

# EQUITY GROUP HOLDINGS PLC AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2022



STATEMENT OF FINANCIAL POSITION AS AT	EQUITY BANK (KENYA) LIMITED		EQUITY GROUP HOLDINGS PLC			
	BANK		COMPANY		GROUP	
	31st Dec 2021 Shs. '000' (Audited)	31st Dec 2022 Shs. '000' (Audited)	31st Dec 2021 Shs. '000' (Audited)	31st Dec 2022 Shs. '000' (Audited)	31st Dec 2021 Shs. '000' (Audited)	31st Dec 2022 Shs. '000' (Audited)
<b>A. ASSETS</b>						
1. Cash (both local & foreign)	13,433,637	13,946,713	11,102,776	14,409,974	62,747,113	66,708,559
2. Balances due from Central Bank of Kenya	13,723,722	18,765,647	-	-	13,723,722	18,765,647
3. Kenya Government and other securities held for dealing purposes	-	-	-	-	-	-
4. Financial assets at fair value through profit and loss	-	-	-	-	-	-
<b>5. Investment securities:</b>	<b>339,082,615</b>	<b>320,258,862</b>	-	-	<b>394,101,448</b>	<b>393,983,864</b>
<b>a) Amortised Cost:</b>	<b>12,605,835</b>	<b>9,571,137</b>	-	-	<b>13,707,113</b>	<b>19,448,083</b>
a. Kenya Government securities	12,605,835	9,571,137	-	-	12,605,835	12,237,041
b. Other securities	-	-	-	-	1,101,278	7,211,042
<b>b) Fair value through other comprehensive income (FVOCI):</b>	<b>326,476,780</b>	<b>310,687,725</b>	-	-	<b>380,394,335</b>	<b>374,535,781</b>
a. Kenya Government securities	215,880,077	206,633,893	-	-	215,880,077	206,972,825
b. Other securities	110,596,703	104,053,832	-	-	164,514,258	167,562,956
6. Deposits and balances due from local banking institutions	10,579,240	18,438,640	-	-	71,016,771	81,095,947
7. Deposits and balances due from banking institutions abroad	71,642,727	25,671,494	-	-	95,293,948	65,798,488
8. Tax recoverable	239,076	850,525	-	147,360	562,166	1,727,814
9. Loans and advances to customers (net)	381,742,909	429,821,383	-	-	587,775,071	706,588,156
10. Balances due from group companies	607,160	959,928	-	-	-	-
11. Investments in associates	-	-	-	-	-	-
12. Investments in subsidiary companies	-	-	81,234,820	93,432,939	-	-
13. Investments in joint ventures	-	-	-	-	-	-
14. Investment properties	-	-	-	-	5,580,558	6,115,091
15. Property and equipment	4,446,229	5,764,696	10,473	8,876	15,199,979	18,898,943
16. Prepaid lease rentals	-	-	-	-	-	-
17. Intangible assets	8,533,952	10,892,789	-	-	10,738,263	12,527,909
18. Deferred tax asset	12,878,475	22,989,070	113,318	318,517	14,939,828	27,244,000
19. Retirement benefit asset	-	-	-	-	-	-
20. Other assets	20,505,150	25,652,013	7,308,054	1,727,823	33,234,957	47,556,158
<b>21. TOTAL ASSETS</b>	<b>877,414,892</b>	<b>894,011,760</b>	<b>99,769,441</b>	<b>110,045,489</b>	<b>1,304,913,824</b>	<b>1,447,010,576</b>
<b>B. LIABILITIES</b>						
22. Balances due to Central Bank of Kenya	-	-	-	-	-	-
23. Customer deposits	469,671,798	517,217,504	-	-	958,977,000	1,052,161,597
24. Deposits and balances due to local banking institutions	-	-	-	-	-	-
25. Deposits and balances due to foreign banking institutions	178,781,156	130,153,486	-	-	-	-
26. Other money market deposits	3,751,309	43,849,440	-	-	4,427,745	43,849,440
27. Borrowed funds	95,333,081	88,174,860	11,461,062	12,629,259	123,912,325	113,692,466
28. Balances due to group companies	12,397	-	-	-	-	-
29. Tax payable	-	-	62,504	-	925,351	1,830,443
30. Dividends payable	7,000,000	-	-	-	-	-
31. Deferred tax liability	-	-	-	-	970,766	1,642,018
32. Retirement benefit liability	-	-	-	-	1,268,608	1,856,467
33. Other liabilities	16,465,530	17,089,079	1,346,771	561,257	38,240,659	49,766,873
<b>34. TOTAL LIABILITIES</b>	<b>771,015,271</b>	<b>796,484,369</b>	<b>12,870,337</b>	<b>13,190,516</b>	<b>1,128,722,454</b>	<b>1,264,799,304</b>
<b>C. SHAREHOLDERS' FUNDS</b>						
