ANNUAL REPORT 2022

« WE ARE MORE DETERMINED THAN EVER TO PUT THE CLIENT EXPERIENCE AT THE VERY CORE OF EVERYTHING WE DO »

EQUITY BCDC
1909

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Founded in 1909, EquityBCDC is a subsidiary of Equity Group Holdings Plc (EGH) following the acquisition of a majority shareholding in the BCDC by EGH in July 2020. Today, EquityBCDC operates in every region of the Democratic Republic of the Congo (DRC), providing inclusive financial services that transform lives, preserve dignity and widen opportunities.

As part of its commitment to transforming lives, EquityBCDC also finances micro, small, medium-sized and large enterprises, primarily through inclusive financial services that socially and economically empower consumers, businesses, enterprises and communities.

These values are embedded in our business activities: we offer a broad range of products and services that enable us to foster trust with our clients, grow together with them and open up new wealth creation opportunities. EquityBCDC is known for its commitment to transparency and good corporate governance, as well as for its high standards of workplace ethics and its focus on personal and professional development – all backed by expertise and professionalism built up over the course of a century and more in business.

“OUR CORE PURPOSE IS TO TRANSFORM LIVES, PRESERVE DIGNITY AND WIDEN OPPORTUNITIES FOR WEALTH CREATION”

OUR CORE VALUES

P I C T U R E

- **P** – Professionalism
- **I** – Integrity
- **C** – Creativity & Innovation
- **T** – Teamwork
- **U** – Unity of Purpose
- **R** – Respect and Dignity for the Customer
- **E** – Effective Corporate Governance

FOREWORD BY THE CHAIR OF THE EXECUTIVE COMMITTEE

On 31 December 2022, we marked the end of our second full financial year following the merger of Equity Bank Congo and the Banque Commerciale du Congo. The bank has come a long way in these past two years as EquityBCDC, thanks in no small part to its dedicated people. I would like to take this opportunity to thank each and every one of them.

Bringing together two different corporate cultures is never easy. This is especially true when it comes to guiding the new entity towards the same growth and business development targets, and instilling the same mindset of client-focused innovation.

The results of our collective efforts are there for all to see: at 31 December 2022, equity capital stood at USD 324 million equivalent, we recorded a sharp increase in our market share of financing for economic operators in the DRC, and loans disbursed grew by close to 42% in the space of 12 months.

The bank has a new look, optimised organisational structure, risks are under even tighter control, we adhere fully to all compliance rules, our financial ratios are in good health, and we have welcomed new sales and client care staff to our team. With these solid fundamentals in place, we are more determined than ever to put the client experience at the very core of everything we do.

At this juncture, I would like to recap our core values, as encapsulated by the acronym PICTURE: Professionalism, Integrity, Creativity and innovation, Teamwork, Unity of purpose, Respect and dignity for the customer, and Effective corporate governance.

Our role as a corporate citizen is also especially important to us. The work of the Equity Group Foundation is the main channel through which we fulfil this duty to society in the DRC. The Foundation seeks to transform the lives and livelihoods of people, socially and economically, through the use of modern, inclusive financial services that maximise their opportunities. Our own efforts are very much aligned with this purpose.

"THE RESULTS OF OUR COLLECTIVE EFFORTS ARE THERE FOR ALL TO SEE"

Our bank is located at the very heart of sub-Saharan Africa. As a subsidiary of Equity Group Holdings Plc, we intend to play a leading role in serving every part of our country's economy and its people.

Célestin Mukeba Muntuabu
Managing Director and Chair
of the Executive Committee

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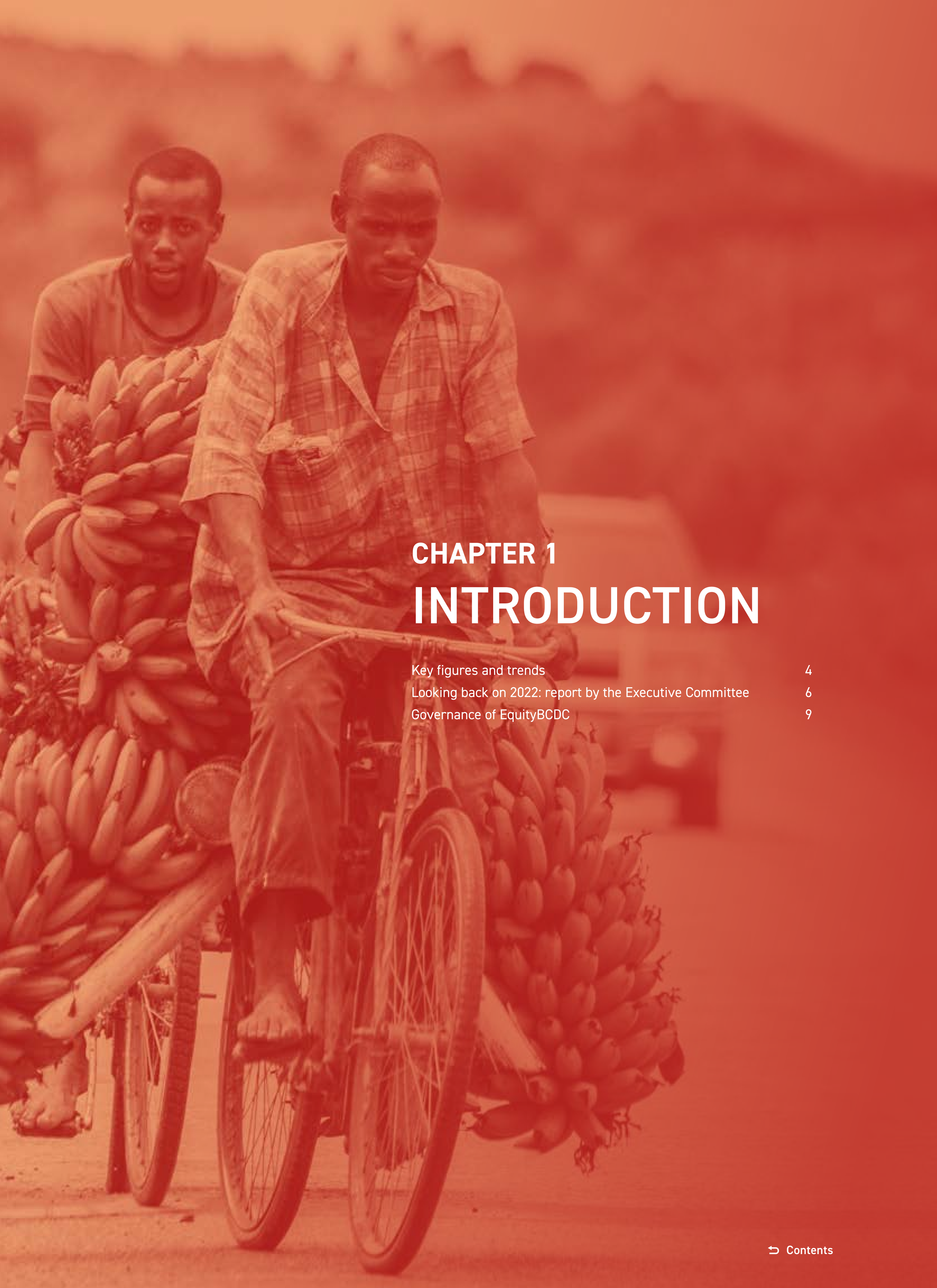


CHAPTER 1

INTRODUCTION

KEY FIGURES AND TRENDS

The 2017–2019 columns relate to the Banque Commerciale du Congo (BCDC).

The figures in the 2020 and 2022 columns reflect the post-merger position of EquityBCDC.

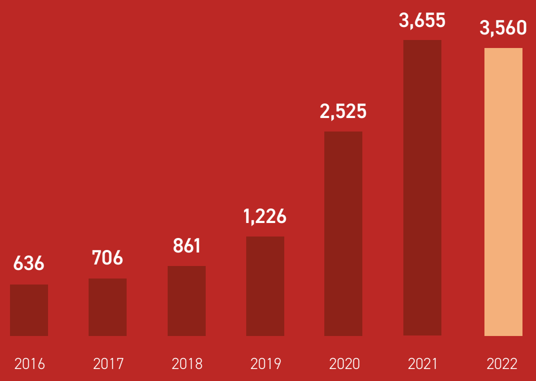
in millions of CDF	2017	2018	2019	2020	2021	2022	2022 in millions of USD at the closing rate	VARIATION 2021/2022
Balance sheet total	1,123,689	1,408,709	2,050,502	4,978,008	7,309,277	7,178,806	3,560	-2%
Equity capital *	116,296	134,107	149,881	345,213	432,537	654,162	324	51%
Deposits **	767,182	1,096,548	1,643,898	4,264,785	6,371,939	5,996,420	2,974	-6%
- in CDF	75,870	122,327	167,380	339,770	1,063,898	946,405	469	0%
- in foreign currency	691,312	974,220	1,476,517	3,925,014	5,308,041	5,050,015	2,504	0%
Loans disbursed **	449,056	608,017	725,963	1,634,308	1,995,206	2,851,428	1,414	43%
Net banking income	113,181	139,073	157,715	165,033	299,859	447,979	222	49%
Operating expenses	83,241	101,711	101,965	108,273	196,794	248,303	123	26%
of which personnel costs	35,386	42,677	44,649	45,409	82,157	92,406	46	12%
Depreciation and amortisation	5,954	6,550	7,337	9,557	17,792	17,214	9	6%
Allocations to provisions	8,352	6,816	14,112	39,344	3000	-86,306	-43	
Corporation tax	7,745	10,096	12,040	6,350	16,208	35,101	17	87%
Net income (after tax)	13,209	19,146	23,266	8,635	80,353	66,741	33	-17%
Approximate CDF/USD exchange rates on 31 Dec.	1,591.91	1,635.6153	1,672.9467	1,971.8046	1,999.9746	2,016.5738		

Equity capital according to IFRS ***	156.459	191.534	192.093	***	***	***
Cost to income ratio (CIR)	74%	73%	63%	66%	66%	55%
Net return on equity (NROE – net income/equity capital)	10.51%	14.28%	15.52%	3.49%	18.58%	10.20%
Return on assets (ROA)	1.08%	1.36%	1.36%	1.13%	1.01%	0.93%
Solvency ratio (ROS)***	20%	11%	11%	11%	9.5%	9%

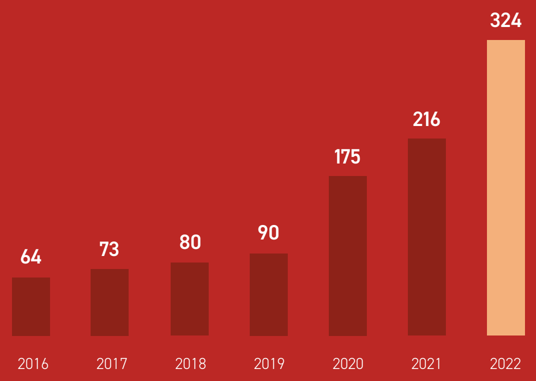
* Accounting – before profit distribution
** Outstanding at end of period
*** In 2022, calculated according to modification 7 of Central Bank of Congo Instruction no. 14

Graphs in million equivalent

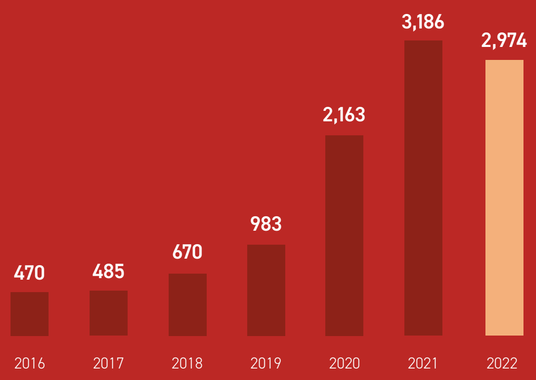
ACCORDING TO THE CDF/USD EXCHANGE RATE ON 31 DECEMBER OF EACH YEAR



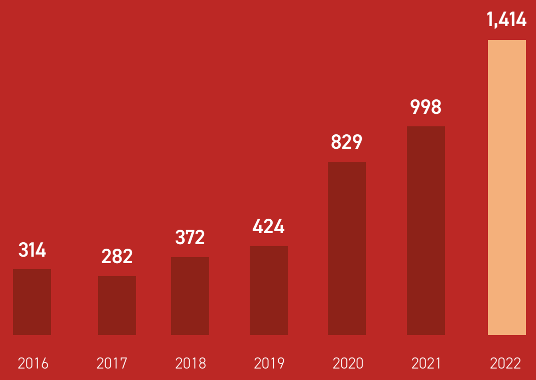
BALANCE SHEET



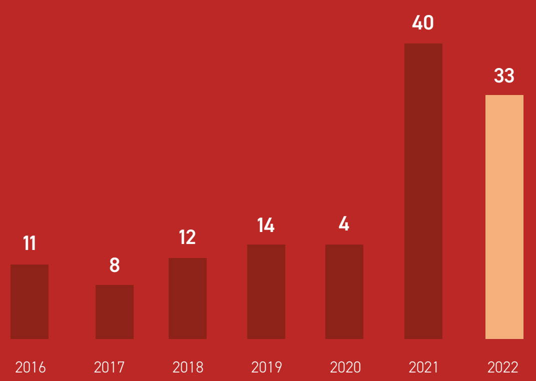
EQUITY CAPITAL



DEPOSITS



LOANS DISBURSED



NET PROFIT

LOOKING BACK ON 2022
REPORT BY THE EXECUTIVE COMMITTEE

In its second full post-merger financial year, EquityBCDC continued to grow, pursuing its goal of delivering a range of high-quality financial services to its clients and once again putting in a solid performance in financing the national economy.

The bank's loan portfolio grew by 43% last year and it posted net income after tax of USD 33.3 million for 2022. Although this represented a year-on-year fall, net income was in line with the performance targets set following the merger of Equity Bank Congo and the Banque Commerciale du Congo, which are geared towards the bank's long-term growth.

