



Summary directors’ remuneration report

For the year ended	31 December 2019	31 December 2018
	Shs’ 000	Shs’ 000
Aggregate directors' emoluments	182,682	121,968

Summary consolidated statement of profit or loss

For the year ended	31 December 2019	31 December 2018
	Shs' millions	Shs' millions
Net interest income	44,983	41,422
Net fee and commission income	17,170	15,271
Other income	9,078	6,820
Fair value loss on loan note at FVTPL	(1,000)	-
Credit impairment losses	(3,458)	(2,936)
Net operating income	66,773	60,577
Operating expenses	(35,295)	(32,114)
Profit before income tax	31,478	28,463
Income tax expense	(8,917)	(8,639)
Profit for the year	22,561	19,824

Summary consolidated statement of comprehensive income

For the year ended	31 December 2019	31 December 2018
	Shs' millions	Shs' millions
Profit for the year	22,561	19,824
Other comprehensive income:		
FVOCI investment securities, net of tax	2,630	(634)
Exchange differences on translation of foreign operations	(824)	(1,035)
Other comprehensive income for the year	1,806	(1,669)
Total comprehensive income for the year, net of tax	24,367	18,155
Earnings per share (basic and diluted) (Shs)	5.93	5.25

Summary consolidated statement of financial position

As at	31 December 2019	31 December 2018
	Shs' millions	Shs' millions
Assets		
Cash, deposits and balances due from financial institutions	86,434	74,619
Derivative financial assets	472	225
Investment securities	172,208	160,952
Due from related parties	19	24
Current income tax	152	632
Loans and advances to customers	366,440	297,227
Other assets	12,745	12,395
Property and equipment	11,031	10,276
Right-of-use assets	7,342	-
Intangible assets	10,347	10,466
Deferred income tax	6,492	6,117
Prepaid leases	-	451
Total assets	673,682	573,384
Liabilities		
Deposits from customers	482,752	422,758
Borrowed funds	56,714	45,101
Other liabilities	12,865	10,343
Lease liabilities	7,496	-
Current income tax	1,928	185
Deferred income tax	150	40
Total liabilities	561,905	478,427
Equity		
Share capital	1,887	1,887
Share premium	16,063	16,063
Retained earnings and other reserves	92,769	76,124
Equity attributable to owners of the company	110,719	94,074
Non-controlling interests	1,058	883
Total equity	111,777	94,957
Total equity and liabilities	673,682	573,384

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 2019						
At start of year	1,887	16,063	76,124	94,074	883	94,957
Profit for the year	-	-	22,386	22,386	175	22,561
Other comprehensive income	-	-	1,806	1,806	-	1,806
Final 2018 dividend declared and paid	-	-	(7,547)	(7,547)	-	(7,547)
At end of year	1,887	16,063	92,769	110,719	1,058	111,777
Year ended 31 December 2018						
At start of year	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

Summary consolidated statement of cash flows

For the year ended	31 December 2019	31 December 2018
	Shs' millions	Shs' millions
Cash generated from operations	32,476	50,014
Income taxes paid	(8,487)	(6,723)
Net cash generated from operating activities	23,989	43,291
Net cash used in investing activities	(12,398)	(38,290)
Net cash used in financing activities	(1,384)	(13,010)
Net increase/(decrease) in cash and cash equivalents	10,207	(8,009)
Cash and cash equivalents at start of year	60,573	68,582
Cash and cash equivalents at end of year	70,780	60,573

Message from the directors

Subject to approval of share holders of the Annual General Meeting scheduled for Thursday 25th June 2020 at the Kenyatta International Conference Centre (KICC) Nairobi at 10am. The Directors have recommended a first and final dividend of Shs 2.50/= per each ordinary share of Shs 0.50 for the year ended 31st December 2019. The proposed dividend will be payable on or about 24th July 2020, net of withholding tax to shareholders on the register at the close of business on Friday, 12th June 2020.

Key audit matters:

- 1. Expected credit losses on loans and advances at amortised cost
- 2. Valuation of loan note measured at fair value

The above financial statements are extracts from the records of the Group. They were approved for issue by the Board of Directors on 19th March 2020 and signed on its behalf by:

Dr. James Njuguna Mwangi
Group Managing Director & CEO

Prof. Isaac Macharia
Group Vice 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 2019 and the summary consolidated statements of profit or loss, 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 2019. 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 and the Kenyan Companies Act, 2015.

The summary directors’ remuneration report is derived from the directors’ remuneration report for the year ended 31 December 2019.

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) Regulation, 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 20 March 2020 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
FCPA Richard Njoroge, Practising certificate no. P/1244
Signing partner responsible for the independent audit

08 April 2020

