

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



| | 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 Amortisation 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 | 22,169,790 |
| 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 contingent liabilities | - | - | - | - | - | - |
| d) Total off balance sheet items | 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 | | | | | | |