

EQUITY BANK GROUP

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31ST DECEMBER 2009



	GROUP 31/12/2009 Shs. 000 Audited	GROUP 31/12/2008 Shs. 000 Audited	BANK 31/12/2009 Shs. 000 Audited	BANK 31/12/2008 Shs. 000 Audited
BALANCE SHEET				
A. ASSETS				
1. Cash (both Local & foreign)	4,359,233	3,652,137	2,773,165	3,395,811
2. Balances due from central Bank of Kenya	3,739,749	2,468,490	3,739,749	2,468,490
3. Kenya Government securities	5,016,507	4,329,659	5,016,507	4,329,659
4. Foreign Currency Treasury Bills and Bonds	308,760	88,774	-	-
5. Deposits and balances due from banking institutions	3,378,988	5,160,775	3,263,290	5,160,775
6. Deposits and balances due from banking institutions abroad	1,516,384	1,162,111	227,433	669,833
7. Government and other securities held for dealing purposes	6,827,150	8,145,450	6,827,150	8,145,450
8. Tax recoverable	74,519	13,312	-	-
9. Loans and advances to customers (net)	63,378,232	44,193,749	59,868,232	40,857,796
10. Investment securities	32,305	-	-	-
11. Balances due from group companies	9,608	-	2,022,379	182,373
12. Investments in associates	1,213,872	1,155,562	1,213,872	1,155,562
13. Investments in subsidiary companies	-	-	3,437,691	2,976,191
14. Investments in joint ventures	-	-	-	-
15. Investment properties	8,494	11,269	8,494	11,269
16. Property and equipment	6,441,969	4,824,261	5,192,719	4,258,579
17. Prepaid lease rentals	30,892	4,101	4,069	4,101
18. Intangible assets	1,762,930	1,507,447	569,795	347,797
19. Deferred tax asset	5,536	-	5,536	-
20. Retirement benefit asset	-	-	-	-
21. Other assets	2,706,623	2,161,726	2,341,644	3,171,840
22. TOTAL ASSETS	100,811,750	78,878,825	96,511,725	77,135,526
B. LIABILITIES				
23. Balances due to Central Bank of Kenya	-	-	-	-
24. Customer deposits	69,842,963	50,334,525	65,824,732	48,977,136
25. Deposits and balances due to Local banking institutions	-	-	-	-
26. Deposits and balances due to Foreign banking institutions	-	899	-	899
27. Other money market deposits	-	-	-	-
28. Borrowed funds	6,486,123	6,463,137	6,114,047	6,166,630
29. Balances due to group companies	-	-	-	-
30. Tax payable	20,231	513,730	20,231	513,730
31. Dividends payable	1,052	-	1,052	-
32. Deferred tax liability	-	94,144	-	67,024
33. Retirement benefit liability	-	-	-	-
34. Other liabilities	1,552,512	1,892,567	1,214,223	1,750,185
35. TOTAL LIABILITIES	77,902,880	59,299,002	73,174,285	57,475,603
C. SHAREHOLDERS' FUNDS				
36. Paid up/Assigned capital	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
38. Revaluation reserve	(142,193)	(349,321)	112,871	(112,216)
39. Retained earnings/ Accumulated losses	7,108,066	4,497,486	7,394,523	4,340,480
40. Statutory Loan Loss reserve	449,477	308,416	336,525	308,416
41. Proposed dividends	1,481,111	1,110,833	1,481,111	1,110,833
42. Capital grants	-	-	-	-
43. TOTAL SHAREHOLDERS' FUNDS	22,908,870	19,579,823	23,337,440	19,659,923
44. TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	100,811,750	78,878,825	96,511,725	77,135,526
PROFIT AND LOSS ACCOUNT				
INTEREST INCOME				
1.1 Loans and advances	9,483,873	6,175,508	8,286,601	5,357,338
1.2 Government securities	1,275,115	1,540,590	1,263,406	1,540,590
1.3 Deposits and placements with banking institutions	33,197	262,924	141,309	270,713
1.4 Other	-	-	-	-
1.5 Total Interest income	10,792,186	7,979,022	9,691,317	7,168,641
INTEREST EXPENSES				
2.1 Customer deposits	815,157	552,339	675,534	517,424
2.2 Deposits and placements from banking institutions	4,426	22,824	4,296	22,824
2.3 Other Interest expense	802,536	787,064	733,935	676,382
2.4 Total interest Expenses	1,622,119	1,362,228	1,413,764	1,216,630
NET INTEREST INCOME	9,170,067	6,616,794	8,277,552	5,952,011
OTHER OPERATING INCOME				
4.1 Fees and commissions income on loans & advances	2,106,760	1,869,197	1,977,386	1,679,039
