EQUITY GROUP HOLDINGS PLC UN-AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDER	31 ST MARCH 2018
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			ank (Kenya) Lir BANK			COMPANY		Holdings Plc	GROUP	
	STATEMENT OF FINANCIAL POSITION AS AT	31st Mar	31st Dec	31st Mar	31st Mar	31st Dec	31st Mar	31st Mar	31st Dec	31st Mar
Α.	ASSETS	2017 Shs. '000' (Un-Audited)	2017 Shs. '000' (Audited)	2018 Shs. '000' (Un-Audited)	2017 Shs. '000' (Un-Audited)	2017 Shs. '000' (Audited)	2018 Shs. '000' (Un-Audited)	2017 Shs. '000' (Un-Audited)	2017 Shs. '000' (Audited)	2018 Shs. '000' (Un-Audited)
1. 2. 3.	Cash (both local & foreign) Balances due from Central Bank of Kenya	7,478,172 14,744,284	8,817,113 15,635,640	8,527,912 12,149,433	8,090,385	8,318,168	8,343,784	15,926,537 14,744,284	11,039,112 15,635,640	18,600,402 12,149,433
3. 4. 5.	Kenya Government and other securities held for dealing purposes Financial assets at fair value through profit and loss	105,406,209	-	-	-	-	-	-	-	- 150,181,142
э.	Investment securities: a) Held to Maturity: a. Kenya Government securities	19,747,214 17,544,224	20,350,034 18,347,044	138,943,824 17,454,621 15,451,631	-	-	-	112,988,818 22,142,487 17,544,224	20,699,626 18,347,044	18,312,256 15,451,631
	b. Other securities b) Available for sale:	2,202,991 85,658,995	2,002,991 95,099,157	2,002,991 121,489,203	1	1	-	4,598,264 90,846,331	2,352,582 107,302,149	2,860,626 131,868,885
,	a. Kenya Government securities b. Other securities	85,658,995	88,132,192 6,966,965	106,906,526 14,582,677	-	-	-	85,658,995 5,187,336	88,132,192 19,169,957	106,906,526 24,962,359
6. 7. 8.	Deposits and balances due from local banking institutions Deposits and balances due from banking institutions abroad Tax recoverable	2,800,000 23,499,047	9,508,240 14,556,710 2,065,436	989,800 7,836,827 56,744	- 7,807	-	-	3,231,033 38,791,085 119,698	9,508,240 43,437,650 2,193,237	5,609,181 31,418,931 130,369
9. 10.	Loans and advances to customers (net) Balances due from group companies	208,356,659 3,335,342	214,484,733 4,121,975	206,862,953 3,478,167	613,125	312,764	- 429,735	261,899,197 480,428	279,091,669 449,019	271,075,482
11. 12.	Investments in associates Investments in subsidiary companies	-	-	-	64,721,117	65,760,617	65,760,617			-
13. 14. 15.	Investments in joint ventures Investment properties Property and equipment	- 8,494 7,044,139	- 8,494 6,004,819	- 8,494 5,527,805	-	-	-	- 8,494 13,345,923	- 8,494 10,865,247	- 8,494 10,798,446
16. 17.	Prepaid lease rentals Intangible assets	3,941 5,547,427	6,366,242	3,687 6,333,477	-	-	-	87,219 6,316,484	554,718 6,996,028	138,566 6,921,863
18. 19.	Deferred tax asset Retirement benefit asset	2,938,970	2,413,059	2,413,059	-	-	-	3,241,681	2,706,182	2,690,008
20. 21.	Other assets TOTAL ASSETS	12,700,961 393,863,646	6,967,136 406,402,486	9,049,545 402,181,727	153,622 73,586,056	74,391,550	74,534,135	20,972,586 492,153,465	13,978,734 524,465,745	18,058,423 527,780,738
B. 22.	LIABILITIES Balances due to Central Bank of Kenya	-	-		-	-	-		-	
23. 24. 25.	Customer deposits Deposits and balances due to Local banking institutions	288,006,775	298,702,851	301,623,121 -	-	-	-	347,514,400	373,143,247	382,422,176 -
26. 27. 28.	Deposits and balances due to Foreign banking institutions Other money market deposits Borrowed funds	42,679,794	39,494,907	1,194,848 37,690,150	-	-	-	1,767,622 1,313,655 44,480,018	1,735,822 46,137,632	3,600,896 45,309,531
