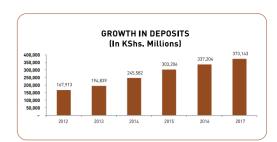
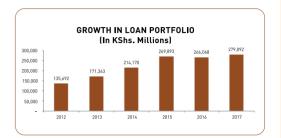
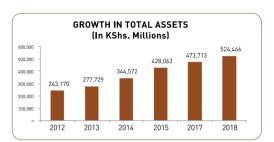
## **EQUITY GROUP HOLDINGS PLC** AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2017

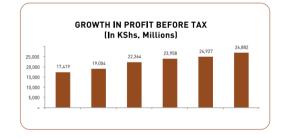


	EQUITY BANK (KENYA) LIMITED		EQUITY GROUP HOLDINGS PLC			
	BANK		COMPA		GROUF	
STATEMENT OF FINANCIAL POSITION AS AT	31 <sup>st</sup> Dec 2016 KShs. '000'	31st Dec 2017 Shs. '000'	31 <sup>st</sup> Dec 2016	31st Dec 2017 KShs. '000'	31# Dec 2016 KShs. '000'	31st De 201 KShs. '000
A. ASSETS 1. Cash (both local & foreign)	(Audited) 4,840,798	(Audited) 8,817,113	KShs. '000' (Audited) 8,012,137	(Audited) 8,318,168	(Audited) 11,854,456	(Audited 11,039,11
Balances due from Central Bank of Kenya     Kenya Government and other securities held for dealing purposes	11,537,111	15,635,640	· · -	· · -	11,537,111	15,635,64
4. Fináncial assets at fair value through profit and loss 5. Investment Securities: a) Held to Maturity:	93,097,439 21,655,268	115,449,191 20,350,034	-	-	100,588,954 26,291,502	128,001,77 20,699,62
a. Kenya Government securities b. Other securities	19,452,277 2,202,991	18,347,044 2,002,991	- -	<del>-</del> -	19,452,277 6,839,225	18,347,04 2,352,58 <b>107,302,14</b>
Available for Sale:     a. Kenya Government securities     b. Other securities	<b>71,442,171</b> 71,442,171	<b>95,099,157</b> 88,132,192 6,966,965	-	-	<b>74,297,451</b> 71,442,171 2,855,280	<b>107,302,14</b> 88,132,19 19, <u>1</u> 69,95
Deposits and balances due from local banking institutions     Deposits and balances due from banking institutions abroad     Tax recoverable	5,000,000 20,767,981	9,508,240 14,556,710	-	= = =	5,316,369 35,738,191	9,508,24 43,437,65 2,193,23
P. Loans and advances to customers (net)	213,805,548	2,065,436 214,484,733	7,807		150,494 266,068,089	279.091.66
Balances due from Group companies     I. Investments in associates     Investments in subsidiary companies	3,369,966	4,121,975	704,110 - 64,721,117	312,764 - 65,760,617	382,615	449,01
Investments in joint ventures     Investment properties	8,494	8,494	- 1,1-1,1-1		8,494	8,49
15. Property and equipment 16. Prepaid lease rentals 17. Intangible assets	7,334,622 3,953 5,606,711	6,004,819 3,698 6,366,242	-	= = = = = = = = = = = = = = = = = = = =	13,754,329 114,898 6,406,911	10,865,24 554,7 6,996,02
18. Deferred tax asset 19. Retirement benefit asset	2,938,970	2,413,059	-	- -	3,260,243	2,706,18
20. Other assets 21. TOTAL ASSETS	11,437,403 379,748,996	6,967,136 <b>406,402,486</b>	1,074 <b>73,446,245</b>	74,391,550	18,531,981 473,713,133	13,978,73 <b>524,465,7</b> 4
3. LIABILITIES 22. Balances due to Central Bank of Kenya 33. Customer deposits	=	-	-	-	<del>-</del>	
24. Deposits and balances due to local banking institutions	277,274,668 5,193	298,702,851	- -	- -	337,198,618 5,193	373,143,24