4.2 Other Fees and commissions income	3,928,382	3,281,099	3,791,506	3,154,891
4.3 Foreign exchange trading income	222,150	754,405	161,211	707,951
4.4 Dividend Income	17,181	-	17,181	-
4.5 Other income	231,630	83,874	48,324	62,440
4.6 Total Non-Interest Income	6,506,103	5,988,575	5,995,608	5,604,320
TOTAL OPERATING INCOME	15,676,169	12,605,369	14,273,161	11,556,331
OPERATING EXPENSES				
6.1 Loan Loss Provision	1,035,328	1,019,626	880,436	875,061
6.2 Staff costs	4,295,321	2,937,836	3,561,197	2,567,458
6.3 Directors' emoluments	43,424	16,661	24,557	16,661
6.4 Rental charges	645,389	375,428	471,330	356,700
6.5 Depreciation on property and equipment	1,035,732	649,375	921,927	615,671
6.6 Ammortisation charges	138,315	99,779	120,494	95,648
6.7 Other operating expenses	3,262,839	2,518,461	2,273,657	2,272,530
6.8 Total Operating Expenses	10,456,349	7,617,167	8,703,597	6,799,729
Profit/(loss) before tax and exceptional items	5,219,821	4,988,203	5,569,564	4,756,601
Share of profit in associate	58,310	34,083	58,310	34,083
Profit/(loss) after exceptional items	5,278,130	5,022,286	5,627,874	4,790,684
Current tax	(1,116,703)	(1,062,599)	(1,137,302)	(1,015,653)
Deferred tax	72,561	(49,404)	72,561	(22,389)
Profit / (loss) after tax and exceptional items	4,233,988	3,910,283	4,563,132	3,752,643
Earnings per share-basic and diluted(Kshs)	1.14	1.06	1.23	1.03
Dividend per share(Kshs)	0.4	0.3	0.4	0.3
OTHER DISCLOSURES				
1) NON PERFORMING LOANS AND ADVANCES				
a) Gross non performing loans and advances	5,332,979	2,754,750	4,565,118	2,443,666
b) Less Interest in suspense	491,134	222,980	491,134	215,979
c) Total Non-Performing loans and advances (a-b)	4,841,846	2,531,770	4,073,984	2,227,687
d) less Loan loss provision	1,777,476	750,111	1,431,230	649,661
e) Net non-performing loans(c-b)	3,064,370	1,781,659	2,642,754	1,578,026
f) Discounted value of securities	3,064,370	1,781,659	2,642,754	1,578,026
g) Net NPLs Exposure (e-f)	3,064,370	1,781,659	2,642,754	1,578,026
2) INSIDER LOANS AND ADVANCES				
a) Directors, shareholders and associates	1,461,907	208,753	1,460,846	207,434
b) Employees	1,492,771	956,678	1,395,980	900,428
c) Total insider Loans and Advances and other Facilities	2,954,678	1,165,431	2,856,826	1,107,862
3) OFF BALANCE SHEET ITEMS				
a) Letter of Credit, guarantees, acceptances	2,185,000	1,889,017	2,105,727	1,889,017
b) Other contingent Liabilities	766	8,517	766	8,517
c) Total contingent Liabilities	2,185,766	1,897,534	2,106,493	1,897,534
4) CAPITAL STRENGTH				
a) Core Capital	-	-	16,873,069	14,272,336
b) Minimum statutory capital	-	-	250,000	250,000
c) Excess/ (deficiency) (a-b)	-	-	16,623,069	14,022,336
d) Supplementary capital	-	-	5,615,197	5,637,234
e) Total Capital (a+d)	-	-	22,488,266	19,909,570
f) Total Risk Weighted Assets	-	-	71,416,437	48,833,994
Ratios				
g) Core Capital/ Total Deposit Liabilities	-	-	26%	29%
h) Minimum statutory ratio	-	-	8%	8%
i) Excess / (deficiency) (g-h)	-	-	18%	21%
j) Core Capital/ Total Risk Weighted Assets	-	-	24%	29%
k) Minimum statutory Ratio	-	-	8%	8%
l) Excess / (deficiency) (j-k)	-	-	16%	21%
m) Total Capital/ Total Risk Weighted assets	-	-	31%	41%
n) Minimum statutory Ratio	-	-	12%	12%
o) Excess / (deficiency) (m-n)	-	-	19%	29%
5) LIQUIDITY				
a) Liquidity Ratio	-	-	32%	47%
b) Minimum statutory Ratio	-	-	20%	20%
c) Excess / (deficiency) (a-b)	-	-	12%	27%



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The financial statement are extracts from the books of account for the institution. The accounts have been audited by Messrs. Ernst & Young and have received unqualified opinion. A full set of the financial statement would be available at our registered offices after approval at the AGM.

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

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