HIGHLIGHTS OF 2022

IN THE BANKING SECTOR

In November 2022, the Central Bank of the Congo increased its benchmark rate from 7.5% to 8.25%.

This move was intended to help maintain macroeconomic stability at a time of sustained global inflationary pressures.

Throughout 2022, the statutory reserve ratio on on-demand deposits denominated in Congolese francs remained at 0.0%.

Other ratios were unchanged from 2020 levels: 0.0% for term deposits denominated in Congolese francs and 13.0% and 12.0% respectively for on-demand and fixed-term deposits denominated in foreign currencies.

STRATEGIC INITIATIVES AT EQUITYBCDC

In keeping with previous years, EquityBCDC pursued its strategy of rolling out digital products and services that give clients the freedom and independence to bank online and via mobile solutions.

Throughout 2022, the bank focused on finalising ongoing projects in partnership with telecommunications operators and e-money providers that were announced in 2021.

These projects included:

- Transferring money from a digital wallet (Orange Money, Afrimoney) to an EquityBCDC account and vice versa;
- Developing solutions for accessing bank accounts using the Unstructured Supplementary Service Data (USSD) protocol, which lets EquityBCDC clients use banking services from a mobile device without an internet connection;
- Introducing automated e-money top-up products, which allow telecommunications retailers to top up e-money wallets by making deposits in EquityBCDC branches;
- Rolling out the EquityPay payment solution, which lets EquityBCDC and Orange Money clients pay for purchases from merchants – supermarkets, restaurants, local shops, taxis and other points of sale – with their phone, without the use of a bank card (this project will be extended

"EQUITYBCDC CONTINUED BUILDING OUT ITS LINE OF DIGITAL PRODUCTS THROUGH THE ESTABLISHMENT OF STRATEGIC PARTNERSHIPS"

"EQUITYPAY IS A USER-FRIENDLY SOLUTION THAT HAS THE BENEFIT OF COMBINING ALL PAYMENT METHODS IN ONE PLACE, WITH FUNDS TRANSFERRED TO THE MERCHANT'S SINGLE EQUITYBCDC ACCOUNT"

to include other operators). This user-friendly solution has the benefit of combining all payment methods in one place, with funds transferred to the merchant's single EquityBCDC account, thereby avoiding the complication of receiving money via multiple channels. A mass information and publicity campaign was launched in 2022 in a drive to gradually change clients' payment practices.

The bank has also developed solutions to help members of the DRC's diaspora transfer money via digital channels.

Given that the DRC's economy remains largely cash-based, EquityBCDC places a special emphasis on solutions designed to capture the majority of international money transfers via its ecosystem of branches, banking agents and sub-agents.

For this reason, the bank has launched both MoneyGram and Western Union services, ensuring coverage of the two leading transfer operators.

RISK MANAGEMENT

Risk management is a central part of the bank's strategic management process. It allows the bank to identify, assess, control and monitor the risks to which it is exposed, thereby increasing the likelihood that it will successfully achieve its objectives.

The Board of Directors has approved an overall risk management policy framework, which is inspired by the standards laid down in Central Bank of the Congo Instruction no. 22 and by the sound risk management practices applied at EquityBCDC.

This framework has 10 components:

- The market risk management policy
- The operational risk management policy
- The technology risk management policy
- The computer acceptable use policy
- The information classification policy
- The business continuity plan
- The IT security policy
- The fraud risk management policy
- The risk appetite policy
- The risk map (covering operational, credit, foreign exchange, liquidity and interest rate risk)

At end-December 2022, all of the bank's prudential ratios exceeded the statutory thresholds: the core solvency ratio, the leveraged ratio and the leveraged position stood at 11.95%, 13.96% and 7.01% respectively, versus minimum thresholds of 7.5%, 10% and 5%.

The overall liquidity ratio was 143%, against a minimum threshold of 100%. The fixed asset coverage ratio stood at 466% (minimum threshold of 100%) and the transformation ratio was 167% (minimum threshold of 80%). Together, these ratios reflect the bank's solid foundations.

The bank was able to contain the adverse effects of the fluctuating CDF/USD exchange rate on its foreign-exchange position, and of price volatility on the international financial market, by pursuing its restrictive financial risk policy.

Despite weak growth weighing on current conditions in the global financial market, the bank recorded no defaults among its carefully selected counterparties.

The bank is continuing to expand the teams involved in its lending process in order to effectively control the associated risks.

TRENDS AND OUTLOOK

In line with its business plan for 2021–2025, the bank is continuing to expand its regional presence as it looks to cater to the needs and wants of its clients. Its goal is to open new branches in selected locations, following an expansion programme that builds on its existing footprint.

Alongside its traditional branch network, the bank is strengthening its value proposition for its clients by:

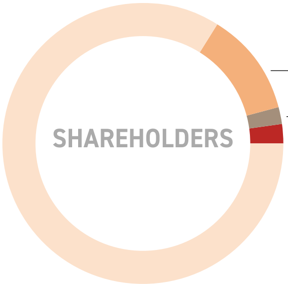
- giving them the freedom to carry out day-to-day banking operations locally with a network of banking agents and 24/7 self-service points, and
- continuing to expand its fleet of innovative ATMs and payment terminals, developing mobile solutions in conjunction with telecommunications operators, and rolling out digital products and services.

The bank has set out detailed annual targets in its planning for business development, client portfolio expansion, and loan and deposit portfolio growth.

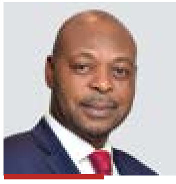
The senior management of EquityBCDC is optimistic about the future growth prospects for the bank in 2023. Going forward, the bank's strategy will focus on deepening banking penetration, pressing ahead with its regional expansion – including by rolling out alternative channels including the banking agents service – and prioritising training with a view to striving for excellence in its client services.

"THE SENIOR MANAGEMENT OF EQUITYBCDC IS OPTIMISTIC ABOUT THE FUTURE GROWTH PROSPECTS FOR THE BANK IN 2023"

GOVERNANCE OF EQUITYBCDC

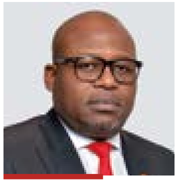


BOARD OF DIRECTORS

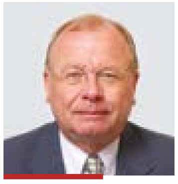


Nestor Ankiba Yar
Non-Executive Chair

Célestin Mukeba Muntuabu
Executive Director



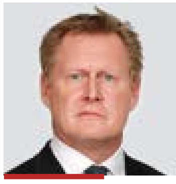
Jean-Claude Tshipama
Executive Director



Wolfgang Bertelsmeier
Independent Director

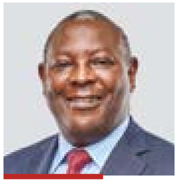
Ignace Mabanza Meti
Independent Director

Louis Watum Kabamba
Independent Director



John Wilson
Non-Executive Director

Brent Malahay
Non-Executive Director



James Njunguna Mwangi
Non-Executive Director

Mary Wangari Wamae
Non-Executive Director

THE EXECUTIVE COMMITTEE

Célestin Mukeba Muntuabu
Managing Director

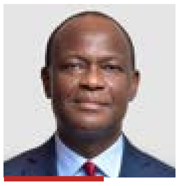
Jean-Claude Tshipama
Deputy Managing Director

Auguste Kanku Kadiosha
Deputy Managing Director

Allan Waititu
Director of Information Technology and Digitisation

Guillaume Kra
Credit Director

Mitima Djuma Hamani
Head of Social Investment



Pierre Ezan Djan
Chief Financial Officer

CHAPTER 2

DEVELOPMENT OF EQUITYBCDC

WHAT IS THE CONTEXT IN WHICH EQUITYBCDC DEVELOPED IN 2022?

GLOBAL ENVIRONMENT

The global economy faced growing challenges on several fronts in 2022, with weak growth, persistently high inflation, eroded confidence and growing uncertainty.

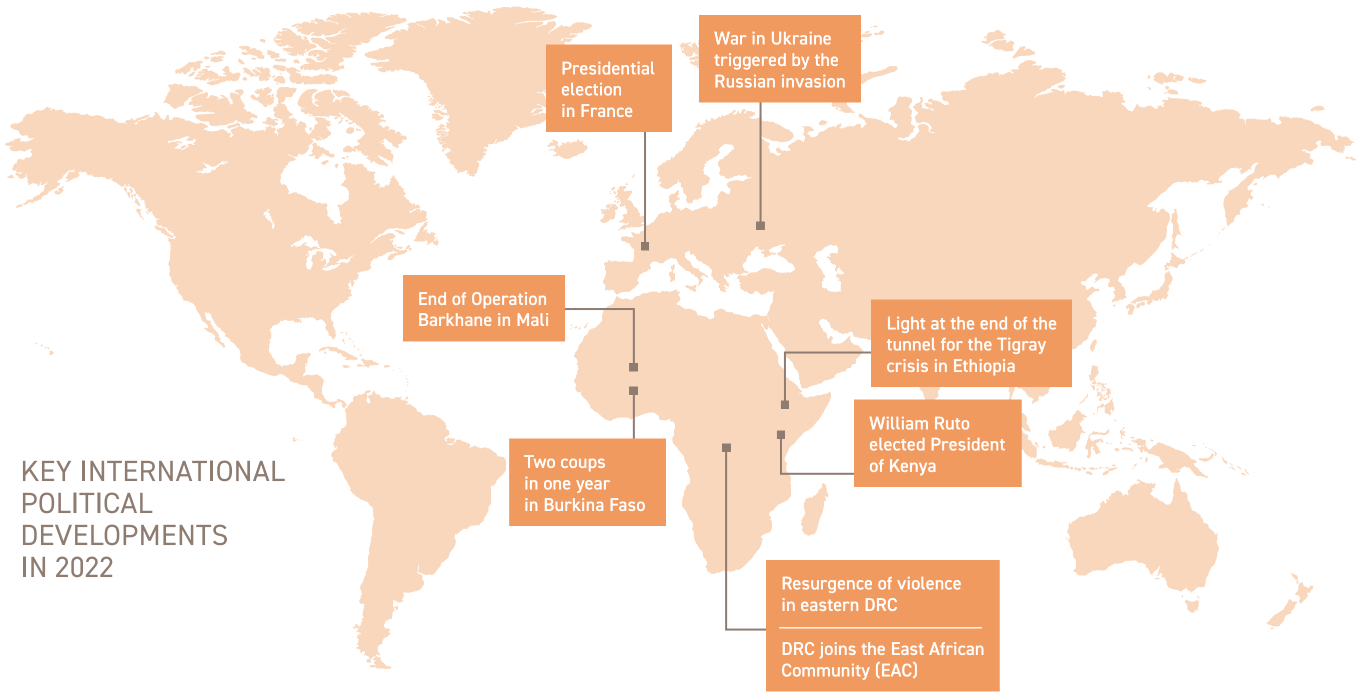
Russia's invasion of Ukraine sent energy and other prices spiralling, compounding inflationary pressures at a time when the cost of living was also rising sharply in every part of the world.

Central banks consistently and aggressively hiked their benchmark rates in the final few months of 2022, marking a shift to significantly tighter monetary policy conditions worldwide. This move weighed on interest rate-sensitive expenditures and further fuelled existing tensions in many emerging-market economies.

Labour-market conditions remained generally tight last year, but wage growth failed to keep pace with inflation, reducing households' real-terms income despite government measures to mitigate the impact of rising food and energy prices on households and businesses.

The target for global gross domestic product (GDP) growth in 2022 was 3.1% – half the level recorded in 2021 during the post-pandemic recovery. Forecasts pointed to an even more marked slowdown to 2.2% in 2023, well below the level seen before the outbreak of the war in Ukraine.

KEY INTERNATIONAL POLITICAL DEVELOPMENTS IN 2022



“THE INFLATIONARY UPLIFT SEEN IN 2021 WAS NOT A TEMPORARY PHENOMENON”

ECONOMIC OVERVIEW FOR 2022

Persistent inflation

The developments of 2022 confounded the view held in certain circles that the inflationary uplift seen in 2021 was merely a temporary phenomenon.

Inflation trended upward throughout the year in both the United States and Europe. According to what were then provisional estimates, annual inflation was expected to reach 5.9% in France and 7% across the Atlantic, with a euro-zone-wide average of around 10%.

These inflationary pressures can be attributed to several factors: the post-Covid recovery, global supply-chain disruption and the war in Ukraine.

The implications of high inflation have been many and varied, starting with the significant erosion of household purchasing power.

Monetary policy shifts

In most advanced countries and economic zones, central banks steadily tightened their monetary policy stances in an effort to rein in this surge in inflation.

In a two-pronged move, they gradually raised their benchmark interest rates while at the same time winding down some bond-buying programmes – a process sometimes referred to as quantitative tightening (QT).

Japan proved to be the exception to the rule: the central bank pressed ahead with looser monetary policy in a bid to stimulate inflation, which remained unusually low.

In the eurozone, QT raised the spectre of fragmentation – a divergence of financing conditions that cannot be explained by economic fundamentals.

In summer, the Italy-Germany 10-year bond spread – which reflects the difference in yields on 10-year Italian and German government-issued bonds – widened sharply.

In response, the European Central Bank (ECB) unveiled the Transmission Protection Instrument (TPI), a new mechanism designed to minimise the risk of fragmentation by allowing the ECB, in certain circumstances, to purchase financial securities as a way to improve financing conditions in struggling countries.

The decline of cryptocurrencies

Another highlight of 2022 was the loss of value of the majority of cryptocurrencies, dispelling the claims made by their supporters that they would serve as a safe haven and protect their holders from resurgent inflation. Worse still, the two countries that adopted Bitcoin as legal tender – El Salvador and the Central African Republic – saw their experiments end in failure. Despite numerous monetary incentives, the cryptocurrency experienced little uptake as a means of payment in either country. Bitcoin lost 64% of its value in 2022, falling from USD 46,218 to USD 16,564 in the space of a year.

