

Un-audited Financial Statements of the Bank as at 30th June, 2013

STATEMENT OF FINANCIAL POSITION

	30th June, 2012 Un-audited Shs '000	31st Dec, 2012 Audited Shs '000	31st March, 2013 Un-audited Shs '000	30th June, 2013 Un-audited Shs '000
ASSETS				
Cash (both Local & Foreign)	152,937	211,378	199,291	211,392
Balances due from Central Bank of Kenya	695,238	795,710	895,860	771,475
Kenya Government and other securities held for dealing purposes	-	-	-	-
Financial Assets at fair value through profit and loss	-	-	-	-
Investment Securities:	-	-	-	-
a) Held to Maturity:	2,940,110	2,949,561	2,939,586	2,931,403
a. Kenya Government securities	2,940,110	2,949,561	2,939,586	2,931,403
b. Other securities	-	-	-	-
b) Available for sale:	-	-	-	-
a. Kenya Government securities	-	-	-	-
b. Other securities	-	-	-	-
Deposits and balances due from local banking institutions	140,163	708,221	355,349	275,888
Deposits and balances due from banking institutions abroad	38,102	(6,553)	216,536	90,544
Tax recoverable	-	-	-	-
Loans and advances to customers (net)	7,093,993	7,538,422	7,215,527	7,359,190
Balances due from banking institutions in the group	513,390	506,679	505,090	514,531
Investments in associates	191,378	214,551	214,551	214,551
Investments in subsidiary companies	-	-	-	-
Investments in joint ventures	-	-	-	-
Investment properties	-	-	-	-
Property and equipment	327,009	291,620	313,501	303,100
Prepaid lease rentals	-	-	-	-
Intangible assets	13,712	22,902	21,198	20,112
Deferred tax asset	527,978	597,260	588,361	572,141
Retirement benefit asset	-	-	-	-
Other assets	425,632	279,245	304,330	171,592
TOTAL ASSETS	13,059,642	14,108,996	13,769,180	13,435,919
LIABILITIES				
Balances due to Central Bank of Kenya	-	-	-	-
Customer deposits	10,121,195	12,962,765	12,142,156	11,388,796
Deposits and balances due to local banking institutions	1,040,876	82	-	350,000
Deposits and balances due to foreign banking institutions	-	-	-	-
Other money market deposits	-	-	-	-
Borrowed funds	717,687	200,415	200,415	200,415
Balances due to banking institutions in the group	-	-	-	-
Tax payable	-	-	-	-
Dividends payable	1,730	1,730	1,730	1,730
Deferred tax liability	-	-	-	-
Retirement benefit liability	-	-	-	-
Other liabilities	143,770	221,690	181,803	192,549
TOTAL LIABILITIES	12,025,258	13,386,682	12,526,104	12,133,490
SHAREHOLDERS' FUNDS				
Paid up /Assigned capital	1,723,238	1,723,238	2,223,238	2,223,238
Share premium/(discount)	-	-	-	-
Revaluation reserves	-	-	-	-
Retained earnings/Accumulated losses	(912,457)	(1,175,527)	(1,154,764)	(1,109,755)
Statutory loan loss reserves	223,603	174,603	174,602	188,946
Other Reserves	-	-	-	-
Proposed dividends	-	-	-	-
Capital grants	-	-	-	-
TOTAL SHAREHOLDERS' FUNDS	1,034,384	722,314	1,243,076	1,302,429
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	13,059,642	14,108,996	13,769,180	13,435,919

