

# EQUITY GROUP HOLDINGS LIMITED

## AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31<sup>ST</sup> DECEMBER 2016



STATEMENT OF FINANCIAL POSITION	EQUITY BANK KENYA LIMITED		EQUITY GROUP HOLDINGS LIMITED			
	BANK		COMPANY		GROUP	
	31 <sup>st</sup> Dec 2016 Shs. '000 (Audited)	31 <sup>st</sup> Dec 2015 Shs. '000 (Audited)	31 <sup>st</sup> Dec 2016 Shs. '000 (Audited)	31 <sup>st</sup> Dec 2015 Shs. '000 (Audited)	31 <sup>st</sup> Dec 2016 Shs. '000 (Audited)	31 <sup>st</sup> Dec 2015 Shs. '000 (Audited)
<b>A. ASSETS</b>						
1. Cash (both Local & foreign)	4,840,798	6,284,844	8,012,137	1,890,232	11,854,456	10,540,438
2. Balances due from central Bank of Kenya	11,537,111	24,422,525	-	-	11,537,111	24,313,838
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>93,097,439</b>	<b>34,330,074</b>	-	-	<b>100,588,954</b>	<b>42,775,489</b>
<b>a) Held to Maturity:</b>	<b>21,655,268</b>	<b>20,430,871</b>	-	-	<b>26,291,502</b>	<b>28,465,519</b>
a. Kenya Government Securities	19,452,277	18,227,880	-	-	19,452,277	18,227,880
b. Other Securities	2,202,991	2,202,991	-	-	6,839,225	10,237,639
<b>b) Available for sale:</b>	<b>71,442,171</b>	<b>13,899,203</b>	-	-	<b>74,297,451</b>	<b>14,309,970</b>
a. Kenya Government securities	71,442,171	13,899,203	-	-	71,442,171	13,916,445
b. Other securities	-	-	-	-	2,855,280	393,525
6. Deposits and balances due from local banking institutions	5,000,000	2,193,439	-	-	5,316,369	2,074,349
7. Deposits and balances due from banking institutions abroad	20,767,981	14,360,868	-	-	35,738,191	33,241,361
8. Tax recoverable	-	293,547	7,807	-	150,494	838,894
9. Loans and advances to customers (net)	213,805,548	225,036,662	-	-	266,068,089	269,892,942
10. Balances due from Group Companies	3,369,966	3,303,119	704,110	8,318,078	382,615	271,751
11. Investments in associates	-	-	-	-	-	-
12. Investments in subsidiary companies	-	-	64,721,117	59,345,161	-	-
13. Investments in joint ventures	-	-	-	-	-	-
14. Investment properties	8,494	8,494	-	-	8,494	8,494
15. Property and equipment	7,334,622	8,844,622	-	-	13,754,329	14,056,498
16. Prepaid Lease Rentals	3,953	3,999	-	-	114,898	28,040
17. Intangible Assets	5,606,711	3,824,242	-	-	6,406,911	4,584,782
18. Deferred Tax Asset	2,938,970	2,783,284	-	-	3,260,243	3,019,546
19. Retirement Benefit Asset	-	-	-	-	-	-
20. Other Assets	11,437,403	15,639,579	1,074	33,459	18,531,981	22,416,093
<b>21. TOTAL ASSETS</b>	<b>379,748,996</b>	<b>341,329,318</b>	<b>73,446,245</b>	<b>69,586,931</b>	<b>473,713,133</b>	<b>428,062,514</b>
<b>B. LIABILITIES</b>						
22. Balances due to Central Bank of Kenya	-	-	-	-	-	-
23. Customer deposits	277,274,668	236,609,649	-	-	337,198,618	302,168,588
24. Deposits and balances due to Local banking institutions	5,193	565,208	-	-	5,193	1,037,200
25. Deposits and balances due to foreign banking institutions	-	-	-	-	-	-
26. Other money market deposits	-	8,577,750	-	-	198,920	8,577,750
27. Borrowed funds	43,726,761	33,587,610	-	-	45,770,072	34,316,937
28. Balances due to group Companies	-	8,108,043	2,558,355	2,475,408	-	-
29. Tax payable	313,642	-	-	137,251	506,774	269,459
30. Dividends payable	-	-	-	-	-	-
31. Deferred tax liability	-	-	-	-	177,522	59,486
32. Retirement benefit liability	-	-	-	-	-	-
33. Other Liabilities	6,087,692	6,441,445	748	11,080	7,878,937	9,496,679
<b>34. TOTAL LIABILITIES</b>	<b>327,407,956</b>	<b>293,889,704</b>	<b>2,559,103</b>	<b>2,623,738</b>	<b>391,736,036</b>	<b>355,926,099</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
36. Share premium discount	9,964,132	9,964,132	16,062,607	16,062,607	16,062,607	16,062,607
