EQUITY BANK GROUP

UN-AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30TH JUNE 2014

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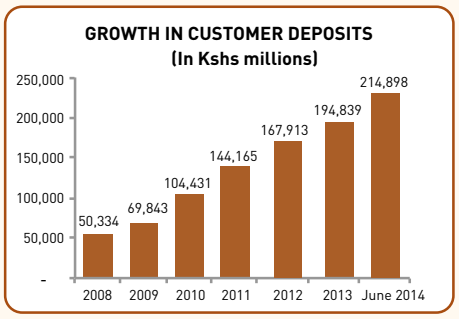
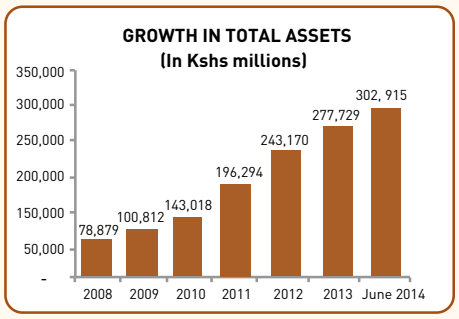
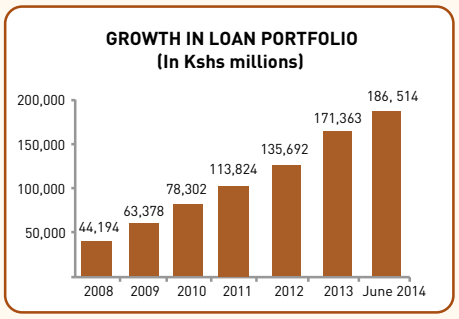
STATEMENT OF FINANCIAL POSITION	BANK				GROUP CONSOLIDATED			
A. ASSETS	30th Jun 2013 Shs.'000' (Unaudited)	31st Dec 2013 Shs.'000' (Audited)	31st Mar 2014 Shs.'000' (Unaudited)	30th Jun 2014 Shs.'000' (Unaudited)	30th Jun 2013 Shs.'000' (Unaudited)	31st Dec 2013 Shs.'000' (Audited)	31st Mar 2014 Shs.'000' (Unaudited)	30th Jun 2014 Shs.'000' (Unaudited)
1. Cash (both Local & foreign)	6,311,432	4,779,647	6,893,233	6,910,765	8,947,373	7,965,319	9,839,274	10,501,100
2. Balances due from central Bank of Kenya	10,011,309	6,228,764	9,978,012	8,671,712	10,011,309	6,228,764	9,978,012	8,671,712
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)	**30,912,227**	**32,949,454**	**32,959,377**	**33,880,413**	**42,093,215**	**44,571,810**	**44,415,258**	**45,336,503**
a) Held to Maturity: (i+ii)	**22,727,337**	**22,593,951**	**22,426,689**	**22,349,019**	**33,586,282**	**33,990,146**	**33,650,354**	**33,583,146**
i. Kenya Government securities	21,859,437	21,726,051	21,558,789	21,481,119	21,877,011	21,726,051	21,558,789	21,481,119
ii. Other securities	867,900	867,900	867,900	867,900	11,709,271	12,264,095	12,091,565	12,102,027
b) Available for sale: (i+ii)	**8,184,890**	**10,355,503**	**10,532,688**	**11,531,393**	**8,506,933**	**10,581,664**	**10,764,904**	**11,753,357**
i. Kenya Government securities	8,184,890	10,355,503	10,532,688	11,531,393	8,184,890	10,372,893	10,550,261	11,531,393
ii. Other securities	-	-	-	-	322,043	208,771	214,643	221,964
6. Deposits and balances due from local banking institutions	9,180,739	7,019,840	4,928,809	6,688,800	9,265,311	7,059,696	4,968,896	6,729,348
7. Deposits and balances due from banking institutions abroad	11,455,216	3,902,296	6,701,458	5,101,859	17,452,045	13,273,755	16,397,675	15,064,071
8. Tax recoverable	-	469,728	-	-	76,288	549,912	66,779	162,306
9. Loans and advances to customers (net)	134,941,450	152,028,916	159,188,825	165,138,876	150,477,390	171,363,429	179,311,808	186,513,517
10. Balances due from banking institutions in the group	1,586,405	1,062,693	1,564,267	1,690,995	481,930	122,000	451,925	265,835
11. Investments in associates	1,113,049	1,113,049	1,113,049	1,113,049	1,516,416	1,574,434	1,623,941	1,623,417
12. Investments in subsidiary companies	8,637,689	10,283,692	10,283,689	10,283,689	-	-	-	-
13. Investments in joint ventures	-	-	-	-	-	-	-	-
14. Investment properties	8,494	8,494	8,494	8,494	8,494	8,494	8,494	8,494
