

EQUITY BANK GROUP UN-AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30TH SEPTEMBER 2014

STATEMENT OF FINANCIAL POSITION	30th Sept	31st Dec	BANK 31st Mar	30th Jun	30th Sept	30th Sept	31st Dec	OUP CONSOLIDATI 31st Mar 2014	30th Jun	30th Sept		Bank • Your Listening, Caring Partner
A. ASSETS	2013 Shs. '000' (Unaudited)	2013 Shs. '000' (Audited)	2014 Shs. '000' (Unaudited)	2014 Shs. '000' (Unaudited)	2014 Shs. '000' (Unaudited)	2013 Shs. '000' (Unaudited)	2013 Shs. '000' (Audited)	2014 Shs. '000' (Unaudited)	2014 Shs. '000' (Unaudited)	2014 Shs. '000' (Unaudited)		
1. Cash (both Local & foreign) 2. Balances due from central Bank of Kenya	7,138,525 9,044,745	4,779,647 6,228,764	6,893,233 9,978,012	6,910,765 8,671,712	7,015,313 11,228,904	9,933,263 9,044,745	7,965,319 6,228,764	9,839,274 9,978,012	10,501,100 8,671,712	10,172,302 11,228,904		
 Kenya Government and other securities held for dealing purposes Financial Assets at fair value through profit and loss Investment Securities: (a+b) 	32,143,740	32,949,454	32,959,377	33,880,413	34,755,788	43,564,081	44,571,810	44,415,258	45,336,503	47,433,180		
a) After Maturity: (i+ii)	22,611,075 21,743,175	22,593,951 21,726,051	22,426,689 21,558,789	22,349,019 21,481,119	21,450,284 19,351,134	33,694,931 21,760,382	33,990,146 21,726,051	33,650,354 21,558,789	33,583,146 21,481,119	33,891,356 19,351,134		GROWTH IN CUSTOMER DEPOSITS
i. Kenya Government securities ii. Other securities b) After sale: (i-ii)	21,743,175 867,900 9,532,665	867,900 10,355,503	21,558,789 867,900 10,532,688	867,900 11,531,393	2,099,150 13,305,504	21,760,362 11,934,549 9,869,150	12,264,095 10,581,664	12,091,565 10,764,904	12,102,027 11,753,357	14,540,222 13,541,824	300,000 —	(In Kshs Millions)
i. Kenya Government securities ii. Other securities	9,532,665	10,355,503	10,532,688	11,531,393	13,305,504	9,532,665 336,485	10,372,893 208,771	10,550,261 214,643	11,531,393 221,964	13,305,504 236,320	250,000 —	243,143
 Deposits and balances due from local banking institutions Deposits and balances due from banking institutions abroad 	8,997,190 5,175,264	- 7,019,840 3,902,296	4,928,809 6,701,458	- 6,688,800 5,101,859	4,128,374 7,183,111	9,036,426 12,642,604	7,059,696 13,273,755	4,968,896 16,397,675	6,729,348 15,064,071	4,168,462 27,258,997		
8. Tax recoverable 9. Loans and advances to customers (net)	- 141,152,830	469,728 152,028,916	- 159,188,825	- 165,138,876	- 183,167,801	111,783 158,577,454	549,912 171,363,429	66,779 179,311,808	162,306 186,513,517	199,428 206,699,141	200,000 —	194,839
10.Balances due from banking institutions in the group 11. Investments in associates 12. Investments in subsidiary companies	1,284,014 1,113,049 8,987,689	1,062,693 1,113,049 10,283,692	1,564,267 1,113,049 10,283,689	1,690,995 1,113,049 10,283,689	2,481,486 1,113,049 10,938,216	99,721 1,525,707	122,000 1,574,434	451,925 1,623,941	265,835 1,623,417	399,827 1,639,800	150,000 —	144,165
13. Investments in joint ventures 14. Investment properties	8,494	- 8,494	8,494	8,494	- 8,494	8,494	8,494	8,494	8,494	8,494	100,000 —	104,431
