

EQUITY GROUP HOLDINGS PLC

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31ST DECEMBER 2018



	EQUITY BANK (KENYA) LIMITED		EQUITY GROUP HOLDINGS PLC			
	BANK		COMPANY		GROUP	
STATEMENT OF FINANCIAL POSITION	31st Dec 2017 Shs. '000' (Audited)	31st Dec 2018 Shs. '000' (Audited)	31st Dec 2017 Shs. '000' (Audited)	31st Dec 2018 Shs. '000' (Audited)	31st Dec 2017 Shs. '000' (Audited)	31st Dec 2018 Shs. '000' (Audited)
A. ASSETS						
1. Cash (both local & foreign)	8,817,113	8,580,005	8,318,168	7,674,725	11,039,112	19,846,917
2. Balances due from Central Bank of Kenya	15,635,640	23,148,790	-	-	15,635,640	23,148,790
3. Kenya Government and other securities held for dealing purposes	-	-	-	-	-	-
4. Financial assets at fair value through profit and loss	-	-	-	-	-	-
5. Investment securities:	115,449,191	150,769,440	-	-	128,001,775	160,952,084
a) Held to maturity:	20,350,035	16,451,884	-	-	20,699,626	18,516,723
a. Kenya Government securities	18,347,044	15,680,143	-	-	18,347,044	15,680,143
b. Other securities	2,002,991	771,741	-	-	2,352,582	2,836,580
b) Available for sale:	95,099,157	134,317,556	-	-	107,302,149	142,435,361
a. Kenya Government securities	88,132,192	114,756,102	-	-	88,132,192	114,756,102
b. Other securities	6,966,965	19,561,454	-	-	19,169,957	27,679,259
6. Deposits and balances due from local banking institutions	9,508,240	2,000,000	-	-	9,508,240	5,209,182
7. Deposits and balances due from banking institutions abroad	14,556,710	4,372,866	-	-	43,437,650	26,414,026
8. Tax recoverable	2,065,436	494,413	-	11,000	2,193,237	631,769
9. Loans and advances to customers (net)	214,484,733	223,565,307	-	-	279,091,669	297,226,915
10. Balances due from group companies	4,121,975	454,990	-	312,765	449,019	24,176
11. Investments in associates	-	-	65,760,617	-	-	-
12. Investments in subsidiary companies	-	-	-	66,786,117	-	-
13. Investments in joint ventures	-	-	-	-	-	-
14. Investment properties	8,494	-	-	-	8,494	-
15. Property and equipment	6,004,819	5,220,724	-	-	10,865,247	10,275,726
16. Prepaid lease rentals	3,698	12,146	-	-	554,718	459,153
17. Intangible assets	6,366,242	6,792,586	-	-	6,996,028	7,363,110
18. Deferred tax asset	2,413,059	4,925,505	-	82,996	2,706,182	6,116,767
19. Retirement benefit asset	-	-	-	-	-	-
20. Other assets	6,967,137	8,172,013	-	235,892	13,978,734	15,716,115
21. TOTAL ASSETS	406,402,487	438,508,784	74,391,550	74,885,632	524,465,745	573,384,730
B. LIABILITIES						
22. Balances due to Central Bank of Kenya	-	-	-	-	-	-
23. Customer deposits	298,702,851	341,622,656	-	-	373,143,247	422,758,486
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	-	-	1,735,822	921,600
27. Borrowed funds	39,494,907	30,108,513	-	-	46,137,632	44,179,673
28. Balances due to group companies	199,394	194,526	2,667,097	422,538	-	-
29. Tax payable	-	-	3,304	-	411,712	-
30. Dividends payable	-	-	-	-	-	184,608
31. Deferred tax liability	-	-	-	-	-	64,374
32. Retirement benefit liability	-	-	-	-	-	39,937
33. Other liabilities	6,098,944	5,836,742	258,848	2,824	9,830,022	10,342,701
34. TOTAL LIABILITIES	344,496,096	377,922,215	2,929,249	425,362	431,322,809	478,427,005
C. SHAREHOLDERS' FUNDS						
