

EQUITY GROUP HOLDINGS LIMITED (FORMERLY EQUITY BANK LIMITED)

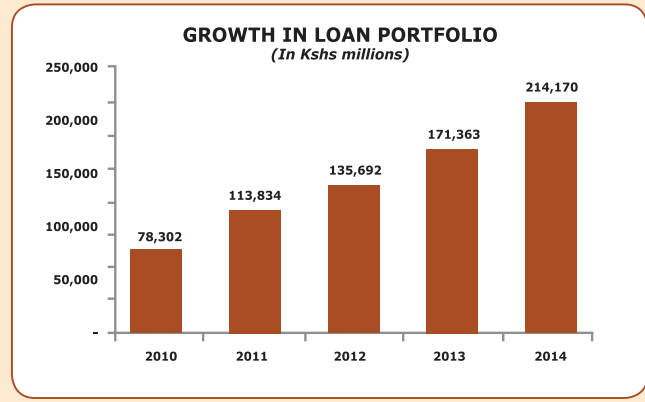
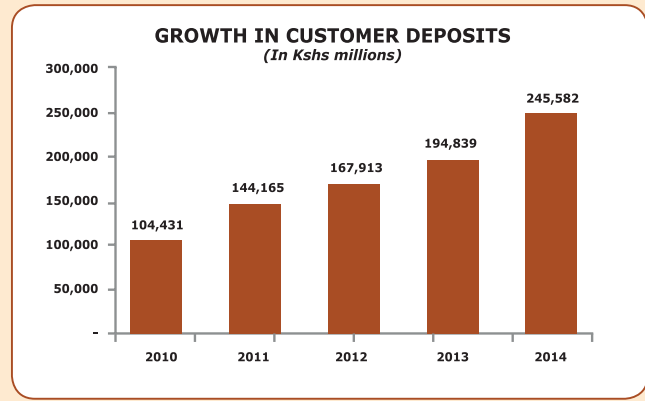
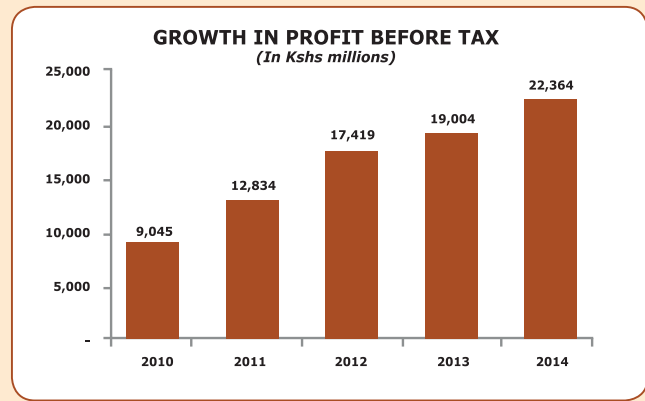
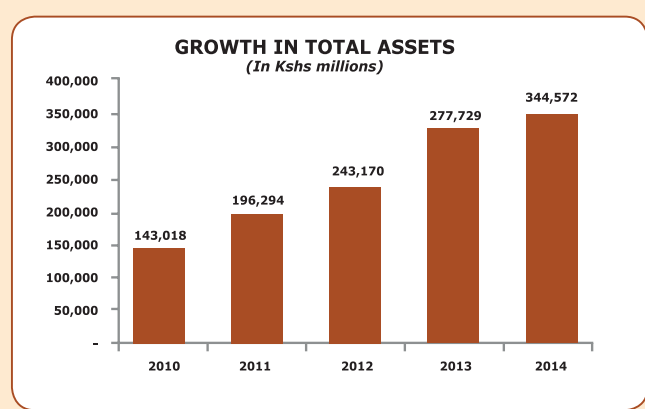
AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31ST DECEMBER 2014



