

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 2013

STATEMENT OF FINANCIAL POSITION	30th Sept, 2012 Un-audited Shs '000	31st Dec, 2012 Audited Shs '000	31st March, 2013 Un-audited Shs '000	30th June, 2013 Un-audited Shs '000	30th Sept, 2013 Un-audited Shs '000
ASSETS					
Cash (both Local & Foreign)	129,254	211,378	199,291	211,392	239,194
Balances due from Central Bank of Kenya	893,530	795,710	895,860	771,475	1,001,375
Kenya Government and other securities held for dealing purposes	-	-	-	-	-
Financial Assets at fair value through profit and loss	-	-	-	-	-
Investment Securities:					
a) Held to Maturity:	2,917,221	2,949,561	2,939,586	2,931,403	2,766,932
a. Kenya Government securities	2,917,221	2,949,561	2,939,586	2,931,403	2,766,932
b. Other securities	-	-	-	-	-
b) Available for sale:	-	-	-	-	-
a. Kenya Government securities	-	-	-	-	-
b. Other securities	-	-	-	-	-
Deposits and balances due from local banking institutions	315,722	708,221	355,349	275,888	385,318
Deposits and balances due from banking institutions abroad	48,625	(6,553)	216,536	90,544	248,022
Tax recoverable	-	-	-	-	-
Loans and advances to customers (net)	7,145,945	7,538,422	7,215,527	7,359,190	7,868,261
Balances due from banking institutions in the group	514,536	506,679	505,090	514,531	511,248
Investments in associates	191,378	214,551	214,551	214,551	214,551
Investments in subsidiary companies	-	-	-	-	-
Investments in joint ventures	-	-	-	-	-
Investment properties	-	-	-	-	-
Property and equipment	310,738	291,620	313,501	303,100	301,881
Prepaid lease rentals	-	-	-	-	-
Intangible assets	21,603	22,902	21,198	20,112	19,476
Deferred tax asset	572,347	597,260	588,361	572,141	563,163
Retirement benefit asset	-	-	-	-	-
Other assets	473,561	279,244	304,329	171,591	165,763
TOTAL ASSETS	13,534,459	14,108,995	13,769,179	13,435,919	14,285,184
LIABILITIES					
Balances due to Central Bank of Kenya	-	-	-	-	-
Customer deposits	11,060,765	12,962,765	12,142,156	11,388,796	12,098,620
Deposits and balances due to local banking institutions	1,149,677	82	-	350,000	450,140
Deposits and balances due to foreign banking institutions	-	-	-	-	-
Other money market deposits	-	-	-	-	-
Borrowed funds	200,415	200,415	200,415	200,415	200,415
Balances due to banking institutions in the group	-	-	-	-	-
Tax payable	-	-	-	-	-
Dividends payable	1,730	1,730	1,730	1,730	1,730
Deferred tax liability	-	-	-	-	-
Retirement benefit liability	-	-	-	-	-
Other liabilities	167,872	221,690	181,803	192,550	211,051
TOTAL LIABILITIES	12,580,459	13,386,682	12,526,104	12,133,491	12,961,956
SHAREHOLDERS' FUNDS					
Paid up /Assigned capital	1,723,238	1,723,238	2,223,238	2,223,238	2,223,238
Share premium/(discount)	-	-	-	-	-
Revaluation reserves	-	-	-	-	-
Retained earnings/Accumulated losses	(1,020,155)	(1,175,527)	(1,154,764)	(1,109,755)	(1,063,788)
Statutory loan loss reserves	250,918	174,603	174,602	188,946	163,778
Other Reserves	-	-	-	-	-
Proposed dividends	-	-	-	-	-
Capital grants	-	-	-	-	-
TOTAL SHAREHOLDERS' FUNDS	954,000	722,314	1,243,076	1,302,429	1,323,228
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	13,534,460	14,108,996	13,769,179	13,435,919	14,285,184
STATEMENT OF COMPREHENSIVE INCOME					
INTEREST INCOME					
Loans and advances	1,114,564	1,585,648	350,638	748,560	1,105,734
Government securities	174,842	266,365	50,263	101,479	152,127
Deposits and placements with banking institutions	3,457	6,334	4,767	6,903	9,123
Other interest income	16,121	25,456	7,751	17,936	21,509
TOTAL INTEREST INCOME	1,308,985	1,883,803	413,419	874,878	1,288,493
INTEREST EXPENSE					
Customer deposits	1,050,084	1,333,988	232,061	433,329	641,251
Deposits and placement from banking institutions	169,755	182,570	1,577	5,175	10,681
Other interest expenses	18,054	24,115	5,930	11,926	17,988
TOTAL INTEREST EXPENSE	1,237,893	1,540,673	239,568	450,430	669,920
NET INTEREST INCOME	71,092	343,130	173,851	424,448	618,573
OTHER OPERATING INCOME					
Fees and commissions on loans and advances	24,048	35,748	15,664	34,436	71,864
Other fees and commissions	54,206	78,271	25,147	46,906	54,293
