EQUITY BANK GROUP

UN-AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES

AS AT 30th JUNE 2009

EQUITY Bank • Your Listening, Caring Partner

BALANCE SHEET

	Group 30/6/09 KShs. '000's (Un-audited)	Group 31/3/09 KShs. '000's (Un-audited)	Group 31/12/08 KShs. '000's (Audited)	Group 30/6/08 KShs. '000's (Un-audited)	Bank 30/6/09 KShs. '000's (Un-audited)	Bank 31/3/09 KShs. '000's (Un-audited)	Bank 31/12/08 KShs. '000's (Audited)	Bank 30/6/08 KShs. '000's Un-audited)
A. ASSETS								
1. Cash (both Local & foreign)	3,859,581	4,335,775	3,652,137	2,877,496	3,595,535	3,827,543	3,395,811	2,719,022
2. Balances due from central Bank of Kenya	3,127,641	2,688,562	2,468,490	2,295,384	3,127,641	2,688,562	2,468,490	2,295,384
3. Kenya Government securities	4,383,568	4,240,927	4,329,659	13,479,097	4,383,568	4,240,927	4,329,659	13,340,731
4. Foreign Currency Treasury Bills and Bonds	80,562	48,059	88,774	-	-	-	-	-
5. Deposits and balances due from banking institutions	1,640,150	3,396,504	5,160,775	2,391,547	1,572,571	3,396,504	5,160,775	1,745,894
6. Deposits and balances due from banking institutions abroad	2,062,281	1,882,835	1,162,111	5,278,213	1,028,328	1,226,227	669,833	5,278,213
7. Government and other securities held for dealing purposes	6,036,450	7,185,450	8,145,450	-	6,036,450	7,185,450	8,145,450	-
8. Tax recoverable	7,965	4,438	13,312	14,489	-	-	-	
9. Loans and advances to customers (net)	53,802,673	48,236,566	44,193,749	36,240,523	50,707,913	45,210,843	40,857,796	34,272,837
10. Investment securities	22,720	-	-	-	-	-	-	-
11. Balances due from group companies	-	-	-	1,628,252	1,548,535	182,373	41,214	
12. Investments in associates	1,178,815	1,155,562	1,155,562	1,127,230	1,155,562	1,155,562	1,155,562	1,127,230
13. Investments in subsidiary companies	1,100	51,200	51,000		3,371,191	2,976,191	2,976,191	2,081,703
14. Investments in joint ventures	-	-	-	-	-	-	-	-
15. Investment properties	11,269	11,269	11,269	11,269	11,269	11,269	11,269	11,269
16. Property and equipment	6,121,970	5,246,781	4,824,261	3,211,323	5,210,300	4,669,864	4,258,579	3,050,408
17. Prepaid lease rentals	4,101	4,101	4,101	4,136	4,101	4,101	4,101	4,136
18. Intangible assets	1,899,491	1,811,362	1,465,428	1,430,489	280,838	284,930	347,797	243,137
19. Deferred tax asset	-	-	-	-	-			
20. Retirement benefit asset	-	-	-	-	-	-	-	-
21. Other assets	3,466,148	2,691,581	2,110,726	4,123,326	2,689,516	1,990,838	3,171,840	3,891,115
22.TOTAL ASSETS	**87,706,484**	**82,990,972**	**78,836,806**	**72,484,521**	**84,803,036**	**80,417,347**	**77,135,526**	**70,102,293**
B. LIABILITIES								
23. Balances due to Central Bank of Kenya	-	-	-	3,288	-	-	-	-
24. Customer deposits	57,489,663	53,720,367	50,334,525	43,003,799	55,745,444	52,214,177	48,977,136	42,116,043
25. Deposits and balances due to Local banking institutions	-	-	-	855,548	-	-	-	855,548
26. Deposits and balances due to Foreign banking institutions	3,389	827	899	450	3,389	827	899	450
27. Other money market deposits	-	-	-	-	-	-	-	-
28. Borrowed funds	6,938,552	6,546,421	6,463,137	7,284,114	6,673,740	6,267,027	6,166,630	5,956,904
29. Balances due to group companies	-	-	-	-	-	-	-	-
30. Tax payable	5,598	729,973	513,730	346,456	-	700,347	513,730	346,115
31. Dividends payable.	5,577	291,979	-	-	1,015	291,979	-	-
32. Deferred tax liability	92,545	67,024	94,144	44,975	67,024	67,024.1	67,024	44,877
33. Retirement benefit liability	-	-	-	-	-	-	-	-
34. Other liabilities	2,099,745	1,913,382	1,892,567	2,604,754	1,775,389	1,618,575	1,750,185	2,437,022
35. TOTAL LIABILITIES	**66,635,069**	**63,269,972**	**59,299,002**	**54,143,384**	**64,266,001**	**61,159,955**	**57,475,603**	**51,756,957**
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	1,851,388	1,851,388
37. Share premium/ (discount)	12,157,307	12,157,307	12,161,021	12,163,700	12,157,307	12,157,307	12,161,021	12,163,700
38. Revaluation reserve	(3,814)	(146,993)	(349,321)	(74,392)	(47,496)	(146,993)	(112,216)	(74,392)
39. Retained earnings/ Accumulated losses	6,758,118	5,550,881	4,455,467	4,101,408	6,267,420	5,087,273	4,340,480	4,105,607
40. Statutory Loan Loss reserve	308,416	308,416	308,416	299,032	308,416	308,416	308,416	299,032
41. Proposed dividends	-	-	1,110,833	-	-	-	1,110,833	-
42. Capital grants	-	-	-	-	-	-	-	-
43. TOTAL SHAREHOLDERS' FUNDS	**21,071,416**	**19,721,000**	**19,537,804**	**18,341,137**	**20,537,035**	**19,257,391**	**19,659,923**	**18,345,336**
44.TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	**87,706,484**	**82,990,972**	**78,836,806**	**72,484,521**	**84,803,036**	**80,417,347**	**77,135,526**	**70,102,293**