28. 29.	Balances due to group companies Tax payable	2,073,020	199,394	259,760	2,584,265	2,667,097 3,304	2,700,087 36,280	2,397,632 7,547,350	411,712	101,114 581,678
29. 30. 31. 32.	Dividends payable. Deferred tax liability	-	-	-	7,547,350	-	7,547,350 -	7,547,350 155,838	64,374	7,547,350 62,463
32. 33. 34.	Retirement benefit liability Other liabilities TOTAL LIABILITIES	4.837.009 337,596,599	6.098.943	2,885,453 343,653,331	748 10,132,363	258,847 2,929,248	258,846 10,542,562	7.537.612 412,714,127	9.830.022	6,032,678 445,657,886
C.	SHAREHOLDERS' FUNDS									
35. 36. 37.	Paid up / assigned capital Share premium / (discount) Revaluation reserve	30,000,000 9,964,132 (965,096)	30,000,000 9,964,132 441,394	30,000,000 9,964,132 958,103	1,886,837 16,062,607	1,886,837 16,062,607	1,886,837 16,062,607	1,886,837 16,062,607 (6,891,531)	1,886,837 16,062,606 (7,255,865)	1,886,837 16,062,607 (6,449,649)
38. 39	Retained earnings / accumulated losses Statutory loan loss reserve	15,389,335 1,878,677	19,233,437 2,267,428	17,606,162	45,504,249	45,965,507	46,042,129	(6,891,531) 65,382,778 2,280,654	71,535,063 2,617,569	69,848,854
40. 41.	Other reserves Proposed dividends	-		-	1	7,547,350	-	-	7,547,350	-
42. 43.	Non controlling interests TOTAL SHAREHOLDERS' FUNDS	56,267,047	61,906,391	58,528,396	63,453,693	71,462,301	- 63,991,573	717,994 79,439,339	749,375 93,142,935	774,203 82,122,852
44.	TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	393,863,646	406,402,486	402,181,727	73,586,056	74,391,550	74,534,135	492,153,466	524,465,745	527,780,738
1.	STATEMENT OF COMPREHENSIVE INCOME INTEREST INCOME									
1.1	Loans and advances Government securities	6,072,495 2,724,759	24,976,130 12,214,987	6,166,360 3,396,659	-	-	-	8,191,847 2,964,984	33,880,635 13,393,880	8,762,894 3,704,968
1.3 1.4	Deposits and placements with banking institutions <u>Other interest Income</u>	151,077 25,243	505,429 99,115	83,905 19,922	152,855	229,458	138,521 -	258,056 50,160	916,204 219,752	180,767 19,922
1.5 2.	Total interest income INTEREST EXPENSES	8,973,574	37,795,663	9,666,846	152,855	229,458	138,521	11,465,047	48,410,471	12,668,551
2.1 2.2 2.3	Customer deposits Deposits and placements from banking institutions	1,520,483 10,490 485,345	6,488,314 78,808 1,966,789	1,729,686 7,658 475,015	-	-	-	2,021,029 48,646 509,416	8,075,892 346,274 2,418,697	2,360,981 75,629 414,350
2.4	Other Interest expense Total interest expenses WET INTERECT INCOME	2,016,318	8,533,911 29,261,752	2,212,359 7,454,487	- 152,855	229,458	- - 138,521	2,579,091	10,840,862	2,850,960
3. 4.	NET INTEREST INCOME NON-INTEREST INCOME	6,957,257			152,655	227,430	136,521	8,885,956	37,569,609	9,817,591
4.1	Fees and commissions income on loans & advances Other fees and commissions income	1,240,213 2,378,571	5,251,307 9,432,345	1,294,085 2,255,531	-	-	-	1,377,130 3,107,974	5,914,035 13,365,790	1,476,157 3,177,040
4.3 4.4 4.5	Foreign exchange trading income Dividend income Other income	587,125 - 172,517	2,194,774 - 1,586,824	429,072 - 394,426	-	- 8,300,000 28,771	- - 8.670	916,587 - 931,604	4,110,964 - 4,200,910	669,854 - 1,392,594
4.6 5.	Total non-interest income TOTAL OPERATING INCOME	4,378,426 11,335,682	18,465,251 47,727,003	4,373,114 11,827,601	- 152,855	8,328,771 8,558,229	8,670 147,191	6,333,295 15,219,252	27,591,699 65,161,308	6,715,645 16,533,236
6.	OPERATING EXPENSES									