15. Property and equipment 16. Prepaid lease rentals 17. Interprint accepte	6,485,900 4,103 1,341,666	6,941,581 4,092 1,542,421	6,654,599 4,080 1,747,660	6,655,069 4,068	7,349,371 4,057 2,294,835	9,259,776 178,332 2,697,641	9,795,938 179,870 2,955,178	9,439,466 185,517 2,192,971	9,476,139 159,133 3,749,326	10,327,366 139,375 3,926,436	50,000 -	
17. Intangible assets 18. Deferred tax asset 19. Retirement benefit asset	744,341	701,348	701,348	2,266,200 701,348	701,348	767,192	939,063	3,182,971 763,013	763,708	764,648		
20. Other assets 21.TOTAL ASSETS	9,279,891 232,901,441	9,158,339 238,194,354	12,613,566 255,340,466	11,099,590 260,214,926	11,997,878 284,368,025	10,221,180 267,668,399	11,141,156 277,728,818	14,630,050 295,263,079	13,890,721 302,915,330	15,076,041 339,442,401	0-	2010 2011 2012 2013 Sep-14
B. LIABILITIES 22. Balances due to Central Bank of Kenya	-	-	-	-	-	-	-	-	-	-		
23. Customer deposits 24. Deposits and balances due to Local banking institutions	157,483,586 1,903,411	158,527,016 218,084	170,056,418 222,420	177,468,518 363,128	193,495,094 126,160	190,141,876 1,903,411	194,620,593 218,084	205,605,033 222,420	214,534,750 363,128	243,017,087 126,160		
25. Deposits and balances due to Foreign banking institutions 26. Other money market deposits 27. Borrowed funds	- 104,272 23,853,123	- 5,127 25,607,185	- 692,943 29,599,124	- 56,307 27,303,900	- 310,172 31,135,641	- 217,972 24,544,662	- 318,042 26,731,049	- 750,964 31,591,650	- 1,155,037 29,132,673	- 310,172 33,759,917		
28. Balances due to group companies 29. Tax payable			957,186			24,344,882	64,210	1,069,814	190,038	209,831		
30. Dividends payable. 31. Deferred tax liability	20,923	20,777	2,209,381	28,442	23,211	20,923 38,099	20,777 2,148	2,209,381	28,442	23,211		
32. Retirement benefit liability 33. Other liabilities 34. TOTAL LIABILITIES	3,177,754 186,543,069	3,129,243 187,507,432	2,793,373 206,530,845	- 3,000,726 208,221,021	- 3,595,943 228,686,221	- 3,806,716 220,709,410	4,198,144 226,173,047	- <u>3,736,057</u> 245,185,319	4,198,535 249,602,603	4,898,211 282,344,589		GROWTH IN TOTAL ASSETS
C. SHAREHOLDERS' FUNDS											400,000	(In Kshs Millions) 339,442
35. Paid up/Assigned capital 36. Share premium/ (discount) 37. Revaluation reserve	1,851,388 12,161,021 (760,006)	1,851,388 12,161,021 (730,059)	1,851,388 12,161,021 (382,679)	1,851,388 12,161,021 (754,895)	1,851,388 12,161,021 (351,336)	1,851,388 12,161,021 (1,689,789)	1,851,388 12,161,021 (1,361,730)	1,851,388 12,161,021 (1,368,636)	1,851,388 12,161,021 (1,700,707)	1,851,388 12,161,021 (1,228,722)	350,000 -	277,729
37. Revaluation reserve 38. Retained earnings/ Accumulated losses 39. Statutory Loan Loss reserve	(740,004) 32,631,644 454,323	(730,059) 31,271,829 578,577	(382,679) 34,601,314 578,577	(754,895) 38,157,814 578,577	(351,336) 41,442,154 578,577	(1,689,789) 34,051,696 584,673	(1,361,730) 32,590,061 734,945	(1,368,636) 36,700,270 733,717	(1,700,707) 40,267,625 733,400	(1,228,722) 43,580,271 733,854	250,000 -	243,170
40. Proposed dividends 41. Capital grants	-	5,554,166	-	1		-	5,554,166 25,920	-	1		200,000	196,294
42. TOTAL SHAREHOLDERS' FUNDS 43.TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	46,358,372 232,901,441	50,686,922 238,194,354	48,809,621 255,340,466	51,993,905 260,214,926	55,681,804 284,368,025	46,958,989 267,668,399	51,555,771 277,728,818	50,077,760 295,263,079	53,312,727 302,915,330	57,097,812 339,442,401	150,000	143,018