STATEMENT OF COMPREHENSIVE INCOME

	30th June, 2012 Un-audited Shs '000	31st Dec, 2012 Audited Shs '000	31st March, 2013 Un-audited Shs '000	30th June, 2013 Un-audited Shs '000
INTEREST INCOME				
Loans and advances	700,226	1,585,647	350,638	748,560
Government securities	124,337	266,365	50,263	101,479
Deposits and placements with banking institutions	2,976	6,334	4,767	6,903
Other Interest Income	-	25,457	7,751	17,936
TOTAL INTEREST INCOME	827,539	1,883,803	413,419	874,878
INTEREST EXPENSE				
Customer deposits	717,666	1,333,988	232,061	433,329
Deposits and placement from banking institutions	136,651	182,570	1,577	5,175
Other interest expenses	11,992	24,115	5,930	11,926
TOTAL INTEREST EXPENSE	866,309	1,540,673	239,568	450,430
NET INTEREST INCOME	(38,770)	343,130	173,851	424,448
OTHER OPERATING INCOME				
Fees and commissions on loans and advances	12,484	35,748	15,664	34,436
Other fees and commissions	33,964	78,271	25,147	46,906
Foreign exchange trading income/(Loss)	39,908	55,632	15,211	29,677
Dividend Income	9,679	9,679	-	21,506
Other income	1,392	12,077	2,412	3,545
TOTAL NON-INTEREST INCOME	97,427	191,407	58,434	136,070
TOTAL OPERATING INCOME	58,657	534,537	232,285	560,518
OPERATING EXPENSES				
Loan loss provision	29,152	169,344	11,273	31,583
Staff costs	166,597	361,047	78,284	153,845
Directors' emoluments	8,783	18,833	2,808	7,685
Rental charges	70,964	159,028	37,836	72,964
Depreciation charge on property and equipment	23,327	44,837	11,149	20,420
Amortisation charges	-	4,513	1,703	5,380
Other operating expenses	109,018	432,935	59,569	120,833
TOTAL OPERATING EXPENSES	407,841	1,190,537	202,622	412,710
Profit before tax and exceptional items	(349,184)	(656,000)	29,663	147,808
Exceptional items	78	-	-	(42,572)
PROFIT AFTER EXCEPTIONAL ITEMS	(349,106)	(656,000)	29,663	105,236
Current tax	-	-	8,899	(25,119)
Deferred tax	(104,779)	174,060	-	-
PROFIT AFTER TAX AND EXCEPTIONAL ITEMS	(453,885)	(481,940)	20,764	80,117
OTHER DISCLOSURES				
	30th June, 2012 Un-audited Shs '000	31st Dec, 2012 Audited Shs '000	31st March, 2013 Un-audited Shs '000	30th June, 2013 Un-audited Shs '000
1. NON-PERFORMING LOANS AND ADVANCES				
(a) Gross Non-performing loans and advances	818,719	805,083	895,699	1,069,269
(b) Less Interest in Suspense	186,351	244,779	285,508	284,031
(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)	632,368	560,305	610,191	785,238
(d) Less Loan Loss Provision	210,425	218,585	237,445	401,973
(e) NET NON-PERFORMING LOANS AND ADVANCES (c-d)	421,943	341,720	372,746	383,265
(f) Discounted Value of Securities	421,943	341,720	372,746	383,265
(g) NET NPPLS EXPOSURE (e-f)	-	-	-	-
2. INSIDER LOANS AND ADVANCES				
(a) Directors, Shareholders and Associates	47,130	61,822	32,071	31,995
(b) Employees	112,502	125,407	126,780	128,290
(c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES	159,632	187,229	158,851	160,285
3. OFF-BALANCE SHEET ITEMS				
(a) Letters of credit, guarantees, acceptances	231,534	295,340	355,982	657,903
(b) Forwards, swaps and options	-	-	106,147	130,559
(c) Other contingent liabilities	98,837	98,266	50,638	34,625
(d) TOTAL CONTINGENT LIABILITIES	330,370	393,606	512,767	823,087
4. CAPITAL STRENGTH				
(a) Core capital	810,781	547,711	1,058,091	1,073,424
(b) Minimum Statutory Capital	700,000	1,000,000	1,000,000	1,000,000
(c) Excess (a-b)	110,781	(452,289)	58,091	73,424
(d) Supplementary Capital	309,673	299,823	281,327	266,473
(e) TOTAL CAPITAL (a+d)	1,120,454	847,535	1,339,418	1,339,897
(f) TOTAL RISK WEIGHTED ASSETS	8,740,664	9,555,991	10,914,842	10,296,235
(g) Core Capital / Total deposits liabilities	8.01%	4.23%	8.71%	9.43%
(h) Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%
(i) Excess (g-h)	0.01%	-3.77%	0.71%	1.43%
(j) Core Capital / Total risk weighted assets	9.28%	5.73%	9.69%	10.43%
(k) Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%
(l) Excess (j-k)	1.28%	-2.27%	1.69%	2.43%
(m) Total Capital / Total risk weighted assets	12.82%	8.87%	12.27%	13.01%
(n) Minimum statutory ratio	12.00%	12.00%	12.00%	12.00%
(o) Excess (m-n)	0.82%	-3.13%	0.27%	1.01%
5. LIQUIDITY				
(a) Liquidity Ratio	28.91%	35.66%	37.94%	36.06%
(b) Minimum statutory ratio	20.00%	20.00%	20.00%	20.00%
(c) Excess (a-b)	8.91%	15.66%	17.94%	16.06%

MESSAGE FROM THE DIRECTORS

On the 28 February 2013, the Bank successfully conducted a subscription for Kshs. 500million of additional capital resulting in core capital excess of Kshs. Billion. The Bank is committed to achieving greater growth in 2013 as evidenced by our significantly improved half year results. As per the Bank's strategy to enhance its Retail & SME offering, the Bank has launched new Retail Lending products which include Fortune Personal Loans, Liberty Home Loan & Step Up Salary advance to cater to the market lending needs.

The above consolidated Statements of Comprehensive Income and Statement of Financial Position are extracted from the institution's Financial Statements. These financial statements and other disclosures will be available at our registered offices at Equatorial Fidelity Centre, Wajiki Way and online at www.equatorialbank.co.ke

Signed on behalf of the board of directors by:

D. Ameyo, MBS
Chairman

Sammy Itemere
Managing Director

