

Equatorial Commercial Bank Limited

The Board of Directors of Equatorial Commercial Bank Limited is pleased to announce the audited financial results of the Bank for the year ended 31st December 2010



Equatorial Commercial Holding Limited

The Board of Directors of Equatorial Commercial Holding Limited is pleased to announce the audited financial results of the Group for the year ended 31st December 2010

BALANCE SHEET	BANK 31st Dec, 2010 Audited Shs '000	BANK 31st Dec, 2009 Audited Shs '000	GROUP 31st Dec, 2010 Audited Shs '000	GROUP 31st Dec, 2009 Audited Shs '000
ASSETS				
Cash (both Local & Foreign)	111,314	91,210	111,314	91,210
Balances due from Central Bank of Kenya	545,464	214,834	545,464	214,834
Kenya Government securities	2,996,145	692,051	2,996,145	692,051
Foreign Currency Treasury Bills & Bonds	-	-	-	-
Deposits and balances due from local banking institutions	115,672	121,132	115,672	121,132
Deposits and balances due from banking institutions abroad	214,169	286,979	214,169	286,979
Kenya Government and other securities held for dealing purposes	-	-	-	-
Tax recoverable	-	-	-	-
Loans and advances to customers (net)	4,851,414	1,953,299	4,851,414	1,953,299
Investment securities	335,545	235,400	335,545	235,400
Balances due from group companies	403,525	-	403,525	-
Investments in associates	108,101	104,056	172,776	104,056
Investments in subsidiary companies	-	-	-	-
Investments in joint ventures	-	-	-	-
Investment properties	-	163,749	-	163,749
Property and equipment	114,610	217,734	114,610	217,734
Prepaid lease rentals	-	12,788	-	12,788
Intangible assets	14,894	7,374	14,894	7,374
Deferred tax asset	430,339	313,339	430,339	313,339
Retirement benefit asset	-	-	-	-
Other assets	157,613	77,430	157,613	77,430
TOTAL ASSETS	10,398,805	4,491,375	10,463,480	4,491,375
LIABILITIES				
Balances due to Central Bank of Kenya	439,868	-	439,868	-
Customer deposits	8,036,584	4,307,696	8,036,584	4,307,696
Deposits and balances due to local banking institutions	855,886	15,000	855,886	15,000
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	1,731
Deferred tax liability	-	-	-	-
Retirement benefit liability	-	-	-	-
Other liabilities	158,519	171,886	158,519	171,886
TOTAL LIABILITIES	9,492,589	4,496,313	9,492,589	4,496,313
SHAREHOLDERS' FUNDS				
Paid up /Assigned capital	1,503,238	461,622	1,503,238	461,622
Share premium	-	-	-	-
Revaluation reserves	-	47,412	-	47,412
Retained earnings	(693,672)	(592,324)	(628,998)	(592,324)
Statutory loan reserves	96,652	78,352	96,652	78,352
Proposed dividends	-	-	-	-
Capital grants	-	-	-	-
TOTAL SHAREHOLDERS' FUNDS	906,216	(4,938)	970,891	(4,938)
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	10,398,805	4,491,375	10,463,480	4,491,375
PROFIT AND LOSS ACCOUNT				
	BANK	BANK	GROUP	GROUP
	31st Dec, 2010	31st Dec, 2009	31st Dec, 2010	31st Dec, 2009
	Audited	Audited	Audited	Audited
	Shs '000	Shs '000	Shs '000	Shs '000
INTEREST INCOME				
Loans and advances	506,540	358,883	506,540	358,883
Government securities	141,011	68,173	141,011	68,173
Deposits and placements with banking institutions	3,177	11,230	3,177	11,230
Other Interest Income	36,388	2,332	36,388	2,332
TOTAL INTEREST INCOME	687,116	440,618	687,116	440,618
INTEREST EXPENSE				
Customer deposits	366,972	300,349	366,972	300,349