15. Property and equipment	6,297,071	6,941,581	6,654,599	6,655,069	8,840,601	9,795,938	9,439,466	9,476,139
16. Prepaid lease rentals	4,115	4,092	4,080	4,068	228,684	179,870	185,517	159,133
17. Intangible assets	1,189,859	1,542,421	1,747,660	2,266,200	2,350,366	2,955,178	3,182,971	3,749,326
18. Deferred tax asset	744,341	701,348	701,348	701,348	766,801	939,063	763,013	763,708
19. Retirement benefit asset	-	-	-	-	-	-	-	-
20. Other assets	8,021,406	9,158,339	12,613,566	11,099,590	9,061,447	11,141,156	14,630,050	13,890,721
21. TOTAL ASSETS	**230,414,802**	**238,194,354**	**255,340,466**	**260,214,926**	**261,577,670**	**277,728,818**	**295,263,079**	**302,915,330**
B. LIABILITIES								
22. Balances due to Central Bank of Kenya	-	-	-	-	-	-	-	-
23. Customer deposits	155,011,661	158,527,016	170,056,418	177,468,518	184,024,528	194,620,593	205,605,033	214,534,750
24. Deposits and balances due to Local banking institutions	3,048,918	218,084	222,420	363,128	3,048,918	218,084	222,420	363,128
25. Deposits and balances due to Foreign banking institutions	-	-	-	-	-	-	-	-
26. Other money market deposits	-	5,127	692,943	56,307	369,811	318,042	750,964	1,155,037
27. Borrowed funds	25,141,994	25,607,185	29,599,124	27,303,900	25,613,851	26,731,049	31,591,650	29,132,673
28. Balances due to group companies	-	-	-	-	-	-	-	-
29. Tax payable	-	-	957,186	-	61,094	64,210	1,069,814	190,038
30. Dividends payable.	18,490	20,777	2,209,381	28,442	18,490	20,777	2,209,381	28,442
31. Deferred tax liability	-	-	-	-	37,966	2,148	-	-
32. Retirement benefit liability	-	-	-	-	-	-	-	-
33. Other liabilities	3,017,925	3,129,243	2,793,373	3,000,726	3,737,911	4,198,144	3,736,057	4,198,535
34. TOTAL LIABILITIES	**186,238,988**	**187,507,432**	**206,530,845**	**208,221,021**	**216,912,569**	**226,173,047**	**245,185,319**	**249,602,603**
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	1,851,388
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	12,161,021
37. Revaluation reserve	(416,639)	(730,059)	(382,679)	(754,895)	(1,403,145)	(1,361,730)	(1,368,636)	(1,700,707)
38. Retained earnings/ Accumulated losses	30,125,721	31,271,829	34,601,314	38,157,814	31,465,916	32,590,061	36,700,270	40,267,625
39. Statutory Loan Loss reserve	454,323	578,577	578,577	578,577	582,897	734,945	733,717	733,400
40. Other reserves	-	-	-	-	-	-	-	-
41. Proposed dividends	-	5,554,166	-	-	-	5,554,166	-	-
42. Capital grants	-	-	-	-	7,024	25,920	-	-
43. TOTAL SHAREHOLDERS' FUNDS	**44,175,814**	**50,686,922**	**48,809,621**	**51,993,905**	**44,665,101**	**51,555,771**	**50,077,760**	**53,312,727**
44. TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	**230,414,802**	**238,194,354**	**255,340,466**	**260,214,926**	**261,577,670**	**277,728,818**	**295,263,079**	**302,915,330**

