# EQUITY GROUP HOLDINGS LIMITED

25th May, 2017

The Chief Executive Officer
Nairobi Securities Exchange
The Exchange
55 Westlands Road
NAIROBI

Attn: Mr. Geoffrey Odundo

Dear Sir,

**RE: UN-AUDITED FINANCIAL STATEMENTS OF EQUITY GROUP HOLDINGS LIMITED AND SUBSIDIARIES FOR THE PERIOD ENDED 31ST MARCH, 2017**

Please find attached the un-audited financial statements for the period ended 31st March, 2017 for your information and records.

The same have received the approval of the Central Bank of Kenya and the Board of Directors.

Kindly revert to the undersigned in case of any clarification/further information.

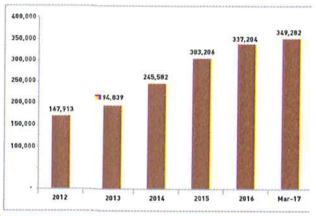
Yours faithfully
**Equity Group Holdings Limited**

Dr. James Mwangi, CBS
**Managing Director & CEO**

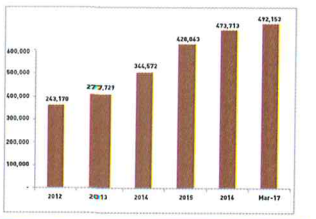
# EQUITY GROUP HOLDINGS LIMITED UN-AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 31MARCH 2017

