

OCEANIC BANK INTERNATIONAL PLC



CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2010

	Group		Bank	
	2010 N'000	2009 N'000	2010 N'000	2009 N'000
ASSETS				
Cash and balances with Central Banks	47,351,523	54,707,470	38,233,343	32,512,146
Treasury bills	27,331,423	30,447,834	25,544,243	29,896,915
Due from other banks	74,762,693	39,182,601	51,696,351	35,298,039
Loans and advances to customers	280,270,830	387,803,734	277,367,953	383,666,172
Advances under finance lease	1,094,515	3,209,040	1,087,112	3,197,888
Insurance receivables	166,335	340,860	-	-
Investment securities	325,544,188	132,988,205	298,318,898	108,252,341
Investment in subsidiaries	-	-	26,316,221	29,589,451
Deferred tax assets	130,548,721	133,422,861	130,151,591	132,384,721
Other assets	22,389,810	40,616,768	18,450,224	46,607,452
Investment properties	9,362,484	12,156,324	4,367,745	4,367,745
Property and equipment	59,775,133	66,213,836	58,361,452	63,546,306
	978,597,655	901,089,533	929,895,133	869,319,176
LIABILITIES				
Customer deposits	658,169,406	556,781,495	637,215,392	545,915,514
Due to other banks	231,412,327	262,330,695	231,099,595	261,144,003
Liabilities on investment contracts	559,541	640,630	-	-
Liabilities on insurance contracts	1,336,080	1,208,092	-	-
Borrowed funds	33,602,654	25,830,000	33,602,654	25,830,000
Income tax payable	2,508,815	2,797,328	1,080,062	847,820
Other liabilities	38,445,548	65,867,726	27,190,242	59,658,342
Deferred tax liabilities	18,051	-	-	-
Retirement benefit obligations	2,314,202	1,557,719	2,187,345	1,521,372
CBN intervention loan	100,000,000	100,000,000	100,000,000	100,000,000
	1,068,366,624	1,017,013,685	1,032,375,290	994,917,051
EQUITY				
Ordinary share capital	11,110,685	11,110,685	11,110,685	11,110,685
Share premium account	176,748,589	176,748,589	176,748,589	176,748,589
Retained earnings	(299,443,941)	(319,074,083)	(312,348,235)	(327,837,959)
Other reserves	22,213,777	15,648,227	22,008,804	14,380,810
Attributable to equity holders				
of the parent	(89,370,890)	(115,566,582)	(102,480,157)	(125,597,875)
Non- controlling interest	(398,079)	(357,570)	-	-
Total equity	(89,768,969)	(115,924,152)	(102,480,157)	(125,597,875)
Total equity and liabilities	978,597,655	901,089,533	929,895,133	869,319,176
Acceptances and guarantees	59,452,739	107,715,379	50,597,716	102,241,028

Approved by the Board of Directors on 11 April 2011 and Signed on its behalf by:

Chairman

Group Managing Director

CONSOLIDATED PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2010

	Group		Bank	
	31 December 2010 N'000	31 December 2009 N'000	31 December 2010 N'000	31 December 2009 N'000
Gross earnings	110,497,755	196,407,964	106,434,337	190,838,871
Operating income	57,898,895	121,477,352	54,131,515	115,105,264
Operating expenses	(68,063,283)	(98,796,542)	(64,516,684)	(94,689,302)
Write back/(diminution) in asset values	43,110,523	(138,828,021)	39,249,144	(138,281,616)
Profit/ (loss) before taxation	32,946,135	(116,147,211)	28,863,975	(117,865,654)
Taxation	(4,263,679)	27,139,652	(3,437,328)	27,212,964
Profit/ (loss) after taxation	28,682,456	(89,007,559)	25,426,647	(90,652,690)
Non- controlling interest	1,111,431	388,115	-	-
Profit/ (loss) attributable to the Group	29,793,887	(88,619,444)	25,426,647	(90,652,690)
Appropriations:				
Transfer to Contingency reserve	108,809	102,430	-	-
Transfer to Statutory reserve	7,627,994	-	7,627,994	-
Transfer to retained earnings	22,057,084	(88,721,874)	17,798,653	(90,652,690)
	29,793,887	(88,619,444)	25,426,647	(90,652,690)
KEY FINANCIAL INFORMATION				
Total non-performing loans	161,776,580	634,047,491	146,463,916	620,028,085
Total non-performing loans to total loans	41%	72%	39%	71%
Basic earnings/(loss) per share (Naira)	N1.34	(N3.99)	N1.14	(N4.07)

INDEPENDENT JOINT AUDITORS' REPORT

TO THE MEMBERS OF OCEANIC BANK INTERNATIONAL PLC

Report on the Consolidated Financial Statements

We have audited the accompanying financial statements of **Oceanic Bank International Plc** ("the Bank") and its subsidiaries (together, "the Group"), set out on pages 19 to 70 which comprise the consolidated balance sheet as at 31 December 2010, the consolidated income statement, the consolidated statement of cash flows for the year then ended, a summary of significant accounting policies and other financial information.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act, Cap C20 Laws of the Federation of Nigeria and the Banks and Other Financial Institutions Act, Cap B3 Laws of the Federation of Nigeria, and for such internal control as the Directors determine are necessary, to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the **Group** and **Oceanic Bank International Plc** as at 31 December 2010, and of its financial performance and its cash flows for the year then ended; the Bank and the group have kept proper books of account, which are in agreement with the balance sheet and income statement, in the manner required by the Companies and Allied Matters Act, Cap C20 LFN 2004, and, in accordance with the Statements of Accounting Standards issued by the Nigerian Accounting Standards Board and relevant circulars issued by the Central Bank of Nigeria.

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements which explains that Oceanic Bank International Plc had negative shareholders' funds of N102.48 billion. This condition, along with other matters as set forth in this note, indicates the existence of uncertainty that may cast doubt on the bank's ability to continue as a going concern. The Directors are of the view that with the continued support of the Central Bank of Nigeria, continuing loan recovery drive and conclusion of the ongoing recapitalisation, the Bank should continue as a going concern. Our opinion is not qualified in respect of these matters.

Report on Compliance with Banking Regulations

Our examination of loans and advances was carried out in accordance with the Prudential Guidelines for licensed banks issued by the Central Bank of Nigeria.

In accordance with circular BSD/1/2004 issued by the Central Bank of Nigeria, details of related party transactions are disclosed in note 39.

Contraventions

During the year the Bank contravened certain sections of the provision of the Banks and Other Financial Institutions Act, Cap B3 LFN 2004 as stated in note 45.

Chartered Accountants
Lagos, Nigeria
11 April 2011

Chartered Accountants
Lagos, Nigeria
11 April 2011

