

STATEMENT OF FINANCIAL POSITION		31/12/2017 (Audited) Shs'000	31/12/2018 (Audited) Shs'000
<b>A ASSETS</b>			
1	Cash (both local and foreign)	276,107	372,065
2	Balances due from Central Bank of Kenya	581,631	546,644
3	Kenya Government and other securities held for dealing purposes	-	-
4	Financial Assets at fair value through profit and loss	7,139	6,727
5	Investment Securities:		
	a) Held to Maturity:		
	a. Kenya Government securities	2,605,899	2,190,093
	b. Other securities	-	-
	b) Available for sale:		
	a. Kenya Government securities	-	-
	b. Other securities	-	-
6	Deposits and balances due from local banking institutions	67,854	39,890
7	Deposits and balances due from banking institutions abroad	39,599	79,530
8	Tax recoverable	6,022	2,809
9	Loans and advances to customers (net)	8,421,072	8,429,659
10	Balances due from banking institutions in the group	-	-
11	Investments in associates	-	-
12	Investments in subsidiary companies	-	-
13	Investments in joint ventures	-	-
14	Investments in properties	-	-
15	Property and equipment	746,346	720,115
16	Prepaid lease rentals	6,810	6,639
17	Intangible assets	239,528	186,211
18	Deferred tax asset	173,299	-
19	Retirement benefit asset	-	-
20	Other assets	284,438	306,950
<b>21</b>	<b>TOTAL ASSETS</b>	<b>13,455,744</b>	<b>12,887,332</b>
<b>B LIABILITIES</b>			
22	Balances due to Central Bank of Kenya	1,484,201	1,120,000
23	Customer Deposits	8,646,305	8,588,544
24	Deposits and balances due to local banking institutions	208,561	235,751
25	Deposits and balances due to foreign banking Institutions	-	-
26	Other money market deposits	-	-
27	Borrowed funds	1,807,002	1,732,320
28	Balances due to banking institutions in the group	-	-
29	Tax payable	-	-
30	Dividends payable	-	-
31	Deferred tax liability	-	-
32	Retirement benefit liability	-	-
33	Other liabilities	241,241	285,362
<b>34</b>	<b>TOTAL LIABILITIES</b>	<b>12,387,310</b>	<b>11,961,977</b>
<b>C SHAREHOLDERS' FUNDS</b>			
35	Paid up/Assigned capital	1,619,530	2,119,530
36	Share premium/(discount)	-	-
37	Revaluation reserves	385,401	376,368
38	Retained earnings/Accumulated losses	(1,265,665)	(2,061,222)
39	Statutory loan loss reserve	329,168	490,679
40	Other Reserves	-	-
41	Proposed dividends	-	-
42	Capital grants	-	-
<b>43</b>	<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>1,068,434</b>	<b>925,355</b>
<b>44</b>	<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>13,455,744</b>	<b>12,887,332</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>			
<b>1</b>	<b>INTEREST INCOME</b>		
1.1	Loans and advances	1,115,343	1,223,220
1.2	Government securities	219,274	176,592
1.3	Deposits and placements with banking institutions	-	1,654
1.4	Other Interest income	-	-
<b>1.5</b>	<b>Total Interest income</b>	<b>1,344,653</b>	<b>1,401,466</b>
<b>2</b>	<b>INTEREST EXPENSES</b>		
2.1	Customer deposits	513,196	430,192
2.2	Deposits and placements from banking institutions	333,017	328,266
2.3	Other Interest Expenses	-	-
<b>2.4</b>	<b>Total Interest Expenses</b>	<b>846,213</b>	<b>758,458</b>
<b>3</b>	<b>NET INTEREST INCOME/(LOSS)</b>	<b>498,440</b>	<b>643,008</b>
<b>4</b>	<b>NON-OPERATING INCOME</b>		
4.1	Fees and commissions on loans and advances	163,370	162,909
4.2	Other fees and commissions	160,280	135,383
4.3	Foreign exchange trading income (Loss)	28,433	21,436
4.4	Dividend Income	-	-
4.5	Other income	425,737	442,044
<b>4.6</b>	<b>Total non-interest income</b>	<b>777,820</b>	<b>761,772</b>
<b>5</b>	<b>TOTAL OPERATING INCOME</b>	<b>1,276,260</b>	<b>1,404,780</b>
<b>6</b>	<b>OTHER OPERATING EXPENSES</b>		
6.1	Loan loss provision	395,027	368,168
6.2	Staff costs	719,588	740,346
6.3	Directors' emoluments	26,404	27,028
6.4	Rental charges	59,094	61,955
6.5	Depreciation charge on property and equipment	80,568	50,348
6.6	Amortisation charges	77,723	90,105
