

# EQUITY GROUP HOLDINGS PLC AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31<sup>ST</sup> DEC 2019



STATEMENT OF FINANCIAL POSITION AS AT	EQUITY BANK (KENYA) LIMITED		EQUITY GROUP HOLDINGS PLC				
	BANK	COMPANY	GROUP	31st Dec 2019		31st Dec 2018	
	2019	2018	2019	2018	2019	2018	2019
	Shs. '000' (Audited)	Shs. '000' (Audited)	Shs. '000' (Audited)	Shs. '000' (Audited)	Shs. '000' (Audited)	Shs. '000' (Audited)	Shs. '000' (Audited)
<b>A. ASSETS</b>							
1. Cash (both local & foreign)	8,580,005	10,294,829	7,674,725	12,693,971	19,846,917	25,499,983	22,299,710
2. Balances due from Central Bank of Kenya	23,148,790	22,299,710	-	-	23,148,790	-	-
3. Kenya Government and other securities held for dealing purposes	-	-	-	-	-	-	-
4. Financial assets at fair value through profit and loss	-	-	-	-	-	-	-
<b>5. Investment securities:</b>	<b>150,769,440</b>	<b>154,964,387</b>	-	-	<b>160,952,084</b>	<b>172,208,187</b>	<b>172,208,187</b>
a) Held to maturity:	<b>16,451,884</b>	<b>15,798,028</b>	-	-	<b>18,516,723</b>	<b>21,572,268</b>	<b>21,572,268</b>
a. Kenya Government securities	15,680,143	15,183,690	-	-	15,680,143	15,183,690	15,183,690
b. Other securities	771,741	614,338	-	-	2,836,580	3,388,578	3,388,578
b) Available for sale:	<b>134,317,556</b>	<b>139,166,359</b>	-	-	<b>142,435,361</b>	<b>150,635,919</b>	<b>150,635,919</b>
a. Kenya Government securities	114,756,102	123,389,271	-	-	114,756,102	123,389,271	123,389,271
b. Other securities	19,561,454	15,777,088	-	-	27,679,259	27,246,648	27,246,648
6. Deposits and balances due from local banking institutions	2,000,000	4,000,974	-	-	5,209,182	7,202,000	7,202,000
7. Deposits and balances due from banking institutions abroad	4,372,866	6,800,293	-	-	26,414,026	31,432,500	31,432,500
8. Tax recoverable	494,413	-	11,000	36,935	631,769	152,328	152,328
9. Loans and advances to customers (net)	223,565,307	276,863,043	-	-	297,226,915	366,440,456	366,440,456
10. Balances due from group companies	454,990	925,602	94,902	60,535	24,176	19,100	19,100
11. Investments in associates	-	-	-	-	-	-	-
12. Investments in subsidiary companies	-	-	66,786,117	66,786,117	-	-	-
13. Investments in joint ventures	-	-	-	-	-	-	-
14. Investment properties	-	-	-	-	-	-	-
15. Property and equipment	5,220,724	5,725,566	-	12,455	10,275,726	11,030,843	11,030,843
16. Prepaid lease rentals	12,146	-	-	-	459,153	-	-
17. Intangible assets	6,792,586	6,191,571	-	-	7,363,110	7,244,414	7,244,414
18. Deferred tax asset	4,925,505	5,064,277	82,996	84,481	6,116,767	6,491,884	6,491,884
19. Retirement benefit asset	-	-	-	-	-	-	-
20. Other assets	8,172,012	14,394,985	235,892	159,065	15,716,115	23,661,136	23,661,136
<b>21. TOTAL ASSETS</b>	<b>438,508,784</b>	<b>507,525,237</b>	<b>74,885,632</b>	<b>79,833,559</b>	<b>573,384,730</b>	<b>673,682,541</b>	<b>673,682,541</b>
<b>C. LIABILITIES</b>							
22. Balances due to Central Bank of Kenya	-	-	-	-	-	-	-
23. Customer deposits	341,622,656	380,603,583	-	-	422,758,486	482,752,134	482,752,134
24. Deposits and balances due to local banking institutions	-	-	-	-	-	-	-
25. Deposits and balances due to foreign banking institutions	-	-	-	-	-	-	-
26. Other money market deposits	159,778	534,216	-	-	921,600	113,414	113,414
27. Borrowed funds	30,108,513	41,542,934	-	-	44,179,873	56,600,944	56,600,944
28. Balances due to group companies	194,520	176,118	422,538	618,649	-	-	-
29. Tax payable	-	1,257,482	-	-	184,608	1,928,201	1,928,201
30. Dividends payable	-	-	-	-	-	-	-
31. Deferred tax liability	-	-	-	-	39,937	149,708	149,708
32. Retirement benefit liability	-	-	-	-	-	-	-
