

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 30th September, 2014

STATEMENT OF FINANCIAL POSITION	BANK	BANK	BANK	BANK	BANK
	30th September 2013	31st December 2013	31st March 2014	30th June 2014	30th September 2014
	Un-audited Shs '000	Audited Shs '000	Un-audited Shs '000	Un-audited Shs '000	Un-audited Shs '000
<b>A ASSETS</b>					
1 Cash ( both Local & Foreign)	239,194	232,387	184,908	225,891	260,472
2 Balances due from Central Bank of Kenya	1,001,375	593,843	772,722	786,275	685,734
3 Kenya Government and other securities held for dealing purposes	-	-	-	-	-
4 Financial Assets at fair value through profit and loss	-	-	-	-	-
5 Investment Securities:					
<b>a) Held to Maturity:</b>	2,766,932	2,758,508	2,938,011	3,079,000	3,388,533
a. Kenya Government securities	2,766,932	2,758,508	2,938,011	3,079,000	3,388,533
b. Other securities	-	-	-	-	-
<b>b) Available for sale:</b>	-	-	50,002	-	-
a. Kenya Government securities	-	-	50,002	-	-
b. Other securities	-	-	-	-	-
6 Deposits and balances due from local banking institutions	385,318	1,050,041	220,934	274,143	527,354
7 Deposits and balances due from banking institutions abroad	248,222	134,676	580,014	118,455	109,002
8 Tax recoverable	-	-	-	-	-
9 Loans and advances to customers (net)	7,868,261	9,029,000	9,953,416	10,012,833	10,295,121
10 Balances due from banking institutions in the group	511,248	-	99,663	101,332	103,760
11 Investments in associates	214,551	234,663	234,663	234,663	234,663
12 Investments in subsidiary companies	-	-	-	-	-
13 Investments in joint ventures	-	-	-	-	-
14 Investment properties	-	-	-	-	-
15 Property and equipment	301,881	710,637	702,799	688,192	696,342
16 Prepaid lease rentals	-	-	-	-	-
17 Intangible assets	19,476	28,730	27,197	43,816	42,053
18 Deferred tax asset	563,163	540,101	526,916	529,133	522,206
19 Retirement benefit asset	-	-	-	-	-
20 Other assets	165,764	249,890	162,895	156,831	153,799
<b>21 TOTAL ASSETS</b>	<b>14,285,185</b>	<b>15,562,476</b>	<b>16,454,140</b>	<b>16,250,564</b>	<b>17,019,940</b>
<b>B LIABILITIES</b>					
22 Balances due to Central Bank of Kenya	-	-	-	-	-
23 Customer deposits	12,098,620	13,856,428	14,316,586	14,067,621	14,871,948
24 Deposits and balances due to local banking institutions	450,140	-	299,896	245,420	71,400
25 Deposits and balances due to foreign banking institutions	-	-	-	-	-
26 Other money market deposits	-	-	-	-	-
27 Borrowed funds	200,415	200,415	300,000	400,000	400,000
28 Balances due to banking institutions in the group	-	-	-	-	-
29 Tax payable	-	-	-	-	-
30 Dividends payable	1,730	1,730	1,730	1,730	1,730
31 Deferred tax liability	-	-	-	-	-
32 Retirement benefit liability	-	-	-	-	-
33 Other liabilities	211,053	132,421	127,200	125,025	147,883
<b>34 TOTAL LIABILITIES</b>	<b>12,961,958</b>	<b>14,190,994</b>	<b>15,045,412</b>	<b>14,839,796</b>	<b>15,492,961</b>
<b>C SHAREHOLDERS' FUNDS</b>					
35 Paid up /Assigned capital	2,223,238	2,316,756	2,323,238	2,323,238	2,423,238
36 Share premium/(discount)	-	-	-	-	-
37 Revaluation reserves	-	-	-	-	-
38 Retained earnings/Accumulated losses	(1,063,788)	(1,101,070)	(1,081,182)	(1,119,799)	(1,102,628)
39 Statutory loan loss reserves	163,778	155,796	166,672	207,329	206,369
40 Other Reserves	-	-	-	-	-
41 Proposed dividends	-	-	-	-	-
42 Capital grants	-	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>1,323,228</b>	<b>1,371,482</b>	<b>1,408,728</b>	<b>1,410,768</b>	<b>1,526,979</b>
<b>44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>14,285,186</b>	<b>15,562,476</b>	<b>16,454,140</b>	<b>16,250,564</b>	<b>17,019,940</b>
	1	-	-	-	-
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>					
