

EQUITY BANK GROUP

UN-AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30TH JUNE 2013



EQUITY BANK GROUP

UN-AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30TH JUNE 2013

Shs. '000' (Audited)

4.312.567

1,257,238

3,055,329

956,009

778.019

3,464,360

3,541,462

7,005,822

6.029.673

8,332,901

8,873

Shs. '000' (Un-audited)

4.036.405

1.055.569

2,980,836

1,074,633

882.871

191,762

2.926.583

3,207,631 **6,134,214**

7.508.657

91,139 2,481,492 **10,081,288** GROUP CONSOLIDATED

Shs. '000' (Un-audited)

7.760.714

1.584.315

6,176,399 2,722,497

3,453,902

2.859.726

594,176

1.247.038

4,028,276

5,275,314

6.445.055

18,908

7.412.763

1.450.866

5,961,897

3,248,373

2.383.663

864,710

3.757.094

3,749,584

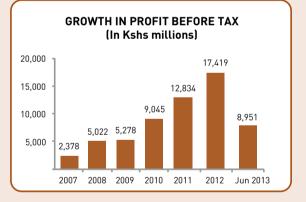
7,506,678

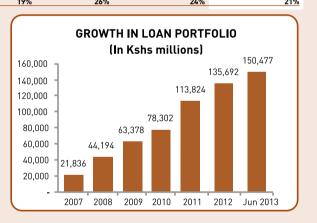
112,257

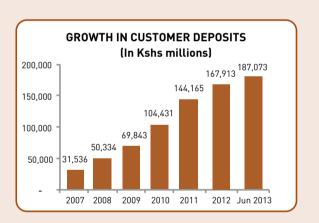
STATEMENT OF FINANCIAL POSITION		B/	ANK			GROUP CON	ISOLIDATED	
A. ASSETS	30th Jun 2012	31st Dec 2012	31st Mar 2013	30th Jun 2013	30th Jun 2012	31st Dec 2012	31st Mar 2013	30th Jun 201
	Shs. '000' (Un-audited)	Shs. '000' (Audited)	Shs. '000' (Un-audited)	Shs. '000' (Un-audited)	Shs. '000' (Un-audited)	Shs. '000' (Audited)	Shs. '000' (Un-audited)	Shs. '000' (Un-audite
1. Cash (both Local & foreign)	5,155,756	4,878,652	5,719,419	6,311,432	6,958,417	7,703,654	8,680,882	8,947,3
Balances due from central Bank of Kenya	9,909,685	13,395,120	13,147,904	10,011,309	9,909,685	13,395,120	13,147,904	10,011,3
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)	28,264,572	32,791,694	31,001,961	30,912,227	30,407,429	41,101,360	40,323,497	42,093,2
a) Held to Maturity: (i+ii)	23,195,215	23,666,217	21,725,261	22,727,337	25,338,073	31,975,883	31,046,798	33,586,2
i. Kenya Government securities	22,495,215	22,798,317	20,857,361	21,859,437	22,540,251	30,803,463	29,810,944	21,877,0
ii. Other securities	700,000	867,900	867,900	867,900	2,797,822	1,172,420	1,235,854	11,709,2
b) Available for sale: (i+ii)	5,069,357	9,125,477	9,276,699	8,184,890	5,069,357	9,125,477	9,276,699	8,506,9
i. Kenya Government securities	5,069,357	9,125,477	9,276,699	8,184,890	5,069,357	9,125,477	9,276,699	8,184,8
ii. Other securities	- 0.404.000	0.0/1.00/	7.00/.07/	0.100.700	2 (2) 202	0.007.010	7 (01 (70	322,0
6. Deposits and balances due from local banking institutions	2,606,293	9,941,086	7,336,976	9,180,739	2,606,293	9,997,868	7,421,473	9,265,3 17,452,0
7. Deposits and balances due from banking institutions abroad 8. Tax recoverable	9,920,066	7,252,137	12,188,209	11,455,216	24,764,984 31,423	14,037,451 55.330	18,814,447 7,198	76,2
Loans and advances to customers (net)	114,335,302	122,410,013	124,985,393	134,941,450	124,460,769	135,692,125	139,563,646	76,2 150,477,3
10.Balances due from banking institutions in the group	767,517	983,421	1,541,663	1,586,405	219,760	2,286	196,542	481,9
11. Investments in associates	1,259,696	1,113,049	1,113,049	1,113,049	1,321,858	1,456,447	1,503,427	1,516,4
12. Investments in associates	8,104,201	8,204,101	8,637,689	8,637,689	1,321,636	1,430,447	1,303,427	1,310,4
13. Investments in joint ventures	0,104,201	0,204,101	0,037,007	0,037,007				
14. Investment properties	8,494	8,494	8,494	8,494	8,494	8,494	8,494	8,4