DOMESTIC ENVIRONMENT

ECONOMIC GROWTH

In its first weekly economic update of 2023 (no. 1.1/2023), the Central Bank of the Congo estimated that the economy of the DRC had grown by 6.6% in 2022, primarily on account of dynamic activity in the mining sector.

The exchange rate remained broadly stable throughout the year thanks to the effective coordination of fiscal and monetary policy measures, although there was some fluctuation in rates on the parallel market. The Congolese franc depreciated slightly on the official market, ending the year at CDF 2020 to the dollar (down 0.3%), while on the parallel market, it slid to CDF 2,145 to the dollar (down 1.8%).

Economic growth for 2022 was estimated at 6.1%, maintaining the buoyant performance observed in 2021 (6.2%). Mining sector investment and exports remained the main drivers of growth, supported by higher mineral prices and increased public investment. Growth in non-mining sectors (especially services) slowed to 4.1% in 2022, down from 4.5% in 2021.

> **"IN 2022, AS IN 2021, DYNAMIC ACTIVITY IN THE MINING SECTOR WAS THE MAIN DRIVER OF ECONOMIC GROWTH"**

KEY POLITICAL AND SECURITY DEVELOPMENTS IN 2022:

Rising metal prices offset the rise in food and oil prices, leading to improved terms of trade and a balanced current account. As a result, reserves were sufficient to pay for 8.3 weeks of imports in 2022, up from 6.3 weeks a year earlier, and excessive exchange rate fluctuations were curtailed.

Global rises in energy and food prices caused by the war in Ukraine applied upward pressure on domestic inflation.

Other key developments in 2022 included:

- the DRC's accession to the East African Community (EAC);
- continued implementation of the Local Development Programme for the 145 territories (PDL-145T), a government initiative aimed at raising living standards in rural communities;
- the ongoing provision of free primary education and the implementation of improvements in this area, as well as the introduction of free childbirth services and government coverage of prenatal, postnatal and neonatal consultations as part of universal health coverage;
- further efforts to combat the marginalisation and social exclusion of people living with disabilities and other vulnerable members of society;
- ongoing efforts to develop, promote and preserve the DRC's cultural heritage.

PUBLIC FINANCES

a) 2023 Finance Act

The 2023 Finance Act (no. 22/071), which was signed into law by the Head of State on 28 December 2022, featured a total budget of CDF 32,456,782,809,393 (approximately USD 16,052,273,410).

Highlights include (i) continued implementation of the roadmap for switching to programme budgeting by 2024, in accordance with Law no. 11/011 of 13 July 2011, as amended by Law no. 18/010 of 9 July 2018 on public finances, and (ii) ongoing implementation of the government's economic programme as supported by the IMF's Extended Credit Facility (ECF).

Looking ahead, 2023 is slated to be a year of major challenges, which is why the government will focus its efforts on mobilising domestic resources with a view to continued implementation of the public policies set out in its Action Programme, which is backed by the National Strategic Development Plan 2019–2023 and the PDL-145T.

On the matter of resource mobilisation, the government will increase the aggregate tax burden with a view to gradually bringing it in line with average level across sub-Saharan Africa (17.6%). To this end, the government will focus on fostering a tax culture, pressing ahead with ongoing tax and customs reforms, and stepping up management control activities.

The 2023 Finance Act is based on the following key macroeconomic indicators and aggregates:

- GDP growth rate: **6.7%**
- GDP deflator: **9.8**
- Average inflation rate: **8.9%**
- End-of-period inflation rate: **6.8%**
- Average exchange rate: **2,021.94 CDF to 1 USD**
- End-of-period exchange rate: **2,034.85 CDF to 1 USD**
- Nominal GDP: **CDF 151,553.43 billion**

b) Budget for 2022

In 2022, as in 2021, tax and customs revenues increased relative to the previous year and were higher than the target figures. The DRC recorded no monthly public deficits, reflecting improved expenditure control.

c) Foreign currency reserves

Foreign currency reserves remained stable in 2022, at approximately USD 3.9 billion. This situation was attributable, among other factors, to currency purchases on the foreign exchange market, the disbursement of IMF funds denominated in foreign currencies under the Extended Credit Facility (ECF), and the country's general allocation under the IMF's Special Drawing Rights (SDR).

MONETARY AND FOREIGN-EXCHANGE POLICY

a) Inflation

At end-December 2022, annual inflation stood at 13.1%, which was slightly higher than the forecast of 12.3%.

b) Exchange rate

The exchange rate remained broadly stable in 2022 on account of the effective coordination of monetary and fiscal policy, although there was some fluctuation in rates on the parallel market.

Annual depreciation came in at 0.3% on the official market and 1.8% on the parallel market.

c) Benchmark interest rate

In November 2022, the Central Bank of the Congo increased its benchmark rate from 7.5% to 8.25%.

This move was intended to help maintain macroeconomic stability at a time of sustained global inflationary pressures.

It was the first time the Central Bank of the Congo has revised its benchmark rate since 30 December 2021.

d) Statutory reserve

The statutory reserve ratio on on-demand deposits denominated in Congolese francs remained at 0.0%.

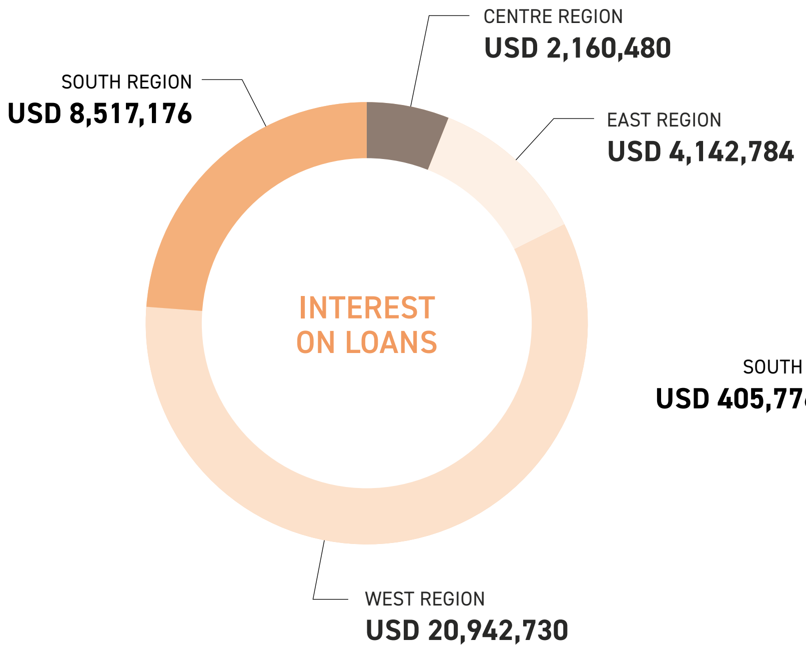
Other ratios were unchanged from 2020 levels: 0.0% for term deposits denominated in Congolese francs, and 13.0% and 12.0% respectively for on-demand and fixed-term deposits denominated in foreign currencies.

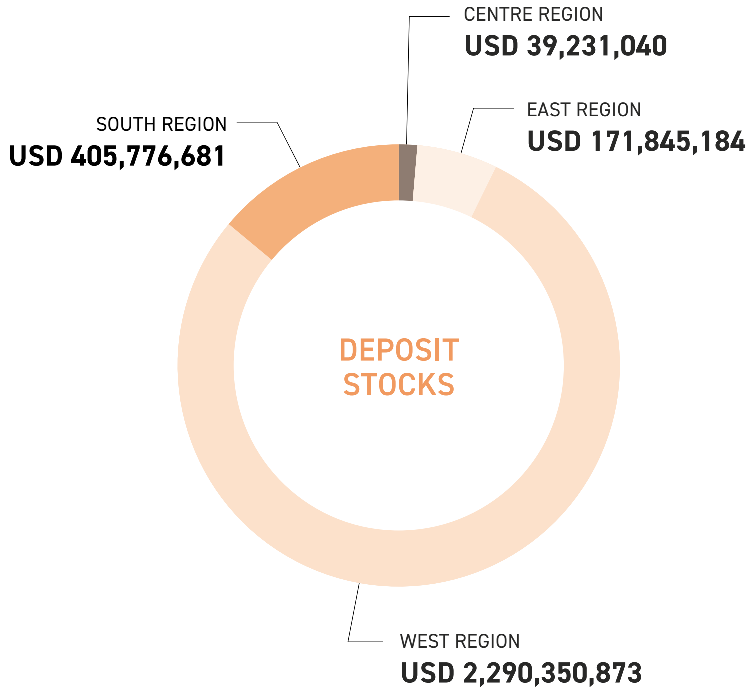
REGION-BY-REGION DEVELOPMENT IN 2022

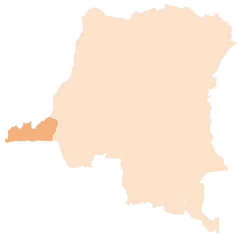
"EQUITY BCDC OPERATES A DECENTRALISED STRUCTURE UNDER WHICH SALES AND BUSINESS DEVELOPMENT ASPECTS ARE MANAGED SEPARATELY FOR EACH OF ITS FOUR REGIONS: WEST, SOUTH, EAST AND CENTRE"

BREAKDOWN OF OVERALL BUSINESS PERFORMANCE

(IN USD)







WEST REGION

The West Region covers five provinces: Kongo Central, Kinshasa, Mai-Ndombe, Kwilu and Kwango.

This region, which includes the capital, Kinshasa, holds the largest share of the bank's portfolio.

The region's 161-strong sales and client care team includes 151 Relationship Managers covering the various client segments, supported by seven Business Coordinators and three Retail Support Officers.

The purpose of the Loan Origination unit, which was established in 2021, is to support sales and client care teams in performing quantitative analyses, selecting the product that best fits clients' requirements and submitting the analysis to the Credit Risk Department for decision-making. The unit comprises a team of four analysts (versus one analyst in 2021).

NETWORK

The West Region comprises 45 contact points: 36 in Kinshasa and 9 in Kongo Central.

In the 2022, the branches were reconfigured by type:

- business centres (3 in Kinshasa);
- branches (5 in Kinshasa and 1 in Kongo Central);
- service centres (10 in Kinshasa and 4 in Kongo Central);
- service points (18 in Kinshasa and 4 in Kongo Central).

"THE WEST REGION, WHICH INCLUDES THE CAPITAL, KINSHASA, HOLDS THE LARGEST SHARE OF THE BANK'S PORTFOLIO. IT HAS A 161-STRONG SALES AND CLIENT CARE TEAM."

WEST REGION IN FIGURES

988,396

In 12 months, the number of clients rose from 794,297 to 988,396, an increase of 24.4%, largely as a result of strong growth in retail, with the number of clients in this segment now exceeding 900,000.

+1%

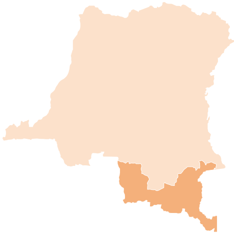
Deposits increased by 1% relative to December 2021. Deposits in Congolese francs account for 16% of the total, down from 20% in the previous year. The share of term deposits fell from 31% to 24%.

+199 million

The loan portfolio grew by USD 199 million, or 31.3%. The retail loan portfolio doubled in size in 2022. At end-December, loans in this segment accounted for 26% of the total portfolio.

34%

The application of funds rate stood at 34%, up from 28% in the previous year.



SOUTH
REGION

The South Region is predominantly a mining area, although it is also home to companies operating in the business and agricultural sectors.

It comprises four provinces: Haut-Katanga, Lualaba, Tanganyika and Haut-Lomami.

The region has a 72-strong sales and client care team, with specialists covering different client segments (including 3 at the Chinese desk), supported by three Business Coordinators and six Corporate Middle Office Officers.

NETWORK

EquityBCDC has 36 contact points in the region:

- 27 in Haut-Katanga (including 1 business centre, 2 branches, 1 service centre, 6 service points and 17 local desks);
- 9 in Lualaba (including 1 agency, 2 service centres, 1 service point and 5 local desks).

CORPORATE CITIZENSHIP IN 2022

EquityBCDC's South Region played a key role in supporting the local community by backing a range of initiatives in 2022, including:

- January: Emerge Leadership Academy, a training services provider in Lubumbashi;
- February: celebrations for the centenary of the Benedictine Sisters;
- Three events in March: the women's oratory contest, the women's cultural festival and the provincial athletics league;
- Two events in April: one with the Philadelphia Missionary Center and another with the Congo Business Federation (FEC);
- Two events in May: the Lubumbashi international showjumping competition and attendance at the Mining Indaba event in Cape Town;
- Four events in June: an event with New Horizons University, attendance at the DRC Mining Week event, an event with Mont Graziella (a children's support service), and the Congo Culture oratory evening;
- November: "The Members" evening event held immediately after the November meeting of the Board of Directors;
- Two in-house staff events: the New Year celebrations in January and a team-building event in October.

SOUTH REGION IN FIGURES

+54%

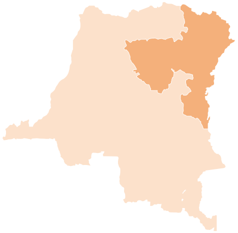
In 12 months, the number of clients rose from 112,320 to 172,671, an increase of +54%, largely as a result of strong growth in retail, with the number of clients in this segment rising from 72,817 to 161,345, a 2.2-fold increase.

-40%

Deposits fell by 40% compared with December 2021 following a one-off deal on a USD 400 million deposit, which the client drew down in early January 2022. At the end of the year, total deposits were evenly split between the various segments as follows: corporate: 31%, MSMEs: 33%, public sector & institutions: 7%, and retail: 28%.

467 million

The bank's loan portfolio increased by 46% year on year, from USD 319 million to USD 467 million. The breakdown by segment was as follows: corporate: 50%, MSMEs: 27%, public sector & institutions: 7%, and retail: 17%.



EAST REGION

The Eastern DRC is located in the African Great Lakes region, sharing borders with Uganda, Burundi and Rwanda.

