



# Equatorial Commercial Bank Limited

The Board of Directors of Equatorial Commercial Bank Limited is pleased to announce the Un-audited financial results of the Bank for the quarter ended 31st March, 2011

BALANCE SHEET	31st March, 2010 Un-audited Shs '000	31st Dec, 2010 Audited Shs '000	31st March, 2011 Un-audited Shs '000
<b>ASSETS</b>			
Cash ( both Local & Foreign)	86,132	111,314	105,977
Balances due from Central Bank of Kenya	358,808	545,464	880,238
Kenya Government securities	539,493	2,996,145	3,391,350
Foreign Currency Treasury Bills & Bonds	-	-	-
Deposits and balances due from local banking institutions	161,321	115,672	131,640
Deposits and balances due from banking institutions abroad	251,744	214,169	674,056
Kenya Government and other securities held for dealing purposes	-	-	416,384
Tax recoverable	-	-	-
Loans and advances to customers (net)	1,944,889	4,851,414	4,828,690
Investment securities	247,573	335,545	345,673
Balances due from group companies	-	403,525	422,970
Investments in associates	104,056	108,101	128,101
Investments in subsidiary companies	-	-	-
Investments in joint ventures	-	-	-
Investment properties	214,753	-	-
Property and equipment	188,550	114,610	166,047
Prepaid lease rentals	12,788	-	-
Intangible assets	7,006	14,894	15,413
Deferred tax asset	310,185	430,339	422,694
Retirement benefit asset	-	-	-
Other assets	49,558	157,613	91,363
<b>TOTAL ASSETS</b>	<b>4,476,856</b>	<b>10,398,805</b>	<b>12,020,597</b>
<b>LIABILITIES</b>			
Balances due to Central Bank of Kenya	-	439,868	-
Customer deposits	3,780,120	8,036,584	9,091,716
Deposits and balances due to local banking institutions	640,475	855,886	1,892,248
Deposits and balances due to foreign banking institutions	-	-	-
Other money market deposits	-	-	-
Borrowed funds	-	-	-
Balances due to group companies	-	-	-
Tax payable	-	-	-
Dividends payable	1,731	1,731	1,731
Deferred tax liability	-	-	-
Retirement benefit liability	-	-	-
Other liabilities	87,748	158,519	125,768
<b>TOTAL LIABILITIES</b>	<b>4,510,074</b>	<b>9,492,589</b>	<b>11,111,463</b>
<b>SHAREHOLDERS' FUNDS</b>			
Paid up /Assigned capital	461,622	1,503,238	1,503,238
Share premium	-	-	-
Revaluation reserves	47,412	-	-
Retained earnings	(617,174)	(693,673)	(682,858)
Statutory loan reserves	74,922	96,652	88,755
Proposed dividends	-	-	-
Capital grants	-	-	-
<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>(33,218)</b>	<b>906,216</b>	<b>909,134</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>4,476,856</b>	<b>10,398,805</b>	<b>12,020,597</b>

PROFIT AND LOSS ACCOUNT	31st March, 2010 Un-audited Shs '000	31st Dec, 2010 Audited Shs '000	31st March, 2011 Un-audited Shs '000
<b>INTEREST INCOME</b>			
Loans and advances	73,551	506,540	174,288
Government securities	22,746	141,011	51,281
Deposits and placements with banking institutions	740	3,177	162
Other Interest Income	499	36,388	10,128
<b>TOTAL INTEREST INCOME</b>	<b>97,536</b>	<b>687,116</b>	<b>235,859</b>
<b>INTEREST EXPENSE</b>			
Customer deposits	69,660	366,972	101,503
Deposits and placement from banking institutions	1,586	24,221	11,760
Other interest expenses	-	-	-
<b>TOTAL INTEREST EXPENSE</b>	<b>71,246</b>	<b>391,193</b>	<b>113,263</b>
<b>NET INTEREST INCOME</b>	<b>26,290</b>	<b>295,923</b>	<b>122,596</b>
<b>OTHER OPERATING INCOME</b>			
Fees and commissions on loans and advances	17,323	45,076	15,939
Other fees and commissions	9,759	60,862	13,802
Foreign exchange trading income	25,886	52,028	16,872
Dividend Income	-	1,693	-
Other income	33,469	178,503	9,735
<b>TOTAL NON-INTEREST INCOME</b>	<b>86,437</b>	<b>338,163</b>	<b>56,348</b>
<b>TOTAL OPERATING INCOME</b>	<b>112,727</b>	<b>634,086</b>	<b>178,944</b>
<b>OPERATING EXPENSES</b>			
Loan loss provision	11,135	75,432	18,054
Staff costs	47,883	238,385	66,989
Directors' emoluments	1,033	13,667	4,126
Rental charges	16,417	90,740	23,778
Depreciation charge on property and equipment	5,815	27,149	6,467
Amortisation charges	1,188	4,033	2,567
Other operating expenses	41,150	218,191	31,481
<b>TOTAL OPERATING EXPENSES</b>	<b>124,621</b>	<b>667,597</b>	<b>153,462</b>
Profit before tax and exceptional items	(11,894)	(33,511)	25,482
Exceptional items	-	(142,805)	-
<b>PROFIT AFTER EXCEPTIONAL ITEMS</b>	<b>(11,894)</b>	<b>(176,316)</b>	<b>25,482</b>
Current tax	-	-	-
Deferred tax	3,568	69,531	(7,645)
<b>PROFIT AFTER TAX AND EXCEPTIONAL ITEMS</b>	<b>(8,326)</b>	<b>(106,785)</b>	<b>17,838</b>
<b>EARNINGS PER SHARE - BASIC &amp; DILUTED</b>	<b>(0.09)</b>	<b>(0.36)</b>	<b>0.06</b>
<b>DIVIDEND PER SHARE - DECLARED</b>	<b>-</b>	<b>-</b>	<b>-</b>

