

I	STATEMENT OF FINANCIAL POSITION	30/06/2017 (Un-Audited) Shs'000	31/12/2017 (Audited) Shs'000	31/03/2017 (Un-Audited) Shs'000	30/06/2018 (Un-Audited) Shs'000
<b>A</b>	<b>ASSETS</b>				
1	Cash (both local and foreign)	322,685	276,107	250,886	212,764
2	Balances due from Central Bank of Kenya	535,041	581,631	458,268	763,436
3	Kenya Government and other securities held for dealing purposes	-	-	-	-
4	Financial Assets at fair value through profit and loss	6,922	7,139	7,812	6,944
5	Investment Securities:	-	-	-	-
	a. Held to Maturity:				
	a. Kenya Government securities	2,646,286	2,605,899	2,236,627	2,205,410
	b. Other securities	-	-	-	-
	b. Available for sale:				
	a. Kenya Government securities	-	-	-	-
	b. Other securities	-	-	-	-
6	Deposits and balances due from local banking institutions	119,184	67,854	45,318	50,275
7	Deposits and balances due from banking institutions abroad	50,105	39,599	63,548	15,679
8	Tax recoverable	-	6,022	6,022	2,494
9	Loans and advances to customers (net)	8,583,381	8,421,072	7,840,074	7,718,682
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	759,871	746,346	737,609	741,479
16	Prepaid lease rentals	6,980	6,810	6,810	6,810
17	Intangible assets	270,149	239,528	225,515	209,480
18	Deferred tax asset	56,634	173,299	173,299	173,299
19	Retirement benefit asset	-	-	-	-
20	Other assets	263,668	284,438	251,191	315,166
21	<b>TOTAL ASSETS</b>	<b>13,620,906</b>	<b>13,455,744</b>	<b>12,302,979</b>	<b>12,421,918</b>
<b>B</b>	<b>LIABILITIES</b>				
22	Balances due to Central Bank of Kenya	800,000	1,484,201	1,188,000	700,000
23	Customer Deposits	9,391,446	8,646,305	8,403,735	8,676,103
24	Deposits and balances due to local banking institutions	108,833	208,561	183,226	65,037
25	Deposits and balances due to foreign banking Institutions	-	-	-	-
26	Other money market deposits	-	-	-	-
27	Borrowed funds	1,865,055	1,807,002	1,734,865	1,790,442
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	268,111	241,241	230,806	223,907
34	<b>TOTAL LIABILITIES</b>	<b>12,433,445</b>	<b>12,387,310</b>	<b>11,740,632</b>	<b>11,455,489</b>
<b>C</b>	<b>SHAREHOLDERS' FUNDS</b>				
35	Paid up/Assigned capital	1,619,530	1,619,530	1,619,530	2,119,530
36	Share premium/(discount)	-	-	-	-
37	Revaluation reserves	393,806	385,401	386,075	386,133
38	Retained earnings/Accumulated losses	(1,028,796)	(1,265,665)	(1,443,258)	(1,539,234)
39	Statutory loan loss reserve	202,921	329,168	-	-
40	Other Reserves	-	-	-	-
41	Proposed dividends	-	-	-	-
42	Capital grants	-	-	-	-
43	<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>1,187,461</b>	<b>1,068,434</b>	<b>562,347</b>	<b>966,429</b>
44	<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>13,620,906</b>	<b>13,455,744</b>	<b>12,302,979</b>	<b>12,421,918</b>
<b>II</b>	<b>STATEMENT OF COMPREHENSIVE INCOME</b>				
<b>1</b>	<b>INTEREST INCOME</b>				
1.1	Loans and advances	578,692	1,115,343	256,022	684,030
1.2	Government securities	107,963	219,274	46,835	91,537
1.3	Deposits and placements with banking institutions	1,910	10,036	1,647	1,647
1.4	Other Interest income	-	-	-	-
1.5	<b>Total Interest income</b>	<b>688,565</b>	<b>1,344,653</b>	<b>304,504</b>	<b>777,214</b>
<b>2</b>	<b>INTEREST EXPENSES</b>				
2.1	Customer deposits	261,124	513,196	109,476	215,392
2.2	Deposits and placements from banking institutions	174,106	333,017	99,102	183,538
2.3	Other Interest Expenses	-	-	-	-
2.4	<b>Total Interest Expenses</b>	<b>435,230</b>	<b>846,213</b>	<b>208,578</b>	<b>398,930</b>
3	<b>NET INTEREST INCOME/(LOSS)</b>	<b>253,335</b>	<b>498,440</b>	<b>95,926</b>	<b>378,284</b>
<b>4</b>	<b>NON-OPERATING INCOME</b>				
4.1	Fees and commissions on loans and advances	95,170	163,370	35,908	76,177
4.2	Other fees and commissions	80,389	160,280	27,816	65,596
4.3	Foreign exchange trading income (Loss)	11,648	28,433	6,662	8,984
4.4	Dividend Income	-	-	-	-
4.5	Other income	188,639	425,737	20,750	40,807
4.6	<b>Total non-interest income</b>	<b>375,846</b>	<b>777,820</b>	<b>91,136</b>	<b>191,564</b>
5	<b>TOTAL OPERATING INCOME</b>	<b>629,181</b>	<b>1,276,260</b>	<b>187,062</b>	<b>569,848</b>
<b>6</b>	<b>OTHER OPERATING EXPENSES</b>				
6.1	Loan loss provision	132,829	395,027	19,527	157,180