EquityBCDC's East Region comprises seven provinces: North Kivu (Goma, Beni and Butembo), South Kivu (Bukavu, Uvira), Maniema, Ituri (Bunia), Tshopo (Kisangani), Haut-Uélé (Durba and Isiro) and Bas-Uélé.

A LOOK BACK AT THE MANAGEMENT OF THE EAST REGION

In 2022, EquityBCDC focused on rebuilding and operationalising its business model.

In keeping with its ongoing strategy of bringing banking services closer to clients and significantly growing its footprint, the bank considerably expanded Equity Express, its network of banking agents, across all provinces in the East Region.

However, economic activity in the region was adversely affected by the emergence of the M23 armed group, which began hostilities in early 2022 with an attack on the town of Bunagana, a strategic location for the region's trade links with Uganda. The town quickly fell into the hands of the rebels, who set up their headquarters there, disrupting the operations of many business owners who sourced supplies from Kampala.

Since then, the rebels have created an impasse, cutting off access to Goma from the north-west and causing a dan-

Overview of the five provinces where the bank operates

North Kivu

In North Kivu, as in Ituri province, ongoing activity by a vast and complex web of armed groups is a destabilising factor, leading to security concerns. The socio-economic situation in the region is impacted by protracted conflicts, a hazardous security situation, displacement of people fleeing conflict and natural disasters, poor health conditions and a lack of key infrastructure.

North Kivu nevertheless holds massive potential in agriculture, mining, tourism and business and is therefore equipped to rebuild and reboot its economy.

South Kivu

South Kivu province is home to only a handful of large industrial firms: Bralima, Pharmakina and the Kiliba sugar refinery, which is struggling to get operations up and running again. Various armed conflicts have led to looting, as well as to the destruction and closure of several industrial production sites.

The ongoing cycle of wars has had harmful consequences on all areas of society and the economy, and their effects are still being felt to this day. Efforts to restore stability and kick-start the economy are limited at best.

The economy of South Kivu province is essentially based on agriculture, livestock farming, trade and services. The area has enormous natural potential, with vast tracts of rich, unexploited land, rich subsoil, and forests and lakes. It is also developing trade ties with other provinces and with the rest of the world.

The overwhelming majority of imports bypass the DRC's banking system because of neighbouring Rwanda's favourable banking policy, which includes excessively low transfer rates and no IB licensing requirement, as well as the existence of the Magerwa warehouse, where imported goods are unloaded at a lower cost before crossing the border in small batches.

Ituri

Ituri was part of the former province of Orientale, along with Bas-Uélé, Haut-Uélé and Tshopo. Its capital is Bunia. The province has extensive gold deposits but the presence of numerous small armed groups is a cause of significant security concerns.

Tshopo

Tshopo is home to a large number of micro-, small- and medium-sized enterprises (MSMEs). It is known as an administrative province, with a high number of civil servants. The only modern, organised city in Ituri is Kisangani, which serves as the province's business, administrative, political, economic and cultural capital.

gerous spiral in the prices of essential goods for people living in the city and the whole of the far north.

There were also general strikes in cities such as Goma, Bukavu, Bunia, Butembo and Beni, with protesters calling for the departure of the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO), as well as protests against the war caused by M23 and its allies, and against the ongoing security situation, which is hampering economic activity in these cities.

EQUITYBCDC'S ACHIEVEMENTS IN THE EAST REGION

Despite the security concerns that are weighing on growth in the East Region, EquityBCDC performed well, especially in its positioning with SMEs and agri-business operators. The bank also expanded its local Cash Express network.

Artisanal mining

The bank entered into a partnership with the new gold refinery in Bukavu, the first new facility of its kind in the region since independence. Under the partnership, the bank will provide financing and support for artisanal gold miners' and diggers' cooperatives in the refinery's wider ecosystem.

The Zahabu Safi (Clean Gold) project, operated by the United States Agency for International Development (USAID), aims to identify, support and finance small-scale miners, while also providing training on day-to-day financial management. The first project activities are due to launch in the first quarter of 2023.

Haut-Uélé

In contrast to Ituri, the situation in neighbouring Haut-Uélé is one of peace and security. The local infrastructure is currently being redeveloped, with ongoing work on a road linking the province to Tshopo. This new road will play a similar role to the existing link between Durba and Isiro, which carries a high volume of traffic and supports business and trade in the sub-region. Isiro, the province's capital, remains largely cut off from the outside world. It has an airport, but flights are relatively infrequent and irregular.

Durba is a busy commercial centre dominated by the Kibali Gold Mine (in Watsa). It has close links with Arua, a Ugandan city across the border from neighbouring Aru. Durba's population is steadily growing (currently around 150,000) and the area is experiencing a real-estate boom caused by the expansion of the mine. Agri-business remains all but non-existent. Most goods and services are sourced from Uganda, as is the majority of skilled labour for certain technical occupations.

Isiro remains a largely rural town, although a handful of major projects are currently under way, including the construction of a Catholic basilica, which will be dedicated to Marie-Clémentine Anuarite Nengapeta.

Economic activity is still marginal in the area, and is limited to commodity production (coffee, timber, palm oil, cacao, gold, diamonds and coltan), the sale of petroleum products and general trade, most of which remains informal.

The region has two gold-mining hubs: Watsa (industrial mining at the Kibali Gold Mine) and Wamba (artisanal miners).

KEY FIGURES FOR THE EAST REGION

13
The bank operates a network of 13 branches and contact points. Its Agency Banking strategy supplements the bank's own physical footprint, with this network adding 62,690 new accounts to the bank's books in 2022.

135,531
The number of clients jumped from 75,730 to 135,531, a 79% increase, in the space of 12 months. While the bank covers all market segments (corporate, MSMEs, public sector and retail), the retail banking segment had 129,393 clients at 31 December 2022, while there were 5,684 clients in the MSME segment. SMEs are the beating heart of the region's economy.

75%
At end-2022, the bank's loan portfolio had jumped by 75% year on year, to USD 142 million. This performance was driven by the MSME segment, where the portfolio doubled in size last year. As a result, the region now accounts for 10% of the bank's total portfolio. Robust growth was also recorded in the retail segment, with particularly strong showings from the bank's flagship Goma and Bukavu branches, as well as from the Kisangani branch, which serves a client base of civil servants and NGO staff.

172.2 million
Total deposits amounted to USD 172.2 million, up 28%.

Agri-business

In 2022, the bank expanded its portfolio of support and financing for small-scale farmers' cooperatives. As a reminder, coffee farming continues to account for at least 60% of agri-business disbursements in the East Region.

The bank also grew its financing portfolio in the cocoa segment – particularly in the Beni region (North Kivu) – to the tune of more than USD 1 million.

On the partnerships front, the bank ramped up its partnership with Agriterra, under which it financed at least five rice cooperatives on the Ruzizi Plain in 2021, and with NGO Mercy Corps for a project in North Kivu.

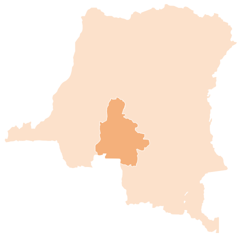
MSMEs

EquityBCDC has secured a strong position in financing the ecosystem around the Kibali Gold Mine, providing discounting and purchase-order advance products for the various subcontractors working with the mine.

The bank has also developed its micro-credit portfolio, supporting a number of micro-structures through its branches across the region, especially in Goma and Bukavu.

Agency Banking

The bank's Agency Banking network now covers all provinces in the region. It has an extensive a network of local agents and merchants in place, with over 80% of these now fully operational.



CENTRE REGION

GRAND KASAÏ

DRC's Centre Region, commonly known as Grand Kasaï, covers a vast area of 325,044 km^2. Its current population is estimated at close to 16 million.

Grand Kasaï encompasses the provinces of Lomami (Kabinda), Sankuru (Lusambo), Kasaï (Tshikapa), Kasaï-Central (Kananga) and Kasaï-Oriental (Mbuji-Mayi). The region is virtually cut off from the rest of the country, with no roads in or out, and faces a severe shortage of electricity, making it unappealing for investors.

Diamonds are the main mineral resource produced in Grand Kasaï, although the region also has reported reserves of copper, cobalt, iron, nickel-chromium, platinum and gold. Artisanal diamond mining remains the most widespread activity.

The region has some of the world's largest diamond reserves, mostly located in Mbuji-Mayi (Kasaï-Oriental) and Tshikapa (Kasaï).

Societé Minière de Bakwanga (MIBA), the 80% state-owned diamond mining company in Mbuji-Mayi, has recorded a sharp decline in activity over the past few years, caused by its unfit and outdated production facilities. This factor, coupled with a crippling debt burden of close to USD 200 million,

“KASAÏ’S WEALTH OF NATURAL RESOURCES OFFERS CONSIDERABLE POTENTIAL FOR DEVELOPMENT”

has resulted in the company making a rapidly diminishing contribution to the local and regional economy.

Société Anhui Congo d'Investissement Minier (SACIM), a semi-public company operated in partnership between the government and a Chinese firm, mines the Tshibwe deposit, which is rich in high-quality diamonds, situated 45 km west of Mbuji-Mayi.

Kasaï's wealth of natural resources offers considerable potential for development. Chief among these are forests, water resources and good-quality arable land. Yet these resources are regrettably under-exploited, causing a steady rise in the price of staple foods.

THE EQUITYBCDC NETWORK

EquityBCDC has three branches in the Centre Region:

- Mbuji-Mayi (Kasaï-Oriental)
- Kananga (Kasaï-Central)
- Tshikapa (Kasaï)

The bank is working on a vast network expansion programme, covering the entirety of Grand Kasaï, as it looks to tap into the region's enormous economic growth potential.

HIGHLIGHTS OF 2022

- The opening of the Tshikapa branch in August 2022;
- The acquisition of around 8,200 police-force clients (1,500 in Sankuru and 6,700 in Mbuji-Mayi);
- Market research in Mwene-Ditu, Lodja and Mweka;
- The acquisition of a large number of civil-service clients in Mbuji-Mayi, plus 3,000 teacher clients (1,500 in Tshilenge and 1,500 in Sankuru);
- The opening, in Q1 2022 at the Kananga branch, of some 400 current accounts for health zones, health centres and general reference hospitals receiving World Bank subsidies through the Public Utility Fund for the Purchase of Health Services (EUP PASS);
- The opening, in Q4 2022 at the Kananga branch, of close to 50 current accounts for Fonds Social de la République Démocratique du Congo partner non-profit associations;
- The opening of bank accounts for a number of clients in hard-to-reach areas such as Sankuru, Tshilenge and Tshimbulu.

CENTRE REGION IN FIGURES

The bank has a new-look configuration in the Centre Region following major progress on several fronts.

x2.42

The number of clients jumped from 36,365 to 88,116, a 2.42-fold increase, in the space of 12 months. This was largely driven by the retail segment, where the number of individual clients stood at 86,875 at 31 December 2022.

39.3 million

At 31 December 2022, total deposits stood at USD 39.3 million, a 46% year-on-year increase from USD 26.9 million. The bank's policy of building close ties with its clients paid off in the main segments (public sector, SMEs and retail).

23.9 million

The bank's credit portfolio also put in a strong showing, with total outstanding loans rising from USD 12.6 million to USD 23.9 million in a year, driven largely by growth in the retail segment. The bank also hired two Relationship Managers for its public-sector and institutional clients in the second half of 2022.

RISK MANAGEMENT AND CONTROL

In 2022, the Board of Directors approved EquityBCDC's Corporate Risk Management Framework. This moved marked the start of the bank-wide roll-out of this framework, which comprises various systems and processes for risk management and control. Risks are taken into account at all levels of the bank, with limits in place to safeguard banking activities.

MARKET, LIQUIDITY AND COUNTRY RISK

The bank has a dedicated unit with responsibility for managing market, liquidity and capital management risk.

MARKET RISK

By investing in securities traded on the financial markets, lending to its clients and being part of a financial system, the bank is exposed to potential losses stemming from adverse variations in market prices, and from events negatively impacting the country (or the world) and the financial system.

In order to counter these risks, the bank has developed indicators and set position limits designed to contain its exposure.

These limits were approved in 2021 and are monitored routinely by the market risk management unit, which presents its analysis of these limits to the Cash Department and to the Risk Management Committee so that appropriate measures can be taken.

These limits are reviewed annually, and as and when necessary, in order to ensure that the bank remains competitive and to reduce its risk exposure.

Stress tests are applied to various components of the market risk management process in order to ensure that market risk does not exceed the threshold set in the risk appetite policy, and to provide assurance that the bank is able to cope with such risks should they arise. The results of these tests are presented at Risk Management Committee meetings for decision-making.

The Asset and Liability Management Committee and the Risk Management Committee, which comprise representatives of the Executive Committee and the departments involved in market risk management, meet once a month to review changes in this risk and its impact on the bank's equity capital, and to make decisions designed to reduce this risk.

LIQUIDITY RISK MANAGEMENT

The bank has set up a system for monitoring various liquidity indicators on a daily basis, along with sensitivity analyses. These are described in the bank's policy and applied through its internal procedure.

These indicators give the bank early sight of possible liquidity problems it may face in the future.

The Executive Committee has entrusted the Risk Management Committee and the Asset and Liability Management Committee with monitoring liquidity risk on an ongoing basis.

As part of the bank's forecasting policy, the Risk Management Department presents sensitivity analyses to the Risk Management Committee. These analyses provide early sight of potential problems the bank may face, as well as reassurance as to the bank's ability to meet its liquidity needs and to absorb loan-portfolio growth.

COUNTRY RISK

National macroeconomic indicators, the global and national economic climate, and the domestic political and security situation are monitored on a daily basis. The results of this internal analysis which are discussed by the Risk Management Committee or, where appropriate, by a crisis management committee.

OPERATIONAL RISK

In 2022, the operational risk management unit pressed ahead with work to foster a stronger operational risk management culture and control practices within the bank. These efforts revolved around five priorities:

1 Awareness-raising

The bank's operational risk philosophy was shared with all staff through a series of in-person workshops and e-learning campaigns. The Risk Management Department also delivered awareness-raising and training to participants in the Young Bankers programme with a view to embedding a sound risk management culture within the bank for the long term.

