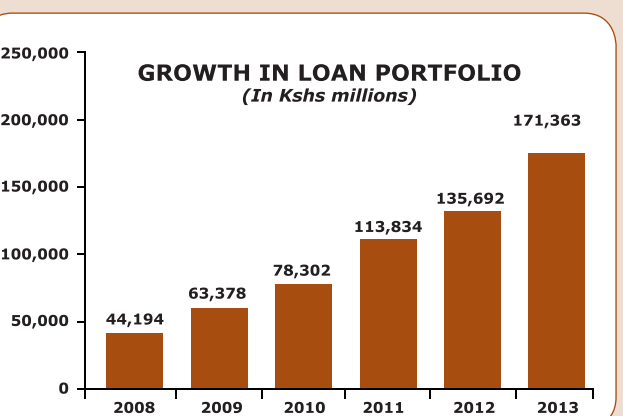
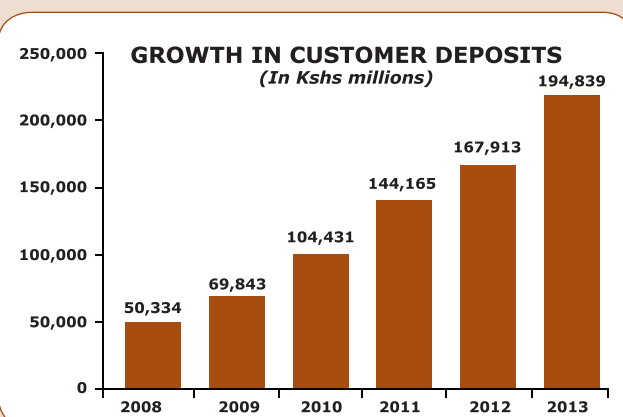
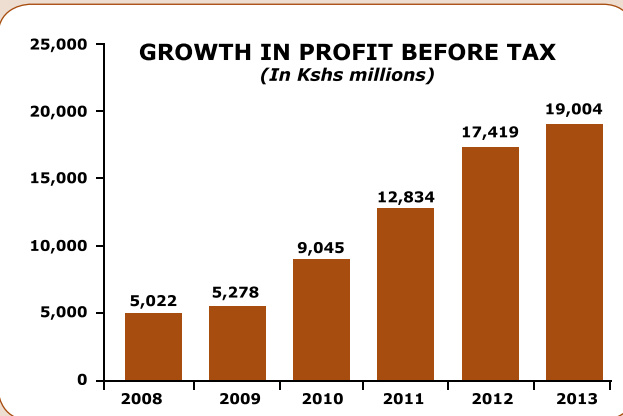
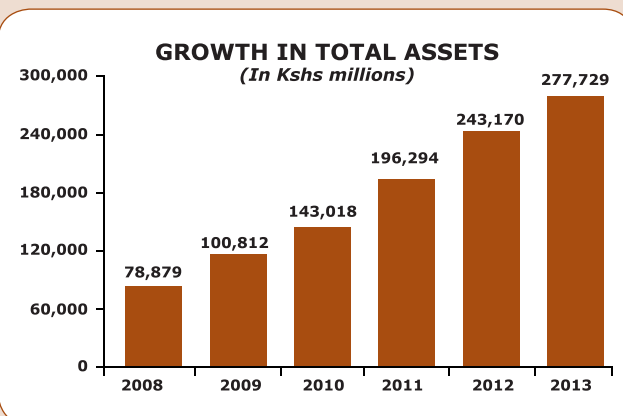


EQUITY BANK GROUP AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31ST DECEMBER 2013



STATEMENT OF FINANCIAL POSITION	BANK		GROUP CONSOLIDATED	
	31st Dec 2012 Shs. '000' (Audited)	31st Dec 2013 Shs. '000' (Audited)	31st Dec 2012 Shs. '000' (Audited)	31st Dec 2013 Shs. '000' (Audited)
A. ASSETS				
1. Cash (both Local & foreign)	4,878,652	4,779,647	7,703,654	7,965,319
2. Balances due from central Bank of Kenya	13,395,120	6,228,764	13,395,120	6,228,764
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)	32,791,694	32,949,454	41,101,360	44,571,810
a) Held to Maturity: (i+ii)	23,666,217	22,593,951	31,975,883	33,990,146
i. Kenya Government securities	22,798,317	21,726,051	30,803,463	21,726,051
ii. Other securities	867,900	867,900	1,172,420	12,264,095
b) Available for sale: (i+ii)	9,125,477	10,355,503	9,125,477	10,581,664
i. Kenya Government securities	9,125,477	9,125,477	9,125,477	10,372,893
ii. Other securities	-	-	-	208,771
6. Deposits and balances due from local banking institutions	9,941,086	7,019,840	9,997,868	7,059,696
7. Deposits and balances due from banking institutions abroad	7,252,137	3,902,296	14,037,451	13,273,755
8. Tax recoverable	-	469,728	55,330	549,912
9. Loans and advances to customers (net)	122,410,013	152,028,916	135,692,125	171,363,429
10. Balances due from banking institutions in the group	983,421	1,062,693	2,286	122,000
11. Investments in associates	1,113,049	1,113,049	1,456,447	1,574,434
12. Investments in subsidiary companies	8,204,101	10,283,692	-	-
13. Investments in joint ventures	-	-	-	-
14. Investment properties	8,494	8,494	8,494	8,494
15. Property and equipment	6,529,844	6,941,581	9,071,802	9,795,938
16. Prepaid lease rentals	4,138	4,092	292,358	179,870
17. Intangible assets	1,122,641	1,542,421	2,301,522	2,955,178
18. Deferred tax asset	744,341	701,348	819,876	939,063
19. Retirement benefit asset	-	-	-	-
20. Other assets	6,450,569	9,158,339	7,234,765	11,141,156
21. TOTAL ASSETS	215,829,300	238,194,354	243,170,458	277,728,818
B. LIABILITIES				
22. Balances due to Central Bank of Kenya	-	-	-	-
23. Customer deposits	140,285,671	158,527,016	165,812,458	194,620,593
24. Deposits and balances due to Local banking institutions	2,100,325	218,084	2,100,325	218,084
25. Deposits and balances due to Foreign banking institutions	-	-	-	-
26. Other money market deposits	-	5,127	-	318,042
27. Borrowed funds	25,755,053	25,607,185	26,568,809	26,731,049
28. Balances due to group companies	-	-	-	-
29. Tax payable	2,257,874	-	2,365,036	64,210
30. Dividends payable	16,246	20,777	16,246	20,777
31. Deferred tax liability	-	-	38,122	2,148
32. Retirement benefit liability	-	-	-	-
33. Other liabilities	2,742,368	3,129,243	3,353,074	4,198,144
34. TOTAL LIABILITIES	173,157,537	187,507,432	200,254,070	226,173,047
C. SHAREHOLDERS' FUNDS				
35. Paid up/Assigned capital	1,851,388	1,851,388	1,851,388	1,851,388