	Equity Bank (Kenya) Limited	Equity Group Holdings Limited (formerly Equity Bank Limited)			
STATEMENT OF FINANCIAL POSITION AS AT	BANK	COMPANY	GROUP CONSOLIDATED		
	31st Dec 2014 Shs. '000' (Audited) Note 1	31st Dec 2013 Shs. '000' (Audited) Note 2	31st Dec 2014 Shs. '000' (Audited) Note 3	31st Dec 2013 Shs. '000' (Audited)	31st Dec 2014 Shs. '000' (Audited)
A. ASSETS					
1. Cash (both Local & foreign)	5,213,116	4,779,647	-	7,965,319	8,440,563
2. Balances due from central Bank of Kenya	6,103,763	6,228,764	-	6,228,764	6,103,763
3. Kenya Government and other securities held for dealing purposes	-	-	-	-	-
4. Financial Assets at fair value through profit and loss	-	-	-	-	-
5. Investment Securities: (a +b)	34,654,815	32,949,454	-	44,571,810	48,369,098
a) Held to Maturity: (i + ii)	21,388,050	22,593,951	-	33,990,146	34,890,977
i. Kenya Government securities	19,288,900	21,726,051	-	19,288,900	19,288,900
ii. Other securities	2,099,150	847,900	-	12,264,095	15,601,997
b) Available for sale: (i + ii)	13,266,765	10,355,503	-	10,581,664	13,478,111
i. Kenya Government securities	13,266,765	10,355,503	-	10,372,893	13,266,765
ii. Other securities	-	-	-	208,771	211,346
6. Deposits and balances due from local banking institutions	10,146,632	7,019,840	8,417,995	7,059,696	10,146,632
7. Deposits and balances due from banking institutions abroad	6,758,072	3,902,296	-	13,273,755	23,527,785
8. Tax recoverable	-	469,728	-	549,912	123,483
9. Loans and advances to customers (net)	187,976,229	152,028,916	-	171,363,429	214,170,424
10. Balances due from banking institutions in the group	1,039,752	1,062,693	-	122,000	188,903
11. Investments in associates	-	1,113,049	-	1,574,434	-
12. Investments in subsidiary companies	-	10,283,692	54,799,197	-	-
13. Investments in joint ventures	-	-	-	-	-
14. Investment properties	8,494	8,494	-	8,494	8,494
15. Property and equipment	7,383,658	6,941,581	-	9,795,938	10,528,298
16. Prepaid lease rentals	4,045	4,092	-	179,870	106,040
17. Intangible assets	2,774,689	1,542,421	-	2,955,178	3,424,894
18. Deferred tax asset	2,269,352	701,348	-	939,063	2,573,932
19. Retirement benefit asset	-	-	-	-	-
20. Other assets	11,783,110	9,158,339	-	11,141,156	16,859,430
21. TOTAL ASSETS	276,115,727	238,194,354	63,217,192	277,728,818	344,571,649
B. LIABILITIES					
22. Balances due to Central Bank of Kenya	-	-	-	-	-
23. Customer deposits	202,484,759	158,527,016	-	194,620,593	245,383,135
24. Deposits and balances due to Local banking institutions	199,136	218,084	-	218,084	199,136
25. Deposits and balances due to Foreign banking institutions	-	-	-	-	-
26. Other money market deposits	336,134	5,127	-	318,042	336,184
27. Borrowed funds	29,745,328	25,607,185	-	26,731,049	29,905,810
28. Balances due to group companies	-	-	420,000	-	-
29. Tax payable	-	-	460,935	64,210	462,900
30. Dividends payable	-	20,777	22,677	20,777	22,677
31. Deferred tax liability	-	-	-	2,148	2,148
32. Retirement benefit liability	-	-	-	-	-
33. Other liabilities	3,617,026	3,129,243	-	4,198,144	4,483,963
34. TOTAL LIABILITIES	236,382,383	187,507,432	903,612	226,173,047	280,795,953
C. SHAREHOLDERS' FUNDS					
35. Paid up/Assigned capital	30,000,000	1,851,388	1,851,388	1,851,388	1,851,388
36. Share premium/ (discount)	9,733,344	12,161,021	12,161,021	12,161,021	12,161,021
37. Revaluation reserve	-	(730,059)	-	(1,361,730)	(977,286)
38. Retained earnings/ Accumulated losses	(769,212)	31,271,829	41,636,172	32,590,061	43,054,995
39. Statutory Loan Loss reserve	769,212	578,577	-	734,945	1,020,579
40. Other Reserves	-	-	-	-	-
41. Proposed dividends	-	5,554,166	6,664,999	5,554,166	6,664,999
42. Capital grants	-	-	-	25,920	-
43. TOTAL SHAREHOLDERS' FUNDS	39,733,344	50,686,922	62,313,580	51,555,771	63,775,696
44. TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	276,115,727	238,194,354	63,217,192	277,728,818	344,571,649