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	(322,075)	(24,588,128)	-	-	(6,316,207)	(32,172,564)
38. Retained earnings / accumulated losses	66,757,564	82,151,387	58,365,979	79,642,872	146,780,570	189,572,966
39. Statutory loan loss reserve	-	-	-	-	171,039	1,582,327
40. Other reserves	-	-	-	-	-	-
41. Proposed dividends	-	-	11,321,024	-	11,321,024	-
42. Non controlling interests	-	-	-	-	7,022,843	6,016,442
<b>43. TOTAL SHAREHOLDERS' FUNDS</b>	<b>106,399,621</b>	<b>97,527,391</b>	<b>86,899,104</b>	<b>96,854,973</b>	<b>176,191,370</b>	<b>182,211,272</b>
<b>44. TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>877,414,892</b>	<b>894,011,760</b>	<b>99,769,441</b>	<b>110,045,489</b>	<b>1,304,913,824</b>	<b>1,447,010,576</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>						
<b>1. INTEREST INCOME</b>						
1.1 Loans and advances	40,042,329	47,698,257	-	-	63,816,320	78,231,754
1.2 Government securities	26,027,769	33,872,981	-	-	29,453,698	40,024,145
1.3 Deposits and placements with banking institutions	450,346	665,419	603,150	701,929	868,056	1,214,903
1.4 Other interest income	133,216	50,543	-	-	206,956	163,606
<b>1.5 Total interest income</b>	<b>66,653,660</b>	<b>82,287,200</b>	<b>603,150</b>	<b>701,929</b>	<b>94,345,030</b>	<b>119,634,408</b>
<b>2. INTEREST EXPENSES</b>						
2.1 Customer deposits	13,367,359	16,118,404	-	-	17,877,502	22,426,524
2.2 Deposits and placements from banking institutions	142,019	1,271,317	-	-	1,547,215	2,906,208
2.3 Other interest expense	3,721,930	6,486,212	570,062	814,259	6,109,339	8,302,634
<b>2.4 Total interest expenses</b>	<b>17,231,308</b>	<b>23,875,933</b>	<b>570,062</b>	<b>814,259</b>	<b>25,534,056</b>	<b>33,635,366</b>
<b>3. NET INTEREST INCOME</b>	<b>49,422,352</b>	<b>58,411,267</b>	<b>33,088</b>	<b>(112,330)</b>	<b>68,810,974</b>	<b>85,999,042</b>
<b>4. NON-INTEREST INCOME</b>						
4.1 Fees and commissions income on loans & advances	6,766,149	7,554,588	-	-	7,743,510	8,893,241
4.2 Other fees and commissions income	8,959,322	9,581,330	-	-	21,601,439	28,126,834
4.3 Foreign exchange trading income	3,810,531	6,483,484	-	-	8,186,655	12,969,690
4.4 Dividend income	-	-	8,703,347	22,140,458	-	-
4.5 Other income	3,337,767	3,920,373	(97,023)	(549,130)	7,043,811	9,946,415
<b>4.6 Total non-interest income</b>	<b>22,873,769</b>	<b>27,539,775</b>	<b>8,606,324</b>	<b>21,591,328</b>	<b>44,575,415</b>	<b>59,936,180</b>
<b>5. TOTAL OPERATING INCOME</b>	<b>72,296,121</b>	<b>85,951,042</b>	<b>8,639,412</b>	<b>21,478,998</b>	<b>113,386,389</b>	<b>145,935,222</b>
<b>6. OPERATING EXPENSES</b>						
6.1 Loan loss provision	2,359,783	7,836,716	(1,168)	-	5,844,707	15,414,322
6.2 Staff costs	11,096,447	14,163,580	10,204	37,646	19,108,213	24,776,799
6.3 Directors' emoluments	38,187	48,924	35,515	55,328	181,817	230,637
6.4 Rental charges	285,475	255,920	1,174	3,262	460,985	429,879
6.5 Depreciation on property and equipment	2,684,601	2,484,836	1,779	1,821	5,240,378	5,289,202
6.6 Amortisation charges	971,519	1,014,627	-	-	1,987,182	2,082,281
6.7 Other operating expenses	13,817,798	18,144,384	153,261	309,598	28,682,087	37,868,317
<b>6.8 Total operating expenses</b>	<b>31,253,810</b>	<b>43,948,987</b>	<b>200,765</b>	<b>407,655</b>	<b>61,505,369</b>	<b>86,091,437</b>
<b>7.0 Profit / (loss) before tax and exceptional items</b>	<b>41,042,311</b>	<b>42,002,055</b>	<b>8,438,647</b>	<b>21,071,343</b>	<b>51,881,020</b>	<b>59,843,785</b>
8.0 Exceptional items	-	-	-	-	-	-
<b>9.0 Profit / (loss) after exceptional items</b>	<b>41,042,311</b>	<b>42,002,055</b>	<b>8,438,647</b>	<b>21,071,343</b>	<b>51,881,020</b>	<b>59,843,785</b>
10. Current tax	(8,117,434)	(8,319,090)	(161,189)	-	(11,425,908)	(12,689,391)