2 Projects and integration

Several changes were introduced last year as part of ongoing post-merger integration efforts. The operational risk management unit kept track of these projects and issued its opinion on each change after carrying out a risk assessment. The procedure and policy review provided an opportunity to revisit the risk map to make sure it was up to date.

3 Risk monitoring

The operational risk management unit produced timely reports on the bank's operational risk profile and enhanced monitoring arrangements were put in place for areas presenting a high degree of risk.

4 Business continuity

In 2021, the bank focused on harmonising its business continuity plan. In 2022, efforts turned to strengthening the associated systems and processes to ensure the bank maintained a high degree of operational resilience at all times. This included a series of successful post-incident recovery tests for all of the bank's critical applications.

5 IT and cybersecurity risks

Last year, the bank successfully completed an independent assessment of its compliance with client data security requirements, which it commissioned to ensure that cybersecurity risks were fully under control.

FRAUD RISK

In 2022, the fraud risk management unit worked on a number of fraud cases as part of its work to mitigate this risk and identify ways of reducing the associated financial losses and reputational harm.

The most significant of these cases involved the theft of cash by agents, most of whom were subsequently prosecuted and imprisoned.

Towards the end of 2022, there was a spike in SIM swap scam cases, which involve criminals taking over a smartphone in order to steal money or impersonate someone's identity. The bank is not yet fully protected against this kind of scam, or against the reallocation of phone numbers by mobile operators.

Awareness-raising sessions were held to help the bank's employees understand the risks, to avoid cases of fraud, and to highlight the relevant whistle-blowing channels. Work in this area will continue in 2023.

The bank is currently running a recruitment drive as it looks to expand its DRC fraud risk management unit and, ultimately, establish a fully-fledged fraud prevention, detection and investigation team.

CREDIT RISK ANALYSIS

A GROWING LOAN PORTFOLIO

Last year, the macroeconomic climate was broadly favourable despite the international crisis triggered by the war in Ukraine and the deteriorating security situation in eastern DRC. Against this backdrop, and thanks to the hard work of the bank's sales and client care teams, the loan portfolio expanded by USD 419 million to USD 1,468 million, excluding signed commitments, at 31 December 2022.

This figure represents portfolio growth of 40% year on year, and 65% since the merger.

In terms of concentration, the portfolio remained highly diversified across the bank's various client segments. While loans to corporate clients still accounted for the largest portion of the loan book, at 41%, the shares attributable to the retail and SME segments both increased, by 96% and 34% respectively.

Meanwhile, the public sector and state-owned companies accounted for an 8% smaller share of the portfolio at end-2022 than at end-2021.

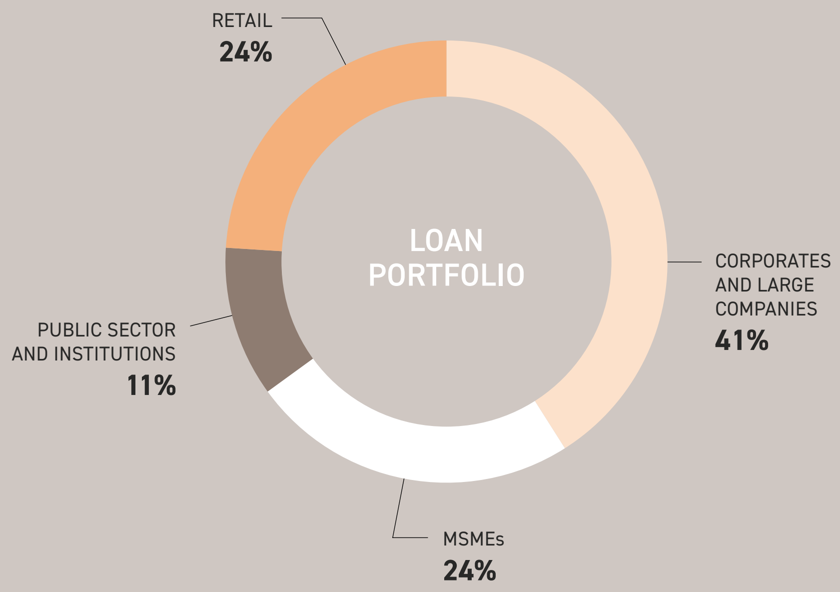
"THE SHARES OF THE LOAN PORTFOLIO ATTRIBUTABLE TO RETAIL AND SME CLIENTS INCREASED BY 96% AND 34% RESPECTIVELY"

The bank's portfolio remains heavily concentrated in the West and South regions, which together account for roughly 90% of the loan book.

The relative shares of both regions in increased in 2022. The Centre Region recorded the highest growth rate (up 85%), followed by the East Region (up 75%), the South Region (up 46%) and the West Region (up 31%).

At end-December 2022, the portfolio was mainly concentrated in the following sectors: households (23.73%), trade (22.54%), business services (15.27%) and mining (11.16%).

BREAKDOWN OF THE PORTFOLIO BY CLIENT SEGMENT



SOUND LOAN PORTFOLIO MANAGEMENT

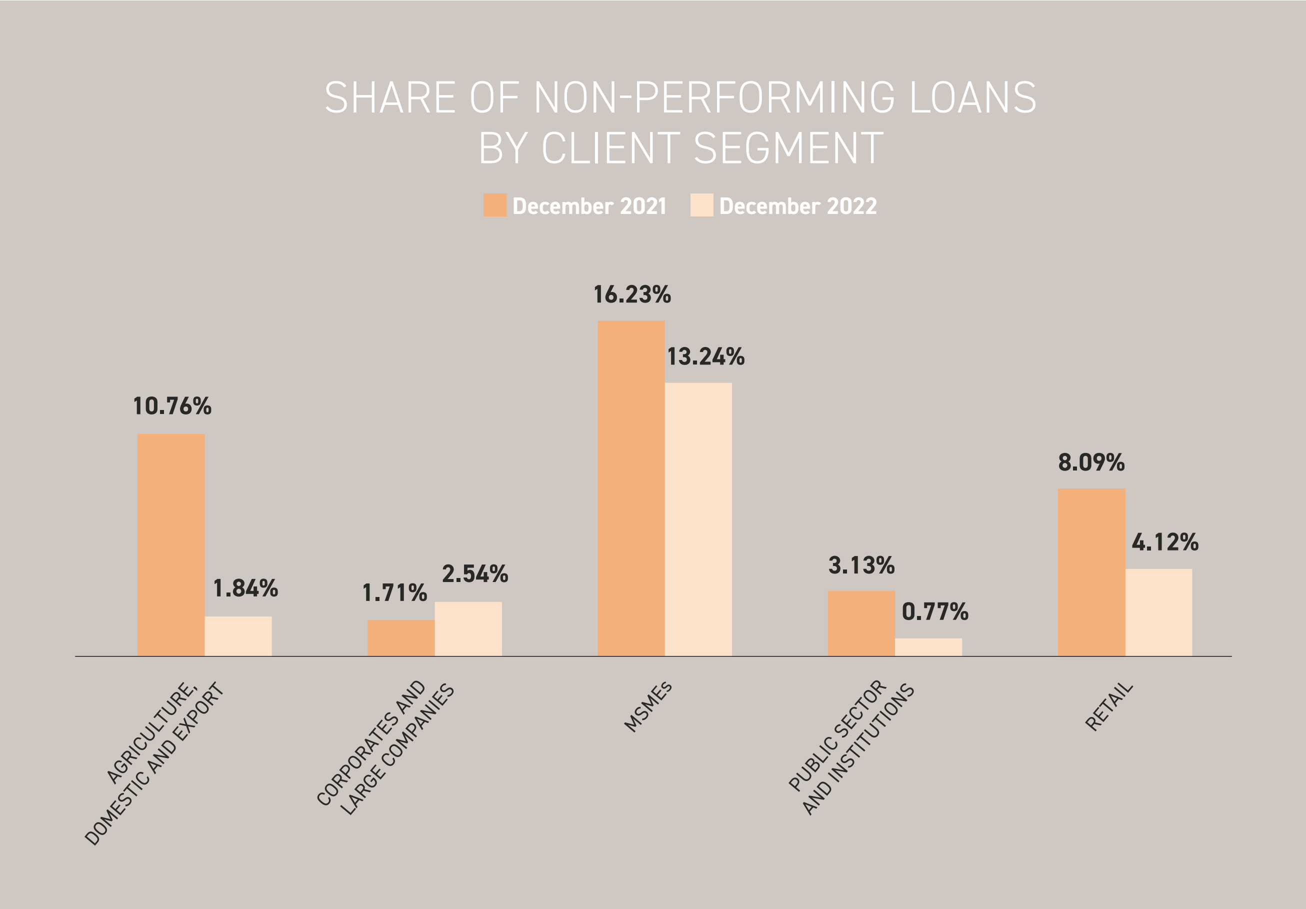
Performing loans make up 81% of the bank's loan portfolio. At end-2022, performing loans past due – a category that includes loans where a payment is between 1 and 89 days late – represented 14% of the portfolio.

The bank further strengthened its recovery strategy last year, which meant that the share of non-performing loans (90 days or more past due) fell from 6.7% of the bank's total portfolio at end-2021 to 5.18% at end-2022. For comparison, the average across the banking sector stands at around 8%.

The sectors with the highest shares of non-performing loans were hospitality and real estate, which were the sectors hit hardest by the Covid-19 crisis.

The bank took determined recovery action throughout last year in order to bring down the share of outstanding receivables in its portfolio. As a result, the non-performing loan coverage ratio remained at a satisfactory 82%.

The bank's asset quality ratio (total non-performing loans and provisions as a percentage of total outstanding loans) improved last year following the acceleration of disbursements, the constitution of adequate provisions for claims, and concerted recovery efforts to reduce the stock of non-performing loans. Consequently, the cost of credit risk fell from 1.37% at the start of 2022 to 0.79% at year-end.



EFFECTIVELY MANAGING THE FALLOUT OF THE COVID-19 CRISIS

The steps taken by the bank to support clients affected by the Covid-19 crisis delivered satisfactory results. In keeping with Central Bank of the Congo regulations, EquityBCDC is continuing to monitor developments closely with a view to getting support to those clients who need it most. The bank introduced moratoriums and flexible repayment terms for affected clients whose jobs or businesses remained viable.

At end-2022, some 59% of loans restructured during the Covid-19 crisis had been repaid in full. The outstanding stock of these loans stood at USD 65 million, accounting for 4.43% of the bank's total portfolio (versus 18% at the start of the crisis). The majority of these outstanding restructured loans were arranged for clients in the real-estate, education and energy sectors, whose businesses remained viable but who needed more flexibility in their repayment terms in order to weather the impact of the crisis. These support measures helped to reduce the risk of loan portfolio impairment in these sectors: at present, close to 76% of clients whose loans were restructured are keeping up with their repayment plans. By comparison, 5% of these clients are repaying part of their debt and 19% are in default.

"THESE SUPPORT MEASURES HELPED TO REDUCE THE RISK OF LOAN PORTFOLIO IMPAIRMENT"

FURTHER INCREASING LENDING TO SMES

In 2022, EquityBCDC entered into three new partnerships as it looked to boost its capacity to lend to SMEs:

- The International Finance Corporation
- The French Development Agency, via its subsidiary Proparco
- The United States Agency for International Development

These new partnerships supplement the risk-sharing agreement the bank signed with the African Guarantee Fund in 2020.

Under these new risk-sharing arrangements, EquityBCDC will be in a better position to lend to small businesses while also receiving technical assistance from its partners. The bank's longer-term goal, in line with the Equity Group's Africa Recovery and Resilience Plan (ARRP), is for SMEs to account for at least 65% of its loan portfolio.

PRIORITIES FOR 2023

Starting in the first quarter of 2023, the bank will focus on increasing its financing to SMEs, on introducing mechanisms for the early detection of clients in difficulty in order to improve the quality of its loan portfolio, and on enhancing training for its sales and client care teams.

Another priority for 2023 will be to accelerate the automation of retail lending through the use of digital technology.

COMPLIANCE

Compliance refers to a set of measures and practices designed to ensure that all stakeholders adhere to local and international laws and standards, as well as to the bank's internal directives. Compliance therefore plays an essential role, supporting all of the bank's business lines with the ultimate goal of risk prevention.

The information below captures developments in 2022 in EquityBCDC's application of compliance rules.

BLACKLISTING

The Central Bank of the Congo blacklisted 248 economic operators, including 87 EquityBCDC clients.

It removed 82 economic operators, including 39 EquityBCDC clients, from its blacklist

and temporarily suspended blacklisting measures against 152 economic operators, including 39 EquityBCDC clients, for three months.

FATCA

In accordance with the provisions of the Foreign Account Tax Compliance Act (FATCA), the bank disclosed the names of three clients meeting the "United States person" criteria to the Internal Revenue Service (IRS) in March 2022 for the 2021 financial year.

FATCA, adopted in 2010, aims to identify "United States persons" who use foreign bank accounts to avoid paying tax in the United States.

"COMPLIANCE REFERS TO A SET OF MEASURES DESIGNED TO PROTECT DATA AND COMBAT MONEY LAUNDERING AND CORRUPTION"

CLIENTS SUBJECT TO INTERNATIONAL SANCTIONS

On 8 December 2022, the European Union added eight individuals to its sanctions list. After reviewing its records, EquityBCDC did not identify any accounts held with the bank in the name of these individuals. However, the bank added these names to its internal blacklist in order to prevent them from opening accounts and conducting transactions.

CENAREF

EquityBCDC received information requests from CENAREF, the DRC's financial intelligence unit, relating to 989 individuals and corporate bodies, including 372 of the bank's clients.

The accounts of 62 clients were frozen at CENAREF's request, with only 26 of these accounts remaining frozen at end-2022. The remaining 36 client accounts were unfrozen.

The bank filed one suspicious activity report with CENAREF in 2022.

Since the appointment of the new executive secretary of CENAREF in July 2020, the number of requests has increased. The bank received a specific request relating to the INTERPOL National Central Bureau's (NCB) contribution to the national assessment of money laundering and terrorist financing risk. This request was monitored closely by the head of the INTERPOL NCB.