15. Property and equipment	6,109,101	6,529,844	6,408,007	6,297,071	7,924,660	9,071,802	8,825,268	8,840,6
16. Prepaid lease rentals	4,161	4,138	4,126	4,115	228,915	292,358	242,533	228,6
17. Intangible assets	1,099,913	1,122,641	1,201,920	1,189,859	2,262,364	2,301,522	2,366,829	2,350,3
18. Deferred tax asset	238,571	744,341	744,341	744,341	240,645	819,876	766,919	766,8
19. Retirement benefit asset		-	-	-		-	-	, -
20. Other assets	7,902,619	6,450,569	9,393,770	8.021,406	8,541,693	7,234,765	10,365,205	9,061,4
21.TOTAL ASSETS	195,685,948	215,829,300	223,432,921	230,414,802	219,887,391	243,170,458	252,234,264	261,577,6
B. LIABILITIES								
22. Balances due to Central Bank of Kenya	-	-	-	-	-	_	-	
23. Customer deposits	128,204,860	140,285,671	147,399,366	155,011,661	151,113,451	165,812,458	173,832,149	184,024,5
24. Deposits and balances due to Local banking institutions	4,567,248	2,100,325	1,492,515	3,048,918	4,567,248	2,100,325	1,492,515	3,048,9
25. Deposits and balances due to Foreign banking institutions	-	-	-	-	-	-	-	
26. Other money market deposits	-	-	-	-	778,189	-	1,573,217	369,8
27. Borrowed funds	22,075,835	25,755,053	25,037,384	25,141,994	22,730,936	26,568,809	24,779,591	25,613,8
28. Balances due to group companies	-	-	-	-	-	-	-	
29. Tax payable	1,803,439	2,257,874	3,423,144	-	1,815,183	2,365,036	3,491,192	61,0
30. Dividends payable.	22,748	16,246	1,818,337	18,490	22,748	16,246	1,818,337	18,4
31. Deferred tax liability	-	-	-	-	530	38,122	37,789	37,9
32. Retirement benefit liability	-	-	-	-	-	-	-	
33. Other liabilities	2,637,754	2,742,368	3,773,708	3,017,925	3,056,032	3,353,074	4,379,238	3,737,9
34. TOTAL LIABILITIES	159,311,884	173,157,537	182,944,454	186,238,988	184,084,316	200,254,070	211,404,028	216,912,5
C. SHAREHOLDERS' FUNDS								
35. Paid up/Assigned capital	1,851,388	1,851,388	1,851,388	1,851,388	1,851,388	1,851,388	1,851,388	1,851,3
36. Share premium/ (discount)	12,161,021	12,161,021	12,161,021	12,161,021	12,161,021	12,161,021	12,161,021	12,161,0
37. Revaluation reserve	(849,004)	(731,853)	(1,088,470)	(416,639)	(1,736,985)	(1,372,213)	(2,076,570)	(1,403,14
38. Retained earnings/ Accumulated losses	22,790,814	24,308,413	27,110,205	30,125,721	23,072,158	25,034,934	28,294,535	31,465,9
39 Statutory Loan Loss reserve	419,845	454,323	454,323	454,323	428,802	566,733	582,193	582,8
40.0ther Reserves	-		-	-	-		-	
41. Proposed dividends	-	4,628,471	-	-	0/ /01	4,628,471	48.440	5.0
42. Capital grants	0/05/0//	- (O (E4 E10	- 10 (00 (1T	- // 485 04 /	26,691	46,054	17,669	7,0
43. TOTAL SHAREHOLDERS' FUNDS	36,374,064	42,671,763	40,488,467	44,175,814	35,803,075	42,916,388	40,830,236	44,665,1
44. Minority Interest 45.TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	195,685,948	215,829,300	223,432,921	230,414,802	219,887,391	243,170,458	252,234,264	261,577,6
	170,000,740			200,414,002	217,007,071			201,077,0
STATEMENT OF COMPREHENSIVE INCOME			ANK			GROUP CON		
	30th Jun 2012	31st Dec 2012	31st Mar 2013	30th Jun 2013	30th Jun 2012	31st Dec 2012	31st Mar 2013	30th Jun 20
	She '000' [[In-audited]	Che '000' (Audited)	She 'fillin' auditod)	She '000' (Un-audited)	She '000' Hin-audited)	She 'DDD' [Audited]	the 'nnn' Illa audited)	She '000' Hin-audite