25. Deposits and balances due to foreign banking institutions 26. Other money market deposits 27. Borrowed funds	43,726,761	39,494,907	<u> </u>	= = = = = = = = = = = = = = = = = = = =	198,920 45,770,072	1,735,82 46,137,63
28. Balances due to Group companies 29. Tax payable	313,642	199,395	2,558,355	2,667,097 3,304	506,774	411,71
30. Dividerids payable 31. Deferred tax liability 32. Retirement benefit liability	-	-	-	- -	177,522	64,37
32. Retirement benefit liability 33. Other liabilities 3 <b>4. TOTAL LIABILITIES</b>	6,087,692 <b>327,407,956</b>	6,098,943 <b>344,496,096</b>	748 <b>2,559,103</b>	258,847 <b>2,929,248</b>	7,878,937 <b>391,736,037</b>	9,830,02 <b>431,322,8</b> 0
C. SHAREHOLDERS' FUNDS						
35. Paid up/Assigned capital 36. Share premium/(discount) 37. Revaluation reserve	30,000,000 9,964,132 (785,889)	30,000,000 9,964,132 441,394	1,886,837 16,062,607	1,886,837 16,062,607	1,886,837 16,062,607 (7,051,002)	1,886,83 16,062,60 (7,255,86
38. Retained earnings/Accumulated losses 39. Statutory loan loss reserve	11,284,120 1,878,677	19,233,437 2,267,428	45,390,349	45,965,507	60,550,117 2,280,654	71,535,06 2,617,56
40. Other reserves 41. Proposed dividends	i i i	1 1	7,547,350	7,547,350	7,547,350	7,547,35
42. Non-controlling interests 43. TOTAL SHAREHOLDERS' FUNDS	52,341,039 379,748,996	61,906,391	70,887,143	71,462,301	700,533 <b>81,977,096</b>	749,37 <b>93,142,9</b> 3
44. TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS STATEMENT OF COMPREHENSIVE INCOME	3/7,/48,776	406,402,486	73,446,245	74,391,550	473,713,133	524,465,74
I. INTEREST INCOME I. 1 Loans and advances	35,175,592	24.976.130	_	_	43 045 889	33,880,60
1.2 Government securities 1.3 Deposits and placements with banking institutions	6,699,995 1,002,446	12,214,987 505,429	68,754	229,458	43,065,889 7,882,239 538,904	13,393,88 916,20
1.4 Other Interest Income 1.5 Total Interest income	194,517 <b>43,072,550</b>	99,115 <b>37,795,663</b>	68,754	229,458	353,572 <b>51,840,604</b>	219,75 <b>48,410,47</b>
2. INTEREST EXPENSES 2.1 Customer deposits	6 115 253	6,488,314	_	_	7,883,466	8,075,89
2.2 Deposits and placements from banking institutions 2.3 Other interest expenses	6,115,253 60,970 1,836,594	78,808 1,966,789	- -	- -	220,719 1,922,526	346,27 2,418,69
2.4 Total Interest Expenses 3. NET INTEREST INCOME	8,012,818 35,059,732	8,533,911 29,261,752	68,754	229,458	10,026,712 41,813,893	10,840,86 37,569,60
4. NON-INTEREST INCOME	3,831,268	5 251 207			4,416,234	5,914,03
4.1 Fees and commissions income on loans & advances 4.2 Other fees and commissions income 4.3 Foreign exchange trading income	8,418,842 1,910,435	5,251,307 9,432,345 2,194,774	<u>-</u>	- - -	11,364,858 3,307,113	13,365,79 4,110,96
4.4 Dividend income 4.5 Other income	1,103,549	1,586,824	11,300,000 97,214 <b>11,397,214</b>	8,300,000 28,771	3,130,579	4,200,91
4.6 Total Non-Interest Income 5. TOTAL OPERATING INCOME	15,264,095 50,323,827	18,465,251 47,727,003	11,397,214 11,465,968	8,328,771 8,558,229	22,218,783 64,032,676	27,591,69 65,161,30