6.1 6.2	Loan loss provision Staff costs	630,652 1,636,535 2,777	2,333,386 7,814,102	110,660 1,718,778	-	-	-	796,900 2,472,447	3,431,331 11,475,853	358,588 2,608,924
6.3 6.4 6.5	Directors' emoluments Rental charges Depreciation on property and equipment	326,950 678,137	13,953 1,318,736 2,607,468	2,938 338,886 565,744	2,033	27,799	6,360 -	12,660 593,290 931,828	68,888 2,170,945 3,540,729	18,745 622,287 843,767
6.6 6.7	Amortisation charges Other operating expenses	185,677 2,010,361	812,976 9,740,538	236,375 2.158.582	36,922	329,878	31,234	218,420 3,292,925	1,280,987	275,281 3.478,774
6.8 7.0	Total operating expenses Profit/(loss) before tax and exceptional items	5,471,089 5,864,593	24,641,160 23,085,843	5,131,962 6,695,639	38,955 113,900	357,677 8,200,552	37,595 109,596	8,318,470 6,900,782	38,278,885 26,882,423	8,206,367 8,326,868
8.0 9.0	Exceptional items-share of profit of associate Profit/(loss) after exceptional items	5,864,593	23,085,843	6,695,639	113,900	8,200,552	109,596	6,900,782	26,882,423	8,326,868
10. 11.	Current tax Deferred tax	(1,759,378)	[6,411,033] [<u>336,742]</u>	(2,008,692)	(34,170)	(76,969)	(32,879)	(2,050,660)	[7,712,627] [251,744]	(2,422,132)
12. 12.1 13.	Profit / (loss) after tax and exceptional items Minority Interest Profit / (loss) after tax and exceptional items and minority interest	4,105,215	16,338,068	4,686,947	79,730	8,123,582	76,717 - 76,717	4,850,122 17,461 4,832,661	18,918,051 48,842 18,869,209	5,904,736 36,921 5,867,815
14.	Other comprehensive income	4,103,213	10,330,000	4,000,747	77,750	0,120,002	70,717	4,032,001	10,007,207	3,007,013
14.1 14.2	Gains/(losses) from translating the financial statements of foreign operations Fair value changes in available for sale financial assets	- (179,207)	- 1,227,284	- 516,708	-	-	-	340,443 (180,972)	(1,502,098) 1,297,235	217,526 588,689
14.3 14.4	Revaluation surplus on property, plant and equipment	-	-	-	-	-	-	-	-	-
14.4 14.5 15.	Share of other comprehensive income of associates Income tax relating to components of other comprehensive income Other comprehensive income for the year net of tax	(179,207)	1,227,284	516,708	-			159,471	(204,863)	806,215
16.	Total comprehensive income for the year	3,926,008	17,565,352	5,203,655	79,730	8,123,582	76,717	4,992,132	18,664,346	6,674,030
	EARNINGS PER SHARE- BASIC & DILUTED DIVIDEND PER SHARE -DECLARED	136.84	544.60 333.33	156.23	0.02	2.15 2.00	0.02	1.28	5.00 2.00	1.55
			000.00	1		2.00	-		2.00	-
1)	OTHER DISCLOSURES NON PERFORMING LOANS AND ADVANCES									
a) b)	Gross non performing loans and advances Less interest in suspense	15,355,068 2,081,336	14,757,622 2,218,181	14,548,854 2,297,416	-		-	19,509,295 2,333,688	17,984,680	18,109,172 2,596,101
c) d) e)	Total non-performing loans and advances (a-b) Less loan loss provision Net non- performing loans [c-d]	13,273,732 5.647,521 7,626,211	12,539,442 4,994,773 7,544,668	12,251,438 4,795,621 7,455,817	-		-	17,175,607 7.069.507 10.106.100	15,442,413 6.509,901 8,932,512	15,513,071 6.198.682 9,314,390
e) f] g)	Net non- performing loans (c-d) Discounted value of securities Net NPLs exposure (e-f)	7,626,211 6,649,306 976,904	7,544,668 7,544,668	7,455,817 7,455,817				10,106,100 9,105,049 1,001,051	8,932,512 8,932,512 -	9,314,390 9,314,390 -
2)	INSIDER LOANS AND ADVANCES				-					2 572 001
a) b) c)	Directors, shareholders and associates Employees Total insider loans and advances and other facilities	2,886,735 4,895,253 7,781,988	3,199,639 4,568,199 7,767,838	3,512,692 4,618,257 8,130,949		-	-	2,980,280 5,865,634 8,845,914	3,243,982 5,662,202 8,906,184	3,572,021 5,726,414 9,298,435
