

EQUITY BANK GROUP

UN-AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES

AS AT 31ST MARCH 2011



I) BALANCE SHEET

A. ASSETS

	GROUP 3/31/10 Shs. 000 Un-audited	GROUP 12/31/10 Shs. 000 Audited	GROUP 3/31/11 Shs. 000 Un-audited	BANK 3/31/10 Shs. 000 Un-audited	BANK 12/31/10 Shs. 000 Audited	BANK 3/31/11 Shs. 000 Un-audited
1. Cash (both Local & foreign)	5,812,004	8,500,359	12,853,550	4,239,912	3,635,336	4,797,360
2. Balances due from central Bank of Kenya	3,276,472	4,802,374	5,598,916	3,276,472	4,802,374	5,598,916
3. Kenya Government securities	5,308,035	5,116,019	5,090,646	5,308,035	5,116,019	5,090,646
4. Foreign Currency Treasury Bills and Bonds	194,038	17,268	18,961	-	-	-
5. Deposits and balances due from banking institutions	2,100,849	2,387,849	2,403,217	2,025,261	2,029,967	2,020,517
6. Deposits and balances due from banking institutions abroad	1,492,412	2,812,514	1,162,207	412,351	1,279,027	836,988
7. Government and other securities held for dealing purposes	13,066,992	26,794,659	24,517,543	13,066,992	26,794,659	24,499,085
8. Tax recoverable	19,242	85,638	27,781	-	-	-
9. Loans and advances to customers (net)	66,160,578	78,301,921	86,192,719	63,276,592	72,902,021	80,358,109
10. Investment securities	39,405	59,643	307,120	-	-	-
11. Balances due from group companies	-	106,499	181,250	1,559,225	1,238,580	2,053,550
12. Investments in associates	1,231,900	1,259,696	1,289,568	1,231,900	1,259,696	1,289,568
13. Investments in subsidiary companies	-	-	-	3,437,691	5,084,191	5,084,191
14. Investments in joint ventures	-	-	-	-	-	-
15. Investment properties	8,494	8,494	8,494	8,494	8,494	8,494
16. Property and equipment	6,549,065	6,970,525	6,802,962	5,342,984	5,693,536	5,637,146
17. Prepaid lease rentals	4,011	29,260	21,242	4,011	4,019	4,219
18. Intangible assets	1,741,443	1,927,409	1,931,205	557,118	754,491	770,822
19. Deferred tax asset	5,536	61,061	61,061	5,536	61,061	61,061
20. Retirement benefit asset	-	-	-	-	-	-
21. Other assets	3,572,139	3,776,926	5,020,267	2,804,611	3,226,526	4,403,997
22.TOTAL ASSETS	110,582,615	143,018,114	153,488,711	106,557,185	133,889,997	142,514,670

B. LIABILITIES

23. Balances due to Central Bank of Kenya	-	-	-	-	-	-
24. Customer deposits	75,798,650	97,763,896	108,527,477	71,275,578	88,536,998	97,990,749
25. Deposits and balances due to Local banking institutions	1,650,339	6,666,691	5,772,613	1,650,339	6,666,691	5,772,613
26. Deposits and balances due to Foreign banking institutions	76,030	499,840	770,469	-	-	-
27. Other money market deposits	-	-	-	-	-	-
28. Borrowed funds	6,790,347	7,463,654	7,088,540	6,773,032	7,463,654	7,081,973
29. Balances due to group companies	-	-	-	-	-	-
30. Tax payable	427,125	701,365	1,186,781	427,125	657,341	1,186,781
31. Dividends payable.	679,694	9,523	1,246,787	679,694	9,523	1,246,787
32. Deferred tax liability	25,397	4,754	-	-	-	-
33. Retirement benefit liability	-	-	-	-	-	-
34. Other liabilities	1,766,862	2,704,478	2,308,815	1,351,146	2,248,244	1,638,932

