

I STATEMENT OF FINANCIAL POSITION		30/09/2017 (Un-Audited) Shs'000	31/12/2017 (Audited) Shs'000	31/03/2018 (Un-Audited) Shs'000	30/06/2018 (Un-Audited) Shs'000	30/09/2018 (Un-Audited) Shs'000
<b>A ASSETS</b>						
1	Cash (both local and foreign)	272,440	276,107	250,886	212,764	340,669
2	Balances due from Central Bank of Kenya	439,074	581,631	458,268	763,436	573,826
3	Kenya Government and other securities held for dealing purposes	-	-	-	-	-
4	Financial Assets at fair value through profit and loss	7,161	7,139	7,812	6,944	6,934
5	Investment Securities:					
a)	Held to Maturity:					
a.1	Kenya Government securities	2,625,605	2,605,899	2,236,627	2,205,410	2,223,021
a.2	Other securities	-	-	-	-	-
b)	Available for sale:					
b.1	Kenya Government securities	-	-	-	-	-
b.2	Other securities	-	-	-	-	-
6	Deposits and balances due from local banking institutions	267,243	67,854	45,318	50,275	57,248
7	Deposits and balances due from banking institutions abroad	80,450	39,599	63,548	15,679	16,097
8	Tax recoverable	-	6,022	6,022	2,494	-
9	Loans and advances to customers (net)	8,405,959	8,421,072	7,840,074	7,718,682	7,907,471
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	742,580	746,346	737,609	741,479	718,539
16	Prepaid lease rentals	6,980	6,810	6,810	6,810	6,810
17	Intangible assets	253,219	239,528	225,515	209,480	208,977
18	Deferred tax asset	56,634	173,299	173,299	173,299	173,299
19	Retirement benefit asset	-	-	-	-	-
20	Other assets	266,226	284,438	251,191	315,166	341,665
21	<b>TOTAL ASSETS</b>	<b>13,423,571</b>	<b>13,455,744</b>	<b>12,302,979</b>	<b>12,421,918</b>	<b>12,574,556</b>
<b>B LIABILITIES</b>						
22	Balances due to Central Bank of Kenya	800,000	1,484,201	1,188,000	700,000	1,465,000
23	Customer Deposits	9,586,799	8,646,305	8,403,735	8,676,103	8,335,862
24	Deposits and balances due to local banking institutions	24,003	208,561	183,226	65,037	26,129
25	Deposits and balances due to foreign banking Institutions	-	-	-	-	-
26	Other money market deposits	-	-	-	-	-
27	Borrowed funds	1,751,020	1,807,002	1,734,865	1,790,442	1,678,514
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	216,689	241,241	230,806	223,907	273,955
34	<b>TOTAL LIABILITIES</b>	<b>12,378,511</b>	<b>12,387,310</b>	<b>11,740,632</b>	<b>11,455,489</b>	<b>11,779,460</b>
<b>C SHAREHOLDERS' FUNDS</b>						
35	Paid up/Assigned capital	1,619,530	1,619,530	1,619,530	2,119,530	2,119,530
36	Share premium/(discount)	-	-	-	-	-
37	Revaluation reserves	394,045	385,401	386,075	386,133	386,123
38	Retained earnings/Accumulated losses	(1,174,787)	(1,265,665)	(1,443,258)	(1,539,234)	(1,710,557)
39	Statutory loan loss reserve	206,272	329,168	-	-	-
40	Other Reserves	-	-	-	-	-
41	Proposed dividends	-	-	-	-	-
42	Capital grants	-	-	-	-	-
43	<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>1,045,060</b>	<b>1,068,434</b>	<b>562,347</b>	<b>966,429</b>	<b>795,096</b>
44	<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>13,423,571</b>	<b>13,455,744</b>	<b>12,302,979</b>	<b>12,421,918</b>	<b>12,574,556</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>		<b>30/09/2017</b>	<b>31/12/2017</b>	<b>31/03/2018</b>	<b>30/06/2018</b>	<b>30/09/2018</b>
<b>1 INTEREST INCOME</b>						
1.1	Loans and advances	857,930	1,115,343	256,022	684,030	979,324