| STATEMENT OF FINANCIAL POSITION AS AT | Equity Bank (Kenya) Limited BANK | | | Equity Group Holdings Limited COMPANY | | | Equity Group Holdings Limited GROUP | | |
|---|---|---|---|---|---|---|---|---|---|
| | 31st Mar 2016 Shs. '000' (Un-Audited) | 31st Dec 2016 Shs. '000' (Audited) | 31st Mar 2017 Shs. '000' (Un-Audited) | 31st Mar 2016 Shs. '000' (Un-Audited) | 31st Dec 2016 Shs. '000' (Audited) | 31st Mar 2017 Shs. '000' (Un-Audited) | 31st Mar 2016 Shs. '000' (Un-Audited) | 31st Dec 2016 Shs. '000' (Audited) | 31st Mar 2017 Shs. '000' (Un-Audited) |
| **A. ASSETS** | | | | | | | | | |
| 1. Cash (both Local & foreign) | 7,782,967 | 4,840,798 | 7,478,172 | - | 8,012,137 | 8,090,385 | 8,051,739 | 11,854,456 | 15,926,537 |
| 2. Balances due from central Bank of Kenya | 16,174,119 | 11,537,111 | 14,744,284 | - | - | - | 16,174,119 | 11,537,111 | 14,744,284 |
| 3. Kenya Government and other securities held for dealing purposes | - | - | - | - | - | - | - | - | - |
| 4. Financial Assets at fair value through profit and loss | - | - | - | - | - | - | - | - | - |
| 5. Investment Securities: | 41,554,630 | 93,097,439 | 105,406,210 | - | - | - | 62,385,083 | 100,588,954 | 112,988,818 |
| **a) Held to Maturity:** | **26,626,659** | **21,655,268** | **19,747,214** | - | - | - | **46,057,125** | **26,291,502** | **22,142,487** |
| a. Kenya Government securities | 24,423,669 | 19,452,277 | 17,544,224 | - | - | - | 24,423,669 | 19,452,277 | 17,544,224 |
| b. Other securities | 2,202,991 | 2,202,991 | 2,202,991 | - | - | - | 21,633,457 | 6,839,225 | 4,598,264 |
| **b) Available for sale:** | **14,927,971** | **71,442,171** | **85,658,995** | - | - | - | **16,327,957** | **74,297,451** | **90,846,331** |
| a. Kenya Government securities | 14,927,971 | 71,442,171 | 85,658,995 | - | - | - | 15,251,993 | 71,442,171 | 85,658,995 |
| b. Other securities | - | - | - | - | - | - | 1,075,965 | 2,855,280 | 5,187,336 |
| 6. Deposits and balances due from local banking institutions | 1,167,775 | 5,000,000 | 2,800,000 | 6,981,092 | - | - | 9,579,862 | 5,316,369 | 3,231,033 |
| 7. Deposits and balances due from banking institutions abroad | 11,636,972 | 20,767,981 | 23,499,047 | - | - | - | 14,477,482 | 35,728,191 | 38,791,085 |
| 8. Tax recoverable | - | - | - | - | 7,807 | 7,807 | 116,641 | 150,494 | 119,698 |
| 9. Loans and advances to customers (net) | 229,474,440 | 213,805,548 | 208,356,659 | - | - | - | 275,017,411 | 266,068,089 | 261,899,197 |
| 10. Balances due from group companies | 9,970,843 | 3,369,966 | 3,335,342 | 342,554 | 704,110 | 613,125 | 307,027 | 382,615 | 480,428 |
| 11. Investments in associates | - | - | - | - | - | - | - | - | - |
| 12. Investments in subsidiary companies | - | - | - | 59,345,161 | 64,721,117 | 64,721,117 | - | - | - |
| 13. Investments in joint ventures | - | - | - | - | - | - | - | - | - |
| 14. Investment properties | 8,494 | 8,494 | 8,494 | - | - | - | 8,494 | 8,494 | 8,494 |
| 15. Property and equipment | 8,392,203 | 7,334,622 | 7,044,139 | - | - | - | 13,857,056 | 13,754,329 | 13,345,923 |
| 16. Prepaid lease rentals | 3,987 | 3,953 | 3,941 | - | - | - | 97,186 | 114,898 | 87,219 |
| 17. Intangible assets | 3,965,742 | 5,606,711 | 5,547,427 | - | - | - | 4,435,911 | 6,406,911 | 6,316,484 |
| 18. Deferred tax asset | 2,783,284 | 2,938,970 | 2,938,970 | - | - | - | 3,004,822 | 3,260,243 | 3,241,681 |
| 19. Retirement benefit asset | - | - | - | - | - | - | - | - | - |