Deposits and placement from banking institutions	24,221	8,785	24,221	8,785
Other interest expenses	-	-	-	-
TOTAL INTEREST EXPENSE	391,193	309,134	391,193	309,134
NET INTEREST INCOME	295,923	131,484	295,923	131,484
OTHER OPERATING INCOME				
Fees and commissions on loans and advances	45,076	34,231	45,076	34,231
Other fees and commissions	60,862	42,783	60,862	42,783
Foreign exchange trading income	52,028	314	52,028	314
Dividend Income	1,693	-	1,693	-
Other income	178,503	148,411	217,223	148,411
TOTAL NON-INTEREST INCOME	338,163	225,739	376,883	225,739
TOTAL OPERATING INCOME	634,086	357,223	672,805	357,223
OPERATING EXPENSES				
Loan loss provision	75,432	623,370	75,432	623,370
Staff costs	238,385	196,067	238,385	196,067
Directors' emoluments	13,667	19,600	13,667	19,600
Rental charges	90,740	33,610	90,740	33,610
Depreciation charge on property and equipment	27,149	30,375	27,149	30,375
Amortisation charges	4,033	3,684	4,033	3,684
Other operating expenses	218,191	180,067	218,191	180,067
TOTAL OPERATING EXPENSES	667,597	1,086,773	667,597	1,086,773
Profit before tax and exceptional items	(33,511)	(729,550)	5,209	(729,550)
Exceptional items	(142,805)	-	(142,805)	-
PROFIT AFTER EXCEPTIONAL ITEMS	(176,316)	(729,550)	(137,596)	(729,550)
Current tax	-	-	-	-
Deferred tax	(69,531)	(159,592)	(69,531)	(159,592)
PROFIT AFTER TAX AND EXCEPTIONAL ITEMS	(245,847)	(889,142)	(207,127)	(889,142)
	Shs	Shs	Shs	Shs
EARNINGS PER SHARE - BASIC & DILUTED	(0.50)	(6.17)	(0.32)	(6.17)
DIVIDEND PER SHARE - DECLARED	-	-	-	-
OTHER DISCLOSURES				
	BANK	BANK		
	31st Dec, 2010	31st Dec, 2009		
	Audited	Audited		
	Shs '000	Shs '000		
1. NON-PERFORMING LOANS AND ADVANCES				
(a) Gross Non-performing loans and advances	1,198,108	982,325		
(b) Less Interest in Suspense	152,074	126,112		
(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)	1,046,034	856,213		
(d) Less Loan Loss Provision	382,337	346,723		
(e) NET NON-PERFORMING LOANS AND ADVANCES (c-d)	663,697	509,490		
(f) Discounted Value of Securities	663,697	509,490		
(g) NET NPLS EXPOSURE (e-f)	(0)	-		
2. INSIDER LOANS AND ADVANCES				
(a) Directors, Shareholders and Associates	75,479	14,971		
(b) Employees	40,616	30,793		
(c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES	116,095	45,764		
3. OFF-BALANCE SHEET ITEMS				
(a) Letters of credit, guarantees, acceptances	750,922	356,597		
(b) Other contingent liabilities	195,617	-		
(c) TOTAL CONTINGENT LIABILITIES	946,539	356,597		
4. CAPITAL STRENGTH				
(a) Core capital	809,565	(124,777)		
(b) Minimum Statutory Capital	500,000	350,000		
(c) Excess (a-b)	309,565	(474,777)		
(d) Supplementary Capital	76,802	29,294		
(e) TOTAL CAPITAL (a+d)	886,366	(95,483)		
(f) TOTAL RISK WEIGHTED ASSETS	6,118,168	2,343,545		
(g) Core Capital / Total deposits liabilities	10.07%	-2.90%		
(h) Minimum statutory ratio	8.00%	8.00%		
(i) Excess (g-h)	2.07%	-10.90%		
(j) Core Capital / Total risk weighted assets	13.23%	-5.30%		
(k) Minimum statutory ratio	8.00%	8.00%		
(l) Excess (j-k)	5.23%	-13.30%		
(m) Total Capital / Total risk weighted assets	14.49%	-4.10%		
(n) Minimum statutory ratio	12.00%	12.00%		
(o) Excess (m-n)	2.49%	-16.10%		
5. LIQUIDITY				
(a) Liquidity Ratio	33.73%	40.00%		
(b) Minimum statutory ratio	20.00%	20.00%		
(c) Excess (a-b)	13.73%	20.00%		