37. Revaluation reserve	(785,889)	(1,469,084)	-	-	(7,051,002)	(7,836,506)
38. Retained earnings/Accumulated losses	11,284,120	7,695,203	45,390,349	41,466,399	60,550,117	52,217,024
39. Statutory Loan Loss Reserve	1,878,677	1,249,363	-	-	2,280,654	1,615,305
40. Other Reserves	-	-	-	-	-	-
41. Proposed dividends	-	-	7,547,350	7,547,350	7,547,350	7,547,350
42. Non Controlling Interests	-	-	-	-	700,533	643,798
<b>43. TOTAL SHAREHOLDERS' FUNDS</b>	<b>52,341,039</b>	<b>47,439,613</b>	<b>70,887,143</b>	<b>66,963,193</b>	<b>81,977,096</b>	<b>72,136,415</b>
<b>44. TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>379,748,996</b>	<b>341,329,318</b>	<b>73,446,245</b>	<b>69,586,931</b>	<b>473,713,133</b>	<b>428,062,514</b>
<b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>						
<b>1. INTEREST INCOME</b>						
1.1 Loans and advances	35,175,592	32,940,797	-	-	43,065,889	37,909,498
1.2 Government securities	6,699,995	3,582,938	-	-	7,882,239	4,380,863
1.3 Deposits and placements with banking institutions	1,002,446	676,359	68,754	200,817	538,904	1,054,122
1.4 Other Interest Income	194,517	71,773	-	-	353,572	109,984
<b>1.5 Total Interest Income</b>	<b>43,072,550</b>	<b>37,271,807</b>	<b>68,754</b>	<b>200,817</b>	<b>51,840,604</b>	<b>43,454,466</b>
<b>2. INTEREST EXPENSES</b>						
2.2 Customer deposits	6,115,253	5,669,197	-	-	7,883,466	6,898,327
2.3 Deposits and placements from banking institutions	60,970	153,336	-	-	220,719	291,498
2.4 Other Interest Expense	1,836,594	1,962,392	-	-	1,922,526	2,141,077
<b>2.4 Total Interest Expenses</b>	<b>8,012,818</b>	<b>7,784,925</b>	-	-	<b>10,026,711</b>	<b>9,330,902</b>
<b>3. NET INTEREST INCOME</b>	<b>35,059,732</b>	<b>29,486,882</b>	<b>68,754</b>	<b>200,817</b>	<b>41,813,893</b>	<b>34,123,565</b>
<b>4. NON-INTEREST INCOME</b>						
4.1 Fees and commissions income on loans & advances	3,831,268	4,747,473	-	-	4,416,234	5,199,653
4.2 Other fees and commissions income	8,418,842	7,992,535	-	-	11,364,858	11,147,606
4.3 Foreign exchange trading income	1,910,435	1,901,177	-	-	3,307,113	2,946,453
4.4 Dividend Income	-	-	11,300,000	8,300,000	-	-
4.5 Other income	1,103,549	589,009	97,214	18,078	3,130,579	2,645,347
<b>4.6 Total Non-Interest Income</b>	<b>15,264,095</b>	<b>15,230,193</b>	<b>11,397,214</b>	<b>8,318,078</b>	<b>22,218,783</b>	<b>21,939,059</b>
<b>5. TOTAL OPERATING INCOME</b>	<b>50,323,827</b>	<b>44,717,076</b>	<b>11,465,968</b>	<b>8,518,896</b>	<b>64,032,676</b>	<b>56,062,624</b>
<b>6. OPERATING EXPENSES</b>						
6.1 Loan Loss Provision	5,010,763	1,273,638	-	-	6,645,641	2,433,181
6.2 Staff costs	8,096,990	7,692,337	-	-	11,628,908	10,291,398
6.3 Directors' emoluments	17,276	24,977	13,372	45,117	58,117	58,727
6.4 Rental charges	1,242,456	1,186,734	-	-	2,039,919	2,270,136
6.5 Depreciation on property and equipment	2,816,348	2,641,453	-	-	3,764,250	3,257,131
6.6 Amortisation charges	705,012	573,255	-	-	974,707	683,148
6.7 Other Operating Expenses	963,721	8,936,728	75,494	696,722	13,987,251	13,111,215
<b>6.8 Total Operating Expenses</b>	<b>27,546,255</b>	<b>22,329,123</b>	<b>88,866</b>	<b>696,722</b>	<b>39,105,794</b>	<b>32,104,935</b>
<b>7.0 Profit loss before tax and exceptional items</b>	<b>22,777,572</b>	<b>22,387,953</b>	<b>11,377,102</b>	<b>7,822,174</b>	<b>24,926,883</b>	<b>23,957,689</b>
7.0 Profit loss before tax and exceptional items	22,777,572	22,387,953	11,377,102	7,822,174	24,926,883	23,957,689
8.0 Exceptional items-share of profit of associate	-	-	-	-	-	-