| 20. Other assets | 14,644,449 | 11,437,403 | 12,700,961 | 50,005 | 1,074 | 153,622 | 22,474,363 | 18,531,981 | 20,972,586 |
| **21. TOTAL ASSETS** | **347,559,904** | **379,748,996** | **393,863,646** | **66,718,812** | **73,446,245** | **73,586,056** | **430,187,193** | **473,713,133** | **492,153,465** |
| **B. LIABILITIES** | | | | | | | | | |
| 22. Balances due to Central Bank of Kenya | - | - | - | - | - | - | - | - | - |
| 23. Customer deposits | 243,260,863 | 277,274,668 | 288,006,775 | - | - | - | 299,219,415 | 337,198,618 | 347,514,400 |
| 24. Deposits and balances due to Local banking institutions | 946,290 | 5,193 | - | - | - | - | 1,118,210 | 5,193 | 1,765,208 |
| 25. Deposits and balances due to Foreign banking institutions | - | - | - | - | - | - | - | - | 2,414 |
| 26. Other money market deposits | 6,176,128 | - | - | - | - | - | 6,176,128 | 198,920 | 1,313,655 |
| 27. Borrowed funds | 37,216,045 | 43,726,761 | 42,679,794 | - | - | - | 39,871,970 | 45,770,072 | 44,480,018 |
| 28. Balances due to group companies | - | - | - | 2,478,425 | 2,558,355 | 2,584,265 | - | - | - |
| 29. Tax payable | 1,702,326 | 313,642 | 2,073,020 | 141,309 | - | - | 2,201,317 | 506,774 | 2,397,632 |
| 30. Dividends payable. | - | - | - | 4,638,210 | - | 7,547,350 | 4,638,210 | - | 7,547,350 |
| 31. Deferred tax liability | - | - | - | - | - | - | 57,411 | 177,522 | 155,838 |
| 32. Retirement benefit liability | - | - | - | - | - | - | - | - | - |
| 33. Other liabilities | 6,132,278 | 6,087,692 | 4,837,009 | 11,080 | 748 | 748 | 7,788,612 | 7,878,937 | 7,537,612 |
| **34. TOTAL LIABILITIES** | **295,433,929** | **327,407,956** | **337,596,599** | **7,269,024** | **2,559,103** | **10,132,363** | **361,071,272** | **391,736,037** | **412,714,127** |
| **C. SHAREHOLDERS' FUNDS** | | | | | | | | | |
| 35. Paid up/Assigned capital | 30,000,000 | 30,000,000 | 30,000,000 | 1,886,837 | 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 | 9,964,132 | 16,062,607 | 16,062,607 | 16,062,607 | 16,062,607 | 16,062,607 | 16,062,607 |
| 37. Revaluation reserve | (1,440,225) | (785,889) | (965,096) | - | - | - | (8,446,525) | (7,051,002) | (6,891,531) |
| 38. Retained earnings/ Accumulated losses | 12,352,706 | 11,284,120 | 15,389,335 | 41,500,344 | 45,390,349 | 45,504,249 | 57,349,181 | 60,550,117 | 65,382,778 |
| 39 Statutory Loan Loss reserve | 1,249,363 | 1,878,677 | 1,878,677 | - | - | - | 1,615,305 | 2,280,654 | 2,280,654 |
| 40. Other Reserves | - | - | - | - | - | - | - | - | - |
| 41. Proposed dividends | - | - | - | - | 7,547,350 | - | - | 7,547,350 | - |
| 42 Non Controlling Interests | - | - | - | - | - | - | 648,517 | 700,533 | 717,994 |
| **43. TOTAL SHAREHOLDERS' FUNDS** | **52,125,975** | **52,341,039** | **56,267,047** | **59,449,789** | **70,887,143** | **63,453,693** | **69,115,922** | **81,977,096** | **79,439,339** |
| **44. TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS** | **347,559,904** | **379,748,996** | **393,863,646** | **66,718,812** | **73,446,245** | **73,586,056** | **430,187,193** | **473,713,133** | **492,153,466** |
| **STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME** | | | | | | | | | |
| **1. INTEREST INCOME** | | | | | | | | | |
| 1.1 Loans and advances | 9,465,508 | 35,175,592 | 6,072,495 | - | - | - | 11,238,433 | 43,065,889 | 8,191,847 |
| 1.2 Government securities. | 1,017,086 | 6,699,995 | 2,724,759 | - | - | - | 1,281,162 | 7,882,239 | 2,966,984 |
| 1.3 Deposits and placements with banking institutions | 205,904 | 1,002,446 | 151,077 | 19,466 | 68,754 | 152,548 | 290,787 | 538,904 | 258,056 |