36. Share premium/(discount)	12,161,021	12,161,021	12,161,021	12,161,021
37. Revaluation reserve	(731,853)	(730,059)	(1,372,213)	(1,361,730)
38. Retained earnings/ Accumulated losses	24,308,413	31,271,829	25,034,934	32,590,061
39. Statutory Loan Loss reserve	454,323	578,577	566,733	734,945
40. Other Reserves	-	-	-	-
41. Proposed dividends	4,628,471	5,554,166	4,628,471	5,554,166
42. Capital grants	-	-	46,054	25,920
43. TOTAL SHAREHOLDERS' FUNDS	42,671,763	50,686,922	42,916,388	51,555,771
44. TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	215,829,300	238,194,354	243,170,458	277,728,818



STATEMENT OF COMPREHENSIVE INCOME	BANK		GROUP CONSOLIDATED	
	31st Dec 2012 Shs. '000' (Audited)	31st Dec 2013 Shs. '000' (Audited)	31st Dec 2012 Shs. '000' (Audited)	31st Dec 2013 Shs. '000' (Audited)
1. INTEREST INCOME				
1.1 Loans and advances	25,383,447	24,811,111	27,471,533	27,740,003
1.2 Government securities	2,794,769	3,115,914	3,020,913	3,566,623
1.3 Deposits and placements with banking institutions	311,683	347,590	271,147	399,233
1.4 Other Interest Income	6,626	35,628	84,354	183,765
1.5 Total Interest Income	28,496,525	28,310,243	30,847,947	31,889,624
2. INTEREST EXPENSES				
2.1 Customer deposits	4,736,298	3,212,365	5,166,764	3,970,850
2.2 Deposits and placements from banking institutions	140,999	32,741	258,598	105,110
2.3 Other Interest expense	1,507,610	1,375,373	1,458,452	1,323,073
2.4 Total Interest Expenses	6,384,907	4,620,479	6,883,814	5,399,033
3. NET INTEREST INCOME	22,111,618	23,689,764	23,964,133	26,490,591
4. NON-INTEREST INCOME				
4.1 Fees and commissions income on loans & advances	3,282,313	4,068,517	3,560,952	4,476,134
4.2 Other Fees and commissions income	5,187,917	5,648,491	6,309,445	6,713,988
4.3 Foreign exchange trading income	696,827	897,368	1,900,459	1,866,074
4.4 Dividend Income	180,078	958,302	5,195	882,279
4.5 Other income	415,915	475,068	1,087,295	1,432,222
4.6 Total Non-Interest Income	9,763,050	12,047,746	12,863,346	15,370,697
5. TOTAL OPERATING INCOME	31,874,668	35,737,510	36,827,479	41,861,288
6. OPERATING EXPENSES				
6.1 Loan Loss Provision	1,455,875	1,835,613	1,608,316	2,401,942
6.2 Staff costs	5,884,522	7,386,110	7,145,470	9,024,259
6.3 Directors' emoluments	20,110	18,679	26,887	27,751
6.4 Rental charges	846,935	839,084	1,460,912	1,576,272
6.5 Depreciation on property and equipment	1,734,133	1,783,761	2,028,220	2,203,209
6.6 Ammortisation charges	283,953	316,088	287,775	323,060
6.7 Other operating expenses	5,589,533	5,325,303	7,021,225	7,154,373
6.8 Total Operating Expenses	15,815,061	17,504,438	19,578,805	22,710,866
Profit/(loss) before tax and exceptional items	16,059,607	18,232,872	17,248,674	19,150,422
Exceptional items-share of profit of associate	-	-	170,733	(145,986)
Profit/(loss) after exceptional items	16,059,607	18,232,872	17,419,407	19,004,436
10. Current tax	(5,568,537)	(5,548,044)	(5,878,980)	(5,881,766)
11. Deferred tax	505,769	(42,992)	539,828	155,126
12. Profit / (loss) after tax and exceptional items	10,996,840	12,641,836	12,080,255	13,277,796