STATEMENT OF COMPREHENSIVE INCOME	BANK	COMPANY	GROUP CONSOLIDATED	
	Note 4	Note 5		
1. INTEREST INCOME				
1.1 Loans and advances	-	24,811,111	27,585,823	27,740,003
1.2 Government securities,	-	3,115,914	3,281,374	3,566,623
1.3 Deposits and placements with banking institutions	-	347,590	266,774	399,233
1.4 Other Interest Income	-	35,628	6,052	183,765
1.5 Total Interest income	-	28,310,243	31,140,023	31,889,624
2. INTEREST EXPENSES				
2.1 Customer deposits	-	3,212,365	3,534,022	3,970,850
2.2 Deposits and placements from banking institutions	-	32,741	34,416	105,110
2.3 Other Interest expense	-	1,375,373	1,412,016	1,323,073
2.4 Total Interest Expenses	-	4,620,479	4,980,454	5,399,033
3. NET INTEREST INCOME	-	23,689,764	26,159,569	26,490,591
4. NON-INTEREST INCOME				
4.1 Fees and commissions income on loans & advances	-	4,068,517	4,918,631	4,476,134
4.2 Other Fees and commissions income	-	5,648,491	7,497,093	6,713,988
4.3 Foreign exchange trading income	-	897,368	1,204,900	1,866,074
4.4 Dividend Income	-	958,302	900,223	7,018
4.5 Other income	-	475,068	485,978	2,307,483
4.6 Total Non-Interest Income	-	12,047,746	15,006,825	15,370,697
5. TOTAL OPERATING INCOME	-	35,737,510	41,166,394	41,861,288
6. OPERATING EXPENSES				
6.1 Loan Loss Provision	-	1,835,613	1,159,054	2,401,942
6.2 Staff costs	-	7,386,110	8,769,508	9,024,259
6.3 Directors' emoluments	-	18,679	21,152	27,751
6.4 Rental charges	-	839,084	1,087,789	1,576,272
6.5 Depreciation on property and equipment	-	1,783,741	2,049,378	2,203,209
6.6 Amortisation charges	-	316,088	518,987	323,060
6.7 Other operating expenses	-	5,325,303	7,448,944	7,154,373
6.8 Total Operating Expenses	-	17,504,638	21,054,812	22,710,866
Profit/(loss) before tax and exceptional items	-	18,232,872	20,111,582	19,150,422
Gain on disposal of associate	-	-	1,667,272	1,063,737
Exceptional items-share of profit from sale of associate	-	-	-	(145,986)
Profit/(loss) after exceptional items	-	18,232,872	21,778,854	19,004,436
10. Current tax	-	(5,548,044)	(6,510,867)	(5,881,766)
11. Deferred tax	-	(42,992)	1,568,003	155,126
12. Profit / (loss) after tax and exceptional items	-	12,641,836	16,835,990	13,277,796
13. Other Comprehensive Income				
13.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	(13,810)
13.2 Fair value changes in available for sale financial assets	-	1,795	344,921	1,795
13.3 Revaluation surplus on Property, plant and equipment	-	-	-	-
13.4 Share of other comprehensive income of associates	-	-	-	-
13.5 Income tax relating to components of other comprehensive income	-	-	-	142,148
14. Other Comprehensive Income for the year net of tax	-	1,795	344,921	(12,015)
15. Total comprehensive income for the year	-	12,643,631	17,180,911	13,265,781
EARNINGS PER SHARE- BASIC & DILUTED	-	3.41	4.55	3.59
DIVIDEND PER SHARE -DECLARED	-	1.50	1.80	1.50