TRANSACTION MONITORING TOOLS

In 2022, EquityBCDC used the following transaction monitoring tools:

Tool	Purpose
Swift Sanctions Screening (SSS)	Automatically filters transactions using sanctions lists, generates alerts and blocks transactions in real time.
Equity Financial Intelligence System (EFIS)	• Screens transactions and generates next-day alerts based on predefined scenarios. • Performs due diligence checks on new accounts (KYC).
Workaround	Automatically filters the initiators or beneficiaries of payment, withdrawal and transfer transactions in real-time using sanctions lists.
World Check	An online screening platform that checks the identity of individuals or legal entities on sanctions lists, lists of politically exposed persons and other types of lists.
KYC Registry	A service that lets users download information about the bank (shareholders, executive officers, annual report, etc.) to a platform, where it can be shared with other banks on request.
Bankers Almanac	A database containing information about various financial institutions worldwide.

INFORMATION REQUESTS FROM CORRESPONDENT BANKS

EquityBCDC handled 30 information requests relating to client transactions from correspondent banks: Citibank (27), Commerzbank (2) and Fimbank (1).

In 2022, Citibank, Commerzbank, Unicredit and Bank of China conducted EquityBCDC's KYC review.

RELATIONS WITH COUNTERPARTIES AND REGULATORY AUTHORITIES

The following partners also carried out EquityBCDC's annual KYC review: MoneyCorp, Mastercard, Visa, Thunes, the European Investment Bank (EIB) and the International Finance Corporation (IFC) (as one of the bank's shareholders).

The bank updated the records of 10 local banks as part of the annual review of KYC information for its counterparties.

"IN 2022, THE BANK RAN AWARENESS-RAISING SESSIONS ON ANTI-MONEY LAUNDERING AND COUNTER-TERRORIST FINANCING"

TRAINING

In 2022, the Compliance Department ran awareness-raising sessions on anti-money laundering and counter-terrorist financing for all of the bank's staff. Over 98% of employees attended these sessions.

Awareness-raising sessions were also held on other key policies, namely the good conduct and workplace ethics policy, the conflict of interest management policy, the anti-corruption policy, and the whistle-blowing policy.

MONITORING THE APPLICATION OF AML/CTF PROCEDURES IN BRANCHES

In line with its responsibility for coordinating the AML/CTF system, the Compliance Department conducted visits to no fewer than 50 branches in 2021.

NEW REGULATORY COMPLIANCE RULES IN 2022

Instruction	Details	Action taken
Law no. 22/068 of 27 December 2022 on combating money laundering and the financing of terrorism and the proliferation of weapons of mass destruction.	This law lays down rules on the prevention, detection and punishment of money laundering and the financing of terrorism and the proliferation of weapons of mass destruction. It also sets out measures to deter money laundering and the financing of terrorism and the proliferation of weapons of mass destruction, as well as provisions to facilitate related investigations and prosecutions.	• Completion of a gap analysis relative to previous arrangements. • Identification of new requirements with a view to updating the bank's policies and procedures. • Attendance at Congolese Association of Banks (ACB) gap analysis committee meetings for compliance officers.
Law no. 22/069 of 27 December 2022 on the activity and supervision of credit institutions.	This law lays down rules on the activity and supervision of credit institutions operating in the DRC, with a view to safeguarding public savings and guaranteeing the proper functioning of the financial system.	• Completion of a gap analysis relative to previous arrangements. • Identification of new requirements with a view to updating the bank's policies and procedures.

COMPLIANCE WITH CENTRAL BANK OF THE CONGO INSTRUCTIONS

In 2022, the Compliance Department conducted reviews of previous instructions published by the Central Bank of the Congo to ensure that the bank was complying with the relevant requirements. These reviews focused specifically on the following instructions:

- Instruction no. 13 (modification 5) on blacklisting;
- Instruction no. 16 (modification 3) on prudential rules regarding the classification and provisioning of outstanding receivables;
- Instruction no. 22 (modification 1) on risk management;
- Instruction no. 29 on the activity of banking agents;
- Instruction no. 42 on the rules for electronic banking in the DRC;
- Instruction no. 44 (modification 1) on the suspension of certain regulatory provisions following the Covid-19 pandemic;
- Instruction no. 46 on the guiding principles for cold calling, the opening and holding of accounts and securities accounts, the provision of investment advice, third-party portfolio management and securities lending.

The bank was compliant with the vast majority of these instructions. The few outstanding issues to be resolved were discussed with the relevant stakeholders, and the matters were regularly followed up and subsequently closed.

REVIEW OF NEW RULES AND PROCEDURES

In order to maintain regulatory compliance, the Compliance Department routinely reviews all new rules and procedures before they are circulated to personnel. Following this review, the department issues its opinion or makes recommendations prior to the approval of the rule or procedure by the Management Committee.

In 2022, a total of 10 rules and 70 procedures were reviewed for regulatory compliance. A favourable opinion was issued in each case.

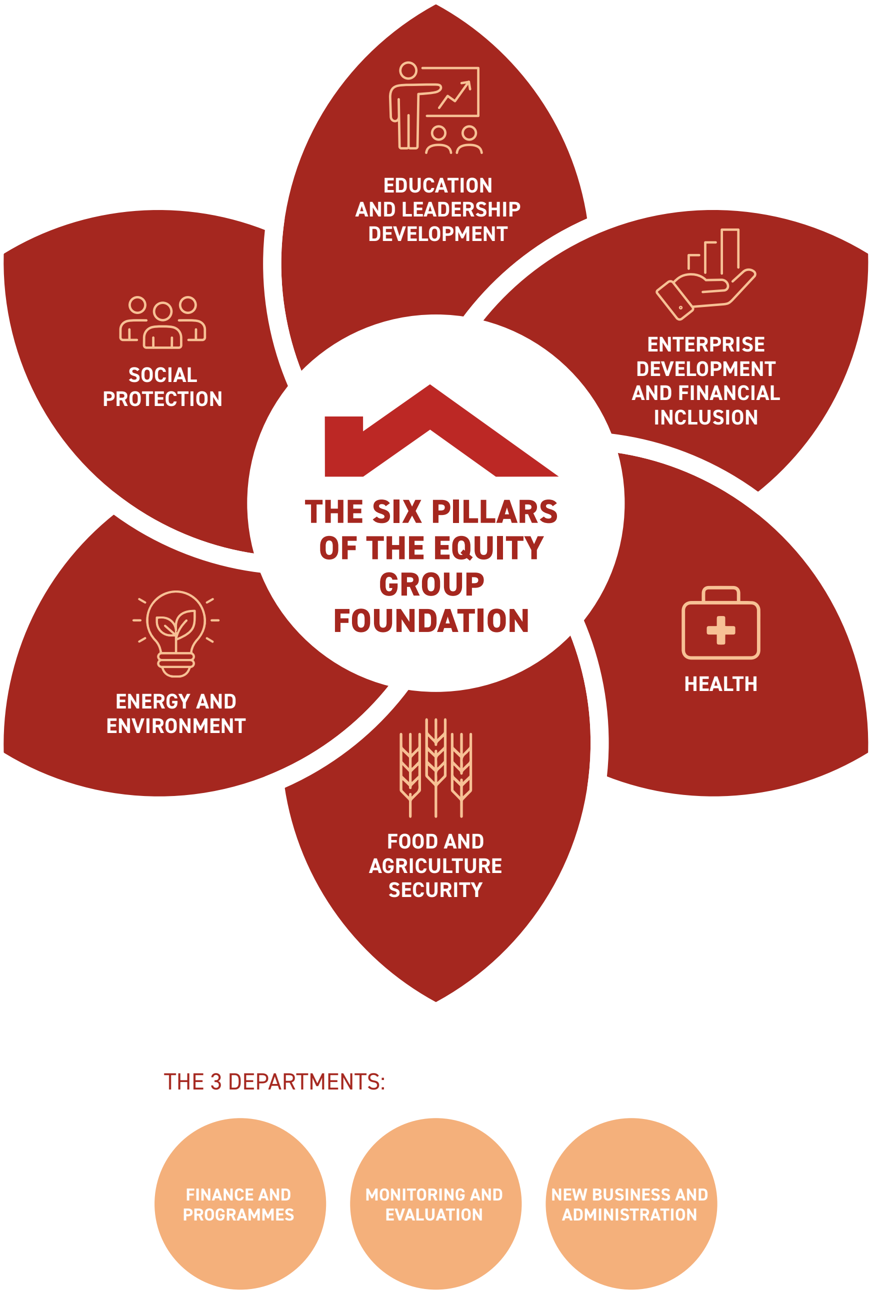
CORPORATE SOCIAL RESPONSIBILITY (CSR)

Equity Group Foundation is a non-profit foundation established in 2008 in Kenya as the social arm of Equity Group Holdings. It seeks to transform the lives and livelihoods of people, socially and economically, through the use of modern, inclusive financial services that maximise their opportunities.

The Foundation harnesses financial and technological innovation to bring the best education and career opportunities to the people of Africa. For those seeking growth opportunities, such as young people, women and entrepreneurs, the Foundation offers a powerful method for developing top talent and intellectual capital, drawing on the Equity Group's extensive infrastructure and broad network.

In the DRC, the Equity Group Foundation's work is guided by six pillars and led by three departments.

In the DRC, the Equity Group Foundation was created by the Group's Social Investment Division. Its focus is on building strategic partnerships with organisations such as FSD Africa and the Mastercard Foundation to advance financial inclusion initiatives. It continued its work in these areas in 2022. The Foundation also continues to engage with the International Labour Organization (ILO), the French Development Agency (AFD) and its subsidiary Proparco, and the Embassy of the Netherlands.



The Foundation carried out a range of activities in 2022, the highlights of which are described below:

Financial Sector Deepening (FSD) Africa

Established in 2012 and supported by UK Aid, FSD Africa is a specialist development agency working to build and strengthen financial markets across sub-Saharan Africa.

Action taken:

- 271,268 accounts opened through the Cash Express network (as at end-September 2022)
- training delivered to 288 agents
- 3,941 agents recruited (as at end-September)
- a new product under development (group loan)

Incubator project

Action taken:

- financial literacy training delivered to 50,000 people in the West Region of DRC (Kongo Central, Kwilu, Kwango and Kinshasa)
- 100 trainers recruited
- 47,960 accounts opened
- training delivered to 47,591 clients

Other highlights:

Energy and environment

- Equity Energy All Access (EEAA) programme: the pilot project will start in Q1 2023. The LC will be published in January.

Through our Wings to Fly, Equity Leaders and Young Bankers programmes, we are preparing young people in the DRC to seize growth opportunities by improving access to secondary and higher education through training focused on labour-market needs.

Photos: Left: The bank signs a memorandum of understanding with the DRC's Ministry of Primary, Secondary and Technical Education to facilitate contact with candidates who meet the selection criteria for its programmes. Centre: A financial literacy training session delivered under the Equity Leaders programme. Right: Participants in the Young Bankers programme for 2021–2022.

The USD 6 million guarantee from the U.S. International Development Finance Corporation (DFC) is available, and the USD 3.5 million guarantee from the UN Capital Development Fund (UNCDF) is expected to be available in late January or mid-February 2023.

- WWF biodigesters project for women (Goma): the content of the financial literacy training is currently under development. The project was initially scheduled to kick off in late October, but the start date was pushed back to the third week of January owing to local security concerns.

- SOMICONGO forest conservation project: a carbon credit amounting to 110 million tonnes of CO_2 has been earmarked for purchase in Mai-Ndombe, the pilot zone for the project. The arrangement will be finalised by the end of January. The bank will provide the funds required for the certification process, and will expect to receive a 25% profit on the income from the sale of the carbon credit.

Social protection

Last year, the Foundation carried out the following activities in this area:

- Association pour le Développement Social et la Sauvegarde de l'Environnement (ADSSE) – cash distribution in South Kivu, August to December 2022: 1,750 accounts opened; USD 700,000 currently being disbursed to beneficiaries.

- Fonds Social de la République Démocratique du Congo – cash distribution in North Kivu: USD 2.6 million is expected to be disbursed to beneficiaries between December 2022 and 2023; first distribution phase completed: USD 625,000 disbursed in December 2023.

"EQUITYBCDC'S VISION IS TO BE THE CHAMPION OF THE SOCIO-ECONOMIC PROSPERITY OF THE PEOPLE OF AFRICA, AND OF THE DRC IN PARTICULAR"

Food and agriculture

Last year, the Foundation undertook the following work in this area:

- World Food Programme (WFP) (Promoting Food Security in the Democratic Republic of the Congo, ProSA): memorandum of understanding signed on 16 December 2022; concept note drafted jointly with the WFP programme team for a first phase targeting 1.5 million farmers, with a revised budget of USD 50 million; decision made to launch a pilot phase in 2023 targeting 1,000 farmers in two provinces (Kongo Central and Kasaï-Oriental) for a budget of USD 2.5 million. Pre-implementation preparations are under way with WFP.
- Glencore partnership (Mutanda Mining and Kamoto Copper Company): completion of the jointly drafted concept note for the empowerment project for communities living near mining sites. The project targets 3,000 households and 1,000 early-stage SMEs in the maize, fruit and vegetables, fish and cassava value chains. Further discussions will be held on implementation and financial resource mobilisation arrangements for the project. The memorandum of understanding will be signed once these discussions have concluded.

The bank has partnered with Glencore to implement an empowerment project for communities living near mining sites. The project targets 3,000 households and 1,000 early-stage SMEs in the maize, fruit and vegetables, fish and cassava value chains.

HUMAN RESOURCES

The aims of EquityBCDC's human resources policy remained consistent with the previous year, namely to:

- optimise costs;
- digitise processes;
- embed the performance management system;
- achieve compliance with instructions, procedures and legal requirements;
- equip staff with new skills;
- attract and retain talent.

STAFF TRAINING

In 2022, the bank held 211 training sessions across the year, versus 128 in 2021. This equated to an average of around 18 sessions per month, at a total cost of USD 576,311, up 25% year on year.