3)	OFF BALANCE SHEET ITEMS	34,448,069	37,189,926	41,844,595			_	37,666,636	41,300,140	45,391,516
a) b) c)	Letter of credit, guarantees, acceptances Forwards,swaps and options Other contingent liabilities	19,702,640	37,189,926 16,308,703	41,844,595 19,223,894 -	-	-	-	20,734,024	41,300,140 17,136,211	45,391,516 20,739,197 -
d)	Total contingent liabilities	54,150,710	53,498,629	61,068,489	-		-	58,400,660	58,436,351	66,130,714
4) a) b)	CAPITAL STRENGTH Core capital Minimum statutory capital	53,300,859 1,000,000	59,197,568 1,000,000	55,226,820 1,000,000	-	-	-	80,924,622 4,173,124	87,572,831 4,173,124	84,845,929 4,173,124
c)	Minimum statutory capital Excess/ (deficiency) Supplementary capital	52,300,859	58,197,568	54,226,820	-	-	-	76,751,498	83,399,708	80,672,806
d) e) f)	Supplementary capital Total capital (a+d) Total risk weighted assets	3,446,417 56,747,276 358,841,053	2,704,894 61,902,462 374,209,300	316,487 55,543,307 383,326,845	-	-	-	3,848,395 84,773,016 418,802,658	3,055,035 90,627,866 444,102,519	316,487 85,162,417 454,511,423
	Ratios				-	-	-			
g) h) i)	Core capital / total deposit liabilities Minimum statutory ratio Excess / (deficiency) (g-h)	18.5% 10.5% 8.0%	19.8% 10.5% 9.3%	18.3% 10.5% 7.8%	-	-	-	23.2% 10.5% 12.7%	23.5% 10.5% 13.0%	22.2% 10.5% 11.7%
j) k]	Core capital / total risk weighted assets Minimum statutory ratio	14.9% 10.5%	15.8% 10.5%	14.4% 10.5%	-	-	-	19.3% 10.5%	19.7% 10.5%	18.7% 10.5%
() m)	Excess / (deficiency) (j-k) Total capital/ total risk weighted assets	4.4% 15.8%	5.3% 16.5%	3.9% 14.5%	-	1	:	8.8% 20.2%	9.2% 20.4%	8.2% 18.7%
n) 0)	Minimum statutory ratio Excess / (deficiency) (m-n)	14.5% 1.3%	14.5% 2.0%	14.5% 0.0%	-	-	1	14.5% 5.7%	14.5% 5.9%	14.5% 4.2%
(p) (q)	*Adjusted core capital / total deposit liabilities *Adjusted core capital / total risk weighted assets	-	:	20.4% 16.1%	-	:	-	Ξ.	-	24.0% 20.2%
(q) (r) 5)	Adjusted total capital / total risk weighted assets LIQUIDITY	-	-	16.2%	-	-	-	-	-	20.3%
	Liquidity ratio	53.2%	54.8% 20.0%	56.0%	-	-	-	50.6%	54.2%	55.2%
a) b] c)	Minimum statutory ratio Excess / (deficiency) (a-b)	20.0% 33.2%	34.8%	20.0% 36.0%	-		-	20.0% 30.6%	20.0% 34.2%	20.0% 35.2%

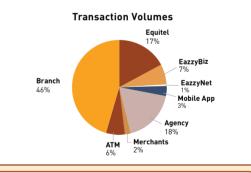






FINTECH INNOVATION & DIGITIZATION: 97% OF TRANSACTIONS OUTSIDE BRANCH, BRANCH HANDLING ONLY HIGH VALUE TRANSACTIONS Transaction Numbers Merchants 7%





*The adjusted capital ratios include the expected credit loss provisions added back to capital in line with the CBK guidance note issued in April 2018 on implementation of IFRS 9.

These financial statements are extracts from the books of the institution. The complete set of financial statements, statutory and qualitative disclosures can be accessed on the Institution's website www.equitybankgroup.com.

They may also be accessed at the institution's head office located at Equity Centre, 9th Floor, Hospital Road Upper Hill.



Dr. James Mwangi, CBS CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

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Signed

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Tel: +254763 063 0001 Famil: info@equitygroupholdings.com, www.equitybankgroup.com Equity Group Holdings Pic and Equity Bank (Kenya) Limited are regulated by the Central Bank of Kenya.

