## **EQUITY GROUP HOLDINGS PLC** AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2018

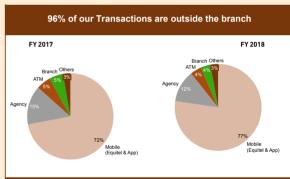
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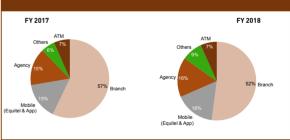
AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 315T								
			KENYA) LIMITED ANK	СОМ	EQUITY GROUP	GROU	JP	
	STATEMENT OF FINANCIAL POSITION	31st Dec 2017	31st Dec 2018	31st Dec 2017	2018	31st Dec 2017	31st Dec 2018	
А.	ASSETS	Shs. '000' (Audited)	Shs. '000' (Audited)	Shs. '000' (Audited)		Shs. '000' (Audited)	Shs. '000' (Audited)	
1. 2.	Cash (both local & foreign) Balances due from Central Bank of Kenya	8,817,113 15,635,640	8,580,005 23,148,790	8,318,168	7,674,725	11,039,112 15,635,640	19,846,917 23,148,790	45 40
3. 4. <b>5.</b>	Kenya Government and other securities held for dealing purposes Financial assets at fair value through profit and loss Investment securities:	115,449,191	150,769,440	-	-	128,001,775	160,952,084	35 30
a)	Held to maturity: a. Kenya Government securities	20,350,035 18,347,044	16,451,884 15,680,143	-	-	<b>20,699,626</b> 18,347,044	18,516,723 15,680,143	25 20
b)	b. Other securities Available for sale: a. Kenya Government securities	2,002,991 <b>95,099,157</b> 88,132,192	771,741 134,317,556 114,756,102	-	-	2,352,582 <b>107,302,149</b> 88,132,192	2,836,580 <b>142,435,361</b> 114,756,102	15
6.	b. Other securities Deposits and balances due from local banking institutions	6,966,965 9,508,240	19,561,454 2,000,000	1	-	19,169,957 9,508,240	27,679,259 5,209,182	
7. 8. 9.	Deposits and balances due from banking institutions abroad Tax recoverable Loans and advances to customers (net)	14,556,710 2,065,436 214,484,733	4,372,866 494,413 223,565,307	-	11,000	43,437,650 2,193,237 279,091,669	26,414,026 631,769 297,226,915	
10. 11. 12.	Balances due from group companies Investments in associates	4,121,975 -	454,990	312,765	94,902	449,019 -	24,176	_
13. 14.	Investments in subsidiary companies Investments in joint ventures Investment properties		-	65,760,617 - -	66,786,117 - -	8,494	-	
15. 16. 17.	Property and equipment Prepaid lease rentals Intangible assets	6,004,819 3,698 6,366,242	5,220,724 12,146 6,792,586	-	-	10,865,247 554,718 6,996,028	10,275,726 459,153 7,363,110	
17. 18. 19.	Retirement benefit asset	2,413,059	4,925,505	-	82,996	2,706,182	6,116,767	70
	Other assets TOTAL ASSETS	6,967,137 <b>406,402,487</b>	8,172,013 438,508,784	74,391,550	235,892 74,885,632	13,978,734 524,465,745	15,716,115 <b>573,384,730</b>	50
<b>B.</b> 22.	LIABILITIES Balances due to Central Bank of Kenya			-	-			40
23. 24. 25.	Customer deposits Deposits and balances due to local banking institutions Deposits and balances due to foreign banking institutions	298,702,851	341,622,656	-	-	373,143,247	422,758,486	20
26. 27.	Other money market deposits Borrowed funds	39,494,907	159,778 30,108,513	-	-	1,735,822 46,137,632	921,600 44,179,673	10
28. 29. 30.	Balances due to group companies Tax payable Dividends payable	199,394	194,526	2,667,097 3,304	422,538	411,712	184,608	
31. 32.	Deferred tax liability Retirement benefit liability	1	-	-	-	64,374	39,937	
34.	Other liabilities TOTAL LIABILITIES	<u>6,098,944</u> 344,496,096	5,836,742 377,922,215	258,848 2,929,249	2,824 425,362	9,830,022 431,322,809	10,342,701 478,427,005	[
C. 35.	SHAREHOLDERS' FUNDS Paid up / assigned capital	30,000,000	30,000,000	1,886,837	1,886,837	1,886,837	1,886,837	
37. 38.	Share premium / (discount) Revaluation reserve Retained earnings / accumulated losses	9,964,132 441,394 19,233,437	9,964,132 (203,144) 20,825,581	16,062,607 - 45,965,507	16,062,607 48,963,476	16,062,606 (7,255,865) 71,535,063	16,062,607 (8,924,180) 77,486,425	