6. OPERATING EXPENSES 6.1 Loan loss provision 6.2 Staff costs	5,010,763	2,333,386 7,814,102	-	=	6,645,641 11,628,908	3,431,33
6.2 Staff costs 6.4 Staff costs 6.4 Rental charges	8,096,990 17,276 1,262,656	7,814,102 13,953 1,318,736	13,372	27,799	11,628,908 65,117 2,039,919 3,764,250	11,475,85 68,88
6.5 Depreciation on property and equipment	2.810.348	2.607.468		= = = = = = = = = = = = = = = = = = = =	3,764,250 974,707	2,170,94 3,540,72 1,280,98
6.6 Ammortisation charges 6.7 Other operating expenses 6.8 Total Operating Expenses	705,012 9,637,211 <b>27,546,255</b>	812,976 9,740,538 <b>24,641,160</b>	75,494 88,866	329,878 <b>357,677</b>	974,707 13,987,251 <b>39,105,794</b>	1,280,98 16,310,15 <b>38,278,88</b>
7.0 Profit/(loss) before tax and exceptional items 8.0 Exceptional items-share of profit of associate	22,777,572	23,085,843	11,377,102	8,200,552	24,926,883	26,882,42
9.0 Profit/(loss) after exceptional items 10. Current tax 11. Deferred tax	<b>22,777,572</b> (7,715,023) 155,686	23,085,843 [6,411,033] (336,742)	<b>11,377,102</b> 94,197	<b>8,200,552</b> (76,969)	<b>24,926,883</b> (8,582,349) 257,995	<b>26,882,42</b> (7,712,62° (251,74
11. Deferred tax 12. Profit/floss1 after tax and exceptional items 12.1 Minority interest	15,218,234	16,338,068	11,471,299	8,123,582	<b>16,602,529</b> 56,735	18,918,05 48,84
13. Profit/(loss) after tax and exceptional items and minority interest	15,218,234	16,338,068	11,471,299	8,123,582	16,545,794	18,869,20
14. OTHER COMPREHENSIVE INCOME 14.1 Gains/(Losses) from translating the financial statements of	-	-	-	-	99,102	(1,502,098
foreign operations 14.2 Fair value changes in available for sale financial assets	683,195	1,227,284	-	-	686,403	1,297,23
14.3 Revaluation surplus on property, plant and equipment 14.4 Share of other comprehensive income of associates 14.5 Income tax relating to components of other comprehensive income	Ē	3	<u> </u>	= = = = = = = = = = = = = = = = = = = =	Ē	
15. Other Comprehensive Income for the year Net of Tax	683,195	1,227,284	-		785,505	(204,863
16. Total Comprehensive Income for the year	15,901,429	17,565,352	11,471,299	8,123,582	17,331,299	18,713,18
EARNINGS PER SHARE - BASIC & DILUTED DIVIDEND PER SHARE - DECLARED	507.27 366.67	544.60 333.33	3.04 2.00	2.15 2.00	4.38 2.00	5.0 2.0
OTHER DISCLOSURES 1) NON-PERFORMING LOANS AND ADVANCES a  Gross non-performing loans and advances	15 457 320	14,757,622			18 754 022	17,984,68
Less interest in suspense  Total non-performing loans and advances (a-b)	15,457,320 1,816,643 <b>13,640,677</b>	2,218,181	-	-	18,754,023 2,036,824 <b>16,717,199</b>	2,542,26 <b>15,442,4</b> 1
c) total non-performing toans and advances (a-b) d) Less loan loss provision e) Net non-performing loans(c-d)	5,416,636 8,224,041	12,539,442 4,994,773 7,544,668	<u>-</u>	-	6,959,640 9,757,559	6,509,90 <b>8,932,5</b> 1