PROFIT AND LOSS ACCOUNT

	30/6/09 Shs. 000 (Un-audited)	31/3/09 Shs. 000 (Un-audited)	31/12/08 Shs. 000 (Audited)	30/6/08 Shs. 000 (Un-audited)	30/6/09 Shs. 000 (Un-audited)	31/3/09 Shs. 000 (Un-audited)	31/12/08 Shs. 000 (Audited)	30/3/08 Shs. 000 (Un-audited)
1.0 INTEREST INCOME								
1.1 Loans and advances	4,279,693	2,104,948	6,175,508	2,771,510	3,673,898	1,691,490	5,357,338	2,417,547
1.2 Government securities.	694,488	338,523	1,540,590	860,247	690,167	337,890	1,540,590	860,247
1.3 Deposits and placements with banking institutions	86,712	59,290	262,924	185,285	72,209	55,743	270,713	175,169
1.4 Other	-	-	-	-	-	-	-	-
1.5 Total Interest income	**5,060,892**	**2,502,762**	**7,979,022**	**3,817,042**	**4,436,274**	**2,085,123**	**7,168,641**	**3,452,963**
2.0 INTEREST EXPENSES								
2.1 Customer deposits	329,482	141,290	552,339	247,151	278,401	133,661	517,424	225,616
2.2 Deposits and placements from banking institutions	9,701	286	22,824	90,666	1,949	286	22,824	17,602
2.3 Other Interest expense	370,239	242,885	787,064	303,490	370,239	189,758	676,382	300,862
2.4 Total interest Expenses	709,422	384,460	1,362,228	641,307	650,589	323,705	1,216,630	544,081
3.0 NET INTEREST INCOME	**4,351,471**	**2,118,301**	**6,616,794**	**3,175,735**	**3,785,685**	**1,761,418**	**5,952,011**	**2,908,882**
4.0 OTHER OPERATING INCOME								
4.1 Fees and commissions income on loans & advances	875,010	354,751	1,869,197	1,253,803	813,529	326,791	1,679,039	1,182,971
4.2 Other Fees and commissions income	1,797,227	826,503	3,281,099	1,541,964	1,742,788	807,905	3,154,891	1,530,382
4.3 Foreign exchange trading income	110,379	8,431	754,405	525,761	70,317	(23,385)	707,951	525,761
4.4 Dividend Income	-	-	-	-	-	-	-	-
4.5 Other income.	103,208	71,817	83,874	88,038	30,518	21,244	62,440	13,383
4.6 Total Non-Interest Income	**2,885,824**	**1,261,503**	**5,988,575**	**3,409,566**	**2,657,152**	**1,132,555**	**5,604,320**	**3,252,498**
5.0 TOTAL OPERATING INCOME	**7,237,295**	**3,379,804**	**12,605,369**	**6,585,301**	**6,442,837**	**2,893,973**	**11,556,331**	**6,161,380**
6.0 OPERATING EXPENSES								
6.1 Loan Loss Provision	296,410	54,014	1,019,626	458,315	296,219	54,014	875,061	413,998
6.2 Staff costs	2,072,976	1,101,768	2,937,836	1,389,693	1,749,841	939,444	2,567,458	1,245,079
6.3 Directors' emoluments	11,724	4,382	16,661	13,506	10,217	4,382	16,661	7,791
6.4 Rental charges	280,979	123,254	375,428	181,270	230,973	113,097	356,700	149,987
6.5 Depreciation on property and equipment	442,691	208,730	649,375	278,202	409,183	195,457	615,671	263,152
6.6 Ammortisation charges	66,734	30,672	99,779	52,554	56,537	27,714	95,648	51,769
6.7 Other operating expenses	1,433,785	696,805	2,518,461	1,124,978	1,281,756	626,938	2,272,530	1,032,663
6.8 Total Operating Expenses	**4,605,299**	**2,219,625**	**7,617,167**	**3,498,518**	**4,034,726**	**1,961,046**	**6,799,729**	**3,164,440**
Profit/(loss) before tax and exceptional items	**2,631,995**	**1,160,179**	**4,988,203**	**3,086,783**	**2,408,111**	**932,927**	**4,756,601**	**2,996,940**
Exceptional items-share of profit of associate	23,253	12,413	34,083	-			34,083	-
Profit/(loss) after exceptional items	2,655,248	1,172,592	5,022,286	3,086,783	2,408,111	932,927	4,790,684	2,996,940
Current tax	(558,021)	(254,761)	(1,062,599)	(627,600)	(481,622)	(186,585)	(1,015,653)	(599,388)
Deferred tax	-	-	(49,404)		-	-	(22,389)	-
Profit / (loss) after tax and exceptional items	**2,097,228**	**917,831**	**3,910,283**	**2,459,183**	**1,926,489**	**746,342**	**3,752,643**	**2,397,552**

