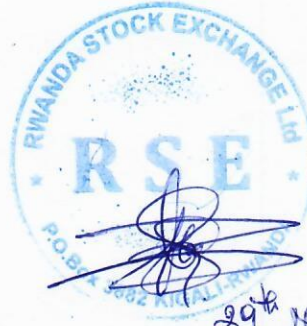




29th March, 2021

The Chief Executive Officer
Rwanda Stock Exchange (RSE) Ltd
1st Floor, Kigali City Tower (KCT)
KN 81 St, Kiyovu, Nyarugenge,
P. O. Box 3882,
KIGALI - RWANDA



Attention: Mr. Celestin Rwabukumba

Email: ialice@rse.rw rwabukumba@rse.rw rwabukumba@gmail.com

Dear Sir,

**RE: AUDITED FINANCIAL STATEMENTS OF EQUITY GROUP HOLDINGS
PLC AND SUBSIDIARIES FOR THE PERIOD ENDED 31ST DECEMBER 2020**

Please find attached the audited financial statements and other disclosures for the period ended 31st December, 2020 for your information and records. The same have received approval of the Central Bank of Kenya and the Board of Directors.


The directors do not recommend the payment of a dividend for the year ended 31st December 2020.

The following documents are enclosed for your information:

- a) A copy of audited financial statement for the year ended 31st December, 2020;
- b) Consolidated statement of changes in equity for the year ended 31st December, 2020;
- c) Company statement of changes in equity for the year ended 31st December, 2020;
- d) Consolidated statement of cash flows for the year ended 31st December, 2020;
- e) Company statement of cash flows for the year ended 31st December, 2020.

We take this opportunity to express our appreciation for your support and cooperation.
In case of any clarifications, kindly get in touch with the undersigned.

Yours faithfully,
EQUITY GROUP HOLDINGS PLC


Dr. James Mwangi, (CBS)
GROUP MANAGING DIRECTOR & CEO

Encls.

Equity Group Holdings Plc: Equity Centre 9th Floor, Hospital Road, Upper Hill, P.O Box 75104-00200 Nairobi, + 254 763 026 000,
Contact Centre: + 254 763 063 000, info@equitygroup Holdings.com, www.equitygroup Holdings.com

Directors: Prof. Isaac Macharia - Non-Executive Chairman, Mrs. Evelyn Rutagwenda* - Non-Executive Vice Chairperson, Dr. James Mwangi- Group MD & CEO,
Ms. Mary Wangari Wamai, Dr. Edward Odundo, Mr. Vijay Gidoomal, Dr. Helen Gicohi, Mr. Christopher Newson**
*Rwandese **British

Equity Group Holdings Plc is regulated by The Central Bank of Kenya

Consolidated statement of changes in equity

	Notes	Attributable to owners of the Parent							Total	Non-controlling interests	Total equity
		Share capital	Share premium	Retained earnings	Loan loss reserve	FVOCI Reserve	Foreign currency translation reserve	Other reserves			
Year ended 31 December 2020		Shs' millions	Shs' millions	Shs' millions	Shs' millions	Shs' millions	Shs' millions	Shs' millions	Shs' millions	Shs' millions	Shs' millions
At start of year		1,887	16,063	99,150	739	2,514	(9,521)	(113)	110,719	1,058	111,777
Non-controlling interests from business acquisition	15 (c)	-	-	-	-	-	-	-	-	5,759	5,759
Other adjustment	28 (b)	-	(738)	-	-	-	-	-	(738)	-	(738)
Equity transactions with non-controlling interests	17	-	-	(335)	-	-	-	-	(335)	(662)	(997)
		1,887	15,325	98,815	739	2,514	(9,521)	(113)	109,646	6,155	115,801
Total comprehensive income:											
Profit for the year		-	-	19,790	-	-	-	-	19,790	310	20,100
Other comprehensive income		-	-	-	-	2,964	221	(445)	2,740	-	2,740
		-	-	19,790	-	2,964	221		22,530	310	22,840
Loan loss reserve transfers	28(d)	-	-	162	(162)	-	-	-	-	-	-
At end of year		1,887	15,325	118,767	577	5,478	(9,300)	(558)	132,176	6,465	138,641

Consolidated statement of changes in equity (continued)

	Notes	Attributable to owners of the parent							Total	Non-controlling interests	Total equity
		Share capital	Share premium	Retained earnings	Loan loss reserve	FVOCI reserve	Foreign currency translation reserve	Other reserves			
Year ended 31 December 2019		Shs' millions	Shs' millions	Shs' millions	Shs' millions	Shs' millions	Shs' millions	Shs' millions	Shs' millions	Shs' millions	Shs' millions
At start of year		1,887	16,063	85,034	16	(116)	(8,697)	(113)	94,074	883	94,957
Total comprehensive income:											
Profit for the year		-	-	22,386	-	-	-	-	22,386	175	22,561
Other comprehensive income		-	-	-	-	2,630	(824)	-	1,806	-	1,806
		-	-	22,386	-	2,630	(824)	-	24,192	175	24,367
Loan loss reserve transfers	28 (d)	-	-	(723)	723	-	-	-	-	-	-
Final 2018 dividend declared and paid	28 (g)	-	-	(7,547)	-	-	-	-	(7,547)	-	(7,547)
At end of year		1,887	16,063	99,150	739	2,514	(9,521)	(113)	110,719	1,058	111,777

Consolidated statement of cash flows		2020	2019
	Notes	Shs' millions	Shs' millions
OPERATING ACTIVITIES			
Profit before income tax		22,170	31,478
Adjustments for:			
Depreciation and amortisation	10	6,601	6,021
Loss/ (gain) on disposal of property and equipment		9	(5)
Credit impairment charge	11	23,393	4,323
Fair value loss	20(d)	3,239	1,000
Interest expense on term borrowings	6	4,015	3,394
Interest expense on lease liabilities	6	768	857
Loss/ (gain) on fair valuation of investment securities	21	129	-
Revaluation of derivatives		34	(216)
Effect of foreign exchange differences		98	(403)
Operating profit before changes in operating assets and liabilities		60,456	46,449
Loans and advances		(90,057)	(74,536)
Other assets		(2,440)	(350)
Deposits from customers		145,363	59,994
Related party balances		(95)	5
Other liabilities		2,681	2,522
Movement in restricted cash balances	19	(4,527)	(1,608)
Cash generated from operations		111,381	32,476
Income taxes paid	18	(10,393)	(8,487)
Net cash flows from operating activities		100,988	23,989
INVESTING ACTIVITIES			
Acquisition of subsidiary, net of cash acquired	15(c)	66,928	-
Purchase of property and equipment	14(a)	(2,240)	(3,591)
Proceeds from sale of property and equipment		57	149
Purchase of intangible assets	15(a)	(1,752)	(1,199)
Purchase of investment securities	21	(172,981)	(128,321)
Proceeds from sale / maturity of investment securities	21	132,987	120,564
Net cash flows from investing activities		22,999	(12,398)
FINANCING ACTIVITIES			
Dividend paid	28(g)	-	(7,547)
Reduction in share premium		(738)	-
Proceeds from long-term borrowings	26	65,159	24,139
Repayment of long-term borrowings	26	(26,016)	(12,526)
Interest paid on term borrowings	26	(4,101)	(3,394)
Interest expense on leases	14(c)	(754)	(857)
Principal elements of lease payments	14(c)	(1,405)	(1,199)
Net cash flows from financing activities		32,145	(1,384)
Net increase in cash and cash equivalents		156,132	10,207
Cash and cash equivalents at start of year		70,780	60,573
Cash and cash equivalents at end of year		226,912	70,780