| 1.4 Other Interest Income | 44,950 | 194,517 | 25,243 | - | - | 307 | 71,869 | 353,572 | 50,160 |
| **1.5 Total Interest income** | **10,733,448** | **43,072,550** | **8,973,574** | **19,466** | **68,754** | **152,855** | **12,882,251** | **51,840,604** | **11,465,047** |
| **2. INTEREST EXPENSES** | | | | | | | | | |
| 2.1 Customer deposits | 1,356,199 | 6,115,253 | 1,520,483 | - | - | - | 1,773,400 | 7,883,466 | 2,021,029 |
| 2.2 Deposits and placements from banking institutions | 6,082 | 60,970 | 10,490 | - | - | - | 60,821 | 220,719 | 48,646 |
| 2.3 Other Interest expense | 428,519 | 1,836,594 | 485,345 | - | - | - | 615,101 | 1,922,526 | 509,416 |
| **2.4 Total interest Expenses** | **1,790,800** | **8,012,818** | **2,016,318** | **-** | **-** | **-** | **2,449,321** | **10,026,712** | **2,579,091** |
| **3. NET INTEREST INCOME** | **8,942,648** | **35,059,732** | **6,957,257** | **19,466** | **68,754** | **152,855** | **10,432,930** | **41,813,893** | **8,885,956** |
| **4. NON-INTEREST INCOME** | | | | | | | | | |
| 4.1 Fees and commissions income on loans & advances | 815,740 | 3,831,268 | 1,240,213 | - | - | - | 930,820 | 4,416,234 | 1,377,130 |
| 4.2 Other Fees and commissions income | 1,879,224 | 8,418,842 | 2,378,571 | - | - | - | 2,611,766 | 11,364,858 | 3,107,974 |
| 4.3 Foreign exchange trading income | 624,873 | 1,910,435 | 587,125 | - | - | - | 842,417 | 3,307,113 | 916,587 |
| 4.4 Dividend Income | - | - | - | - | 11,300,000 | - | - | - | - |
| 4.5 Other income. | 144,370 | 1,103,549 | 172,517 | 24,476 | 97,214 | - | 828,161 | 3,130,579 | 931,604 |
| **4.6 Total Non-Interest Income** | **3,464,208** | **15,264,095** | **4,378,426** | **24,476** | **11,397,214** | **-** | **5,213,164** | **22,218,783** | **6,333,295** |
| **5. TOTAL OPERATING INCOME** | **12,406,856** | **50,323,827** | **11,335,682** | **43,941** | **11,465,968** | **152,855** | **15,646,094** | **64,032,676** | **15,219,252** |
| **6. OPERATING EXPENSES** | | | | | | | | | |
| 6.1 Loan Loss Provision | 382,029 | 5,010,763 | 630,652 | - | - | - | 704,919 | 6,645,641 | 796,900 |
| 6.2 Staff costs | 2,197,054 | 8,096,990 | 1,636,535 | - | - | - | 2,993,523 | 11,628,908 | 2,472,447 |
| 6.3 Directors' emoluments | - | 17,276 | 2,777 | - | 13,372 | 2,033 | 5,954 | 65,117 | 12,660 |
| 6.4 Rental charges | 306,778 | 1,262,656 | 326,950 | - | - | - | 549,900 | 2,039,919 | 593,290 |
| 6.5 Depreciation on property and equipment | 722,835 | 2,816,348 | 678,137 | - | - | - | 902,346 | 3,764,250 | 931,828 |
| 6.6 Ammortisation charges | 153,949 | 705,012 | 185,677 | - | - | - | 180,915 | 974,707 | 218,420 |
| 6.7 Other operating expenses | 1,990,636 | 9,637,211 | 2,010,361 | 5,937 | 75,494 | 36,922 | 3,021,297 | 13,987,251 | 3,292,925 |
| **6.8 Total Operating Expenses** | **5,753,280** | **27,546,255** | **5,471,089** | **5,937** | **88,866** | **38,955** | **8,358,853** | **39,105,794** | **8,318,470** |
| **7.0 Profit/(loss) before tax and exceptional items** | **6,653,575** | **22,777,572** | **5,864,593** | **38,004** | **11,377,102** | **113,900** | **7,287,241** | **24,926,883** | **6,900,782** |
| 8.0 Exceptional items-share of profit of associate | - | - | - | - | - | - | - | - | - |
| **9.0 Profit/(loss) after exceptional items** | **6,653,575** | **22,777,572** | **5,864,593** | **38,004** | **11,377,102** | **113,900** | **7,287,241** | **24,926,883** | **6,900,782** |