Discounted value of securities  Net NPLs Exposure (e-f)	7,296,995 <b>927,046</b>	7,904,969 (360,301)	<u>-</u>	-	8,829,046 <b>928,513</b>	9,283,67 (351,16
2) INSIDER LOANS AND ADVANCES						
a) Directors, shareholders and associates b) Employees	2,712,762 5,084,658	3,199,639 4,568,199	-	-	2,712,762 6,005,984	3,243,98 5,662,20
Total Insider Loans and Advances and other Facilities     OFF BALANCE SHEET ITEMS	7,797,420	7,767,838	-	-	8,718,747	8,906,18
a) Letter of Credit, Guarantees and Acceptances o) Forwards, Swaps and Options	32,733,625 7,749,424	37,189,926 16,308,703	- -	= =	36,086,740 7,749,424	41,300,14 17,136,2
c) Other contigent liabilities  1) Total Contigent Liabilities	40,483,049	53,498,629	- -	-	43,836,164	58,436,35
CAPITAL STRENGTH Core Capital		59 197 568	_		78.499.561	87.572.8
b) Minimum statutory capital c) Excess/(defficiency)	<b>51,248,255</b> 1,000,000 50,248,255	1,000,000 58,197,568	-		4,173,124 74,326,437	4,173,12 83,399,70
Supplementary capital     Total Capital (a+d)     Total Pick Weighbard Assets	3,846,788 55,095,043 356,087,595	2,704,894 <b>61,902,462</b>	-	-	4,248,766 <b>82,748,327</b>	3,055,0 90,627,8 444,102,5
i) Total Risk Weighted Assets Ratios		374,209,300	-	-	420,890,802	
-) Core Conital/Total Donosit Linkilities	<b>18.5%</b> 10.5% <b>8.0%</b>	19.8% 10.5% 9.3%	-	<del>-</del> -	<b>23.3%</b> 10.5% <b>12.8%</b>	<b>23.5</b> ′ 10.5 <b>13.0</b> ′
of explication of the development of the developmen	<b>14.4%</b> 10.5%	<b>15.8%</b> 10.5%	=	- - -	<b>18.7%</b> 10.5%	<b>19.7</b> ° 10.5°
m) Total Capital/ Total RISK Weighted Assets	3.9% 15.5%	5.3% 16.5%	Ξ	-	8.2% 19.7%	9.2
n) Minimum statutory ratio o) Excess/(defficiency) (m-n)	14.5% <b>1.0%</b>	14.5% <b>2.0%</b>	-	= =	14.5% <b>5.2%</b>	20.4 14.5 <b>5.9</b>
5) LIQUIDITY						
Liquidity Ratio   Minimum statutory ratio   Excess/(defficiency) (a-b)	<b>47.7%</b> 20.0%	<b>54.8%</b> 20.0%	-	-	<b>47.6%</b> 20.0%	<b>54.2</b> 20.0









## MESSAGE FROM THE DIRECTORS

The Directors recommend to the members at the forthcoming Annual General Meeting, the payment of a first and final dividend for the year ended 31st December, 2017 of KShs. 2.00 per ordinary share, payable on or about 31st May, 2018, net of withholding tax, to shareholders on the Register as at the close of business on 20st April, 2018.

Notice is hereby given that the Fourteenth (14th) Annual General Meeting of Equity Group Holdings PLC will be held on **Thursday**, 3rd **May**, 2018 at the Kenyatta International Convention Centre (KICC) Nairobi from 10.00 a.m.

These financial statements are extracts from the books of the institution as audited by PricewaterhouseCoopers. The same have received an unqualified opinion.

The complete set of audited 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  $9^{\rm th}$  floor, Hospital Road Upper Hill.





Signed

Signed

Dr. James Njuguna Mwangi

Dr. Peter Kahara Munga

CHIEF EXECUTIVE OFFICER

CHAIRMAN

AND MANAGING DIRECTOR