STATEMENT OF COMPREHENSIVE INCOME		200,174,004	235,340,468 BANK	200,214,720	,000,020	207,000,077		UP CONSOLIDATI		JJ,,442,401	100,000 -	
1. INTEREST INCOME 1.1 Loans and advances 1.2 Comparements a second	18,409,015	24,811,111	6,529,542	13,202,200	20,117,856	20,495,492	27,740,003	7,313,075	14,739,885	22,604,493	50,000 —	
1.2 Government securities. 1.3 Deposits and placements with banking institutions 1.4 Other	2,304,103 282,633 3,527	3,115,914 347,590 35,628	771,865 61,518 2,311	1,574,802 137,143 1,402	2,432,223 215,577 2,585	2,619,014 356,037 89,763	3,566,623 399,233 183,765	908,165 80,453 115,620	1,831,477 187,931 211,729	2,858,224 258,462 318,958	0 —	2010 2011 2012 2013 Sep-14
1.5 Total Interest income	20,999,278	28,310,243	7,365,236	14,915,547	22,768,241	23,560,306	31,889,624	8,417,313	16,971,022	26,040,137		
2. INTEREST EXPENSES 2.1 Customer deposits 2.2 Descrite and la carrente form headling institutions	2,270,338	3,212,365	808,836	1,692,529	2,579,630	2,779,811	3,970,850	1,053,185	2,249,466	3,422,520		
2.2 Deposits and placements from banking institutions 2.3 Other Interest expense 2.4 Total interest Expenses	11,312 <u>1,010,109</u> 3,291,759	32,741 <u>1,375,373</u> 4,620,479	4,268 <u>331,386</u> 1,144,490	7,327 660,648 2,360,504	23,391 1,009,196 3,612,217	68,554 999,849 3,848,214	105,110 <u>1,323,073</u> 5,399,033	6,677 <u>344,592</u> 1,404,454	19,610 <u>687,308</u> 2,956,384	49,635 1,023,479 4,495,634		
3. NET INTEREST INCOME	17,707,519	23,689,764	6,220,746	12,555,043	19,156,024	19,712,092	26,490,591	7,012,859	14,014,638	21,544,503		
4. OTHER OPERATING INCOME 4.1 Fees and commissions income on loans & advances	2,878,639	4,068,517	1,151,257	2,293,113	3,661,597	3,176,900	4,476,134	1,219,687	2,438,734	3,876,267		
4.2 Other Fees and commissions income 4.3 Foreign exchange trading income	4,228,669 691,337	5,648,491 897,368	1,543,798 196,171	3,377,444 464,302	5,212,730 732,892	5,178,518 1,375,292	6,713,988 1,866,074	2,010,490 611,092	4,223,777 1,069,799	6,529,176 1,571,383		GROWTH IN LOAN PORTFOLIO
4.4 Dividend Income 4.5 Other income. 4.6 Total Non-Interest Income	83,041 246,672 8,128,358	958,302 475,068 12,047,746	- 87,561 2,978,787	57,270 162,231 6,354,360	100,223 284,021 9,991,463	6,927 <u>816,460</u> 10,554,097	7,018 2,307,483 15,370,697	2,053 288,825 4,132,147	4,155 582,337 8,318,802	3,680 1,008,207 12,988,713	250,000 -	(In Kshs Millions)
5. TOTAL OPERATING INCOME	25,835,877	35,737,510	9,199,533	18,909,403	29,147,487	30,266,189	41,861,288	11,145,006	22,333,440	34,533,216		206,699
6. OPERATING EXPENSES 6.1 Loan Loss Provision	1,853,563	1,835,613	270,399	370,399	620,920	2,370,609	2,401,942	316,499	517,968	899,861	200,000 —	171,363
6.2 Staff costs 6.3 Directors' emoluments 6.4 Rental charges	5,542,641 14,717 629,358	7,386,110 18,679 839,084	1,977,153 2,986 252,618	4,118,109 7,839 510,440	6,366,270 16,586 799,267	6,698,823 21,827 1,174,692	9,024,259 27,751 1,576,272	2,414,746 4,652 443,966	4,984,045 17,404 878,287	7,765,927 30,399 1,369,743	150,000 -	135,692
