



Summary directors’ remuneration report

For the year ended	31 December 2018	31 December 2017
	Shs’ 000	Shs’ 000
Aggregate directors’ emoluments	121,968	130,774

Summary consolidated statement of profit or loss

For the year ended	31 December 2018	31 December 2017
	Shs’ millions	Shs’ millions
Net interest income	41,422	37,569
Net fee and commission income	15,271	16,342
Other income	6,820	7,596
Credit impairment losses	(2,936)	(2,716)
Net operating income	60,577	58,791
Operating expenses	(32,114)	(31,909)
Profit before income tax	28,463	26,882
Income tax expense	(8,639)	(7,964)
Profit for the year	19,824	18,918

Summary consolidated statement of other comprehensive income

For the year ended	31 December 2018	31 December 2017
	Shs’ millions	Shs’ millions
Profit for the year	19,824	18,918
Other comprehensive income:		
Fair Value (losses)/gains on investments in financial instruments measured at FVOCI, net of tax	(634)	1,297
Exchange differences on translation of foreign operations	(1,035)	(1,502)
Other comprehensive income for the year	(1,669)	(205)
Total comprehensive income for the year, net of tax	18,155	18,713
Earnings per share (basic and diluted) (Shs)	5.25	5.00

Summary consolidated statement of financial position

As at	31 December 2018	31 December 2017
	Shs’ millions	Shs’ millions
Assets		
Cash, deposits and balances due from financial institutions	74,619	79,621
Derivative financial asset	225	253
Investment securities	160,952	128,002
Due from related parties	24	449
Current income tax	632	2,193
Loans and advances to customers	297,227	279,092
Other assets	12,395	10,631
Property and equipment	10,276	10,865
Intangible assets	10,466	10,099
Deferred income tax	6,117	2,706
Prepaid leases	451	554
Total assets	573,384	524,465
Liabilities		
Deposits from customers	422,758	373,143
Borrowed funds	45,101	47,873
Other liabilities	10,343	9,832
Current income tax	185	411
Deferred income tax	40	64
Total liabilities	478,427	431,323
Equity		
Share capital	1,887	1,887
Share premium	16,063	16,063
Retained earnings and other reserves	76,124	74,442
Equity attributable to owners of the company	94,074	92,392
Non-controlling interests	883	750
Total equity	94,957	93,142
Total equity and liabilities	573,384	524,465

Summary consolidated statement of changes in equity

	Share capital	Share premium	Revenue and other reserves	Total	Non-controlling interests	Total equity
	Shs’ millions	Shs’ millions	Shs’ millions	Shs’ millions	Shs’ millions	Shs’ millions
Year ended 31 December 2018						
At start of period	1,887	16,063	74,442	92,392	750	93,142
Changes on initial application of IFRS 9, net of tax	-	-	(8,809)	(8,809)	-	(8,809)
Changes on initial application of IFRS 15, net of tax	-	-	16	16	-	16
Profit for the year	-	-	19,691	19,691	133	19,824
Other comprehensive income	-	-	(1,669)	(1,669)	-	(1,669)
Final 2017 dividend declared and paid	-	-	(7,547)	(7,547)	-	(7,547)
At end of year	1,887	16,063	76,124	94,074	883	94,957
Year ended 31 December 2017						
At start of year	1,887	16,063	63,325	81,275	701	81,976
Profit for the year	-	-	18,869	18,869	49	18,918
Other comprehensive income	-	-	(205)	(205)	-	(205)
Final 2016 dividend declared and paid	-	-	(7,547)	(7,547)	-	(7,547)
At end of year	1,887	16,063	74,442	92,392	750	93,142


Summary consolidated statement of cash flows


For the year ended	31 December 2018	31 December 2017
	Shs’ millions	Shs’ millions
Cash generated from operations	50,499	60,824
Income taxes paid	(6,723)	(9,852)
Net cash generated from operating activities	43,776	50,972
Net cash used in investing activities	(38,775)	(29,870)
Net cash used in financing activities	(13,010)	(8,053)
Net (decrease)/increase in cash and cash equivalents	(8,009)	13,049
At start of period	68,582	55,533
At end of period	60,573	68,582

Key audit matter:

Credit impairment allowances on financial assets including off-balance sheet exposures.

The above financial statements are extracts from the records of the Group. They were approved for issue by the Board of Directors on 25 March 2019 and signed on its behalf by:


Dr. James Njuguna Mwangi
Group Managing Director & CEO


Dr. Peter Kahara Munga
Group Chairman

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

Opinion

We have audited the summary financial statements of Equity Group Holdings Plc, which comprise the summary consolidated statement of financial position at 31 December 2018 and the summary consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended which are derived from the audited financial statements of Equity Group Holdings Plc and its subsidiaries (together, the “Group”) for the year ended 31 December 2018. The Group’s financial statements are prepared in accordance with International Financial Reporting Standards and the Kenyan Companies Act, 2015.

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

The summary directors’ remuneration report is derived from the directors’ remuneration report for the year ended 31 December 2018.

Summary financial statements and directors’ remuneration report

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

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

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our audit report dated 29 March 2019 and also confirmed that the auditable part of the directors’ remuneration report was prepared in accordance with the Kenyan Companies Act, 2015. That audit report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

Directors’ responsibility for the summary financial statements

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

Auditor’s responsibility

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

Certified Public Accountants,
Nairobi

29 March 2019

FCPA Richard Njoroge, Practising certificate No. 1244
Signing partner responsible for the independent audit