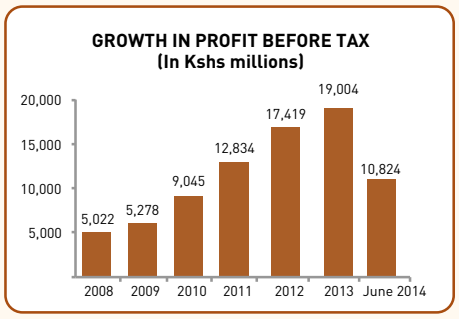
STATEMENT OF COMPREHENSIVE INCOME	BANK				GROUP CONSOLIDATED			
1. INTEREST INCOME								
1.1 Loans and advances	12,374,902	24,811,111	6,529,542	13,202,200	13,701,270	27,740,003	7,313,075	14,739,885
1.2 Government securities.	1,539,951	3,115,914	771,865	1,574,802	1,723,699	3,566,623	908,165	1,831,477
1.3 Deposits and placements with banking institutions	192,921	347,590	61,518	137,143	233,275	399,233	80,453	187,931
1.4 Other intrest income	675	35,628	2,311	1,402	53,925	183,765	115,620	211,729
1.5 Total Interest income	**14,108,449**	**28,310,243**	**7,365,236**	**14,915,547**	**15,712,169**	**31,889,624**	**8,417,313**	**16,971,022**
2. INTEREST EXPENSES								
2.1 Customer deposits	1,407,090	3,212,365	808,836	1,692,529	1,704,046	3,970,850	1,053,185	2,249,466
2.2 Deposits and placements from banking institutions	1,145	32,741	4,268	7,327	43,045	105,110	6,677	19,610
2.3 Other Interest expense	719,082	1,375,373	331,386	660,648	698,294	1,323,073	344,592	687,308
2.4 Total interest Expenses	**2,127,317**	**4,620,479**	**1,144,490**	**2,360,504**	**2,445,385**	**5,399,033**	**1,404,454**	**2,956,384**
3. NET INTEREST INCOME	**11,981,132**	**23,689,764**	**6,220,746**	**12,555,043**	**13,266,784**	**26,490,591**	**7,012,859**	**14,014,638**
4. NON-INTREST INCOME								
4.1 Fees and commissions income on loans & advances	1,888,136	4,068,517	1,151,257	2,293,113	2,089,951	4,476,134	1,219,687	2,438,734
4.2 Other Fees and commissions income	2,775,040	5,648,491	1,543,798	3,377,444	3,382,186	6,713,988	2,010,490	4,223,777
4.3 Foreign exchange trading income	455,931	897,368	196,171	464,302	940,001	1,866,074	611,092	1,069,799
4.4 Dividend Income	40,089	958,302	-	57,270	6,927	7,018	2,053	4,155
4.5 Other income.	174,923	475,068	87,561	162,231	556,317	2,307,483	288,825	582,337
4.6 Total Non-Interest Income	**5,334,119**	**12,047,746**	**2,978,787**	**6,354,360**	**6,975,382**	**15,370,697**	**4,132,147**	**8,318,802**
5. TOTAL OPERATING INCOME	**17,315,251**	**35,737,510**	**9,199,533**	**18,909,403**	**20,242,166**	**41,861,288**	**11,145,006**	**22,333,440**
6. OPERATING EXPENSES								
6.1 Loan Loss Provision	1,242,627	1,835,613	270,399	370,399	1,468,651	2,401,942	316,499	517,968
6.2 Staff costs	3,675,374	7,386,110	1,977,153	4,118,109	4,400,615	9,024,259	2,414,746	4,984,045
6.3 Directors' emoluments	10,607	18,679	2,986	7,839	14,393	27,751	4,652	17,404
6.4 Rental charges	377,381	839,084	252,618	510,440	740,548	1,576,272	443,966	878,287
6.5 Depreciation on property and equipment	892,874	1,783,761	493,940	987,296	1,085,137	2,203,209	615,391	1,221,060