| 10. Current tax | (1,996,073) | (7,715,023) | (1,759,378) | (11,401) | 94,197 | (34,170) | (2,200,413) | (8,582,349) | (2,050,660) |
| 11. Deferred tax | - | 155,686 | - | - | - | - | 50,047 | 257,995 | - |
| **12. Profit / (loss) after tax and exceptional items** | **4,657,503** | **15,218,234** | **4,105,215** | **26,603** | **11,471,299** | **79,730** | **5,136,876** | **16,602,529** | **4,850,122** |
| 12.1 Minority Interest | - | - | - | - | - | - | 4,718 | 56,735 | 17,461 |
| **13. Profit / (loss) after tax and exceptional items and minority interest** | **4,657,503** | **15,218,234** | **4,105,215** | **26,603** | **11,471,299** | **79,730** | **5,132,157** | **16,545,794** | **4,832,661** |
| **14. Other Comprehensive Income** | | | | | | | | | |
| 14.1 Gains/(Losses) from translating the financial statements of foreign operations | - | - | - | - | - | - | (581,160) | 99,102 | 340,443 |
| 14.2 Fair value changes in available for sale financial assets | (28,859) | 683,195 | (179,207) | - | - | - | (28,859) | 686,403 | (180,972) |
| 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 | - | - | - | - | - | - | - | - | - |
| **15. Other Comprehensive Income for the year net of tax** | **(28,859)** | **683,195** | **(179,207)** | **-** | **-** | **-** | **(610,019)** | **785,505** | **159,471** |
| **16. Total comprehensive income for the year** | **4,628,644** | **15,901,429** | **3,926,008** | **26,603** | **11,471,299** | **79,730** | **4,522,138** | **17,331,299** | **4,992,132** |
| EARNINGS PER SHARE- BASIC & DILUTED | 155.25 | 507.27 | 136.84 | 0.01 | 3.04 | 0.02 | 1.39 | 4.38 | 1.28 |
| DIVIDEND PER SHARE -DECLARED | - | 366.67 | - | - | 2.00 | - | - | 2.00 | - |
| **OTHER DISCLOSURES** | | | | | | | | | |
| **1) NON PERFORMING LOANS AND ADVANCES** | | | | | | | | | |
| a) Gross non performing loans and advances | 8,248,531 | 15,457,320 | 15,355,068 | - | - | - | 10,915,628 | 18,754,023 | 19,509,295 |
| b) Less Interest in suspense | 1,674,141 | 1,816,643 | 2,081,336 | - | - | - | 1,882,217 | 2,036,824 | 2,333,688 |
| **c) Total Non-Performing loans and advances (a-b)** | **6,574,390** | **13,640,677** | **13,273,732** | **-** | **-** | **-** | **9,033,411** | **16,717,199** | **17,175,607** |
| d) less Loan loss provision | 3,043,326 | 5,416,636 | 5,647,521 | - | - | - | 4,228,045 | 6,959,440 | 7,069,507 |
| e) Net non- performing loans[c-d] | 3,531,065 | 8,224,041 | 7,626,211 | - | - | - | 4,805,126 | 9,757,559 | 10,106,100 |
| f) Discounted value of securities | 2,834,697 | 7,296,995 | 6,649,306 | - | - | - | 4,058,145 | 8,829,046 | 9,105,049 |
| **g) Net NPLs Exposure (e-f)** | **696,368** | **927,046** | **976,904** | **-** | **-** | **-** | **746,981** | **928,513** | **1,001,051** |
| **2) INSIDER LOANS AND ADVANCES** | | | | | | | | | |
| a) Directors, shareholders and associates | 2,374,258 | 2,712,762 | 2,886,735 | - | - | - | 2,374,258 | 2,712,762 | 2,980,280 |
| b) Employees | 5,585,120 | 5,084,658 | 4,895,253 | - | - | - | 5,983,809 | 6,005,984 | 5,865,634 |
| **c) Total Insider Loans and Advances and other Facilities** | **7,959,378** | **7,797,420** | **7,781,988** | **-** | **-** | **-** | **8,358,067** | **8,718,747** | **8,845,914** |
| **3) OFF BALANCE SHEET ITEMS** | | | | | | | | | |
| a) Letter of Credit, guarantees, acceptances | 19,877,248 | 32,733,625 | 34,448,069 | - | - | - | 22,380,106 | 35,676,396 | 37,666,636 |
| b) Forwards, Swaps and Options | 38,371,279 | 7,749,424 | 19,702,640 | - | - | - | 38,371,279 | 7,749,424 | 20,734,024 |