39 40. 41.	Statutory loan loss reserve Other reserves Proposed dividends	2,267,428	-	- - 7,547,350	7,547,350	2,617,570 - 7,547,350	7,547,350	30
42.	Non controlling interests TOTAL SHAREHOLDERS' FUNDS	61,906,391	60,586,569	71,462,301	- 74,460,270	749,375 93,142,936	882,644 94,957,725	25
44.	TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	406,402,487	438,508,784	74,391,550	74,885,632	524,465,745	573,384,730	15
<b>1.</b> 1.1	STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME INTEREST INCOME Loans and advances	24,976,130	25,498,538			33,880,635	2/ /15 ///	10
1.2 1.3	Government securities Deposits and placements with banking institutions	12,214,987 505,429	15,188,784 170,028	229,458	212,145	13,393,880 916,204	36,415,466 16,301,265 429,354	
1.4 <b>1.5</b>	Other interest Income Total interest income	99,115 37,795,661	73,982 40,931,332	229,458	212,145	219,752 48,410,471	84,169 53,230,254	
<b>2.</b> 2.1	INTEREST EXPENSES Customer deposits Deposits and placements from banking institutions	6,488,314	6,806,737	-	-	8,075,892	9,426,897	
2.2 2.3 <b>2.4</b>	Other interest expense Total interest expenses	78,808 <u>1,966,789</u> <b>8,533,911</b>	65,306 2,053,313 <b>8,925,356</b>	-	-	346,273 2,418,697 <b>10,840,862</b>	531,279 <u>1,849,890</u> <b>11,808,066</b>	
3. 4.	NET INTEREST INCOME NON-INTEREST INCOME	29,261,750	32,005,976	229,458	212,145	37,569,609	41,422,188	-
	Fees and commissions income on loans & advances Other fees and commissions income Foreign exchange trading income	5,251,307 9,432,346 2,194,774	4,312,529 8,979,321 2,114,771	Ē	-	5,914,035 13,365,790 4,110,964	4,932,106 13,332,054	
4.4 4.5	Dividend income Other income	1,586,824 18,465,251	2,116,741 	8,300,000 28,771	10,450,000 43,574	4,200,910	3,308,959 - 4,288,255 <b>25,861,374</b>	_
4.6 5.	Total non-interest income TOTAL OPERATING INCOME	<u>18,465,251</u> 47,727,003	<u>17,365,585</u> 49,371,561	<u>8,328,771</u> 8,558,229	<u>10,493,574</u> 10,705,719	27,591,699 65,161,308	<u>25,861,374</u> 67,283,562	-
<b>6.</b> 6.1	OPERATING EXPENSES	2,333,386	1,668,120	-	35,032	3,431,331	3,713,521	Agenc
6.3	Staff costs Directors' emoluments Rental charges	7,814,102 13,953 1,318,736	7,665,307 15,668 1,428,285	27,799	29,851 25,455	11,475,853 68,888 2,170,945	11,455,559 88,234 2,256,594	
6.5 6.6	Depreciation on property and equipment Ammortisation charges	2,607,469 812,976 9,740,538	2,117,333 1,043,066 11,051,440			3,540,728 1,280,987 16,310,153	3,129,447 1,311,791	
6.7 6.8 7.0	Other operating expenses Total operating expenses Profit / (loss) before tax and exceptional items	24,641,160 23,085,843	24,989,219 24,382,342	329,878 357,677 8,200,552	140,580 10,565,139	38,278,885 26,882,423	16.865.467 38,820,612 28,462,950	-
8.0 <b>9.0</b>	Exceptional items-share of profit of associate Profit / (loss) after exceptional items Current tax	- 23,085,843 (6,411,033)	- 24,382,342 (6,610,661)	8,200,552	- <b>10,565,139</b> (100,570)	- 26,882,423 (7,712,627)	28,462,950	
11.	Deferred tax Profit / (loss) after tax and exceptional items	[336,742] 16,338,068	[968,791] 16,802,890	(76,970) 	82,350 10,546,919	(7,712,027) (251,744) 18,918,051	(7,916,977) (722,040) <b>19,823,933</b>	-
	Minority Interest Profit / (loss) after tax and exceptional items and minority interest			8,123,582	- 10,546,919	(48,842) 18,869,209	(133,270) <b>19,690,663</b>	-
	Other Comprehensive Income							-
14.1 14.2	Gains / (losses) from translating the financial statements of foreign operations Fair value changes in available for sale financial assets	- 1,227,284	(644,538)	-	-	(1,502,098) 1,297,235	(1,034,138) (634,176)	Ag