35. TOTAL LIABILITIES

C. SHAREHOLDERS' FUNDS

36. Paid up/Assigned capital	1,851,388	1,851,388	1,851,388	1,851,388	1,851,388	1,851,388
37. Share premium/ (discount)	12,161,021	12,161,021	12,161,021	12,161,021	12,161,021	12,161,021
38. Revaluation reserve	664,964	(1,388,013)	(1,427,186)	1,011,214	(990,285)	(886,406)
39. Retained earnings/ Accumulated losses	8,354,273	11,203,578	13,617,785	9,040,124	11,940,868	14,088,500
40. Statutory Loan Loss reserve	336,525	413,717	384,222	336,525	382,332	382,332
41. Proposed dividends	-	2,962,222	-	-	2,962,222	-
42. Capital grants	-	-	-	-	-	-
43. TOTAL SHAREHOLDERS' FUNDS	23,368,171	27,203,913	26,587,229	24,400,272	28,307,546	27,596,834
44.TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	110,582,615	143,018,114	153,488,711	106,557,185	133,889,997	142,514,470

II) PROFIT AND LOSS ACCOUNT

INTEREST INCOME

1.1 Loans and advances	2,712,472	11,361,393	3,262,355	2,500,342	10,497,539	2,984,651
1.2 Government securities.	381,604	2,302,919	730,118	376,119	2,292,340	729,776
1.3 Deposits and placements with banking institutions	40,621	110,841	16,818	60,717	95,417	14,036
1.4 Other	-	-	368	-	-	150
1.5 Total Interest income	3,134,697	13,775,153	4,009,658	2,937,178	12,885,296	3,728,613

INTEREST EXPENSES

2.1 Customer deposits	337,075	1,448,427	285,771	287,376	1,270,299	236,863
2.2 Deposits and placements from banking institutions	3,201	12,698	14,641	1,638	6,608	2,113
2.3 Other Interest expense	175,229	600,684	123,901	159,491	551,863	123,901
2.4 Total interest Expenses	515,505	2,061,809	424,313	448,505	1,828,771	362,877
NET INTEREST INCOME	2,619,192	11,713,344	3,585,346	2,488,673	11,056,525	3,365,736

OTHER OPERATING INCOME

4.1 Fees and commissions income on loans & advances	565,694	2,537,581	743,044	543,727	2,422,234	700,271
4.2 Other Fees and commissions income	1,019,204	4,433,164	1,317,832	967,279	4,078,493	1,172,972
4.3 Foreign exchange trading income	113,747	878,079	390,695	40,236	390,053	208,032
4.4 Dividend Income	-	2,267	4,873	-	-	-
4.5 Other income.	336,226	2,587,535	476,859	242,066	2,246,361	376,422
4.6 Total Non-Interest Income	2,034,871	10,438,626	2,933,303	1,793,307	9,137,141	2,457,697
TOTAL OPERATING INCOME	4,654,063	22,151,970	6,518,649	4,281,980	20,193,666	5,823,433

OPERATING EXPENSES

6.1 Loan Loss Provision	506,748	1,904,578	695,873	224,005	1,558,311	682,797
6.2 Staff costs	1,099,330	5,236,735	1,310,343	903,308	4,433,990	1,131,836
6.3 Directors' emoluments	5,491	28,881	5,087	4,575	21,150	3,690
6.4 Rental charges	159,609	608,507	180,912	124,576	547,051	144,151
6.5 Depreciation on property and equipment	349,534	1,343,539	348,088	296,290	1,132,863	296,550
6.6 Ammortisation charges	24,887	145,434	44,855	20,110	125,476	35,760
6.7 Other operating expenses	848,243	3,934,005	1,064,790	674,331	3,063,008	881,449
6.8 Total Operating Expenses	2,993,842	13,201,681	3,649,949	2,247,194	10,881,849	3,176,234
Profit/(loss) before tax and exceptional items	1,660,221	8,950,289	2,868,700	2,034,786	9,311,817	2,647,199
Exceptional items-share of profit of associate	18,028	94,503	29,873	18,028	94,503	29,873
Profit/(loss) after exceptional items	1,678,249	9,044,792	2,898,572	2,052,813	9,406,320	2,677,072
Current tax	(431,764)	(1,964,238)	(569,914)	(406,957)	(1,907,469)	(529,440)
Deferred tax	-	50,771	-	-	55,525	-
Profit / (loss) after tax and exceptional items	1,246,485	7,131,325	2,328,658	1,645,856	7,554,376	2,147,632
Earnings per share-basic and diluted	1.35	1.93	2.52	1.78	2.04	2.32