35. Paid up / assigned capital	30,000,000	30,000,000	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	16,062,606	16,062,607
37. Revaluation reserve	441,394	[203,144]	-	-	[7,255,865]	[8,924,180]
38. Retained earnings / accumulated losses	19,233,437	20,825,581	45,965,507	48,963,476	71,535,063	77,486,425
39. Statutory loan loss reserve	2,267,428	-	-	-	2,617,570	16,041
40. Other reserves	-	-	-	-	-	-
41. Proposed dividends	-	-	7,547,350	7,547,350	7,547,350	7,547,350
42. Non controlling interests	-	-	-	-	749,375	882,644
43. TOTAL SHAREHOLDERS' FUNDS	61,906,391	60,586,569	71,462,301	74,460,270	93,142,936	94,957,725
44. TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	406,402,487	438,508,784	74,391,550	74,885,632	524,465,745	573,384,730
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME						
1. INTEREST INCOME						
1.1 Loans and advances	24,976,130	25,498,538	-	-	33,880,635	36,415,466
1.2 Government securities	12,214,987	15,188,780	-	-	13,393,880	16,301,265
1.3 Deposits and placements with banking institutions	505,429	170,028	229,458	212,145	916,204	429,354
1.4 Other interest income	99,115	73,982	-	-	219,752	84,169
1.5 Total interest income	37,795,661	40,931,332	229,458	212,145	48,410,471	53,230,254
2. INTEREST EXPENSES						
2.1 Customer deposits	6,488,314	6,806,737	-	-	8,075,892	9,426,897
2.2 Deposits and placements from banking institutions	78,808	45,306	-	-	344,273	531,279
2.3 Other interest expense	1,966,789	2,053,313	-	-	2,418,697	1,849,890
2.4 Total interest expenses	8,533,911	8,925,356	-	-	10,840,862	11,808,066
3. NET INTEREST INCOME	29,261,750	32,005,976	229,458	212,145	37,569,609	41,422,188
4. NON-INTEREST INCOME						
4.1 Fees and commissions income on loans & advances	5,251,307	4,312,529	-	-	5,914,035	4,932,106
4.2 Other fees and commissions income	9,432,346	8,979,321	-	-	13,345,790	13,332,054
4.3 Foreign exchange trading income	2,194,774	2,116,741	-	-	4,110,944	3,308,959
4.4 Dividend income	-	-	8,300,000	10,450,000	-	-
4.5 Other income	1,586,824	1,956,994	28,771	43,574	4,200,910	4,288,255
4.6 Total non-interest income	18,465,251	17,365,585	8,328,771	10,923,574	27,591,699	25,861,374
5. TOTAL OPERATING INCOME	47,727,003	49,371,561	8,558,229	10,705,719	65,161,308	67,283,562
6. OPERATING EXPENSES						
6.1 Loan loss provision	2,333,386	1,668,120	-	35,032	3,431,331	3,713,521
6.2 Staff costs	7,814,102	7,645,307	-	29,851	11,475,853	11,455,559
6.3 Directors' emoluments	13,953	15,668	27,799	25,455	68,888	88,234
6.4 Rental charges	1,318,736	1,428,285	-	-	2,170,945	2,256,594
6.5 Depreciation on property and equipment	2,607,469	2,117,333	-	-	3,540,728	3,129,447
6.6 Amortisation charges	812,976	1,043,066	-	-	1,280,987	1,311,791
6.7 Other operating expenses	9,740,538	11,051,440	329,878	50,242	16,310,153	14,865,467
6.8 Total operating expenses	24,841,160	24,989,219	357,677	140,580	38,278,885	38,820,612
7.0 Profit / (loss) before tax and exceptional items	23,085,843	24,382,342	8,200,552	10,565,139	26,882,423	28,462,950
8.0 Exceptional items - share of profit of associate	-	-	-	-	-	-
9.0 Profit / (loss) after exceptional items	23,085,843	24,382,342	8,200,552	10,565,139	26,882,423	28,462,950