The increase in provision in 2022 was linked to both greater training needs and the expansion of the bank's work-force during the year.

WAGES AND SALARIES

Last year, wages and salaries amounted to USD 38.54 million, representing 94% of the budgeted figure.

Retirement benefits paid out over the same period stood at USD 279,330. Other similar wage-related expenses (medical bills, catering, school fees, etc.) amounted to USD 4.41 million.

Pensions

The bank paid out the following amounts in the 2022 financial year:

- USD 145,870 in advances or single lump-sum payments for nine employees;
- USD 1.09 million in single lump-sum payments (100%) for 14 employees who retired in 2022;
- The number of retirees in receipt of lifetime pensions stood at 265 at 31 December 2022 (excluding 22 recipients of widow(er)s', veterans' and orphans' pensions, which were suspended in March 2017 in branches that closed), down from 276 at end-2021.

SUBCONTRACTED PERSONNEL

At 31 December 2022, the bank's work-force included 1,025 subcontracted personnel – 154 higher than the same figure at end-2021 (871). This 17.68% increase can be attributed to strong growth in the bank's activities following the merger between the BCDC and EBC.

KEY WORKFORCE FIGURES AT 31 DECEMBER 2022

+262

The bank's headcount fell from 1,140 full-time equivalent employees (FTEs) at end-2021 to 1,404 FTEs at 31 December 2022, following 374 new hires and 112 departures (27 lay-offs, 11 retirements, 73 resignations and 1 death).

8.61%

The staff turnover rate therefore stood at 8.61%, versus 9.06% for 2021.

1,404

The bank employs 806 operational staff (up 279 year on year), 490 management staff (down 20) and 108 executives (up 5).

824

At 31 December 2022, the bank employed 824 sales and client care staff, including branch managers, up from 334 at 31 December 2021 (an increase of 490).

CHAPTER 3

FINANCIAL REPORT

BALANCE SHEET

In thousands of CDF

ASSETS	31/12/2021	in %	31/12/2022	in %
Cash	5,074,263,782	69%	4,053,442,318	56%
Clients	1,995,205,955	27%	2,851,427,562	40%
Adjustment accounts	57,690,908	1%	66,382,739	1%
Miscellaneous assets	47,490,750	1%	45,212,260	1%
Fixed assets	134,625,373	2%	162,341,419	2%
TOTAL ASSETS	**7,309,276,768**	**100%**	**7,178,806,298**	**100%**
of which foreign currencies		81%		82%
CDF		19%		18%

The balance sheet total stood at CDF 7,178 million, down from to CDF 7,309 million (a fall of 2%, or 3% when expressed in USD equivalent). This trend can be attributed to the decrease in cash and miscellaneous assets caused by the 7% year-on-year decline in deposits (down from CDF 6,289 million in 2021 to CDF 5,862 million in 2022).

Items denominated in foreign currencies represented 82% of assets and 18% of liabilities (versus 81% of assets and 19% of liabilities at 31 December 2021).

ASSETS

Cash and interbank assets continue to account for the majority of the balance sheet (close to 56% of total assets). This category includes available cash (CDF 569,569 million), sight balances at the central bank (CDF 892,078 million), and balances at banks and financial institutions (CDF 2,168,706 million, including CDF 1,530,497 of fixed-term investments, CDF 637,772 million of sight balances and CDF 436 of receivables).

Expressed in USD equivalent, this item fell by 21% from USD 2,537 million to USD 2,010 million, due primarily to lower levels of cash and a fall in sight balances at correspondent banks.

Transactions with clients amount to a net outstanding value of CDF 2,851,427 million, or USD 1,413.996 million equivalent (gross: CDF 2,102,500 million, or USD 1,051 million equivalent), representing 40% of the balance sheet total.

- Loans in foreign currencies account for 92% of the gross loan portfolio. In terms of the net portfolio, these loans increased from CDF 1,566,832 million (USD 794.618 million) to CDF 1,890,239 million (USD 945.132 million), a rise of 21%.
- Net loans denominated in Congolese francs stand at CDF 118,649 million, up from CDF 104,966 million in 2021, an increase of 13%. In USD equivalent, these loans recorded a year-on-year rise of USD 7.273 million.

In thousands of CDF

LIABILITIES	31/12/2021	in %	31/12/2022	in %
Interbank	77,174,540	1%	126,764,002	2%
Clients	6,371,939,386	87%	5,996,420,287	84%
Accruals accounts	122,540,677	2%	123,725,485	2%
Miscellaneous liabilities	126,946,455	2%	185,571,365	3%
Permanent capital	530,322,484	7%	679,583,993	9%
Result	80,353,225	1%	66,741,166	1%
TOTAL LIABILITIES	**7,309,276,768**	**100%**	**7,178,806,298**	**100%**
of which foreign currencies		81%		82%
CDF		19%		18%

- Outstanding receivables (performing loans past due and non-performing loans) amount to CDF 584,835 million, or USD 289 million equivalent (versus CDF 452,835 million, or USD 226 million equivalent in 2021), with those denominated in foreign currencies representing 91% of this amount and CDF-denominated loans making up the remaining 9%.

- The non-performing portfolio stands at CDF 172,766 million (USD 85.673 million equivalent), and is covered by provisions of CDF 115,689 million (a 67% coverage rate). Performing loans past due total CDF 411,669 million (USD 209.142 million equivalent).

Asset adjustment accounts, which represent 1% of total assets, stand at CDF 66,382 million (versus CDF 57,690 million in 2021) and include receivable income (CDF 6,888 million), prepaid expenditure (CDF 21,732 million), current inventory (CDF 4,298 million) and other adjustment accounts (CDF 33,462 million).

Miscellaneous assets, which comprise third-party and suspense accounts and represent 1% of total assets, stand at CDF 45,212 million (versus CDF 47,490 million in 2021). More specifically, these include:

- Tax prepayments and tax credits (CDF 178 million);

- Advances and prepayments paid (CDF 5,853 million);

- Sundry debtors (CDF 27,273 million);

- Uncashed cheques and prepayments paid to suppliers (CDF 11,907 million).

Fixed assets total CDF 162,341 million, including a CDF 4,162 million (USD 2.06 million equivalent) equity interest in the real-estate subsidiaries.

LIABILITIES

Interbank transactions account for 2% of total liabilities. This category mainly comprises amounts owed to local banks and financial institutions (CDF 126,764 million).

Expressed in USD equivalent, this item grew by 63% from USD 39 million to USD 63 million.

“THE DECLINE IN DEPOSITS LED TO A DECREASE IN CASH AND MISCELLANEOUS ASSETS”

Client deposits and other transactions stand at CDF 5,996,420 million. This represents 84% of total liabilities, with amounts denominated in foreign currencies making up the vast majority (84%) of this amount. Deposits in foreign currencies are 6% lower than in 2021, when they stood at CDF 6,731,939 million. Expressed in USD equivalent, this item fell by 7%, from USD 3,186 million to USD 2,973 million.

This category includes deposits in foreign currencies of CDF 5,050,015 million, down 5% versus December 2021 (from USD 2,632 million equivalent to USD 2,504 million equivalent) and deposits in Congolese francs of CDF 946,404 million, down 12% from CDF 1,063,898 million in December 2021 (from USD 540 million equivalent to USD 473 million equivalent).

Client current accounts amount to CDF 4,675,507 million (USD 2,318 million equivalent), versus CDF 4,680,442 million (USD 2,340 million equivalent) in 2021.

- Client on-demand deposits stand at CDF 3,777,064 million, versus CDF 4,036,869 million in 2021, with foreign-currency accounts representing 79% of this total. Expressed in USD equivalent, this item fell by 7%, from USD 2,018 million to USD 1,873 million.
- Savings accounts total CDF 849,580 million (USD 421.298 million equivalent, versus USD 315.188 million equivalent in 2021), a 35% year-on year rise.

"EQUITY CAPITAL AT BOOK VALUE AMOUNTED TO CDF 654,052 MILLION, OR USD 324 MILLION EQUIVALENT, VERSUS USD 216 MILLION EQUIVALENT IN 2021"

- Fixed-term deposits amount to CDF 1,235,946 million, down 24% relative to 2021, from USD 811 million equivalent to USD 612 million equivalent.
- Other client accounts total CDF 133,829 million, and include receivables of CDF 30,116 million, provisions for bank cheques of CDF 16,821 million, provisions for documentary credits and security deposits of CDF 1,152 million, dispositions to pay of CDF 37,630 million, and other monies payable and deposits of CDF 48,110 million.

Liability adjustment accounts total CDF 123,725 million (versus CDF 122,540 million at 31 December 2021), accounting for 2% of total liabilities.

Miscellaneous liabilities accounts, which comprise suspense and third-party accounts and represent 3% of total liabilities, mainly include:

- Amounts due to the government: CDF 32,764 million, including transit transactions on behalf of financial agencies (CDF 3,678 million), provisions for corporation tax (CDF 20,096 million), VAT and other taxes, duties and charges to be paid (CDF 128 million) and other amounts due (CDF 8,860 million).
- Bills of exchange accounts and uncashed cheques amounting to CDF 18,197 million.
- Payables: CDF 96,298 million, including CDF 75,674 million of accrued provisions for OCC/BIVAC charges (versus CDF 62,563 million in 2021).

Permanent capital (excluding profit for the financial year) stands at CDF 679,584 million, or USD 336.9 million equivalent, and represents 9% of the balance sheet total.

Equity capital at book value amounts to CDF 654,052 million, or USD 324 million equivalent (versus USD 216 million equivalent in 2021), and includes registered capital of CDF 810,448 million and a provision for reconstitution of capital of CDF 10,113 million.

INCOME STATEMENT

In thousands of CDF

INCOME STATEMENT	31/12/2021	31/12/2022	variation in %
Net interest	141,856,971	218,214,791	54%
Commissions and miscellaneous income	158,001,570	229,764,473	45%
Net banking income	**299,858,541**	**447,979,264**	**49%**
Ancillary income	11,290,868	10,995,100	-3%
Operating expenses	-196,794,576	-248,303,306	26%
Allocations to depreciations and provisions	-13,208,758	-103,519,927	684%
Extraordinary profit or loss	-2,307,406	-5,309,240	130%
Pre-tax profit or loss	**99,108,669**	**101,841,890**	**3%**
Corporation tax	-18,755,444	-35,100,725	87%
NET PROFIT	**80,353,225**	**66,741,166**	**-17%**

The table below is a summary of the income statement as at 31 December 2022.

NET BANKING INCOME

Net banking income totals CDF 447,979 million, versus CDF 299,858 in 2021 – an increase of 49%. Expressed in USD equivalent, net banking income stands at USD 222.149 million, up 48% relative to 2021.

Interest margin

The interest margin stands at CDF 218,214, representing 49% of net banking income, which reflects the difference between interest received (CDF 634,421) and interest paid (CDF 186,442).

In CDF, the margin is 54% higher than at December 2021. Expressed in USD equivalent, net interest stands at USD 108.9211 million, versus USD 70.929 million at December 2021, a year-on-year increase of 53%.

Commissions and miscellaneous income

Commissions and miscellaneous income total CDF 229,764 million and consist of profit on foreign exchange transactions, income from off-balance-sheet transactions, and other net income from banking operations. Expressed in USD equivalent, this item totals USD 108.211 million.

- Profit on foreign exchange transactions, which represents 20% of net banking income, stands at CDF 90,596 million. Expressed in USD equivalent, this item stands at USD 44.926 million, up 60% versus December 2021 on account of higher margins than in the previous year.
- Income from off-balance sheet transactions (issue of documentary credits and guarantees) amounts to CDF 10,672 million (USD 5.292 million equivalent), or 2% of net banking income.
- Other income from banking operations stands at CDF 206,470 million (USD 102 million equivalent). This category mainly comprises commissions on transfers, commissions on foreign notes, and miscellaneous commissions and income.
- Other banking operating expenses total CDF 90,862 million (USD 45 million equivalent) and include CDF 32,976 million in deductions by the Central Bank of Congo for audit costs.

Ancillary income

Ancillary income amounts to CDF 10,995 million (versus CDF 11,290 million in 2021):

- Western Union commissions of CDF 5,197 million at end-December 2022.
- Rental income of CDF 5,018 million at end-December 2022 (down 7% relative to 2021). Expressed in USD equivalent, this revenue totals USD 2.488 million, versus USD 2.681 million at December 2021, a year-on-year decline of 7%.
- Recovered communal and other charges of CDF 779,000 at end-December 2022.

"RENTAL INCOME STOOD AT CDF 5,018 MILLION AT END-DECEMBER 2022, DOWN 7% RELATIVE TO 2021"

OPERATING EXPENSES

Wages and salaries

Wages and salaries total CDF 92,406 million and represent 38% of operating expenses. Expressed in USD equivalent, this item amounts to USD 45.823 million, a 12% increase on the December 2021 figure of USD 41.079 million.

Other general operating expenses

Other general operating expenses amount to CDF 148,838 million (USD 73.807 million equivalent), which is 34% lower than the December 2021 figure of USD 55.509 million equivalent.

- Materials and supplies: CDF 16,857 million, versus with 7,480 million in December 2021.
- Transport and travel expenses: CDF 12,257 million, versus CDF 5,819 million in December 2021.
- Other external services: CDF 100,078 million, versus CDF 85,394 million in 2021.
- Technical assistance and inspection fees: CDF 15,876 million.
- Miscellaneous operating expenses: CDF 3,767 million.

ALLOCATIONS TO DEPRECIATIONS AND PROVISIONS

A total of CDF 223,966 million was allocated to depreciations and provisions, including CDF 12,343 million for depreciation on tangible assets, CDF 4,870 million for depreciation on intangible assets, and CDF 206,752 million (USD 102.6 million equivalent) for provisions for debtors and other liabilities and charges.

Write-backs of provisions amounted to CDF 120,446 million (USD 59.7 million equivalent).

EXTRAORDINARY PROFIT OR LOSS

Extraordinary losses amount to USD -2.633 million (CDF -5,309 million), including USD -4.156 million in extraordinary expenditure.

