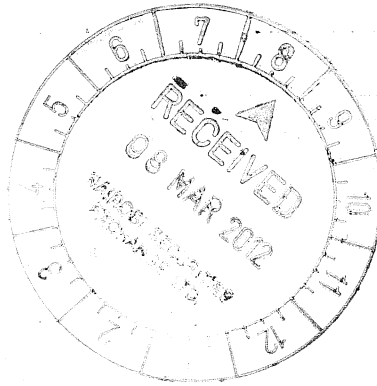


8th March, 2012

The Chief Executive Officer
Nairobi Securities Exchange Limited
Kimathi Street, Nation Centre, 1st Floor
P O Box 43633-00100
NAIROBI



Dear Sir,

RE: EQUITY BANK GROUP AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER, 2011.

We wish to publish our audited financial statements as at 31st December, 2011. The financial statements have been duly approved by the Central Bank of Kenya and the bank's Board of Directors.

Subject to approval of shareholders at the Annual General Meeting scheduled for 30th March, 2012, the Directors have recommended a first and final dividend of Kshs. 1.00/= per each ordinary share of Ksh 0.50/= for the year ended 31st December 2011. The proposed dividend will be paid to shareholders on the register of members of the company at the close of business on Friday 16th March, 2012.

The following documents are enclosed for your information:-

- a) A copy of the audited financial statements;
- b) Statement of changes in equity;
- c) Cash flow statement.

We take this opportunity to express our appreciation for your support and cooperation.

Yours faithfully,
Equity Bank Limited



Dr. James Mwangi, CBS
Managing Director & CEO

Encls.

EQUITY BANK LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011

Group

In millions of Kenya Shillings

For the year ended 31 December 2011

	Share capital	Share premium	Retained earnings	Loan reserve	Available-for-sale reserve	Foreign currency translation reserve	Revaluation reserve	Other reserves	Proposed dividend	Total equity
At 1 January 2011	1,851	12,161	11,204	414	(990)	(325)	40	(113)	2,962	27,204
Total comprehensive income:										
Profit for the year	-	-	10,325	-	-	-	-	-	-	10,325
Other comprehensive income	-	-	-	-	(72)	(200)	(6)	-	-	(277)
Loan reserve transfers	-	-	(111)	107	-	-	-	-	-	(4)
Dividends:	-	-	-	-	-	-	-	-	-	-
Final for 2010 paid	-	-	-	-	-	-	-	-	(2,962)	(2,962)
Proposed for 2011	-	-	(3,703)	-	-	-	-	-	3,703	-
At 31 December 2011	1,851	12,161	17,715	521	(1,062)	(525)	34	(113)	3,703	34,285

For the year ended 31 December 2010

At 1 January 2010	1,851	12,161	7,110	449	113	(201)	11	(67)	1,481	22,908
Total comprehensive income:										
Profit for the year	-	-	7,132	-	-	-	-	-	-	7,132
Other comprehensive income	-	-	-	-	(1,103)	(124)	29	(46)	-	(1,244)
Loan reserve transfers	-	-	(76)	(35)	-	-	-	-	-	(111)
Dividends:										
Final for 2009 paid	-	-	-	-	-	-	-	-	(1,481)	(1,481)
Proposed for 2010	-	-	(2,962)	-	-	-	-	-	2,962	-
At 31 December 2010	1,851	12,161	11,204	414	(990)	(325)	40	(113)	2,962	27,204

EQUITY BANK LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011

Bank

In millions of Kenya Shillings

For the year ended 31 December 2011

	Share capital	Share premium	Retained earnings	Loan reserve	Available for sale reserve	Proposed dividend	Total equity
As at January 2011	1,851	12,161	11,941	382	(990)	2,962	28,307
Total comprehensive income:							
Profit for the year	-	-	9,774	-	-	-	9,774
Other comprehensive income	-	-	-	-	(72)	-	(72)
Loan reserve transfers	-	-	(38)	38	-	-	-
Dividends:							
Final for 2010 paid	-	-	-	-	-	(2,962)	(2,962)
Proposed for 2011	-	-	(3,703)	-	-	3,703	-
At 31 December 2011	1,851	12,161	17,975	420	(1,062)	3,703	35,047

For the year ended 31 December 2010

As at January 2010	1,851	12,161	7,395	337	113	1,481	23,338
Total comprehensive income:							
Profit for the year	-	-	7,554	-	-	-	7,554
Other comprehensive income	-	-	-	-	(1,103)	-	(1,103)
Loan reserve transfers	-	-	(46)	46	-	-	-
Dividends:							
Final for 2009 paid	-	-	-	-	-	(1,481)	(1,481)
Proposed for 2010	-	-	(2,962)	-	-	2,962	-
At 31 December 2010	1,851	12,161	11,941	382	(990)	2,962	28,307

EQUITY BANK LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011

<i>In millions of Kenya Shillings</i>	Group		Bank	
	2011	2010	2011	2010
Cash flows from operating activities				
Net profit before taxation	12,834	9,045	12,104	9,407
Adjustments for:				
Depreciation	1,583	1,343	1,339	1,133
Amortisation of intangible assets	162	146	145	125
Profit on disposal of fixed Assets	(7)	-	(4)	-
Provision for non-performing loans	1,630	1,905	1,533	1,558
Interest on term borrowings	763	602	806	553
Operating profit before working capital changes	16,965	13,041	15,922	12,776
Loans and advances	(37,159)	(16,938)	(35,118)	(14,592)
Other assets	(1,254)	(1,071)	(1,472)	(101)
Finance lease Receivable	2	-	-	-
Customer deposits	39,734	34,588	30,289	29,379
Due from related parties	(16)	(96)	144	-
Other liabilities	(151)	1,160	(73)	1,042
Cash generated from operations	18,121	30,684	9,694	28,504
Income taxes paid	(2,875)	(1,294)	(2,747)	(1,270)
Net cash generated from operating activities	15,246	29,390	6,946	27,234
Cash flows to/from investing activities				
Purchase of property and equipment	(2,225)	(1,893)	(1,689)	(1,633)
Surplus on revaluation of properties and other reserves	-	(17)	-	-
Purchase of intangible assets	(472)	(310)	(467)	(310)
Proceeds from sale of property, plant and equipment	25	22	4	-
Investment in subsidiary	-	-	(1,588)	(1,647)
Investment in associate	(155)	(95)	-	(49)
Dividend received	49	49	-	-
Purchase of investment securities	(22,546)	(31,534)	(22,248)	(31,532)
Proceeds from sale of investments securities	23,958	10,628	23,888	10,362
Restricted balances with Central bank	3,913	(1,820)	4,255	(1,392)
Net cash (used in) generated from investing activities	2,547	(24,972)	2,155	(26,198)
Cash flows used in financing activities				
Dividend paid	(2,962)	(1,481)	(2,962)	(1,481)
Proceeds from long term borrowings	8,096	2,631	7,502	2,129
Repayment of long term borrowings	(1,267)	(1,154)	(1,197)	(780)
Interest paid on term borrowings	(763)	(602)	(806)	(553)
Net cash flow used in financing activities	3,104	(606)	2,537	(685)
Net increase/ (decrease) in cash and cash equivalents	20,897	3,812	11,639	351
Effect of foreign currency translation reserve	(205)	(124)	-	-
Cash and cash equivalents at the beginning of the year	13,440	9,752	7,492	7,141
Cash and cash equivalents at the end of the year	34,132	13,440	19,130	7,492