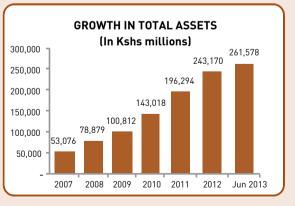
39 Statutory Loan Loss reserve	419,845	454,323	454,323	454,323	428,802	566,733	582,193	582,897	
40.0ther Reserves	-	- / / 20 / 71	-	-	-	- / /20 /71	-	-	
41. Proposed dividends 42. Capital grants	-	4,628,471	-	-	26,691	4,628,471 46,054	17,669	7,024	
43. TOTAL SHAREHOLDERS' FUNDS	36,374,064	42,671,763	40,488,467	44,175,814	35,803,075	42,916,388	40,830,236	44,665,101	
44. Minority Interest	30,374,004	42,071,703	40,400,407	44,173,014	- 33,003,073	42,710,300	40,030,230	44,003,101	
45.TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	195,685,948	215,829,300	223,432,921	230,414,802	219,887,391	243,170,458	252,234,264	261,577,670	
STATEMENT OF COMPREHENSIVE INCOME		Ви	ANK			GROUP CON	SOLIDATED		
	30th Jun 2012	31st Dec 2012	31st Mar 2013	30th Jun 2013	30th Jun 2012	31st Dec 2012	31st Mar 2013	30th Jun 2013	1
	Shs. '000' (Un-audited)	Shs. '000' (Audited)	Shs. '000' (Un-audited)	Shs. '000' (Un-audited)	Shs. '000' (Un-audited)	Shs. '000' (Audited)	Shs. '000' (Un-audited)	Shs. '000' (Un-audited)	
1. INTEREST INCOME									
1.1 Loans and advances	12,417,607	25,383,447	6,444,520	12,374,902	13,314,708	27,471,533	7,083,685	13,701,270	
1.2 Government securities.	1,303,465	2,794,769	763,876	1,539,951	1,372,596	3,020,913	852,785	1,723,699	
1.3 Deposits and placements with banking institutions	158,576	311,683	72,237	192,921	148,700	271,147	21,279	233,275	
1.4 Other Interest Income	3,113	6,626	729	675	23,369	84,354	29,049	53,925	-
1.5 Total Interest income	13,882,760	28,496,525	7,281,362	14,108,449	14,859,373	30,847,947	7,986,798	15,712,169	
2. INTEREST EXPENSES									
2.1 Customer deposits	2,418,610	4,736,298	628,043	1,407,090	2,587,684	5,166,764	726,031	1,704,046	
2.2 Deposits and placements from banking institutions	121,191	140,999	766	1,145	147,206	258,598	68,842	43,045	
2.3 Other Interest expense	845,432	1,507,610	396,425	719,082	845,825	1,458,452	319,742	698,294	
2.4 Total interest Expenses	3,385,233	6,384,907	1,025,234	2,127,317	3,580,715	6,883,814	1,114,615	2,445,385	
3. NET INTEREST INCOME	10,497,527	22,111,618	6,256,128	11,981,132	11,278,658	23,964,133	6,872,183	13,266,784	
4. NON-INTEREST INCOME									
4.1 Fees and commissions income on loans & advances	1,515,918	3,282,313	849,215	1,888,136	1,636,988	3,560,952	951,025	2,089,951	
4.2 Other Fees and commissions income	2,496,147	5,187,917	1,314,030	2,775,040	3,055,550	6,309,445	1,601,890	3,382,186	
4.3 Foreign exchange trading income	411,049	696,827	193,908	455,931	1,068,427	1,900,459	438,423	940,001	
4.4 Dividend Income 4.5 Other income.	149,785	180,078 415,915	73.150	40,089 174,923	5,065 518,212	5,195	6,927	6,927 556,317	