OTHER DISCLOSURES	31st March, 2010 Un-audited Shs '000	31st Dec, 2010 Audited Shs '000	31st March, 2011 Un-audited Shs '000
<b>1. NON-PERFORMING LOANS AND ADVANCES</b>			
(a) Gross Non-performing loans and advances	768,108	1,198,108	1,150,533
(b) Less Interest in Suspense	116,696	152,074	110,800
(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)	651,412	1,046,034	1,039,733
(d) Less Loan Loss Provision	207,127	382,337	344,210
(e) NET NON-PERFORMING LOANS AND ADVANCES (c-d)	444,285	663,697	695,523
(f) Discounted Value of Securities	444,285	663,697	695,523
(g) NET NPLS EXPOSURE (e-f)	-	-	-
<b>2. INSIDER LOANS AND ADVANCES</b>			
(a) Directors, Shareholders and Associates	11,913	75,479	50,962
(b) Employees	26,071	40,616	44,451
(c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES	37,984	116,095	95,413
<b>3. OFF-BALANCE SHEET ITEMS</b>			
(a) Letters of credit, guarantees, acceptances	161,314	750,922	824,028
(b) Other contingent liabilities	-	195,617	90,376
(c) TOTAL CONTINGENT LIABILITIES	161,314	946,538	914,404
<b>4. CAPITAL STRENGTH</b>			
(a) Core capital	(155,552)	809,565	811,461
(b) Minimum Statutory Capital	350,000	350,000	500,000
(c.) Excess (a-b)	(505,552)	459,565	311,461
(d) Supplementary Capital	34,304	76,802	80,285
(e) TOTAL CAPITAL (a+d)	(121,247)	886,366	891,746
(f) TOTAL RISK WEIGHTED ASSETS	2,744,340	6,118,168	6,422,821
(g) Core Capital / Total deposits liabilities	-4.12%	10.07%	8.93%
(h) Minimum statutory ratio	8.00%	8.00%	8.00%
(l) Excess (g-h)	-12.12%	2.07%	0.93%
(j) Core Capital / Total risk weighted assets	-5.67%	13.23%	12.63%
(k) Minimum statutory ratio	8.00%	8.00%	8.00%
(l) Excess (j-k)	-13.67%	5.23%	4.63%
(m) Total Capital / Total risk weighted assets	-4.42%	14.49%	13.88%
(n) Minimum statutory ratio	12.00%	12.00%	12.00%
(o) Excess (m-n)	-16.42%	2.49%	1.88%
<b>5. LIQUIDITY</b>			
(a) Liquidity Ratio	23.00%	33.73%	40.78%
(b) Minimum statutory ratio	20.00%	20.00%	20.00%
(c) Excess (a-b)	3.00%	13.73%	20.78%

## MESSAGE FROM THE DIRECTORS

The above results are extracts from the financial statements and records of the bank. Signed on behalf of the Board of Directors by:

D. Ameyo, MBS  
Chairman

P. Harris  
Managing Director