6.6 Ammortisation charges	157,526	316,088	93,245	206,041	160,830	323,060	95,330	210,154
6.7 Other operating expenses	2,648,421	5,325,303	1,352,786	2,872,157	3,521,077	7,154,373	1,851,878	3,786,435
6.8 Total Operating Expenses	**9,004,810**	**17,504,638**	**4,443,127**	**9,072,281**	**11,391,251**	**22,710,866**	**5,742,462**	**11,615,353**
7. Profit/(loss) before tax and exceptional items	**8,310,441**	**18,232,872**	**4,756,406**	**9,837,122**	**8,850,915**	**19,150,422**	**5,402,544**	**10,718,087**
8. Exceptional items-share of profit of associate	-	-	-	-	100,058	(145,986)	49,507	106,253
9. Profit/(loss) after exceptional items	**8,310,441**	**18,232,872**	**4,756,406**	**9,837,122**	**8,950,973**	**19,004,436**	**5,452,051**	**10,824,340**
10. Current tax	(2,493,132)	(5,548,044)	(1,426,922)	(2,951,136)	(2,643,364)	(5,881,766)	(1,568,941)	(3,163,669)
11. Deferred tax	-	(42,992)	-	-	-	155,126	(4,454)	-
12. Profit / (loss) after tax and exceptional items	**5,817,309**	**12,641,836**	**3,329,484**	**6,885,986**	**6,307,609**	**13,277,796**	**3,878,656**	**7,660,671**
13. Other Comprehensive Income								
13.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	(346,147)	(13,810)	(354,285)	(314,140)
13.2 Fair value changes in available for sale financial assets	315,215	1,795	347,379	(24,837)	315,215	1,795	347,379	(24,837)
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	-	-	-	-	-	-	-	-
14. Other Comprehensive Income for the year net of tax	**315,215**	**1,795**	**347,379**	**(24,837)**	**(30,932)**	**(12,015)**	**(6,906)**	**(338,977)**
15. Total comprehensive income for the year	**6,132,524**	**12,643,631**	**3,676,863**	**6,861,149**	**6,276,677**	**13,265,781**	**3,871,750**	**7,321,694**

OTHER DISCLOSURES	BANK				GROUP CONSOLIDATED			
	30th Jun 2013 Shs.'000' (Unaudited)	31st Dec 2013 Shs.'000' (Audited)	31st Mar 2014 Shs.'000' (Unaudited)	30th Jun 2014 Shs.'000' (Unaudited)	30th Jun 2013 Shs.'000' (Unaudited)	31st Dec 2013 Shs.'000' (Audited)	31st Mar 2014 Shs.'000' (Unaudited)	30th Jun 2014 Shs.'000' (Unaudited)
1) NON PERFORMING LOANS AND ADVANCES								
a) Gross non performing loans and advances	7,175,944	8,188,895	6,424,921	6,935,065	7,760,714	9,246,423	7,765,108	8,863,839
b) Less Interest in suspense	1,544,794	1,625,539	1,575,512	1,697,235	1,584,315	1,716,180	1,688,930	1,839,457
c) Total Non-Performing loans and advances (a-b)	**5,631,150**	**6,563,356**	**4,849,409**	**5,237,830**	**6,176,399**	**7,530,243**	**6,076,178**	**7,024,382**
d) Less Loan loss provision	2,539,101	2,675,579	2,875,579	2,875,579	2,722,497	3,218,541	3,460,969	3,469,722