4.6 Total Non-Interest Income	4,572,899	9,763,050	2,430,303	5,334,119	6,284,241	1,087,295 12,863,346	337,418 3,335,683	6,975,382	
5. TOTAL OPERATING INCOME	15,070,426	31,874,668	8,686,431	17,315,251	17,562,899	36,827,479	10,207,866	20,242,166	
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6. OPERATING EXPENSES 6.1 Loan Loss Provision	1,154,757	1,455,875	642,627	1,242,627	1,243,605	1,608,316	681,674	1,468,651	
6.2 Staff costs	3,321,246	5,884,522	1,641,714	3,675,374	3,891,779	7,145,470	1,975,170	4,400,615	
6.3 Directors' emoluments	14,282	20,110	5,304	10,607	16,571	26,887	8,172	14,393	
6.4 Rental charges	390,227	846,935	238,030	377,381	691,684	1,460,912	414,293	740,548	
6.5 Depreciation on property and equipment	783,844	1,734,133	445,606	892,874	916,836	2,028,220	540,277	1,085,137	
6.6 Ammortisation charges	135,170	283,953	77,895	157,526	136,539	287,775	79,567	160,830	
6.7 Other operating expenses	2,390,485	5,589,533	1,632,693	2,648,421	3,106,345	7,021,225	2,039,621	3,521,077	
6.8 Total Operating Expenses	8,190,010	15,815,061	4,683,869	9,004,810	10,003,359	19,578,805	5,738,774	11,391,251	
Profit/(loss) before tax and exceptional items	6,880,416	16,059,607	4,002,562	8,310,441	7,559,540 62,163	17,248,674 170,733	4,469,092 46,980	8,850,915 100,058	
Exceptional items-share of profit of associate Profit/(loss) after exceptional items	6,880,416	16,059,607	4,002,562	8,310,441	7,621,703	17,419,407	4,516,072	8,950,973	
10. Current tax	(2,064,125)	(5,568,537)	(1,200,768)	(2,493,132)	(2,218,870)	(5,878,980)	(1,302,050)	(2,643,364)	
11. Deferred tax	-	505,769	-	-	-	539,828	-	-	
12. Profit / (loss) after tax and exceptional items	4,816,291	10,996,839	2,801,794	5,817,309	5,402,833	12,080,255	3,214,022	6,307,609	
13. Minority Interest	-	-	-	-	-	-	-	<u>-</u>	
14. Profit/(loss) after tax, exceptional items and Minority Interest	4,816,291	10,996,839	2,801,794	5,817,309	5,402,833	12,080,255	3,214,022	6,307,609	
15. OTHER COMPREHENSIVE INCOME 15.1 Gains/(Losses) from translating the financial statements of foreign	-	-	-	-	(238,103)	(74,000)	(347,741)	(346,147)	
operations	010 101	220.204	(25/ /4/)	215 015					
15.2 Fair value changes in available for sale financial assets 15.3 Revaluation surplus on Property, plant and equipment	213,131	330,281	(356,616)	315,215	213,130	330,281 (2,298)	(356,616)	315,215	1
15.4 Share of other comprehensive income of associates		-		-		(2,278)		-	
15.5 Income tax relating to components of other comprehensive income		-	-	-			-	-	
16. Other Comprehensive Income for the year net of tax	213,131	330,281	(356,616)	315,215	(24,973)	253,983	(704,357)	(30,932)	
17. Total comprehensive income for the year	5.029.422	11.327.120	2.445.178	6.132.524	5.377.860	12.334.238	2.509.665	6.276.677	