111 OTHER DISCLOSURES

	30/6/09 Shs. 000 (Un-audited)	31/3/09 Shs. 000 (Un-audited)	31/12/08 Shs. 000 (Audited)	30/6/08 Shs. 000 (Un-audited)	30/6/09 Shs. 000 (Un-audited)	31/3/09 Shs. 000 (Un-audited)	31/12/08 Shs. 000 (Audited)	30/6/08 Shs. 000 (Un-audited)
1) NON PERFORMING LOANS AND ADVANCES								
a) Gross non performing loans and advances	4,233,059	3,851,656	2,754,750	1,844,508	3,936,270	3,676,597	2,443,666	1,844,508
b) Less Interest in suspense	536,637	441,776	222,980	304,077	536,637	437,580	215,979	304,077
c) Total Non-Performing loans and advances (a-b)	**3,696,422**	**3,409,880**	**2,531,770**	**1,540,431**	**3,399,633**	**3,239,017**	**2,227,687**	**1,540,431**
d) less Loan loss provision	835,885	659,230	750,111	351,748	729,723	529,701	649,661	351,748
e) Net non- performing loans(c-b)	2,860,537	2,750,650	1,781,659	1,188,683	2,669,910	2,709,316	1,578,026	1,188,683
f) Discounted value of securities	2,860,537	2,750,650	1,781,659	1,188,683	2,669,910	2,709,316	1,578,026	1,188,683
g) Net NPLs Exposure (e-f)					-	-	-	-
2)INSIDER LOANS AND ADVANCES								
a) Directors, shareholders and associates	370,525	304,767	208,753	230,274	369,069	303,101	207,434	228,694
b)Employees	1,339,822	1,147,083	956,678	787,023	1,283,060	1,091,097	900,428	747,236
c) Total insider Loans and Advances and other Facilities	**1,710,348**	**1,451,850**	**1,165,431**	**1,017,297**	**1,652,129**	**1,394,198**	**1,107,862**	**975,930**
3)OFF BALANCE SHEET ITEMS								
a) Letter of Credit, guarantees, acceptances	2,167,662	1,960,006	1,889,017	2,772,940	2,167,662	1,960,006	1,889,017	2,772,940
b) Other contigent Liabilities	353	1,030	8,517	8,517	353	1,030	8,517	8,517
c) Total contigent Liabilities	**2,168,015**	**1,961,036**	**1,897,534**	**2,781,457**	**2,168,015**	**1,961,036**	**1,897,534**	**2,781,457**
4) CAPITAL STRENGTH								
a) Core Capital					14,837,317	14,642,244	14,272,336	13,713,087
b) Minimum statutory capital					250,000	250,000	250,000	250,000
c) Excess/ (defficiency)					14,587,317	14,392,244	14,022,336	13,463,087
d) Supplementary capital					5,619,615	5,713,131	5,637,234	5,291,736
e) Total Capital (a+d)					20,456,932	20,355,375	9,659,570	19,004,823
f) Total Risk Weighted Assets					61,815,500	54,155,352	48,833,994	42,643,640
Ratios								
g) Core Capital/ Total Deposit Liabilities					27%	28%	29%	33%
h) Minimum statutory ratio					8%	8%	8%	8%
i) Excess / (defficiency) (g-h)					**19%**	**20%**	**21%**	**25%**
j) Core Capital/ Total Risk Weighted Assets					24%	27%	29%	32%
k) Minimum statutory Ratio					8%	8%	8%	8%
L) Excess / (defficiency) (j-k)					**16%**	**19%**	**21%**	**24%**
m) Total Capital/ Total Risk Weighted assets					33%	38%	41%	45%
n) Minimum statutory Ratio					12%	12%	12%	12%
o) Excess / (defficiency) (m-n)					**21%**	**26%**	**29%**	**33%**
5) LIQUIDITY								
a) Liquidity Ratio					32%	40%	47%	56%
b) Minimum statutory Ratio					20%	20%	20%	20%
c) Excess / (defficiency) (a-b)					12%	20%	27%	36%

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

The Directors do not recommend the payment of an interim dividend.

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

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

AFRICAN BUSINESS OF THE YEAR
(African Business Awards 2009)

REGIONAL WINNER AFRICA/ MIDDLE EAST
(FT Sustainable Banking Awards 2009)

THE BEST BANK IN AFRICA
(Ai Financial Reporting Awards 2009)

GLOBAL CREDIT RATING 2009

THE BEST PERFORMING COMPANY IN AFRICA
(Ai 100 Africa Investor Awards 2008)

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