Foreign exchange trading income/(Loss)	58,049	55,633	15,211	29,677	43,438
Dividend income	9,679	9,679	-	21,506	21,506
Other income	(14,022)	12,076	2,412	3,545	5,126
TOTAL NON-INTEREST INCOME	131,961	191,407	58,434	136,070	196,227
TOTAL OPERATING INCOME	203,053	534,537	232,285	560,518	814,800
OPERATING EXPENSES					
Loan loss provision	40,845	169,343	11,273	31,583	31,701
Staff costs	253,486	361,047	78,284	153,845	240,942
Directors' emoluments	14,033	18,833	2,808	7,685	14,442
Rental charges	114,483	159,028	37,836	72,964	108,696
Depreciation charge on property and equipment	37,229	44,837	11,149	20,420	34,067
Amortisation charges	-	4,513	1,703	5,380	5,207
Other operating expenses	182,637	432,936	59,569	120,833	189,989
TOTAL OPERATING EXPENSES	642,713	1,190,537	202,621	412,710	625,044
Profit before tax and exceptional items	(439,660)	(656,000)	29,663	147,808	189,756
Exceptional items	140	-	-	(42,572)	(54,743)
PROFIT/(LOSS) AFTER EXCEPTIONAL ITEMS	(439,521)	(656,000)	29,663	105,236	135,013
Current tax	-	-	-	-	-
Deferred tax	(131,940)	174,060	(8,899)	(25,119)	(34,097)
PROFIT/(LOSS) AFTER TAX AND EXCEPTIONAL ITEMS	(571,461)	(481,940)	20,764	80,117	100,916
OTHER COMPREHENSIVE INCOME					
Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	-
Fair value changes in available-for-sale financial assets	-	-	-	-	-
Revaluation Surplus on Property, Plant and equipment	-	-	-	-	-
Share of other comprehensive income of associates	-	-	-	-	-
Income tax relating to components of other comprehensive income	-	-	-	-	-
Other comprehensive income for the year net of tax	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(571,461)	(481,940)	20,764	80,117	100,916
OTHER DISCLOSURES					
1. NON-PERFORMING LOANS AND ADVANCES					
(a) Gross Non-performing loans and advances	828,767	805,083	895,699	1,069,269	980,050
(b) Less Interest in Suspense	229,325	244,778	285,508	284,031	292,628
(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)	599,442	560,305	610,191	785,238	687,422
(d) Less Loan Loss Provision	217,076	218,585	237,445	401,973	395,958
(e) NET NON-PERFORMING LOANS AND ADVANCES (c-d)	382,366	341,720	372,746	383,264	291,464
(f) Discounted Value of Securities	382,366	341,720	372,746	383,264	291,464
(g) NET NPLS EXPOSURE (e-f)	-	-	-	-	-
2. INSIDER LOANS AND ADVANCES					
(a) Directors, Shareholders and Associates	47,974	61,822	32,071	31,995	56,982
(b) Employees	124,608	125,407	126,870	128,290	136,360
(c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES	172,582	187,229	158,941	160,285	193,342
3. OFF-BALANCE SHEET ITEMS					
(a) Letters of credit, guarantees, acceptances	261,252	295,340	355,982	657,903	883,757
(b) Forwards, swaps and options	-	98,266	106,147	130,559	117,635
(c) Other contingent liabilities	87,894	-	50,638	34,625	52,267
(c) TOTAL CONTINGENT LIABILITIES	349,146	393,606	512,767	823,087	1,053,659
4. CAPITAL STRENGTH					
(a) Core capital	743,232	547,711	1,058,091	1,073,424	1,108,991
(b) Minimum Statutory Capital	700,000	1,000,000	1,000,000	1,000,000	1,000,000
(c) Excess (a-b)	43,232	(452,289)	58,091	73,424	108,991
(d) Supplementary Capital	303,104	299,823	281,327	266,473	265,300
(e) TOTAL CAPITAL (a+d)	1,046,336	847,535	1,339,418	1,339,897	1,374,291
(f) TOTAL RISK WEIGHTED ASSETS	9,016,765	9,555,989	10,914,842	10,296,235	11,002,711
(g) Core Capital / Total deposits liabilities	6.72%	4.23%	8.71%	9.43%	9.17%
(h) Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%	8.00%
(i) Excess (g-h)	-1.28%	-3.77%	0.71%	1.43%	1.17%
(j) Core Capital / Total risk weighted assets	8.24%	5.73%	9.69%	10.43%	10.08%
(k) Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%	8.00%
(l) Excess (j-k)	0.24%	-2.27%	1.69%	2.43%	2.08%
(m) Total Capital / Total risk weighted assets	11.60%	8.87%	12.27%	13.01%	12.49%
(n) Minimum statutory ratio	12.00%	12.00%	12.00%	12.00%	12.00%
(o) Excess (m-n)	-0.40%	-3.13%	0.27%	1.01%	0.49%
5. LIQUIDITY					
(a) Liquidity Ratio	28.52%	35.66%	37.94%	36.06%	34.63%
(b) Minimum statutory ratio	20.00%	20.00%	20.00%	20.00%	20.00%
(c) Excess (a-b)	8.52%	15.66%	17.94%	16.06%	14.63%