OTHER DISCLOSURES	BANK	COMPANY	GROUP CONSOLIDATED	
1) NON PERFORMING LOANS AND ADVANCES				
a) Gross non performing loans and advances	7,449,299	8,188,895	-	9,246,423
b) Less Interest in suspense	1,792,184	1,625,539	-	1,716,180
c) Total Non-Performing loans and advances (a-b)	5,657,115	6,563,356	-	7,530,243
d) less Loan loss provision	3,204,272	2,675,579	-	3,218,541
e) Net non- performing loans(c-d)	2,472,843	3,887,778	-	4,311,702
f) Discounted value of securities	2,006,848	3,521,231	-	3,945,156
g) Net NPLs Exposure (e-f)	465,995	366,546	-	366,546
2) INSIDER LOANS AND ADVANCES				
a) Directors, shareholders and associates	1,150,610	1,358,461	-	1,358,461
b) Employees	5,852,490	4,434,094	-	4,749,698
c) Total insider Loans and Advances and other Facilities	7,003,100	5,792,555	-	6,108,159
3) OFF BALANCE SHEET ITEMS				
a) Letter of Credit, guarantees, acceptances	19,966,165	10,900,759	-	12,670,019
b) Forwards, Swaps and Options	3,583	55,208	-	562,821
c) Other contingent Liabilities	3,911,635	3,108,800	-	3,902,123
d) Total contingent Liabilities	23,881,383	14,064,767	-	17,134,963
4) CAPITAL STRENGTH				
a) Core Capital	39,733,344	34,758,600	-	-
b) Minimum statutory capital	1,000,000	1,000,000	-	-
c) Excess/ (deficiency)	38,733,344	33,758,600	-	-
d) Supplementary capital	6,818,642	9,392,601	-	-
e) Total Capital (a+d)	46,551,986	44,151,201	-	-
f) Total Risk Weighted Assets	268,517,818	187,346,170	-	-
Ratios				
g) Core Capital/ Total Deposit Liabilities	19.6%	21.9%	-	-
h) Minimum statutory ratio	10.5%	8.0%	-	-
i) Excess / (deficiency) (g-h)	9.1%	13.9%	-	-
j) Core Capital/ Total Risk Weighted Assets	14.8%	18.6%	-	-
k) Minimum statutory Ratio	10.5%	8.0%	-	-
l) Excess / (deficiency) (j-k)	4.3%	10.6%	-	-
m) Total Capital/ Total Risk Weighted assets	17.3%	23.4%	-	-
n) Minimum statutory Ratio	14.5%	12.0%	-	-
o) Excess / (deficiency) (m-n)	2.8%	11.6%	-	-
5) LIQUIDITY				
a) Liquidity Ratio	30.4%	34.0%	-	-
b) Minimum statutory Ratio	20.0%	20.0%	-	-
c) Excess / (deficiency) (a-b)	10.4%	14.0%	-	-



These financial statements are extracts from the books of the institution as audited by Ernst & Young and received unqualified opinion. The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the Institution's website www.ke.equitybankgroup.com. They may also be accessed at the institutions head office located at Equity Centre 9th floor Hospital Road Upperhill.

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

Signed Mr. Peter K. Munga, CBS
CHAIRMAN

Note

- The FY14 Equity Bank (Kenya) Limited column reflects the banking assets and liabilities transferred to it from the Non-Operating Holding Company (Equity Group Holdings Limited formerly Equity Bank Limited) on 31st December 2014 at 11:59pm
- FY2013 column (Company) reflects the financial position of Equity Bank Limited that operated both as a holding company and as a licensed bank
- FY2014 column (Company) represents the position of the Non-Operating Holding Company (Equity Group Holdings Limited) post the transfer of banking assets and liabilities to its new subsidiary Equity Bank (Kenya) Limited on 31st Dec 2014 at 11:59pm
- Equity Bank (Kenya) Limited commenced operations on 31st December 2014 at 11:59pm so it does not have any trading results for the period ended 31st December 2014
- The Company results for the year ended 31 December 2013 and 31 December 2014 reflect the trading profits from the banking business (subsequently transferred to Equity Bank (Kenya) Limited) together with dividend income and fees charged to other subsidiaries.

Notice is hereby given that the Eleventh **Annual General Meeting (AGM)** of Equity Group Holdings Limited will be held on **Tuesday, 31st March 2015** at **Kenyatta International Convention Centre (KICC)** NAIROBI at **10.00 am**.