6.2	Staff costs	355,305	719,588	170,954	353,639
6.3	Directors' emoluments	12,908	26,404	6,404	12,631
6.4	Rental charges	27,708	59,094	15,450	30,048
6.5	Depreciation charge on property and equipment	43,768	80,568	13,098	25,219
6.6	Amortisation charges	38,824	77,723	21,766	43,131
6.7	Other operating expenses	166,884	356,426	78,384	173,819
6.8	<b>Total Other Operating Expenses</b>	<b>778,226</b>	<b>1,714,830</b>	<b>325,583</b>	<b>795,667</b>
7	Profit/(loss) before tax and exceptional items	(149,045)	(438,570)	(138,521)	(225,819)
8	Exceptional items	-	-	-	-
9	<b>Profit/(loss) after exceptional items</b>	<b>(149,045)</b>	<b>(438,570)</b>	<b>(138,521)</b>	<b>(225,819)</b>
10	Current tax	(9,830)	(13,776)	-	(7,751)
11	Deferred tax	-	116,665	-	-
12	<b>Profit / (loss) after tax and exceptional items</b>	<b>(158,875)</b>	<b>(335,681)</b>	<b>(138,521)</b>	<b>(233,570)</b>
13	<b>Other Comprehensive Income:</b>				
13.1	Exchange differences on translating foreign operations	-	-	-	-
13.2	Available-for-sale financial assets	412	1,042	673	(868)
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>412</b>	<b>1,042</b>	<b>673</b>	<b>(868)</b>
15	<b>Total comprehensive income for the year</b>	<b>(158,463)</b>	<b>(334,639)</b>	<b>(137,848)</b>	<b>(234,438)</b>
<b>III</b>	<b>OTHER DISCLOSURES</b>				
<b>1</b>	<b>Non-performing loans and advances</b>				
a)	<b>Gross non-performing loans and advances</b>	<b>2,170,041</b>	<b>2,481,493</b>	<b>2,643,645</b>	<b>2,757,973</b>
Less:					
d)	Interest in suspense	657,861	761,323	817,764	682,385
c)	<b>Total Non-performing loans and advances (a-b)</b>	<b>1,512,180</b>	<b>1,720,170</b>	<b>1,825,881</b>	<b>2,075,588</b>
Less:					
d)	Loan loss provisions	588,411	699,560	730,385	872,369
e)	Net non-performing loans (c-d)	923,769	1,020,610	1,095,496	1,203,219
f)	Discounted value of securities	923,769	1,020,610	1,095,496	1,203,219
g)	<b>Net NPLs Exposure (a-f)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2</b>	<b>Insider loans and advances</b>				
a)	Directors, shareholders and associates	2,602	1,062	249	-
b)	Employees	588,072	537,030	525,442	501,310
c)	<b>Total insider loans, advances and other facilities</b>	<b>590,674</b>	<b>538,092</b>	<b>525,691</b>	<b>501,310</b>
<b>3</b>	<b>Off-balance sheet items</b>				
a)	Letters of credit, guarantees, acceptances	1,381,453	1,137,461	1,155,170	1,008,617
b)	Forwards, swaps and options	140,660	104,800	145,240	74,006
c)	Other contingent liabilities	-	2,285,195	-	-
d)	<b>Total contingent liabilities</b>	<b>1,522,113</b>	<b>3,527,456</b>	<b>1,300,410</b>	<b>1,082,623</b>
<b>4</b>	<b>Capital strength</b>				
a)	Core capital	590,734	353,865	20,600	465,028
b)	Minimum statutory capital	1,000,000	1,000,000	1,000,000	1,000,000
c)	Excess/(deficiency)	(409,266)	(646,135)	(979,400)	(534,972)
d)	Supplementary capital	248,372	240,895	94,783	95,014
e)	Total capital (a+d)	839,106	594,760	115,383	560,042
f)	Total risk weighted assets	12,116,876	11,685,595	11,058,064	10,807,683
g)	Core capital/total deposit liabilities	6.2%	4.1%	0.2%	5.4%
h)	Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%
i)	Excess/(Deficiency) (g-h)	-1.8%	-3.9%	-7.8%	-2.6%
j)	Core capital/total risk weighted assets	4.9%	3.0%	0.2%	4.3%
k)	Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%
l)	Excess/(Deficiency) (j-k)	-5.6%	-7.5%	-10.3%	-6.2%
m)	Total capital/ total risk weighted assets	6.9%	5.1%	1.0%	5.2%
n)	Minimum Statutory Ratio	14.5%	14.5%	14.5%	14.5%
o)	Excess/(Deficiency) (m-n)	-7.6%	-9.4%	-13.5%	-9.3%
(p)	Adjusted Core Capital/Total Deposit Liabilities*	-	-	1.4%	6.4%
(q)	Adjusted Core Capital/Total Risk Weighted Assets*	-	-	1.1%	5.2%
(r)	Adjusted Total Capital/Total Risk Weighted Assets*	-	-	2.0%	6.0%
<b>5</b>	<b>Liquidity</b>				
a)	Liquidity Ratio	29.1%	21.7%	20.2%	28.5%
b)	Minimum statutory Ratio	20.0%	20.0%	20.0%	20.0%
c)	Excess/(Deficiency) (a-b)	9.1%	1.7%	0.2%	8.5%

\* 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 Koimange Street**.

The financial statements were approved by the Board of Directors on 28<sup>th</sup> August 2018 and signed on its behalf by:

**THOMAS KIYAI-CHIEF EXECUTIVE OFFICER**

**JOSEPH KOSKEY- DIRECTOR**