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The Mall, Westlands

KISUMU BRANCH
Harley's House, Oginga Odinga Street

HURLINGHAM BRANCH
The Priory, Argwings Kodhek Road

KAKAMEGA BRANCH
Opp. Jubilee Ironmongers Building, Canon Awori Road

MOMBASA ROAD BRANCH
Sameer Business Park, Mombasa Road

ELDORET BRANCH
Zion Mall, Uganda Road

INDUSTRIAL AREA BRANCH
Avon Centre, Enterprise Road

NAKURU BRANCH
Apple House, Nakuru-Nairobi Highway

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MESSAGE FROM DIRECTORS

The Bank recorded a significant improved performance as at end of Q3. Notable highlights, compared to 2012 include:

- Profit before tax of Kshs 135M in Q3 2013 from a net loss of Kshs 440M, Q3 2012
- Net interest income of Kshs 619M in Q3 2013 from Kshs 71M in Q3 2012.
- Non-funded income growth by 49% to Kshs 196M in Q3 2013.

This marked improvement is as a result of reduced cost of liquidity in first nine months as compared to last year, increased transactional income and higher Dividend from associate company. In addition the Bank embarked on cost containment strategy hence negligible movement on operating expenditure year on year. The Bank is focused on enhancing its retail & SME business by offering solutions that support SMEs fulfill their business needs from managing their working capital, growing their business and increasing their yield. The above consolidated Statement of Comprehensive Income and Statement of Financial Position are extracts from the institution's Financial Statements. These financial statements will be available at our registered office at Equatorial Fidelity Centre, Waiyaki Way and online at www.equatorialbank.co.ke.

Signed on behalf of the board of directors by:
D. Ameyo, MBS Chairman
Sammy Itemere Managing Director