III) OTHER DISCLOSURES

1) NON PERFORMING LOANS AND ADVANCES

a) Gross non performing loans and advances	4,790,370	3,598,748	3,967,450	4,048,146	3,470,580	3,824,318
b) Less Interest in suspense	513,232	471,145	564,339	497,124	471,145	564,339
c) Total Non-Performing loans and advances (a-b)	4,277,138	3,127,603	3,403,111	3,551,022	2,999,435	3,259,980
d) less Loan loss provision	1,673,797	915,279	1,552,672	1,078,157	891,236	1,491,236
e) Net non- performing loans(c-b)	2,603,342	2,212,324	1,850,440	2,472,865	2,108,199	1,768,744
f) Discounted value of securities	2,603,342	2,212,324	1,850,440	2,472,865	2,108,199	1,768,744
g) Net NPLs Exposure (e-f)	-	-	-	-	-	-

2)INSIDER LOANS AND ADVANCES

a) Directors, shareholders and associates	1,880,803	2,650,734	3,846,222	1,880,492	2,650,734	3,846,222
b) Employees	1,527,718	1,840,790	2,039,040	1,448,310	1,741,775	1,940,364
c) Total insider Loans and Advances and other Facilities	3,408,520	4,491,524	5,885,262	3,328,802	4,392,509	5,786,587

3)OFF BALANCE SHEET ITEMS

a) Letter of Credit, guarantees, acceptances	1,882,790	4,256,029	2,974,056	1,762,480	4,116,711	2,876,778
b) Other contingent Liabilities	50,875	271,280	1,718,846	50,875	247,998	1,718,846
c) Total contingent Liabilities	1,933,664	4,527,309	4,692,902	1,813,354	4,364,709	4,595,623

4) CAPITAL STRENGTH

a) Core Capital	-	-	-	17,677,840	19,930,590	20,974,534
b) Minimum statutory capital	-	-	-	350,000	500,000	500,000
c) Excess/ (defficiency) (g-h)	-	-	-	17,327,840	19,430,590	20,474,533
d) Supplementary capital	-	-	-	5,266,645	5,389,823	5,442,877
e) Total Capital (a+d)	-	-	-	22,944,486	25,320,413	26,417,411
f) Total Risk Weighted Assets	-	-	-	74,808,767	90,804,610	98,713,123

Ratios

g) Core Capital/ Total Deposit Liabilities	-	-	-	24%	21%	20%
h) Minimum statutory ratio	-	-	-	8%	8%	8%
i) Excess / (defficiency) (g-h)	-	-	-	16%	13%	12%
j) Core Capital/ Total Risk Weighted Assets	-	-	-	24%	22%	21%
k) Minimum statutory Ratio	-	-	-	8%	8%	8%
l) Excess / (defficiency) (j-k)	-	-	-	16%	14%	13%
m) Total Capital/ Total Risk Weighted assets	-	-	-	31%	28%	27%
n) Minimum statutory Ratio	-	-	-	12%	12%	12%
o) Excess / (defficiency) (m-n)	-	-	-	19%	16%	15%

5) LIQUIDITY

a) Liquidity Ratio	-	-	-	37%	40%	36%
b) Minimum statutory Ratio	-	-	-	20%	20%	20%
c) Excess / (defficiency) (a-b)	-	-	-	17%	20%	16%

The above financial statements and disclosures are extracts of the financial records of the Group

Signed: **DR. JAMES MWANGI, MBS**
CHIEF EXECUTIVE OFFICER/MANAGING DIRECTOR

Signed: **MR. PETER K. MUNGA, EBS**
CHAIRMAN