6.7	Other operating expenses	356,426	418,397
<b>6.8</b>	<b>Total Other Operating Expenses</b>	<b>1,714,830</b>	<b>1,756,347</b>
7	Profit/(loss) before tax and exceptional items	(438,570)	(351,567)
8	Exceptional items	-	-
<b>9</b>	<b>Profit/(loss) after exceptional items</b>	<b>(438,570)</b>	<b>(351,567)</b>
10	Current tax	(13,776)	(15,168)
11	Deferred tax	116,665	(173,299)
<b>12</b>	<b>Profit / (loss) after tax and exceptional items</b>	<b>(335,681)</b>	<b>(540,034)</b>
<b>13</b>	<b>Other Comprehensive Income:</b>		
13.1	Exchange differences on translating foreign operations	-	-
13.2	Available-for-sale financial assets	1,042	(412)
13.3	Gains on property revaluation	-	-
13.4	Share of other comprehensive income of associates	-	-
13.5	Income tax relating to components of other comprehensive income	-	-
<b>14</b>	<b>Other comprehensive income for the year net of tax</b>	<b>1,042</b>	<b>(412)</b>
<b>15</b>	<b>Total comprehensive income for the year</b>	<b>(334,639)</b>	<b>(540,446)</b>
<b>III OTHER DISCLOSURES</b>			
<b>1</b>	<b>Non-performing loans and advances</b>		
a)	Gross non-performing loans and advances	2,481,493	2,539,178
Less:			
b)	Interest in suspense	761,323	708,877
<b>c)</b>	<b>Total Non-performing loans and advances (a-b)</b>	<b>1,720,170</b>	<b>1,830,301</b>
Less:			
d)	Loan loss provisions	699,560	888,166
e)	Net non-performing loans (c-d)	1,020,610	942,135
f)	Discounted value of securities	1,020,610	942,135
<b>g)</b>	<b>Net NPLs Exposure (e-f)</b>	<b>-</b>	<b>-</b>
<b>2</b>	<b>Insider loans and advances</b>		
a)	Directors, shareholders and associates	1,062	-
b)	Employees	537,030	441,074
<b>c)</b>	<b>Total insider loans, advances and other facilities</b>	<b>538,092</b>	<b>441,074</b>
<b>3</b>	<b>Off-balance sheet items</b>		
a)	Letters of credit, guarantees, acceptances	1,137,461	1,046,914
b)	Forwards, swaps and options	104,800	97,743
c)	Other contingent liabilities	2,285,195	2,246,847
<b>d)</b>	<b>Total contingent liabilities</b>	<b>3,527,456</b>	<b>3,391,504</b>
<b>4</b>	<b>Capital strength</b>		
a)	Core capital	353,865	58,308
b)	Minimum statutory capital	1,000,000	1,000,000
c)	Excess/(deficiency)	(646,135)	(941,692)
d)	Supplementary capital	240,895	58,308
e)	Total capital (a+d)	594,760	116,616
f)	Total risk weighted assets	11,685,595	11,107,327
g)	Core capital/total deposit liabilities	4.1%	0.7%
h)	Minimum Statutory Ratio	8.0%	8.3%
i)	Excess/(Deficiency) (g-h)	-3.9%	-7.3%
j)	Core capital/total risk weighted assets	3.0%	0.5%
k)	Minimum Statutory Ratio	10.5%	10.5%
l)	Excess/(Deficiency) (j-k)	-7.5%	-10.0%
m)	Total capital/ total risk weighted assets	5.1%	1.0%
n)	Minimum Statutory Ratio	14.5%	14.5%
o)	Excess/(Deficiency) (m-n)	-9.4%	-13.5%
p)	Adjusted Core Capital/Total Deposit Liabilities*	-	2.2%
q)	Adjusted Core Capital/Total Risk Weighted Assets*	-	1.7%
r)	Adjusted Total Capital/Total Risk Weighted Assets*	-	3.4%
<b>5</b>	<b>Liquidity</b>		
a)	Liquidity Ratio	21.7%	21.8%
b)	Minimum statutory Ratio	20.0%	20.0%
c)	Excess/(Deficiency) (a-b)	1.7%	1.8%

\* The Adjusted Capital Ratios include the expected credit loss provisions added back to Capital in line with the CBK Guidance Note issued in April 2018 on implementation of IFRS

These financial statements are extracts from the books of the institution as audited by Ernst & Young LLP the firm appointed by The Auditor General and received an unqualified opinion. The complete set of the audited financial statements, statutory and qualitative disclosures can be accessed in the institution's website [www.consolidated-bank.com](http://www.consolidated-bank.com).

The financial statements were approved by the Board of Directors on 28<sup>th</sup> March 2019 and signed on its behalf by:

**THOMAS KIYAI-CHIEF EXECUTIVE OFFICER**

Regulated by Central Bank of Kenya

**DR. IVAYA WANJALA - CHAIRMAN**