6.5 Depreciation on property and equipment 6.6 Ammortisation charges	1,363,159 239,162	1,783,761 316,088	493,940 93,245	987,296 206,041	1,483,264 347,966	1,664,086 244,275	2,203,209 323,060	443,788 615,391 95,330	1,221,060 210,154	1,865,609 356,164		113,824
6.7 Other operating expenses 6.8 Total Operating Expenses	4,302,945 13,945,545	5,325,303 17,504,638	1,352,786 4,443,127	2,872,157 9,072,281	4,984,178 14,618,451	5,605,559 17,779,871	7,154,373 22,710,866	1,851,878 5,742,462	3,786,435 11,615,353	6,551,692 18,839,395	100,000 -	78,302
Profit/(loss) before tax and exceptional items Exceptional items-share of profit of associate	11,890,332	18,232,872	4,756,406	9,837,122	14,529,036	12,486,318 152,301	19,150,422 (145,986)	5,402,544 49,507	10,718,087 106,253	15,693,821 165,589	50,000 -	
Profit/(loss) after exceptional items 10. Current tax	11,890,332 (3,567,099)	18,232,872 (5,548,044)	4,756,406 (1,426,922)	9,837,122 (2,951,136)	14,529,036 (4,358,711)	12,638,619 [3,734,396]	19,004,436 (5,881,766)	5,452,051 (1,568,941)	10,824,340 (3,163,669)	15,859,410 (4,646,400)		
11. Deferred tax 12. Profit / lloss) after tax and exceptional items	8,323,233	(42,992) 12,641,836	3,329,484	6,885,986	10,170,325	8,904,223	155,126 13,277,796	[4,454] 3,878,656	7,660,671	11,213,010	0 -	2010 2011 2012 2013 Sep-14
13. Other Comprehensive Income 13.1 Gains/(Losses) from translating the financial statements of	-	-	-	-	-	(309,425)	(13,810)	(354,285)	(314,140)	(245,715)		
foreign operations 13.2 Fair value changes in available for sale financial assets	(8,151)	1,795	347,379	[24,837]	378,722	(8,151)	1,795	347,379	[24,837]	378,722		
 Revaluation surplus on Property, plant and equipment A Share of other comprehensive income of associates Income tax relating to components of other comprehensive income 	1	-	1	-	-	1	-	1	-	-		
14. Other Comprehensive Income for the year net of tax 15. Total comprehensive income for the year		1,795 12,643,631	347,379 3,676,863		378,722 10,549,047	(317,576) 8,586,647	(12,015) 13,265,781	(6,906) 3,871,750	(<u>338,977)</u> 7,321,694	133,007 11,346,017		
OTHER DISCLOSURES			BANK				GRO	UP CONSOLIDATI	ED			GROWTH IN PROFIT BEFORE TAX
	30th Sept 2013 Shs. '000'	31st Dec 2013 Shs. '000'	31st Mar 2014 Shs. '000'	30th Jun 2014 Shs. '000'	30th Sept 2014 Shs. '000'	30th Sept 2013 Shs. '000'	31st Dec 2013 Shs. '000'	31st Mar 2014 Shs. '000'	30th Jun 2014 Shs. '000'	30th Sept 2014 Shs. '000'		(In Kshs Millions)
1) NON PERFORMING LOANS AND ADVANCES a) Gross non performing loans and advances	(Unaudited) 7,669,693	(Audited) 8.188.895	(Unaudited) 6,424,921	(Unaudited) 6,935,065	(Unaudited) 7,605,600	(Unaudited) 9,011,621	(Audited) 9,246,423	(Unaudited) 7,765,108	(Unaudited) 8,863,839	(Unaudited) 9,339,533	20,000 —	19,004
b) Less Interest in suspense c) Total Non-Performing loans and advances (a-b)	1,458,451 6,211,242	1,625,539 6,563,356	1,575,512 4,849,409	1,697,235 5,237,830	1,877,176 5,728,424	1,507,707 7,503,914	1,716,180 7,530,243	1,688,930 6,076,178	1,839,457 7,024,382	2,029,505 7,310,028		17,419 15,859
d) less Loan loss provision e) Net non- performing loans(c-d)	2,655,579 3,555,663	2,675,579 3,887,778	2,875,579 1,973,830	2,875,579 2,362,251	2,961,102 2,767,322	3,202,161 4,301,753	3,218,541 4,311,702	3,460,969 2,615,209	3,469,722 3,554,660	3,688,691 3,621,337	15,000 —	12,834