e) Net non- performing loans(c-d)	3,092,049	3,887,778	1,973,830	2,362,251	3,453,902	4,311,702	2,615,209	3,554,660
f) Discounted value of securities	2,497,874	3,521,231	1,595,935	2,028,502	2,859,726	3,945,156	2,237,313	3,220,911
g) Net NPLs Exposure (e-f)	**594,175**	**366,546**	**377,895**	**333,749**	**594,175**	**366,546**	**377,896**	**333,749**
2) INSIDER LOANS AND ADVANCES								
a) Directors, shareholders and associates	1,247,038	1,358,461	1,535,062	710,489	1,247,038	1,358,461	1,535,062	710,489
b) Employees	3,803,524	4,434,094	4,665,977	4,993,874	4,028,276	4,749,698	4,968,500	5,341,720
c) Total insider Loans and Advances and other Facilities	**5,050,562**	**5,792,555**	**6,201,039**	**5,704,363**	**5,275,314**	**6,108,159**	**6,503,562**	**6,052,209**
3) OFF BALANCE SHEET ITEMS								
a) Letter of Credit, guarantees, acceptances	5,328,403	10,900,759	12,722,859	17,765,100	6,445,055	12,670,019	14,683,355	20,323,718
b) Forwards, Swaps and Options	18,908	55,208	30,885	19,318	18,908	562,821	406,507	392,975
c) Other contigent Liabilities	2,619,564	3,108,800	3,040,401	3,659,369	2,619,564	3,902,123	3,040,401	3,659,369
d) Total contigent Liabilities	**7,966,875**	**14,064,767**	**15,794,145**	**21,443,787**	**9,083,527**	**17,134,963**	**18,130,263**	**24,376,062**
4) CAPITAL STRENGTH								
a) Core Capital	31,999,838	34,758,600	36,423,343	38,201,593				
b) Minimum statutory capital	1,000,000	1,000,000	1,000,000	1,000,000				
c) Excess/ (defficiency)	**30,999,838**	**33,758,600**	**35,423,343**	**37,201,593**				
d) Supplementary capital	15,781,006	9,392,601	8,877,306	7,810,494				
e) Total Capital (a+d)	**47,780,844**	**44,151,201**	**45,300,649**	**46,012,087**				
f) Total Risk Weighted Assets	**214,388,779**	**187,346,170**	**259,817,858**	**270,724,029**				
Ratios								
g) Core Capital/ Total Deposit Liabilities	20.0%	21.9%	21.4%	21.5%				
h) Minimum statutory ratio	10.5%	8.0%	10.5%	10.5%				
i) Excess / (defficiency) (g-h)	**9.5%**	**13.9%**	**10.9%**	**11.0%**				
j) Core Capital/ Total Risk Weighted Assets	15.0%	18.6%	14.0%	14.1%				
k) Minimum statutory Ratio	10.5%	8.0%	10.5%	10.5%				
L) Excess / (defficiency) (j-k)	**4.5%**	**10.6%**	**3.5%**	**3.6%**				
m) Total Capital/ Total Risk Weighted assets	22.0%	23.6%	17.4%	17.0%				
n) Minimum statutory Ratio	14.5%	12.0%	14.5%	14.5%				
o) Excess / (defficiency) (m-n)	**7.5%**	**11.6%**	**2.9%**	**2.5%**				
5) LIQUIDITY								
a) Liquidity Ratio	41%	34%	33%	34%				
b) Minimum statutory Ratio	20%	20%	20%	20%				
c) Excess / (defficiency) (a-b)	**21%**	**14%**	**13%**	**14%**				









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

Equity Bank Limited is regulated by the Central Bank of Kenya