14.3 14.4	Revaluation surplus on property and equipment Share of other comprehensive income of associates	1	1	1	-	Ξ.	-	
15.	Income tax relating to components of other comprehensive income Other comprehensive income for the year net of tax Total comprehensive income for the year	- <u>1,227,284</u> 17,565,352			- - 10,546,919	- (204,863) 18,713,189	- (1,668,314) 18,155,619	
	EARNINGS PER SHARE- BASIC & DILUTED	544.60	560.10 333.33	2.15	2.79	5.00	5.25	- (Equitel
	DIVIDEND PER SHARE - DECLARED OTHER DISCOSURES	266.67	333.33	2.00	2.00	2.00	2.00	
1) a) b)	NON PERFORMING LOANS AND ADVANCES Gross non performing loans and advances	14,757,622 2,218,181	17,063,515	-	-	17,984,680 2,542,267	24,023,595	*The
<b>c)</b> d]	Less interest in suspense Total non-performing loans and advances (a-b) Less loan loss provision	<u>12,539,441</u> 4,994,773	2,390,649 14,672,866 5,069,742		-	15,442,413 6,509,901	2,929,014 21,094,581 8,426,493	to ca
e) f) g)	Net non- performing loans [c-d] Discounted value of securities Net NPLs exposure [e-f]	7,544,668	9,603,124 7,701,295 <b>1,901,829</b>		-	8,932,512 8,932,512	12,668,088 11,015,992 <b>1,652,096</b>	- Subje
2) a)	INSIDER LOANS AND ADVANCES Directors, shareholders and associates	3,199,639	3,039,011			3,243,982	3,157,420	Tueso at 10
b)	Total insider loans and advances and other facilities	4,568,199 7,767,838	4,909,083 7,948,094	<u> </u>	-	5,662,202 8,906,184	6,168,091 9,325,511	per e propo
<b>3)</b> a)	OFF BALANCE SHEET ITEMS Letter of credit, guarantees and acceptances	37,189,926	65,820,755	-	-	41,300,140	74,161,931	share The f
b) c) <b>d)</b>	Forwards,swaps and options Other contigent liabilities Total contigent liabilities	16,308,703 - - 53,498,629	17,122,239 - 		-	17,136,211 - 	17,129,231 	Price
4) a)	CAPITAL STRENGTH Core capital	59,197,568	55,864,207					the Ir
b) c)	Minimum statutory capital Excess / (defficiency)	1,000,000 <b>58,197,568</b>	1,000,000 <b>54,864,207</b>	-	-	87,572,831 4,173,124 83,399,708	78,669,208 4,173,124 <b>74,496,086</b>	Equit
d) e) f)	Supplementary capital Total capital (a+d) Total risk weighted assets	2,704,894 61,902,462 374,209,300	<b>55,864,207</b> 400,288,769	-	-	3,055,035 <b>90,627,866</b> 444,102,519	16,042 <b>78,685,250</b> 493,817,190	Centi
	RATIOS							
g) h) <b>i)</b>	Core capital / total deposit liabilities Minimum statutory ratio Excess / (deficiency) (g-h)	19.8% 8.0% <b>11.8%</b>	16.4% 8.0% <b>8.4%</b>		-	23.5% 8.0% <b>15.5%</b>	18.6% 8.0% <b>10.6%</b>	
j) k)	jore capital / total risk weighted assets Minimum statutory ratio	15.8% 10.5%	14.0% 10.5%		:	19.7% 10.5%	15.9% 10.5%	Signe
<b>l)</b> m) n)	Excess / (deficiency) (j-k) Total capital/ total risk weighted assets Minimum statutory ratio	<b>5.3%</b> 16.5% 14.5%	<b>3.5%</b> 14.0% 14.5%		-	<b>9.2%</b> 20.4% 14.5%	<b>5.4%</b> 15.9% 14.5%	CHIE
<b>o)</b> (p) (q)	Excess / (deficiency) (m-n) Adjusted core capital / total deposit liabilities* Adjusted core capital / total risk weighted assets*	2.0%	<b>-0.5%</b> 17.9%		:	<b>5.9%</b>	<b>1.4%</b> 20.2%	
(r)	Adjusted core capital / total risk weighted assets* Adjusted total capital / total risk weighted assets*	-	15.3% 15.3%	-	-	-	17.3% 17.3%	
a) b)	Liquidity Ratio Minimum statutory Ratio	54.8% 20.0%	57.9% 20.0%		<u>:</u>	54.2% 20.0%	54.1% 20.0%	
c)	Excess/(deficiencý) (a-b)	34.8%	37.9% Equity Centre, 9 <sup>th</sup> Floor • Ho	- spital Road, Upper Hill • Tel : Group Heldings PLC and Equ	+254 763 063 000 • Email: in	34.2% fo@equitygroupholdings.com,	34.1% www.equitygroupholdings.com	m