BALANCE SHEET	31ST DEC, 2010 Audited Shs '000
ASSETS	
Cash (both Local & Foreign)	128,851
Balances due from Central Bank of Kenya	545,464
Kenya Government securities	2,996,145
Foreign Currency Treasury Bills & Bonds	-
Deposits and balances due from local banking institutions	169,584
Deposits and balances due from banking institutions abroad	160,257
Kenya Government and other securities held for dealing purposes	-
Tax recoverable	-
Loans and advances to customers (net)	4,851,414
Investment securities	335,545
Balances due from group companies	-
Investments in associates	168,652
Investments in subsidiary companies	-
Good will	268,933
Investment properties	395,000
Property and equipment	114,610
Prepaid lease rentals	0
Intangible assets	14,894
Deferred tax asset	430,339
Retirement benefit asset	-
Other assets	233,882
TOTAL ASSETS	10,813,572
LIABILITIES	
Balances due to Central Bank of Kenya	439,868
Customer deposits	8,036,584
Deposits and balances due to local banking institutions	855,886
Deposits and balances due to foreign banking institutions	-
Other money market deposits	-
Borrowed funds	-
Balances due to group companies	-
Tax payable	16,743
Dividends payable	-
Deferred tax liability	-
Retirement benefit liability	-
Other liabilities	167,872
TOTAL LIABILITIES	9,516,953
SHAREHOLDERS' FUNDS	
Paid up /Assigned capital	973,713
Share premium	-
Revaluation reserves	-
Retained earnings	251,984
Statutory loan reserves	23,057
Proposed dividends	-
Minority Interest	47,865
TOTAL SHAREHOLDERS' FUNDS	1,296,619
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	10,813,572
PROFIT AND LOSS ACCOUNT	
	31ST DEC, 2010
	Audited
	Shs '000
INTEREST INCOME	
Loans and advances	535,275
Government securities	161,856
Deposits and placements with banking institutions	3,552
Other Interest Income	28,902
TOTAL INTEREST INCOME	729,585
INTEREST EXPENSE	
Customer deposits	335,099
Deposits and placement from banking institutions	21,854
Other interest expenses	-
TOTAL INTEREST EXPENSE	356,953
NET INTEREST INCOME	372,632
OTHER OPERATING INCOME	
Fees and commissions on loans and advances	83,166
Other fees and commissions	-
Foreign exchange trading income	65,807
Dividend Income	-
Other income	327,786
TOTAL NON-INTEREST INCOME	476,760
TOTAL OPERATING INCOME	849,391
OPERATING EXPENSES	
Loan loss provision	70,717
Staff costs	235,531
Directors' emoluments	11,649
Rental charges	87,108
Depreciation charge on property and equipment	22,853
Amortisation charges	4,218
Other operating expenses	170,752
TOTAL OPERATING EXPENSES	602,829
Profit before tax and exceptional items	246,563
Exceptional items	(85,880)
PROFIT AFTER EXCEPTIONAL ITEMS	160,683
Current tax	22,610
Deferred tax	(11,266)
Minority Interest	2,116
PROFIT AFTER TAX AND EXCEPTIONAL ITEMS	147,223
EARNINGS PER SHARE - BASIC & DILUTED	17.97
COMMENT FROM THE DIRECTORS:	
The above results are extracts from the financial statements and records of the Holding Company.	
Bank	
The comparative figures for the Bank are former Southern Credit Banking Corporation financials for 2009. The December 2010 figures, represent five months cumulative results for former Southern Credit Banking Corporation and seven months of the merged entity Equatorial Commercial Bank. The profit of former Equatorial Commercial Bank for the first five months of Kshs 69 million before tax was capitalized into the merged entity.	
	Shs '000
Premier Loss Before Tax	(108,702)
Post merger performance	113,912
Integration Costs	(142,805)
Total Loss Before Tax	(137,595)
Holding Company	
The December 2010 figures, relate to five months cumulative results of former Equatorial Commercial Bank (renamed Equatorial Commercial Holding Limited) and seven months of the merged subsidiary, Equatorial Commercial Bank.	
	Shs '000
Premier Profit Before Tax	69,971
Post merger performance	108,864
Fair Valuation gain on Investment property	67,727
Integration Costs	(85,880)
Total Profit Before Tax	160,683
Signed on behalf of the Board of directors by:	
D. Ameyo, MBS	P. Harris
Chairman	Director