	BANK	BANK	BANK	BANK	BANK
	30th September 2013	31st December 2013	31st March 2014	30th June 2014	30th September 2014
	Un-audited Shs '000	Audited Shs '000	Un-audited Shs '000	Un-audited Shs '000	Un-audited Shs '000
<b>1.0 INTEREST INCOME</b>					
1.1 Loans and advances	1,105,733	1,498,768	396,365	833,530	1,275,819
1.2 Government securities	152,127	202,896	53,629	109,576	169,855
1.3 Deposits and placements with banking institutions	9,123	14,929	4,957	10,148	16,632
1.4 Other Interest Income	21,509	28,708	19,432	19,432	23,343
<b>1.5 TOTAL INTEREST INCOME</b>	<b>1,288,492</b>	<b>1,745,291</b>	<b>474,384</b>	<b>972,638</b>	<b>1,485,648</b>
<b>2.0 INTEREST EXPENSE</b>					
2.1 Customer deposits	641,251	876,582	266,642	540,122	822,441
2.2 Deposits and placement from banking institutions	10,681	16,154	6,195	13,418	15,826
2.3 Other interest expenses	17,988	24,050	5,930	15,300	27,399
<b>2.4 TOTAL INTEREST EXPENSE</b>	<b>669,920</b>	<b>916,786</b>	<b>278,767</b>	<b>568,840</b>	<b>865,666</b>
<b>3.0 NET INTEREST INCOME</b>	<b>618,572</b>	<b>828,505</b>	<b>195,617</b>	<b>403,798</b>	<b>619,983</b>
<b>4.0 OTHER OPERATING INCOME</b>					
4.1 Fees and commissions on loans and advances	71,864	100,942	25,475	31,705	47,681
4.2 Other fees and commissions	54,293	74,767	27,830	78,716	113,578
4.3 Foreign exchange trading income/(Loss)	43,438	46,478	14,422	28,812	49,014
4.4 Dividend Income	21,506	21,506	-	7,213	7,280
4.5 Other income	5,126	6,584	16,632	20,575	32,174
<b>4.6 TOTAL NON-INTEREST INCOME</b>	<b>196,227</b>	<b>250,277</b>	<b>84,359</b>	<b>167,021</b>	<b>249,707</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>814,799</b>	<b>1,078,782</b>	<b>279,976</b>	<b>570,820</b>	<b>869,690</b>
<b>6.0 OPERATING EXPENSES</b>					
6.1 Loan loss provision	31,701	86,810	19,156	60,710	84,867
6.2 Staff costs	240,942	319,899	96,182	202,192	317,221
6.3 Directors' emoluments	14,442	20,733	7,163	13,532	18,486
6.4 Rental charges	108,696	168,255	33,881	68,590	104,361
6.5 Depreciation charge on property and equipment	34,067	45,558	11,962	23,432	43,003
6.6 Amortisation charges	5,207	7,125	1,703	4,854	1,136
6.7 Other operating expenses	189,988	277,949	65,980	153,738	233,707
<b>6.8 TOTAL OPERATING EXPENSES</b>	<b>625,043</b>	<b>926,329</b>	<b>236,027</b>	<b>527,048</b>	<b>802,781</b>
<b>7.0 Profit before tax and exceptional items</b>	<b>189,756</b>	<b>152,453</b>	<b>43,949</b>	<b>43,772</b>	<b>66,909</b>
8.0 Exceptional items	54,743	39,644	-	-	-
<b>9 PROFIT / (LOSS) AFTER EXCEPTIONAL ITEMS</b>	<b>135,013</b>	<b>112,809</b>	<b>43,949</b>	<b>43,772</b>	<b>66,909</b>
10.0 Current tax	-	-	-	-	-
11.0 Deferred tax	34,997	57,159	13,185	10,968	17,895
<b>12.0 PROFIT / (LOSS) AFTER TAX AND EXCEPTIONAL ITEMS</b>	<b>100,916</b>	<b>55,650</b>	<b>30,764</b>	<b>32,804</b>	<b>49,014</b>
<b>13.0 OTHER COMPREHENSIVE INCOME</b>					
13.1 Gains/ (Losses) from translating the financial statements of foreign operations	-	-	-	-	-
13.2 Fair value changes in available-for-sale financial assets	-	-	-	-	-
13.3 Revaluation Surplus on Property, Plant and equipment ion	-	-	-	-	-
13.4 Share of other comprehensive income of associates	-	-	-	-	-
13.5 Income tax relating to components of other comprehensive income	-	-	-	-	-
<b>14.0 Other comprehensive income for the year net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>15.0 TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>100,916</b>	<b>55,650</b>	<b>30,764</b>	<b>32,804</b>	<b>49,014</b>
<b>OTHER DISCLOSURES</b>					
	BANK	BANK	BANK	BANK	BANK
	30th September 2013	31st December 2013	31st March 2014	30th June 2014	30th September 2014