13. Other Comprehensive Income				
13.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	(74,000)	(13,810)
13.2 Fair value changes in available for sale financial assets	330,281	1,795	330,281	1,795
13.3 Revaluation surplus on Property, plant and equipment	-	-	(2,298)	-
13.4 Share of other comprehensive income of associates	-	-	-	-
13.5 Income tax relating to components of other comprehensive income	-	-	-	-
14. Other Comprehensive Income for the year net of tax	330,281	1,795	253,983	(12,015)
15. Total comprehensive income for the year	11,327,120	12,643,631	12,334,238	13,265,781
Earnings per Share - (Shs)	2.97	3.41	3.26	3.59
Dividend per Share - (Shs)	1.25	1.50	1.25	1.50

OTHER DISCLOSURES	BANK		GROUP CONSOLIDATED	
	31st Dec 2012 Shs. '000' (Audited)	31st Dec 2013 Shs. '000' (Audited)	31st Dec 2012 Shs. '000' (Audited)	31st Dec 2013 Shs. '000' (Audited)
1) NON PERFORMING LOANS AND ADVANCES				
a) Gross non performing loans and advances	4,018,405	8,188,895	4,312,567	9,246,423
b) Less Interest in suspense	1,227,189	1,625,539	1,257,238	1,716,180
c) Total Non-Performing loans and advances (a-b)	2,791,216	6,563,356	3,055,329	7,530,243
d) less Loan loss provision	1,982,429	2,675,579	2,099,320	3,218,541
e) Net non-performing loans(c-d)	808,787	3,887,778	956,009	4,311,702
f) Discounted value of securities	630,798	3,521,231	778,019	3,945,156
g) Net NPLs Exposure (e-f)	177,989	366,546	177,990	366,546
2) INSIDER LOANS AND ADVANCES				
a) Directors, shareholders and associates	3,464,360	1,358,461	3,464,360	1,358,461
b) Employees	394,249	4,434,094	3,541,462	4,749,698
c) Total insider Loans and Advances and other Facilities	6,858,609	5,792,555	7,005,822	6,108,159
3) OFF BALANCE SHEET ITEMS				
a) Letter of Credit, guarantees, acceptances	5,166,588	10,900,759	6,029,673	12,670,019
b) Forwards, Swaps and Options	8,873	55,208	8,873	562,821
c) Other contingent Liabilities	2,294,355	3,108,800	2,294,355	3,902,123
d) Total contingent Liabilities	7,469,816	14,064,767	8,332,901	17,134,963
4) CAPITAL STRENGTH				
a) Core Capital	29,524,772	34,758,600	-	-
b) Minimum statutory capital	1,000,000	1,000,000	-	-
c) Excess/ (deficiency)	28,524,772	33,758,600	-	-
d) Supplementary capital	15,216,709	9,392,601	-	-
e) Total Capital (a+d)	44,741,481	44,151,201	-	-
f) Total Risk Weighted Assets	148,659,773	187,346,170	-	-
Ratios				
g) Core Capital/ Total Deposit Liabilities	20.7%	21.9%	-	-
h) Minimum statutory ratio	8.0%	8.0%	-	-
i) Excess / (deficiency) (g-h)	12.7%	13.9%	-	-
j) Core Capital/ Total Risk Weighted Assets	19.9%	18.6%	-	-
k) Minimum statutory Ratio	8.0%	8.0%	-	-
l) Excess / (deficiency) (j-k)	11.9%	10.6%	-	-
m) Total Capital/ Total Risk Weighted assets	30.1%	23.6%	-	-
n) Minimum statutory Ratio	12.0%	12.0%	-	-
o) Excess / (deficiency) (m-n)	18.1%	11.6%	-	-
5) LIQUIDITY				
a) Liquidity Ratio	46.0%	34.0%	-	-
b) Minimum statutory Ratio	20.0%	20.0%	-	-
c) Excess / (deficiency) (a-b)	26.0%	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 /MAN