10. Current tax	[6,411,033]	[6,610,661]	[76,970]	[100,570]	[7,712,627]	[7,916,977]
11. Deferred tax	[336,742]	[968,791]	-	82,350	[251,744]	[722,040]
12. Profit / (loss) after tax and exceptional items	16,338,068	16,802,890	8,123,582	10,546,919	18,918,051	19,823,933
12.1 Minority Interest	-	-	-	-	[48,842]	[133,270]
13. Profit / (loss) after tax and exceptional items and minority interest	16,338,068	16,802,890	8,123,582	10,546,919	18,869,209	19,690,663
14. Other Comprehensive Income						
14.1 Gains / (losses) from translating the financial statements of foreign operations	-	-	-	-	(1,502,098)	(1,034,138)
14.2 Fair value changes in available for sale financial assets	1,227,284	[644,538]	-	-	1,297,235	[634,176]
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	-	-	-	-	-	-
15. Other comprehensive income for the year net of tax	1,227,284	[644,538]	-	-	[204,863]	[1,668,314]
16. Total comprehensive income for the year	17,565,352	16,158,352	8,123,582	10,546,919	18,713,189	18,155,619
EARNINGS PER SHARE - BASIC & DILUTED	544.60	560.10	2.15	2.79	5.00	5.25
DIVIDEND PER SHARE - DECLARED	366.67	333.33	2.00	2.00	2.00	2.00
OTHER DISCLOSURES						
1) NON PERFORMING LOANS AND ADVANCES						
a) Gross non performing loans and advances	14,757,622	17,063,515	-	-	17,984,680	24,023,595
b) Less interest in suspense	2,218,181	2,390,649	-	-	2,542,267	2,929,014
c) Total non-performing loans and advances (a-b)	12,539,441	14,672,866	-	-	15,442,413	21,094,581
d) Less loan loss provision	4,994,773	5,069,742	-	-	6,509,901	8,426,493
e) Net non-performing loans (c-d)	7,544,668	9,603,124	-	-	8,932,512	12,668,088
f) Discounted value of securities	7,544,668	7,701,295	-	-	8,932,512	11,015,992
g) Net NPLs exposure (e-f)	-	1,901,829	-	-	-	1,652,096
2) INSIDER LOANS AND ADVANCES						
a) Directors, shareholders and associates	3,199,639	3,039,011	-	-	3,243,982	3,157,420
b) Employees	4,568,199	4,909,083	-	-	5,662,202	6,168,091
c) Total insider loans and advances and other facilities	7,767,838	7,948,094	-	-	8,906,184	9,325,511
3) OFF BALANCE SHEET ITEMS						
a) Letter of credit, guarantees and acceptances	37,189,926	65,820,755	-	-	41,300,140	74,161,931
b) Forwards, swaps and options	16,308,703	17,122,239	-	-	17,136,211	17,129,231
c) Other contingent liabilities	-	-	-	-	-	-
d) Total contingent liabilities	53,498,629	82,942,994	-	-	58,436,351	91,291,162
4) CAPITAL STRENGTH						
a) Core capital	59,197,568	55,864,207	-	-	87,572,831	78,669,208
b) Minimum statutory capital	1,000,000	1,000,000	-	-	4,173,124	4,173,124
c) Excess / (deficiency) (a-b)	58,197,568	54,864,207	-	-	83,399,708	74,496,086
d) Supplementary capital	2,704,894	-	-	-	3,055,035	16,042
e) Total capital (a+d)	61,902,462	55,864,207	-	-	90,627,866	78,685,250
f) Total risk weighted assets	374,209,300	400,288,769	-	-	444,102,519	493,817,190
RATIOS						
g) Core capital / total deposit liabilities	19.8%	16.4%	-	-	23.5%	18.6%
h) Minimum statutory ratio	8.0%	8.0%	-	-	8.0%	8.0%
i) Excess / (deficiency) (g-h)	11.8%	8.4%	-	-	15.5%	10.6%
j) Core capital / total risk weighted assets	15.8%	14.0%	-	-	19.7%	15.9%
k) Minimum statutory ratio	10.5%	10.5%	-	-	10.5%	10.5%