	Un-audited Shs '000	Audited Shs '000	Un-audited Shs '000	Un-audited Shs '000	Un-audited Shs '000
<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>					
(a) Gross Non-performing loans and advances	980,050	1,371,225	1,357,580	1,273,745	1,312,013
(b) Less Interest in Suspense	232,628	294,967	308,142	325,802	340,897
<b>(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)</b>	<b>747,422</b>	<b>1,076,258</b>	<b>1,049,438</b>	<b>947,943</b>	<b>971,116</b>
(d) Less Loan Loss Provision	395,958	237,422	244,873	267,035	260,868
<b>(e) NET NON-PERFORMING LOANS AND ADVANCES(c-d)</b>	<b>351,464</b>	<b>838,836</b>	<b>804,565</b>	<b>680,808</b>	<b>710,248</b>
(f) Discounted Value of Securities	291,464	501,351	501,351	309,266	249,341
<b>(g) NET NPLS EXPOSURE (e-f)</b>	<b>62,000</b>	<b>337,485</b>	<b>303,214</b>	<b>371,542</b>	<b>460,907</b>
<b>2.0 INSIDER LOANS AND ADVANCES</b>					
(a) Directors, Shareholders and Associates	56,982	167,478	77,884	323,475	332,492
(b) Employees	136,366	182,019	214,493	315,306	342,277
<b>(c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES</b>	<b>193,348</b>	<b>349,497</b>	<b>292,377</b>	<b>638,781</b>	<b>674,769</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>					
(a) Letters of credit, guarantees, acceptances	883,757	1,092,951	1,285,915	932,354	973,830
(b) Forwards, swaps and options	117,635	178,770	86,620	87,777	178,360
(c) Other contingent liabilities	52,266	8,199	10,814	846	31,722
<b>(d) TOTAL CONTINGENT LIABILITIES</b>	<b>1,053,659</b>	<b>1,279,920</b>	<b>1,383,349</b>	<b>1,020,977</b>	<b>1,183,912</b>
<b>4.0 CAPITAL STRENGTH</b>					
(a) Core capital	1,108,991	1,215,686	1,226,673	1,187,037	1,296,102
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,001	1,000,000	1,000,000
<b>(c) Excess (a-b)</b>	<b>108,991</b>	<b>215,686</b>	<b>226,672</b>	<b>187,037</b>	<b>296,102</b>
(d) Supplementary Capital	265,300	269,623	447,765	529,722	515,292
<b>(e) TOTAL CAPITAL (a+d)</b>	<b>1,374,291</b>	<b>1,485,309</b>	<b>1,674,439</b>	<b>1,716,759</b>	<b>1,811,394</b>
<b>(f) TOTAL RISK WEIGHTED ASSETS</b>	<b>11,002,711</b>	<b>12,124,486</b>	<b>13,469,072</b>	<b>13,384,517</b>	<b>13,674,550</b>
(g) Core Capital / Total deposits liabilities	9.17%	8.77%	8.57%	8.44%	8.72%
(h) Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%	8.00%
<b>(i) Excess (g-h)</b>	<b>1.17%</b>	<b>0.77%</b>	<b>0.57%</b>	<b>0.44%</b>	<b>0.72%</b>
(j) Core Capital / Total risk weighted assets	10.08%	10.03%	9.11%	8.87%	9.48%
(k) Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%	8.00%
<b>(l) Excess (j-k)</b>	<b>2.08%</b>	<b>2.03%</b>	<b>1.11%</b>	<b>0.87%</b>	<b>1.48%</b>
(m) Total Capital / Total risk weighted assets	12.49%	12.25%	12.43%	12.83%	13.25%
(n) Minimum statutory ratio	12.00%	12.00%	12.00%	12.00%	12.00%
<b>(o) Excess (m-n)</b>	<b>0.49%</b>	<b>0.25%</b>	<b>0.43%</b>	<b>0.83%</b>	<b>1.25%</b>
<b>5.0 LIQUIDITY</b>					
(a) Liquidity Ratio	34.63%	34.61%	30.17%	30.13%	30.13%
(b) Minimum statutory ratio	20.00%	20.00%	20.00%	20.00%	20.00%
<b>(c) Excess (a-b)</b>	<b>14.63%</b>	<b>14.61%</b>	<b>10.17%</b>	<b>10.13%</b>	<b>10.13%</b>

**MESSAGE FROM THE DIRECTORS**

The above consolidated Statement of Comprehensive Income and Statement of Financial Position are extracts from the Financial Statements & records of the Bank. These financial statements will be available at our registered office at Equatorial Fidelity Centre, Waiyaki Way and online at [www.equatorialbank.co.ke](http://www.equatorialbank.co.ke)

Signed on behalf of the board of directors by:

**D. Aimeyo, MBS** **Sammy Itemere**  
**Chairman** **Managing Director**