33. Other liabilities	5,836,742	13,496,534	2,824	38,511	10,342,701	20,361,475	20,361,475
<b>34. TOTAL LIABILITIES</b>	<b>377,922,215</b>	<b>437,610,867</b>	<b>425,362</b>	<b>657,160</b>	<b>478,427,005</b>	<b>561,905,876</b>	<b>561,905,876</b>
<b>C. SHAREHOLDERS' FUNDS</b>							
35. Paid up / assigned capital	30,000,000	30,000,000	1,886,837	1,886,837	1,886,837	1,886,837	1,886,837
36. Share premium / (discount)	9,964,132	9,964,132	16,062,607	16,062,607	16,062,607	16,062,607	16,062,607
37. Revaluation reserve	(203,144)	2,380,913	-	-	(8,924,180)	(7,118,600)	(7,118,600)
38. Retained earnings / accumulated losses	20,825,581	27,569,325	48,963,476	51,792,768	77,486,425	89,715,472	89,715,472
39. Statutory loan loss reserve	-	-	-	-	16,041	738,780	738,780
40. Other reserves	-	-	-	-	-	-	-
41. Proposed dividends	-	-	7,547,350	9,434,187	7,547,350	9,434,187	9,434,187
42. Non controlling interests	-	-	-	-	882,645	1,057,382	1,057,382
<b>43. TOTAL SHAREHOLDERS' FUNDS</b>	<b>60,586,569</b>	<b>69,914,370</b>	<b>74,460,270</b>	<b>79,176,399</b>	<b>94,957,725</b>	<b>111,776,665</b>	<b>111,776,665</b>
<b>44. TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>438,508,784</b>	<b>507,525,237</b>	<b>74,885,632</b>	<b>79,833,559</b>	<b>573,384,730</b>	<b>673,682,541</b>	<b>673,682,541</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>							
<b>1. INTEREST INCOME</b>							
1.1 Loans and advances	25,498,538	28,835,285	-	-	36,415,466	41,458,529	41,458,529
1.2 Government securities	15,188,782	15,188,672	-	-	16,301,212	16,872,322	16,872,322
1.3 Deposits and placements with banking institutions	170,028	799,441	212,145	181,752	429,354	1,201,517	1,201,517
1.4 Other interest income	73,982	190,439	-	-	84,169	190,439	190,439
<b>1.5 Total interest income</b>	<b>40,931,332</b>	<b>45,483,837</b>	<b>212,145</b>	<b>181,752</b>	<b>53,230,254</b>	<b>59,722,807</b>	<b>59,722,807</b>
<b>2. INTEREST EXPENSES</b>							
2.1 Customer deposits	6,806,737	7,908,835	-	-	9,426,897	11,072,280	11,072,280
2.2 Deposits and placements from banking institutions	65,306	139,496	-	-	531,279	698,524	698,524
2.3 Other interest expense	2,053,313	3,020,094	-	-	1,849,89	2,969,642	2,969,642
<b>2.4 Total interest expenses</b>	<b>8,925,356</b>	<b>11,068,425</b>	-	-	<b>11,808,066</b>	<b>14,740,446</b>	<b>14,740,446</b>
<b>3. NET INTEREST INCOME</b>	<b>32,005,976</b>	<b>34,415,412</b>	<b>212,145</b>	<b>181,752</b>	<b>41,422,188</b>	<b>44,982,361</b>	<b>44,982,361</b>
<b>4. NON-INTEREST INCOME</b>							
4.1 Fees and commissions income on loans & advances	4,312,529	5,017,215	-	-	4,932,106	5,596,635	5,596,635
4.2 Other fees and commissions income	8,979,321	10,371,202	-	-	13,332,054	15,608,742	15,608,742
4.3 Foreign exchange trading income	2,116,741	2,312,072	-	-	3,308,959	3,503,661	3,503,661
4.4 Dividend income	-	-	10,450,000	12,500,000	-	-	-
4.5 Other income	1,956,994	3,032,367	43,574	58,586	4,288,255	6,071,015	6,071,015
<b>4.6 Total non-interest income</b>	<b>17,365,585</b>	<b>20,732,856</b>	<b>10,493,574</b>	<b>12,558,586</b>	<b>25,861,374</b>	<b>30,780,053</b>	<b>30,780,053</b>
<b>5. TOTAL OPERATING INCOME</b>	<b>49,371,561</b>	<b>55,148,268</b>	<b>10,705,719</b>	<b>12,740,338</b>	<b>67,283,562</b>	<b>75,762,414</b>	<b>75,762,414</b>
<b>6. OPERATING EXPENSES</b>							
6.1 Loan loss provision	1,668,120	3,969,783	35,032	960	3,713,521	5,302,566	5,302,566
6.2 Staff costs	7,665,307	8,579,853	29,851	11,073	11,455,558	12,808,766	12,808,766
6.3 Directors' emoluments	15,668	18,865	25,455	75,631	88,234	143,460	143,460
6.4 Rental charges	1,428,285	180,994	-	2,058	2,256,594	425,178	425,178
