,694</b> 19,055,037	-	-	<b>50,627,015</b> 28,296,995	<b>44,504,008</b> 27,663,281
e)	Net non- performing loans (c-d)	14,317,163	9,833,657	-	-	22,330,020	16,840,727
f) g)	Discounted value of securities  Net NPLs exposure (e-f)	14,317,163	9,833,657	-	-	22,330,020	16,840,727
2) a) b)	INSIDER LOANS AND ADVANCES Directors, shareholders and associates Employees Total insider loans and advances and other facilities	4,635,346 5,776,376 <b>10,411,722</b>	5,448,385 6,949,088 <b>12,397,473</b>	- - -	- -	5,484,014 7,919,910 <b>13,403,924</b>	7,872,267 9,838,368 <b>17,710,635</b>
3)	OFF BALANCE SHEET ITEMS	10,411,722	12,377,473		_	13,403,724	17,710,033
a) b) c)	Letter of credit, guarantees and acceptances Forwards,swaps and options Other contigent liabilities	73,879,069 35,124,888 -	84,420,733 31,858,978 -	- - -	- - -	104,002,031 35,124,888 -	118,887,152 31,858,978 -
d)	Total contigent liabilities	109,003,957	116,279,711	-	-	139,126,919	150,746,130
4) a) b) c) d) e) f)	CAPITAL STRENGTH Core capital Minimum statutory capital Excess / (deficiency) Supplementary capital Total capital (a+d) Total risk weighted assets	70,268,038 1,000,000 69,268,038 21,850,000 92,118,038 566,959,169	93,843,221 1,000,000 92,843,221 38,652,350 132,495,571 704,635,701	- - - - -	- - - - -	119,668,525 4,173,124 115,495,401 33,609,907 153,278,432 809,585,432	135,753,752 4,173,124 131,580,628 50,430,660 186,184,412 1,051,431,620
g) h) i) j) k) t) m) o)	Ratios Core capital / total deposit liabilities Minimum statutory ratio Excess / (deficiency) (g-h) Core capital / total risk weighted assets Minimum statutory ratio Excess / (deficiency) (j-k) Total capital / total risk weighted assets Minimum statutory ratio Excess / (deficiency) (m-n)	14.1% 8.0% 6.1% 12.4% 10.5% 1.9% 16.2% 14.5%	14.5% 8.0% 6.5% 13.3% 10.5% 2.8% 18.8% 14.5% 4.3%	-	-	16.2% 8.0% 8.2% 14.8% 10.5% 4.3% 18.9% 14.5% 4.4%	14.2% 8.0% 6.2% 12.9% 10.5% 2.4% 17.7% 14.5% 3.2%
p) q) r)	Adjusted core capital / total deposit liabilities* Adjusted core capital / total risk weighted assets* Adjusted total capital / total risk weighted assets*	14.2% 12.5% 16.3%	14.5% 13.3% 18.8%	- - -	- - -	16.2% 14.8% 19.0%	14.2% 12.9% 17.7%
5) a) b) c)	Liquidity ratio Minimum statutory ratio Excess / (deficiency) (a-b)	<b>73.1%</b> 20.0% <b>53.1%</b>	<b>92.4%</b> 20.0% <b>72.4%</b>	<u>-</u> -	- - -	<b>59.3%</b> 20.0% <b>39.3%</b>	<b>63.4%</b> 20.0% <b>43.4%</b>
	Excess / (deliciency) (a-b)	33.1 /6	72.470	-	-	37.3 /6	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 <a href="https://equitygroupholdings.com">https://equitygroupholdings.com</a> 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.



Prof. Isaac Macharia Group Chairman



Dr. James Mwangi, CBS