

The Board of Directors of Equity Group Holdings Plc is pleased to announce the audited results of the Group for the year ended 31 December 2021



Summary directors' remuneration report

For the year ended	31 December 2021 Shs' 000	31 December 2020 Shs' 000
Aggregate directors' emoluments	227,975	348,989

Summary consolidated statement of profit or loss

For the year ended	31 December 2021 Shs' millions	31 December 2020 Shs' millions
Net interest income	76,531	61,770
Net fee and commission income	14,586	10,101
Other income	13,792	15,070
Gain from bargain purchase	-	1,177
Fair value loss on loan notes at FVTPL	(128)	(3,239)
Credit impairment losses	(4,783)	(22,626)
Net operating income	99,998	62,253
Operating expenses	(48,117)	(40,083)
Profit before income tax	51,881	22,170
Income tax expense	(11,809)	(2,070)
Profit for the year	40,072	20,100

Summary consolidated statement of other comprehensive income

For the year ended	31 December 2021 Shs' millions	31 December 2020 Shs' millions
Profit for the year	40,072	20,100
Other comprehensive income:		
FVOCI investment securities, net of tax	(7,098)	2,964
Re-measurement of defined benefit obligation, net of tax	787	(445)
Exchange differences on translation of foreign operations	4,173	221
Other comprehensive income for the year	(2,138)	2,740
Total comprehensive income for the year, net of tax	37,934	22,840
Earnings per share (basic and diluted) (Shs)	10.38	5.24

Summary consolidated statement of financial position

At	31 December 2021 Shs' millions	31 December 2020 Shs' millions
Assets		
Cash, deposits and balances due from financial institutions	242,782	247,093
Derivative financial assets	313	438
Investment securities	394,101	217,408
Due from related parties	160	-
Current income tax	562	279
Loans and advances to customers	587,775	477,847
Other assets	22,607	19,660
Property and equipment	15,200	15,904
Right-of-use assets	8,090	6,090
Investment properties	5,581	5,576
Intangible assets	12,803	11,591
Deferred income tax	14,940	13,207
Total assets	1,304,914	1,015,093
Liabilities		
Due to related parties	-	114
Deposits from customers	958,977	740,801
Borrowed funds	128,340	97,148
Other liabilities	29,341	26,316
Employee benefit obligations	1,269	2,405
Lease liabilities	8,900	6,688
Current income tax	925	1,641
Deferred income tax	971	1,339
Total liabilities	1,128,723	876,452
Equity		
Share capital	1,887	1,887
Share premium	15,325	15,325
Retained earnings and other reserves	151,956	114,964
Equity attributable to owners of the Company	169,168	132,176
Non-controlling interests	7,023	6,465
Total equity	176,191	138,641
Total equity and liabilities	1,304,914	1,015,093

Summary consolidated statement of changes in equity

	Attributable to owners of the parent				Non-controlling interest	Total equity
	Share capital	Share premium	Retained earnings and other reserves	Total		
	Shs' millions	Shs' millions	Shs' millions	Shs' millions	Shs' millions	Shs' millions
Year ended 31 December 2021						
At start of year	1,887	15,325	114,964	132,176	6,465	138,641
Equity transactions with Non-controlling interests	-	-	(245)	(245)	(139)	(384)
Profit for the year	-	-	39,175	39,175	897	40,072
Other comprehensive income	-	-	(1,938)	(1,938)	(200)	(2,138)
At end of year	1,887	15,325	151,956	169,168	7,023	176,191
Year ended 31 December 2020						
At start of year	1,887	16,063	92,769	110,719	1,058	111,777
Non-controlling interests acquired from business combinations	-	-	-	-	5,759	5,759
Other adjustments	-	(738)	-	(738)	-	(738)
Equity transactions with Non-controlling interests	-	-	(335)	(335)	(662)	(997)
Profit for the year	-	-	19,790	19,790	310	20,100
Other comprehensive income	-	-	2,740	2,740	-	2,740
At end of year	1,887	15,325	114,964	132,176	6,465	138,641

Summary consolidated statement of cash flows

For the year ended	31 December 2021 Shs' millions	31 December 2020 Shs' millions
Cash flows from operations	137,219	111,289
Income taxes paid	(12,195)	(10,393)
Net cash flows from operating activities	125,024	100,896
Net cash flows from investing activities	(189,386)	23,091
Net cash flows from financing activities	27,815	32,145
Net increase / (decrease) in cash and cash equivalents	(36,547)	156,132
Cash and cash equivalents at start of year	226,912	70,780
Cash and cash equivalents at end of year	190,365	226,912

Proposed Dividend

The Directors recommend payment of dividend of Shillings three (Shs. 3.00) per share (2020: nil) for each ordinary share on the issued and paid-up share capital of the company for the financial year ended 31 December 2021.

Annual General Meeting

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

Key Audit Matters:

1. Expected credit losses on loans and advances at amortised cost

The above financial statements are extracts from the records of the Group. They were approved for issue by the Board of Directors on 21 March 2022 and signed on its behalf by:

Prof. Isaac Macharia
Group Non-Executive Chairman

Dr. James Mwangi, CBS
Group Managing Director & CEO

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF EQUITY GROUP HOLDINGS PLC

Opinion

We have audited the summary financial statements of Equity Group Holdings Plc, which comprise the summary consolidated statement of financial position at 31 December 2021 and the summary consolidated statement of profit or loss, summary consolidated statements of other comprehensive income, changes in equity and cash flows for the year then ended which are derived from the audited financial statements of Equity Group Holdings Plc and its subsidiaries (together, the "Group") for the year ended 31 December 2021. The Group's financial statements are prepared in accordance with International Financial Reporting Standards and the Companies Act, 2015.

In our opinion the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements of the Group which are prepared in accordance with International Financial Reporting Standards and the Companies Act, 2015.

The summary directors' remuneration report is derived from the directors' remuneration report for the year ended 31 December 2021.

Summary financial statements and directors' remuneration report

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards and in the manner required by the Companies Act, 2015. In addition, the summary directors' remuneration report does not contain all the disclosures required by the Companies (General) (Amendment (No. 2)) Regulation 2017.

Reading the summary financial statements, the summary directors' remuneration report and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements, the directors' remuneration report and the auditor's report thereon. The summary financial statements, the summary directors' remuneration report and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our audit report dated 22 March 2021 and also confirmed that the auditable part of the directors' remuneration report was prepared in accordance with the Companies Act, 2015. That audit report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements and the summary directors' remuneration report in accordance with the International Financial Reporting Standards and Companies Act 2015.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements and the summary directors' remuneration report are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to report on summary financial statements*.

FCPA Richard Njoroge, Practising certificate no. P/1244
Engagement partner responsible for the audit

For and on behalf of PricewaterhouseCoopers LLP
Certified Public Accountants
Nairobi
31st March 2022