OTHER DISCLOSURES		BANK						
	30th Jun 2012	31st Dec 2012	31st Mar 2013	30th Jun 2013				
	Shs. '000' (Un-audited)	Shs. '000' (Audited)	Shs. '000' (Un-audited)	Shs. '000' (Un-audited)				
) NON PERFORMING LOANS AND ADVANCES								
a) Gross non performing loans and advances	3,747,621	4,018,405	7,060,986	7,175,944				
) Less Interest in suspense	1,030,581	1,227,189	1,412,368	1,544,794				
Total Non-Performing loans and advances (a-b)	2,717,041	2,791,216	5,648,618	5,631,150				
l) less Loan loss provision	1,782,429	1,982,429	2,582,429	2,539,10				
e) Net non- performing loans(c-d)	934,611	808,787	3,066,189	3,092,049				
Discounted value of securities	742,849	630,798	2,201,479	2,497,87				
) Net NPLs Exposure (e-f)	191,762	177,989	864,710	594,175				
) INSIDER LOANS AND ADVANCES								
Directors, shareholders and associates	2,926,583	3,464,360	3,757,094	1,247,038				
o)Employees	3,042,788	3,394,249	3,530,352	3,803,52				
Total insider Loans and Advances and other Facilities	5,969,371	6,858,609	7,287,446	5,050,56				
) OFF BALANCE SHEET ITEMS								
a) Letter of Credit, guarantees, acceptances	6,354,240	5,166,588	5,046,541	5,328,40				
o) Forwards, Swaps and Options	91,139	8,873	112,257	18,90				
c) Other contigent Liabilities	2,481,492	2,294,355	2,350,441	2,619,56				
) Total contigent Liabilities	8,926,871	7,469,816	7,509,239	7,966,87				
) CAPITAL STRENGTH								
) Core Capital	25,452,381	29,524,772	30,492,080	31,999,83				
Minimum statutory capital	700,000	1,000,000	1,000,000	1,000,00				
) Excess/ (defficiency)	24,752,381	28,524,772	29,492,080	30,999,83				
Supplementary capital	13,146,036	15,216,709	15,700,363	15,781,00				
) Total Capital (a+d)	38,598,416	44,741,481	46,192,443	47,780,84				
Total Risk Weighted Assets	141,256,263	148,659,773	203,393,753	214,388,77				
RATIOS								
Core Capital/ Total Deposit Liabilities	19%	21%	20%	20%				
) Minimum statutory ratio	8%	8%	10.5%	10.59				
Excess / (defficiency) (g-h)	11%	13%	9.5%	9.5%				
Core Capital/ Total Risk Weighted Assets	18%	20%	15%	159				
Minimum statutory Ratio	8%	8%	10.5%	10.59				
Excess / (defficiency) (j-k)	10%	12%	4.5%	4.59				
n) Total Capital/ Total Risk Weighted assets	27%	30%	23%	229				
) Minimum statutory Ratio	12%	12%	14.5%	14.59				
Excess / (defficiency) (m-n)	15%	18%	8.5%	7.59				
) LIQUIDITY								
) Liquidity Ratio	39%	46%	44%	419				
) Minimum statutory Ratio	20%	20%	20%	20%				
:) Excess / (defficiency) (a-b)	19%	26%	24%	219				















Think Business Award Best Bank Tier 1 1st Position

Think Business Award The Best Bank in Kenya Overall Winner

These financial statements are extracts from the books of the institution.

The complete set of quarterly financial statements, statutory and qualitative disclosures can be accessed on the institutions website **www.ke.equitybankgroup.com**They may also be accessed at the institutions head office located at Equity Centre 9th floor Hospital Road Upper Hill.

Signed: Dr. JAMES MWANGI, CBS
CHIEF EXECUTIVE OFFICER /MANAGING DIRECTOR

Signed: Mr. PETER K. MUNGA, CBS
CHAIRMAN