6.5 Depreciation on property and equipment	2,117,333	2,918,655	-	354	3,129,447	4,754,343	4,754,343
6.6 Amortisation charges	1,043,066	1,111,474	-	-	1,311,791	1,266,816	1,266,816
6.7 Other operating expenses	11,051,440	12,394,979	50,242	320,014	16,865,467	19,583,855	19,583,855
<b>6.8 Total operating expenses</b>	<b>24,989,219</b>	<b>29,174,603</b>	<b>140,580</b>	<b>410,090</b>	<b>38,820,612</b>	<b>44,284,984</b>	<b>44,284,984</b>
<b>7.0 Profit / (loss) before tax and exceptional items</b>	<b>24,382,342</b>	<b>25,973,665</b>	<b>10,565,139</b>	<b>12,330,248</b>	<b>28,462,950</b>	<b>31,477,430</b>	<b>31,477,430</b>
8.0 Exceptional items - share of profit of associate	(8,610,661)	(8,476,145)	(100,570)	(68,255)	(7,919,977)	(10,023,375)	(10,023,375)
<b>9.0 Profit / (loss) after exceptional items</b>	<b>15,771,681</b>	<b>17,497,520</b>	<b>10,464,569</b>	<b>12,262,000</b>	<b>20,542,973</b>	<b>21,454,055</b>	<b>21,454,055</b>
10. Current tax	(968,791)	(1,246,224)	(82,350)	(1,485)	(722,000)	(1,106,659)	(1,106,659)
<b>12. Profit / (loss) after tax and exceptional items</b>	<b>14,802,890</b>	<b>16,251,296</b>	<b>10,382,219</b>	<b>10,760,515</b>	<b>19,820,973</b>	<b>20,347,396</b>	<b>20,347,396</b>
13.1 Minority Interest	-	-	-	-	(133,270)	(174,737)	(174,737)
<b>13. Profit / (loss) after tax and exceptional items and minority interest</b>	<b>14,802,890</b>	<b>16,251,296</b>	<b>10,382,219</b>	<b>10,760,515</b>	<b>19,687,703</b>	<b>20,172,659</b>	<b>20,172,659</b>
<b>14. Other comprehensive income</b>							
14.1 Gains / (losses) from translating the financial statements of foreign operations	-	-	-	-	(1,034,138)	(824,487)	(824,487)
14.2 Fair value changes in available for sale financial assets	(644,538)	2,584,056	-	-	(634,176)	2,630,066	2,630,066
14.3 Revaluation surplus on property and equipment	-	-	-	-	-	-	-
14.4 Share of other comprehensive income of associates	-	-	-	-	-	-	-
14.5 Income tax relating to components of other comprehensive income	-	-	-	-	-	-	-
<b>15. Other comprehensive income for the year net of tax</b>	<b>(644,538)</b>	<b>2,584,056</b>	-	-	<b>(1,668,314)</b>	<b>1,805,579</b>	<b>1,805,579</b>
<b>16. Total comprehensive income for the year</b>	<b>14,158,352</b>	<b>18,835,352</b>	<b>10,382,219</b>	<b>10,760,515</b>	<b>18,019,459</b>	<b>22,078,235</b>	<b>22,078,235</b>
EARNINGS PER SHARE - BASIC & DILUTED	560.10	624.79	2.79	3.25	5.22	5.93	5.93
DIVIDEND PER SHARE - DECLARED	333.33	400.00	2.00	2.50	2.00	2.50	2.50
<b>OTHER DISCLOSURES</b>							
<b>1) NON PERFORMING LOANS AND ADVANCES</b>							
a) Gross non performing loans and advances	17,063,515	26,184,843	-	-	24,023,595	36,273,992	36,273,992
b) Less interest in suspense	2,390,649	3,525,537	-	-	2,929,014	4,299,222	4,299,222
<b>c) Total non-performing loans and advances (a-b)</b>	<b>14,672,866</b>	<b>22,659,306</b>	-	-	<b>21,094,581</b>	<b>31,974,770</b>	<b>31,974,770</b>
d) Less loan loss provision	5,069,742	10,105,423	-	-	8,426,493	12,937,708	12,937,708
e) Net non-performing loans (c-d)	9,603,124	12,553,883	-	-	12,668,088	19,037,062	19,037,062
f) Discounted value of securities	7,701,295	11,341,973	-	-	11,015,992	17,897,872	17,897,872
<b>g) Net NPLs exposure (e-f)</b>	<b>1,901,829</b>	<b>1,141,920</b>	-	-	<b>1,652,096</b>	<b>1,139,190</b>	<b>1,139,190</b>
<b>2) INSIDER LOANS AND ADVANCES</b>							
a) Directors, shareholders and associates	3,039,011	3,001,441	-	-	3,157,420	3,188,958	3,188,958
b) Employees	4,909,083	4,997,039	-	-	6,168,091	6,484,656	6,484,656
<b>c) Total insider loans and advances and other facilities</b>	<b>7,948,094</b>	<b>7,998,480</b>	-	-	<b>9,325,511</b>	<b>9,673,6</b>	