Exceptional profit totals USD 1.524 million.

NET PROFIT OR LOSS

The bank recorded net profit of CDF 66,741 million (USD 33 million equivalent, calculated at the average rate for the financial year), reflecting the performance of the wider economy.

RATIOS

In thousands of CDF

RATIO	31/12/2021	Standard	31/12/2022	Standard
Core solvency	6.71%	Min. 7.5%	11.95%	Min. 7.5%
Overall solvency	8.26%	Min. 10%	13.96%	Min. 10%
Leverage	3.94%	Min. 5%	7.01%	Min. 5%
Liquidity (CDF)	438%	Min. 100%	401%	Min. 100%
Liquidity (ME)	156%	Min. 100%	115%	Min. 100%
Profitability	27%	Net income/NBI	27%	Net income/NBI
NROE	**15.15%**	**NET INCOME /EQUITY CAPITAL**	**10.2%**	**NET INCOME /EQUITY CAPITAL**
CIR	65.6%	Target: 72%	55.43%	Target: 74%

In December 2022, the cost to income ratio was 55.43%, which was lower than the 2021 figure of 65.6%. Net return on equity for the year was 27%.

“NET RETURN ON EQUITY FOR THE 2022 FINANCIAL YEAR WAS 27%”

AUDITOR'S REPORT

ON THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2022

18 April 2023, Kinshasa, Gombe

In accordance with the mission entrusted to us by your General Meeting, we hereby submit to you our report on the financial year ending 31 December 2022 on:

- The audit of the annual financial statements of Equity Banque Commerciale du Congo SA ("EquityBCDC") as they are attached to this report;
- The specific checks and information required by law.

1. AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

1.1 OPINION

We have performed the audit of the annual financial statements of Equity Banque Commerciale du Congo SA ("EquityBCDC") as of 31 December 2022, which include the balance sheet, the income statement, the statement on the variation of equity capital, the cash flow statement for the year closing on that date and the summary of the main accounting methods and other explanatory information about the financial statements for the year closing on that date.

In our opinion, the annual financial statements, in all material respects, give a true image of the financial situation of Equity Banque Commerciale du Congo SA ("EquityBCDC") as of 31 December 2022, and of its financial performance and cash flow statement for the year closing on that date, in accordance with the accounting principles generally accepted in the Democratic Republic of Congo for the banking sector and with the instructions and directives of the Central Bank of Congo.

1.2 BASIS OF THE OPINION

We performed our audit in accordance with the International Standards on Auditing (ISA). The responsibilities incumbent upon us pursuant to these standards are more fully described in the section of this report entitled "Responsibilities of the auditor relative to the audit of the annual financial statements". We are independent of Equity Banque Commerciale du Congo SA ("EquityBCDC") in accordance with the code of ethics of accounting professionals from Regulation No. 01/2017/CM/OHADA to harmonise the practices of accounting and auditing professionals in OHADA member states and with the independence rules that govern external auditors, and we have satisfied other ethical responsibilities to which we are subject according to these rules.

We consider that the evidence we have obtained is a sufficient and appropriate basis for our audit opinion.

1.3 RESPONSIBILITIES OF THE BOARD OF DIRECTORS RELATIVE TO THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements were prepared and approved by the Board of Directors.

The Board of Directors is responsible for the preparation and sincere presentation of the annual financial statements in accordance with the accounting principles generally accepted in the Democratic Republic of Congo and for the banking sector and the instructions of the Central Bank of Congo, and for the internal control that it considers necessary to enable the preparation of annual financial statements that do not contain material misstatements, whether these result from fraud or from error.

During the preparation of the annual financial statements, the Board of Directors is expected to evaluate the institution's capacity to continue trading and to supply, where applicable, information about continuation as a going concern, and to apply the going concern basis of accounting, except if the Board of Directors intends to put the institution into liquidation or to cease trading, or if there is no other realistic alternative solution available to it.

It is incumbent upon the Board of Directors to monitor the process of preparing the bank's financial information.

1.4 RESPONSIBILITIES OF THE EXTERNAL AUDITORS RELATIVE TO THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance that the annual financial statements, taken as a whole, do not contain material misstatements, whether these result from fraud or from error, and to issue an audit report containing our opinion.

Reasonable assurance corresponds to a high level of assurance. However, this does not guarantee that an audit performed to ISA standards will always enable any material misstatement that exists to be detected. Misstatements may result from fraud or from error and are considered material when it is reasonable to expect that, taken individually or combined, they may influence economic decisions that the users of the annual financial statements take based upon them.

Our responsibilities relative to the audit of the annual financial statements are described in more detail in Appendix 1 to this external auditor's report.

2. SPECIFIC STATUTORY CHECKS AND OTHER INFORMATION

2.1 SPECIFIC CHECKS REQUIRED UNDER CENTRAL BANK OF CONGO INSTRUCTION NO. 19

As part of our audit, we have carried out the specific checks required under Central Bank of Congo Instruction no. 19. Our assessment covered:

- the organisation and governance of the bank and the quality of its identification, measurement, monitoring, control and risk reduction arrangements;
- the adequacy and performance of the internal control system;
- the bank's compliance;
- the arrangements for combating money laundering, terrorist financing and proliferation, as well as for IT security;
- the management and control of risks inherent in the outsourcing of key services.

These checks revealed that the Bank has a control system that enables it to identify, measure and control the key risks to which it is exposed, and that this system is supported by an information system for processing its transactions.

All investigations, conclusions and recommendations relating to the strengthening of compliance with Central Bank of Congo instructions and directives will be provided to the Bank's Senior Management and to the Central Bank of Congo in a separate report, pursuant to Article 11 of Instruction no. 19 of 14 May 2019.

2.2 SPECIFIC CHECKS OF OTHER INFORMATION

Responsibility for other information rests with the Board of Directors. Other information comprises information contained in the management report.

Our opinion on the annual financial statements does not extend to the other information. We give no form of assurance whatsoever about such information.

As external auditor, it is our responsibility to carry out the specific checks required by law and, having done so, to check that the information provided in the Annual Report of the Board of Directors, and in the documents provided to shareholders concerning the company's situation and annual financial statements, is truthful and consistent with the annual financial statements, and to check that such information, in all material aspects, complies with certain legal and regulatory obligations. It is also our responsibility to read the other information and to determine whether there are any material inconsistencies between such information and the annual financial statements or the evidence we obtained during our audit, and whether the other information contains any material misstatements. We are required to report on any material misstatements that we may find when carrying out these specific checks or examining the other information.

We have nothing to report in this respect.

The external auditor, PricewaterhouseCoopers RDC SAS,
represented by Jean Jacques Mukula, certified public accountant approved by ONEC, EC/16.000351

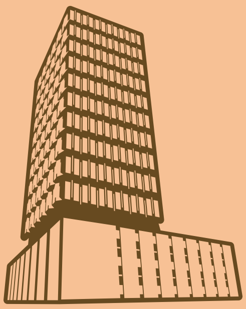
CHAPTER 4
EQUITYBCDC'S NETWORKS

NETWORK OF CORRESPONDENT BANKS

At end-2022, EquityBCDC had ten correspondent banks.

BRANCH NETWORK IN THE DRC

EquityBCDC expanded its branch network and developed a range of alternative channels, including EquityBCDC Express, a network of 16,535 banking agents, plus innovative digital products such as USSD (*420#), EazzyTelegram, an online banking platform, a mobile app for retail clients, and a web app that lets SMEs do their banking remotely.



HEAD OFFICE
Boulevard du 30 juin
BP 2798 - KINSHASA 1
mail@equitybcdc.cd
Tel. +243 818 302 700

Lines open 8:30 a.m. to 4:00 p.m. Monday to Friday, and 8:00 a.m. to 12 noon Saturday

WEST REGION

KINSHASA

30 Juin Huilerie Branch	Tel. 850081882
Brikin Branch	Tel. 829782226
Commerce Branch	Tel. 827873114
Delvaux Branch	Tel. 825243756
Aviateurs Branch	Tel. 818308685
Fleuve Congo Branch	Tel. 818308724
Gambela Branch	Tel. 829782220
Gare centrale Branch	Tel. 829782155
Head office Branch	Tel. 811027762
Joli parc Branch	Tel. 821398346
Kinkole Branch	Tel. 821918923
Kinmaziere Branch	Tel. 818302561
Kintambo Branch	Tel. 818302542
Limete 7e Rue Branch	Tel. 818302670
Limete Pl. Commerciale Branch	Tel. 818302493
Lukusa Branch	Tel. 829782174
Macampagne Branch	Tel. 818302552
Masina Pascal Branch	Tel. 829782218
Masina sans fil Branch	Tel. 829782208
Matadi Kibala Branch	Tel. 818302477
Matonge Branch	Tel. 817116425
Memling Branch	Tel. 829782200

Mondjiba Branch	Tel. 822001311
Monishop Branch	Tel. 818302528
Ngaba Branch	Tel. 817109670
Oasis Branch	Tel. 825829936
Paix Branch	Tel. 818302672
Pigeon Branch	Tel. 817109675
Poste Branch	Tel. 818308700
Rond-point Huilerie Branch	Tel. 818302515
Rond-point Victoire Branch	Tel. 818308660
Rotana Branch	Tel. 823785339
Royal Branch	Tel. 817113456
Saio Branch	Tel. 818302680
UCC Mont Ngafula Branch	Tel. 826354203
Unikin Branch	Tel. 817097951
Cilu Local desk	
SN Brussels Local desk	
Snel Local desk 1	
Snel Local desk 2	
Bralima Local desk	

KONGO CENTRAL

Boma Branch	Tel. 830305047
Inga Branch	Tel. 821429107
Kimpese Branch	Tel. 831473290
Lufu Branch	Tel. 812530097
Lukala Branch	Tel. 827767142
Matadi Branch	Tel. 818302460
Matadi Port Branch	Tel. 829782118
Matadi Port 2 Branch	Tel. 829782185
Mavungu Branch	Tel. 818302676
Mbanzangungu Branch	Tel. 818308735
Ami Congo Local desk	

SOUTH REGION

HAUT-KATANGA

Carrefour Branch	Tel. 817808062
Golf Branch	Tel. 818787380
Kambove Branch	Tel. 831404786
Kasumbalesa Branch	Tel. 829782250
Kicc Branch	Tel. 816211247
Lakenya Branch	Tel. 821918932
Likasi Branch	Tel. 815435455
Likasi Centre-ville Branch	Tel. 829782240
Lubumbashi - Katanga Branch	Tel. 818302563
Lubumbashi Centre-ville Branch	Tel. 818302707
Manika Branch	Tel. 831480256
Plage Branch	Tel. 817808067
Révolution Branch	Tel. 818302485
Bralima Local desk - Lubumbashi	
Brassimba Local desk 1	
Brassimba Local desk 2	
Centre des Visas Afrique du Sud Local desk	
C.S. Bisounours Local desk	
C.S. Galaxis Local desk	
Congo Airways Local desk 1	
Congo Airways Local desk 2	
Congo Équipement Local desk Local desk	
Connex Africa Local desk	
Institut Salama Local desk	
ISC Lubumbashi Local desk	
ISES Local desk	
ISP Lubumbashi Local desk	
ISTL Local desk	
Université de Lubumbashi Local desk	

LUALABA

Kolwezi Branch	Tel. 818308737
Bissipi	Tel. 818308672
Lukala Dilala Branch	Tel. 818302498
Connex Africa Kolwezi Local desk	
Mairie de Kolwezi Local desk	
Bralima Local desk - Kolwezi	
Mulykap Local desk	
Groupe SIL Local desk	

EAST REGION

NORD KIVU

Beni Branch	Tel. 813135608
Butembo Branch	Tel. 810273695
Goma Branch	Tel. 825483241
Les Volcans Branch	Tel. 825483241
Serena Local desk	Tel. 825483241

SUD KIVU

Bukavu Branch	Tel. 829782223
Lumumba Branch	Tel. 818302613
DGI Local desk	Tel. 818302613
Katana Local desk	Tel. 818302613

TSHOPO

Kisangani Branch	Tel. 818302584
Makiso Branch	Tel. 812026066
Bralima Local desk	Tel. 818302584
Congo Airways Local desk	Tel. 818302584

ITURI

Bunia Branch	Tel. 818944557
DGRPI Local desk	Tel. 818944557

HAUT-UELE

Aru Branch	Tel. 812370557
Durba Branch	Tel. 818302628
Isiro Branch	Tel. 818302526
Kibali Local desk	Tel. 818302628

CENTRAL REGION

KASAÏ-CENTRAL

Kananga Branch	Tel. 243 821 834 262

KASAÏ

Tshikapa Branch	Tel. 243 818 302 551

KASAÏ-ORIENTAL

Mbuji Mayi Branch	Tel. 243 818 302 709

DEDICATED Western Union BRANCHES

EquityBCDC Assossa	Assossa 2345 C/Kasavubu	Tel. 817116385
EquityBCDC Bandal	Kasavubu 68 C/Bandal	Tel. 817116395
EquityBCDC Kalina	Rép. du Tchad 5d Hôtel Memling	Tel. 817061635
EquityBCDC Kimbondo	Kimbondo 613 C/Bandal	Tel. 815393265
EquityBCDC Kingasani	Boulevard Lumumba n° 44	Tel. 816069019
EquityBCDC Liberte	Dibaya 28/Tshangu	Tel. 817006364
EquityBCDC Lubumbashi	Mwepu 285 C/Lubumbashi	
EquityBCDC Matete	Mongo 33 F Bis C/Matete	Tel. 817116372
EquityBCDC Ndjili	College Lumumba 2566 C/Djili	Tel. 817116418
EquityBCDC Ozone	Nguma 18 Ozone C/Ngaliema	Tel. 817116414
EquityBCDC Pascal	Av. Collège Lumumba 2566	Tel. 829782168
EquityBCDC Head office	Boulevard du 30 Juin 15 C/Gombe	Tel. 817116401
EquityBCDC Terminus	Kivi 6529 Terminus C/Banda	Tel. 817116393

EQUITY BCDC 1909

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