48% of our Transactions Value are outside the branch

e adjusted capital ratios include the expected credit loss provisions added back capital in line with the CBK guidance note issued in April 2018 on implementation FRS 9.

bject to approval of shareholders at the Annual General Meeting scheduled for esday 30th April, 2019 at the Kenyatta International Convention Centre (KICC), Nairobi 10am, the Directors have recommended a first and final dividend of Kshs. 2.00/= r each ordinary share of Kshs. 0.50/= for the year ended 31st December, 2018. The oposed dividend will be payable on or about 31st May, 2019, net of withholding tax to areholders on the register at the close of business on Friday, 26th April, 2019.

e financial statements are extracts from the books of the institution as audited by cewaterhouseCoopers. The same have received an unqualified opinion. The complete of financial statements, statutory and qualitative disclosures can be accessed on Institution's website www.equitybankgroup.com. They may also be accessed at the titution's head office located at Equity Centre, 9<sup>th</sup> floor, Hospital Road Upper Hill.

uity Bank (Kenya) Limited and Equity Group Holdings Plc are regulated by the ntral Bank of Kenva.



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ned: Dr James Mwangi IEF EXECUTIVE OFFICER AND MANAGING DIRECTOR Signed: Dr. Peter Munga CHAIRMAN



37.9% 34.2% Equity Centre, 9<sup>th</sup> Floor • Hospital Road, Upper Hill • Tel : +254 763 063 000 • Email: info@equitygroupholdings.com, www.equitygrouph Equity Group Holdings PLC and Equity Bank (Kenya) Limited are Regulated by the Central Bank of Kenya