1.2	Government securities	163,062	219,274	46,835	91,537	133,802
1.3	Deposits and placements with banking institutions	8,466	10,036	1,647	1,647	1,647
1.4	Other interest income	-	-	-	-	-
1.5	<b>Total Interest income</b>	<b>1,029,458</b>	<b>1,344,653</b>	<b>304,504</b>	<b>777,214</b>	<b>1,114,573</b>
<b>2 INTEREST EXPENSES</b>						
2.1	Customer deposits	390,110	513,196	109,476	215,392	320,865
2.2	Deposits and placements from banking institutions	257,008	333,017	99,102	183,538	245,173
2.3	Other Interest Expenses	-	-	-	-	-
2.4	<b>Total Interest Expenses</b>	<b>647,118</b>	<b>846,213</b>	<b>208,578</b>	<b>398,930</b>	<b>566,038</b>
3	<b>NET INTEREST INCOME/(LOSS)</b>	<b>382,340</b>	<b>498,440</b>	<b>95,926</b>	<b>378,284</b>	<b>548,535</b>
<b>4 NON-OPERATING INCOME</b>						
4.1	Fees and commissions on loans and advances	140,138	163,370	35,908	76,177	115,277
4.2	Other fees and commissions	123,873	160,280	27,816	65,596	101,367
4.3	Foreign exchange trading income (Loss)	22,155	28,433	6,662	8,984	10,260
4.4	Dividend Income	-	-	-	-	-
4.5	Other income	252,115	425,737	20,750	40,807	61,335
4.6	<b>Total non-interest income</b>	<b>538,281</b>	<b>777,820</b>	<b>91,136</b>	<b>191,564</b>	<b>288,239</b>
5	<b>TOTAL OPERATING INCOME</b>	<b>920,621</b>	<b>1,276,260</b>	<b>187,062</b>	<b>569,848</b>	<b>836,774</b>
<b>6 OTHER OPERATING EXPENSES</b>						
6.1	Loan loss provision	228,322	395,027	19,527	157,180	238,264
6.2	Staff costs	537,144	719,588	170,954	353,639	545,227
6.3	Directors' emoluments	19,220	26,404	6,404	12,631	19,247
6.4	Rental charges	44,533	59,094	15,450	30,048	45,377
6.5	Depreciation charge on property and equipment	62,662	80,568	13,098	25,219	36,917
6.6	Amortisation charges	58,270	77,723	21,766	43,131	65,666
6.7	Other operating expenses	257,010	356,426	78,384	173,819	278,994
6.8	<b>Total Other Operating Expenses</b>	<b>1,207,161</b>	<b>1,714,830</b>	<b>325,583</b>	<b>795,667</b>	<b>1,229,892</b>
7	Profit/(loss) before tax and exceptional items	(286,540)	(438,570)	(138,521)	(225,819)	(392,918)
8	Exceptional items	-	-	-	-	-
9	<b>Profit/(loss) after exceptional items</b>	<b>(286,540)</b>	<b>(438,570)</b>	<b>(138,521)</b>	<b>(225,819)</b>	<b>(392,918)</b>
10	Current tax	(14,975)	(13,776)	-	(7,751)	(11,975)
11	Deferred tax	-	116,665	-	-	-
12	<b>Profit / (loss) after tax and exceptional items</b>	<b>(301,515)</b>	<b>(335,681)</b>	<b>(138,521)</b>	<b>(233,570)</b>	<b>(404,893)</b>
<b>13 Other Comprehensive Income:</b>						
13.1	Exchange differences on translating foreign operations	-	-	-	-	0
13.2	Available-for-sale financial assets	239	1,042	673	(868)	(10)
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	-	-	-	-	-
14	<b>Other comprehensive income for the year net of tax</b>	<b>239</b>	<b>1,042</b>	<b>673</b>	<b>(868)</b>	<b>(10)</b>
15	<b>Total comprehensive income for the year</b>	<b>(301,276)</b>	<b>(334,639)</b>	<b>(137,848)</b>	<b>(234,438)</b>	<b>(404,903)</b>
<b>III OTHER DISCLOSURES</b>						
<b>1 Non-performing loans and advances</b>						
a)	Gross non-performing loans and advances	2,327,339	2,481,493	2,643,645	2,757,973	2,736,347
b)	Less: Interest in suspense	712,313	761,323	817,764	682,385	672,287