<b>9.0 Profit (loss) after exceptional items</b>	<b>22,777,572</b>	<b>22,387,953</b>	<b>11,377,102</b>	<b>7,822,174</b>	<b>24,926,883</b>	<b>23,957,689</b>
10. Current tax	(7,715,023)	(6,726,532)	94,197	(60,731)	(8,582,349)	(7,272,542)
11. Deferred tax	155,686	313,933	-	-	257,995	441,853
<b>12. Profit loss after tax and exceptional items</b>	<b>15,218,234</b>	<b>16,175,353</b>	<b>11,471,299</b>	<b>7,761,443</b>	<b>16,602,529</b>	<b>17,327,000</b>
12.1 Minority Interest	-	-	-	-	56,735	23,562
<b>13. Profit loss after tax and exceptional items and minority interest</b>	<b>15,218,234</b>	<b>16,175,353</b>	<b>11,471,299</b>	<b>7,761,443</b>	<b>16,545,794</b>	<b>17,303,438</b>
<b>14. Other Comprehensive Income</b>						
14.1 Gains/Losses from translating the financial statements of foreign operations	-	-	-	-	99,102	(5,752,592)
14.2 Fair value changes in available for sale financial assets	683,195	(1,083,947)	-	-	686,403	(1,107,796)
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	-	-	-	-	-	-
<b>15. Other comprehensive Income for the year net of Tax</b>	<b>683,195</b>	<b>(1,083,947)</b>	-	-	<b>785,505</b>	<b>(6,860,388)</b>
<b>16. Total comprehensive Income for the year</b>	<b>15,901,429</b>	<b>15,091,407</b>	<b>11,471,299</b>	<b>7,761,443</b>	<b>17,388,034</b>	<b>10,466,613</b>
EARNINGS PER SHARE- BASIC & DILUTED	507.27	539.18	3.04	2.06	4.38	4.59
DIVIDEND PER SHARE - DECLARED	366.67	266.67	2.00	2.00	2.00	2.00
<b>OTHER DISCLOSURES</b>						
<b>1) NON PERFORMING LOANS AND ADVANCES</b>						
a) Gross non performing loans and advances	15,457,320	6,832,277	-	-	18,754,023	9,078,750
b) Less Interest in suspense	1,816,643	1,591,160	-	-	2,036,824	1,751,088
<b>c) Total Non-Performing Loans and Advances (a-b)</b>	<b>13,640,677</b>	<b>5,241,117</b>	-	-	<b>16,717,199</b>	<b>7,327,662</b>
d) Less Loan loss provision	5,416,636	2,766,282	-	-	6,959,640	3,746,234
e) Net Non - performing loans (c-d)	8,224,041	2,474,835	-	-	9,757,559	3,581,428
f) Discounted value of securities	7,296,995	2,099,497	-	-	8,829,046	3,146,485
<b>g) Net NPLs Exposure (e-f)</b>	<b>927,046</b>	<b>375,338</b>	-	-	<b>928,513</b>	<b>434,943</b>
<b>2) INSIDER LOANS AND ADVANCES</b>						
a) Directors, shareholders and associates	2,712,762	1,726,191	-	-	2,712,762	1,726,191
b) Employees	5,084,458	5,846,883	-	-	6,005,598	6,281,162
<b>c) Total Insider Loans and Advances and Other Facilities</b>	<b>7,797,220</b>	<b>7,573,075</b>	-	-	<b>8,718,360</b>	<b>8,007,353</b>
<b>3) OFF BALANCE SHEET ITEMS</b>						
a) Letter of Credit, guarantees, acceptances	32,733,625	17,740,598	-	-	35,676,396	20,435,598
b) Forwards, Swaps and Options	7,749,424	27,888,620	-	-	7,749,424	27,991,164
c) Other Contingent Liabilities	-	5,609,818	-	-	410,344	5,609,818
<b>d) Total Contingent Liabilities</b>	<b>40,483,049</b>	<b>51,239,036</b>	-	-	<b>43,836,164</b>	<b>54,036,581</b>
<b>4) CAPITAL STRENGTH</b>						
a) Core Capital	51,248,255	47,459,335	-	-	78,499,561	70,166,468
b) Minimum statutory capital	1,000,000	1,000,000	-	-	4,173,124	3,479,718
<b>c) Excess deficiency</b>	<b>50,248,255</b>	<b>46,459,335</b>	-	-	<b>74,326,437</b>	<b>66,686,750</b>
d) Supplementary capital	3,846,788	4,227,536	-	-	4,248,766	5,593,479
<b>e) Total Capital (a+d)</b>	<b>55,095,043</b>	<b>52,686,871</b>	-	-	<b>82,748,327</b>	<b>75,759,947</b>
f) Total Risk Weighted Assets	356,087,595	325,483,654	-	-	420,890,802	375,684,698
<b>RATIOS</b>						
g) Core Capital/ Total Deposit Liabilities	18.5%	20.1%	-	-	23.3%	23.1%
h) Minimum statutory ratio	10.5%	10.5%	-	-	10.5%	10.5%
<b>i) Excess deficiency (g-h)</b>	<b>8.0%</b>	<b>9.6%</b>	-			