11. Deferred tax	(740,056)	(289,142)	(23,263)	205,550	(383,498)	(1,051,853)
<b>12. Profit / (loss) after tax and exceptional items</b>	<b>32,184,821</b>	<b>33,393,823</b>	<b>8,300,721</b>	<b>21,276,893</b>	<b>40,071,614</b>	<b>46,102,541</b>
12.1 Non-controlling interest	-	-	-	-	(897,185)	(1,208,545)
<b>13. Profit / (loss) after tax and exceptional items and minority interest</b>	<b>32,184,821</b>	<b>33,393,823</b>	<b>8,300,721</b>	<b>21,276,893</b>	<b>39,174,429</b>	<b>44,893,996</b>
<b>14. Other comprehensive income</b>						
14.1 Gains / (losses) from translating the financial statements of foreign operations	-	-	-	-	4,173,515	2,936,236
14.2 Fair value changes in FVOCI financial assets	(5,482,620)	(24,266,053)	-	-	(7,098,035)	(29,019,919)
14.3 Remeasurement of defined benefit obligation	-	-	-	-	786,750	(572,765)
14.4 Share of other comprehensive income of associates	-	-	-	-	-	-
14.5 Income tax relating to components of other comprehensive income	-	-	-	-	-	-
<b>15. Other comprehensive income for the year, net of tax</b>	<b>(5,482,620)</b>	<b>(24,266,053)</b>	-	-	<b>(2,137,770)</b>	<b>(26,656,448)</b>
<b>16. Total comprehensive income for the year</b>	<b>26,702,201</b>	<b>9,127,770</b>	<b>8,300,721</b>	<b>21,276,893</b>	<b>37,933,844</b>	<b>19,446,093</b>
Earnings per share - Basic & diluted	1,072.83	1,113.13	2.20	5.64	10.38	11.90
Dividend per share - Declared	233.33	600.00	3.00	4.00	3.00	4.00

OTHER DISCLOSURES	EQUITY BANK (KENYA) LIMITED		EQUITY GROUP HOLDINGS PLC			
	BANK		COMPANY		GROUP	
	31st Dec 2021 Shs. '000' (Audited)	31st Dec 2022 Shs. '000' (Audited)	31st Dec 2021 Shs. '000' (Audited)	31st Dec 2022 Shs. '000' (Audited)	31st Dec 2021 Shs. '000' (Audited)	31st Dec 2022 Shs. '000' (Audited)
<b>1) NON-PERFORMING LOANS AND ADVANCES</b>						
a) Gross non performing loans and advances	35,470,102	39,144,391	-	-	53,855,751	63,134,379
b) Less interest in suspense	6,581,408	9,042,023	-	-	9,351,743	13,013,091
<b>c) Total non-performing loans and advances (a-b)</b>	<b>28,888,694</b>	<b>30,102,368</b>	-	-	<b>44,504,008</b>	<b>50,121,288</b>
d) Less loan loss provision	19,055,037	19,735,572	-	-	27,663,281	31,512,828
<b>e) Net non-performing loans (c-d)</b>	<b>9,833,657</b>	<b>10,366,796</b>	-	-	<b>16,840,727</b>	<b>18,608,460</b>
f) Discounted value of securities	9,833,657	10,366,796	-	-	16,840,727	17,039,445
<b>g) Net NPLs exposure (e-f)</b>	-	-	-	-	-	<b>1,569,015</b>
<b>2) INSIDER LOANS AND ADVANCES</b>						
a) Directors, shareholders and associates	5,448,385	6,442,159	-	-	7,872,267	7,961,065
b) Employees	6,949,088	8,080,930	-	-	9,838,368	14,232,484
<b>c) Total insider loans and advances and other facilities</b>	<b>12,397,473</b>	<b>14,523,089</b>	-	-	<b>17,710,635</b>	<b>22,193,549</b>
<b>3) OFF BALANCE SHEET ITEMS</b>						
a) Letter of credit, guarantees and acceptances	84,420,733	113,169,840	-	-	118,887,152	162,553,364
b) Forwards, swaps and options	31,858,978	14,333,691	-	-	31,858,978	25,753,954
c) Other contingent liabilities	-	-	-	-	-	-
<b>d) Total contingent liabilities</b>	<b>116,279,711</b>	<b>127,503,531</b>	-	-	<b>150,746,130</b>	<b>188,307,318</b>
<b>4) CAPITAL STRENGTH</b>						
<b>a) Core capital</b>	<b>93,843,221</b>	<b>121,149,261</b>	-	-	<b>135,753,752</b>	<b>177,328,347</b>
a) Minimum statutory capital	1,000,000	1,000,000	-	-	4,173,124	4,173,124
<b>c) Excess / (deficiency)</b>	<b>92,843,221</b>	<b>120,149,261</b>	-	-	<b>131,580,628</b>	<b>173,155,223</b>
d) Supplementary capital	38,652,350	37,232,858	-	-	50,430,660	51,444,445
<b>e) Total capital (a+d)</b>	<b>132,495,571</b>	<b>158,382,119</b>	-	-	<b>186,184,412</b>	<b>228,772,792</b>