f) Discounted value of securities g) Net NPLs Exposure (e-f)	3,174,249 381,414	3,521,231 366,546	1,595,935 377,895	2,028,502 333,749	2,302,758 464,564	3,920,339 381,414	3,945,156 366,546	2,237,313 377,896	3,220,911 333,749	3,156,773 464,564	10.000	
2)INSIDER LOANS AND ADVANCES a) Directors, shareholders and associates	1,171,669	1,358,461	1,535,062	710,489	1,021,436	1,178,802	1,358,461	1,535,062	710,489	1,021,436	10,000 —	9,045
b)Employees c) Total insider Loans and Advances and other Facilities	4,132,265 5,303,934	4,434,094 5,792,555	4,665,977 6,201,039	4,993,874 5,704,363	5,479,191 6,500,627	4,416,867 5,595,669	4,749,698 6,108,159	4,968,500 6,503,562	5,341,721 6,052,209	5,880,960 6,902,396	5.000 -	
3)OFF BALANCE SHEET ITEMS a) Letter of Credit, guarantees, acceptances	7,410,114	10,900,759	12,722,859	17,765,100	16,207,481	8,797,458	12,670,019	14,683,355	20,323,718	18,714,148	-1000	
b) Forwards, Swaps and Options c) Other contigent Liabilities	51,101 3,146,645	55,208 3,108,800	30,885 3,040,401	19,318 3,659,369	47,203 4,273,580	431,411 3,150,593	562,821 3,902,123	406,507 3,040,401	392,975 3,659,369	230,566 4,273,580	0	
d) Total contigent Liabilities 4) CAPITAL STRENGTH	10,607,860	14,064,767	15,794,145	21,443,787	20,528,264	12,379,462	17,134,963	18,130,263	24,376,062	23,218,294	. L	2010 2011 2012 2013 Sep-14
a) Core Capital b) Minimum statutory capital	33,252,800 1,000,000	34,758,600 1,000,000	36,423,343 1,000,000	38,201,593 1,000,000	39,189,236 1,000,000							
c) Excess/ (defficiency) d) Supplementary capital	32,252,800 17,080,723	33,758,600 9,392,601	35,423,343 8,877,306	37,201,593 7,810,494	38,189,236 7,687,838							
e) Total Capital (a+d) f) Total Risk Weighted Assets	50,333,523 222,895,174	44,151,201 187,346,170	45,300,649 259,817,858	46,012,087 270,724,029	46,877,074 291,717,491			are extracts from				
Ratios g) Core Capital/ Total Deposit Liabilities	20.9%	21.9%	21.4%	21.5%	20.2%		lete set of quarte quitybankgroup.		ments, statutor	y and qualitative	disclosures	s can be accessed on the institutions website
h) Minimum statutory ratio i) Excess / (defficiency) (g-h)	10.5%	8.0% 13.9%	10.5% 10.9%	10.5% 11.0%	10.5% 9.7%	They may	also be accessed	at the institution	s head office loo	cated at Equity C	entre 9th flo	oor Hospital Road Upper Hill.
j) Core Capital/ Total Risk Weighted Assets k) Minimum statutory Ratio	14.9% 10.5%	18.6% 8.0%	14.0% 10.5%	14.1% 10.5%	13.4% 10.5%		r. JAMES MWAN	GI, CBS OFFICER /MANA				. PETER K. MUNGA, CBS AIRMAN
L) Excess / (defficiency) (j-k) m) Total Capital/ Total Risk Weighted assets	<u>4.4%</u> 22.6%	10.6% 23.6%	3.5% 17.4%	3.6% 17.0%	2.9% 16.1%	C	IILI ENECUTIVE			R d is regulated by		
n) Minimum statutory Ratio o) Excess / (defficiency) (m-n)	14.5% 8.1%	12.0% 11.6%	14.5% 2.9%	14.5% 2.5%	14.5% 1.6%			Equ	, sank cinited		Gentral	
5) LIQUIDITY a) Liquidity Ratio	38%	34%	33%	34%	30.1%							
b) Minimum statutory Ratio c) Excess / (defficiency) (a-b)	20% 18%	20% 14%	20% 13%	20% 14%	20.0% 10.1%							
Equity Centre 9th Floor Hospital Road, Up	nor Hill Toly 2	E/ 7/2 02/ 0			20(2000 Em		when he are he	Mahaita	and the second hash			(oEquitybank / KoEquitybank