

Equity Bank's half year profits grow by 57%

25/07... Keeping in its exceptional performance streak, Equity Bank Group has in its half year results maintained an all-round growth in its business with a 57% increase in its profit after tax.

In its half year trading results, despite the economic challenges on the local and international scene, Equity Bank buoyed by increasing deposits increased its profit before tax to Kshs5.90 billion up from Kshs3.88 billion posted within the same period last year.

Within the same period, the bank's after tax profit registered an even higher growth to close at Kshs4.74 billion up from Kshs3.01 billion representing a 57% growth. The bank's total asset base also registered significant growth posting a 40% growth to close at Kshs171.35 billion up from Kshs122.5 billion.

Within the same period, Equity Bank Group's loans and advances grew by 43% to close at Kshs97.71 billion up from Kshs68.25 billion and managed to reduce its non-performing loans portfolio by more than 6%.

In a move attributed to the prevailing economic climate and efforts by the Central Bank of Kenya to ensure prudent economic management, the bank recorded a 4% growth on its government securities asset class growing to Kshs27.46 billion up from Kshs26.39 billion.

The bank managed to sign up more than 1.3 million new customers. Effectively, Equity Bank Group's customer base grew from 4.96 million to 6.3 million representing a 28% growth. The Group's deposits grew by 48% to Kshs130 billion up from Kshs87.8 billion.

Total operating income for the period grew by 30% to Kshs13.1 billion up from to Kshs10.1 billion in the same period. Total operating expenses on the other hand grew by 17% from Kshs6.3 billion in June 2010 to Kshs7.3 billion in June 2011.

Speaking during the release of the bank's half year trading results, Equity Bank Group CEO Dr. James Mwangi, expressed optimism that the bank is geared towards maintaining the growth momentum.

"Our success has been driven by prudent risk management practices, increased efficiency and innovation on the delivery channels, products and services front," Dr. Mwangi explained.

And added: “The cost income ratio has come down from 62% to 56% during the period.”

Reflecting its capital strength and liquidity, Equity Bank Group also maintained a more than 11% and 13% score above the statutory capital and liquidity requirements respectively.

Ends

About Equity Bank Group

Equity Bank commenced business on registration in 1984. It has evolved from a Building Society, a Microfinance Institution, to now the all-inclusive Nairobi Stock Exchange and Uganda Securities Exchange public listed Commercial Bank. With over 5.7 million accounts, accounting for over 57% of all bank accounts in Kenya, Equity Bank is the largest bank in the region in terms of customer base and operates in Uganda and Southern Sudan.

For more information please visit www.equitybank.co.ke

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