| c) Other contigent Liabilities | 5,694,789 | - | - | - | - | - | 5,694,789 | 410,344 | - |
| **d) Total contigent Liabilities** | **63,943,317** | **40,483,049** | **54,150,710** | **-** | **-** | **-** | **66,446,174** | **43,836,164** | **58,400,660** |
| **4) CAPITAL STRENGTH** | | | | | | | | | |
| a) Core Capital | 49,988,086 | 51,248,255 | 53,300,859 | - | - | - | 72,732,547 | 78,499,561 | 80,924,622 |
| b) Minimum statutory capital | 1,000,000 | 1,000,000 | 1,000,000 | - | - | - | 1,000,000 | 4,173,124 | 4,173,124 |
| **c) Excess/ (defficiency)** | **48,989,737** | **50,248,255** | **52,300,859** | **-** | **-** | **-** | **71,732,547** | **74,326,437** | **76,751,498** |
| d) Supplementary capital | 4,586,176 | 3,846,788 | 3,446,417 | - | - | - | 5,227,518 | 4,248,766 | 3,848,395 |
| **e) Total Capital (a+d)** | **54,575,913** | **55,095,043** | **56,747,276** | **-** | **-** | **-** | **77,960,065** | **82,748,327** | **84,773,016** |
| **f) Total Risk Weighted Assets** | **338,895,732** | **356,087,595** | **358,841,053** | **-** | **-** | **-** | **397,824,037** | **420,890,802** | **418,802,658** |
| **Ratios** | | | | | | | | | |
| **g) Core Capital/ Total Deposit Liabilities** | **20.5%** | **18.5%** | **18.5%** | **-** | **-** | **-** | **24.2%** | **23.3%** | **23.2%** |
| h) Minimum statutory ratio | 10.5% | 10.5% | 10.5% | - | - | - | 10.5% | 10.5% | 10.5% |
| **i) Excess / (defficiency) (g-h)** | **10.0%** | **8.0%** | **8.0%** | **-** | **-** | **-** | **13.7%** | **12.8%** | **12.7%** |
| **j) Core Capital/ Total Risk Weighted Assets** | **14.8%** | **14.4%** | **14.9%** | **-** | **-** | **-** | **18.3%** | **18.7%** | **19.3%** |
| k) Minimum statutory Ratio | 10.5% | 10.5% | 10.5% | - | - | - | 10.5% | 10.5% | 10.5% |
| **L) Excess / (defficiency) (j-k)** | **4.3%** | **3.9%** | **4.4%** | **-** | **-** | **-** | **7.8%** | **8.2%** | **8.8%** |
| **m) Total Capital/ Total Risk Weighted assets** | **16.1%** | **15.5%** | **15.8%** | **-** | **-** | **-** | **19.6%** | **19.7%** | **20.2%** |
| n) Minimum statutory Ratio | 14.5% | 14.5% | 14.5% | - | - | - | 14.5% | 14.5% | 14.5% |
| **o) Excess / (defficiency) (m-n)** | **1.6%** | **1.0%** | **1.3%** | **-** | **-** | **-** | **5.1%** | **5.2%** | **5.7%** |
| **5) LIQUIDITY** | | | | | | | | | |
| **a) Liquidity Ratio** | **29.4%** | **47.7%** | **53.2%** | **-** | **-** | **-** | **34.9%** | **47.6%** | **50.6%** |
| b) Minimum statutory Ratio | 20.0% | 20.0% | 20.0% | - | - | - | 20.0% | 20.0% | 20.0% |
| **c) Excess / (defficiency) (a-b)** | **9.4%** | **27.7%** | **33.2%** | **-** | **-** | **-** | **14.9%** | **27.6%** | **30.6%** |

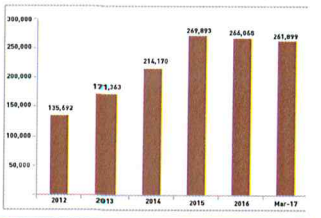
**GROWTH IN DEPOSITS (In Kshs. Millions)**



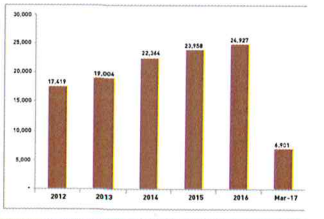

**GROWTH IN TOTAL ASSETS (In Kshs. Millions)**




**GROWTH IN LOAN PORTFOLIO (In Kshs. Millions)**




**GROWTH IN PROFIT BEFORE TAX (In Kshs. Millions)**




These financial statements are extracts from the books of the institution. The complete set of financial statements, statutory and qualitative disclosures can be accessed on the Institution's website www.equitybankgroup.com.
They may also be accessed at the institutions head office locate at Equity Centre 9th floor, Hospital Road Upperhill.

Signed _____

**Dr. James Mwangi, CBS**
**CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR**

Signed _____

**Dr. Peter Munga, CBS**
**CHAIRMAN**


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