c)	<b>Total Non-performing loans and advances (a-b)</b>	<b>1,615,026</b>	<b>1,720,170</b>	<b>1,825,881</b>	<b>2,075,588</b>	<b>2,064,060</b>
Less:						
d)	Loan loss provisions	657,578	699,560	730,385	872,369	926,800
e)	Net non-performing loans (c-d)	957,548	1,020,610	1,095,496	1,203,219	1,137,260
f)	Discounted value of securities	957,548	1,020,610	1,095,496	1,203,219	1,137,260
g)	<b>Net NPLs Exposure (e-f)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2 Insider loans and advances</b>						
a)	Directors, shareholders and associates	1,845	1,062	249	-	-
b)	Employees	588,893	537,030	525,442	501,310	479,538
c)	<b>Total insider loans, advances and other facilities</b>	<b>590,738</b>	<b>538,092</b>	<b>525,691</b>	<b>501,310</b>	<b>479,538</b>
<b>3 Off-balance sheet items</b>						
a)	Letters of credit, guarantees, acceptances	1,121,725	1,137,461	1,155,170	1,008,617	1,052,962
b)	Forwards, swaps and options	201,011	104,800	145,240	74,006	63,003
c)	Other contingent liabilities	-	2,285,195	-	-	-
d)	<b>Total contingent liabilities</b>	<b>1,322,736</b>	<b>3,527,456</b>	<b>1,300,410</b>	<b>1,082,623</b>	<b>1,115,965</b>
<b>4 Capital strength</b>						
a)	Core capital	444,743	353,865	20,600	465,028	276,572
b)	Minimum statutory capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
c)	Excess/(deficiency)	(555,257)	(646,135)	(979,400)	(534,972)	(723,428)
d)	Supplementary capital	246,222	240,895	94,783	95,014	95,014
e)	Total capital (a+d)	690,965	594,760	115,383	560,042	371,586
f)	Total risk weighted assets	11,942,693	11,685,595	11,058,064	10,807,683	11,013,504
g)	Core capital/Total deposit liabilities	4.6%	4.1%	0.2%	5.4%	3.3%
h)	Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%	8.0%
i)	Excess/(Deficiency) (g-h)	-3.4%	-3.9%	-7.8%	-2.6%	-4.7%
j)	Core capital/total risk weighted assets	3.7%	3.0%	0.2%	4.3%	2.5%
k)	Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%
l)	Excess/(Deficiency) (j-k)	-6.8%	-7.5%	-10.3%	-6.2%	-8.0%
m)	Total capital/ total risk weighted assets	5.8%	5.1%	1.0%	5.2%	3.4%
n)	Minimum Statutory Ratio	14.5%	14.5%	14.5%	14.5%	14.5%
o)	Excess/(Deficiency) (m-n)	-8.7%	-9.4%	-13.5%	-9.3%	-11.1%
p)	Adjusted Core Capital/Total Deposit Liabilities*	-	-	1.4%	6.4%	4.8%
q)	Adjusted Core Capital/Total Risk Weighted Assets*	-	-	1.1%	5.2%	3.6%
r)	Adjusted Total Capital/Total Risk Weighted Assets*	-	-	2.0%	6.0%	4.5%
<b>5 Liquidity</b>						
a)	Liquidity Ratio	30.1%	21.7%	20.2%	28.5%	20.8%
b)	Minimum statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%
c)	Excess/(Deficiency) (a-b)	10.1%	1.7%	0.2%	8.5%	0.8%

\* 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 9.

These financial statements are extracts from the books of the institution. The complete set of the quarterly financial statements, statutory and qualitative disclosures can be accessed at the institutions website [www.consolidated-bank.com](http://www.consolidated-bank.com). They may also be accessed at the institution's head office located at Consolidated Bank House, 23 Koimang Street.

The financial statements were approved by the Board of Directors on 27<sup>th</sup> November 2018 and signed on its behalf by:

**THOMAS KIYAI - CHIEF EXECUTIVE OFFICER**

Regulated by Central Bank of Kenya

**GEORGE OMINO - DIRECTOR**