

I	STATEMENT OF FINANCIAL POSITION	30/09/2018 (Un-Audited) Shs'000	31/12/2018 (Audited) Shs'000	31/12/2018 (Un-Audited) Shs'000	30/06/2019 (Un-Audited) Shs'000	30/09/2019 (Un-Audited) Shs'000
A	<b>ASSETS</b>					
1	Cash (both local and foreign)	340,669	372,065	323,589	303,806	345,596
2	Balances due from Central Bank of Kenya	573,826	546,644	526,739	978,910	569,742
3	Kenya Government and other securities held for dealing purposes	-	-	-	-	-
4	Financial Assets at fair value through profit and loss	6,934	6,727	6,510	7,399	9,190
5	Investment Securities:	-	-	-	-	-
	a).Held to Maturity:					
	a. Kenya Government securities	2,223,021	2,190,093	2,206,780	2,172,927	2,116,576
	b. Other securities	-	-	-	-	-
	b).Available for sale:					
	a. Kenya Government securities	-	-	-	-	-
	b. Other securities	-	-	-	-	-
6	Deposits and balances due from local banking institutions	57,248	39,890	94,354	69,566	77,111
7	Deposits and balances due from banking institutions abroad	16,097	79,530	111,561	34,835	44,532
8	Tax recoverable	-	2,809	-	-	646
9	Loans and advances to customers (net)	7,907,471	8,429,659	8,439,967	8,024,238	7,739,207
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	718,539	720,115	721,080	722,761	707,078
16	Prepaid lease rentals	6,810	6,639	6,639	6,639	6,639
17	Intangible assets	208,977	186,211	165,161	131,963	181,611
18	Deferred tax asset	173,299	-	-	-	-
19	Retirement benefit asset	-	-	-	-	-
20	Other assets	341,665	306,950	370,524	382,781	396,890
21	<b>TOTAL ASSETS</b>	<b>12,574,556</b>	<b>12,887,332</b>	<b>12,972,904</b>	<b>12,835,825</b>	<b>12,194,820</b>
B	<b>LIABILITIES</b>					
22	Balances due to Central Bank of Kenya	1,465,000	1,120,000	800,000	800,000	1,300,000
23	Customer Deposits	8,335,862	8,588,544	9,311,533	9,412,578	8,584,930
24	Deposits and balances due to local banking institutions	26,129	235,751	70,029	11,082	9,308
25	Deposits and balances due to foreign banking Institutions	-	-	-	-	-
26	Other money market deposits	-	-	-	-	-
27	Borrowed funds	1,678,514	1,732,320	1,660,363	1,714,105	1,554,602
28	Balances due to banking institutions in the group	-	-	-	-	-
29	Tax payable	-	-	1,562	-	-
30	Dividends payable	-	-	-	-	-
31	Deferred tax liability	-	-	-	-	-
32	Retirement benefit liability	-	-	-	-	-
33	Other liabilities	273,955	285,362	258,961	275,705	282,370
34	<b>TOTAL LIABILITIES</b>	<b>11,779,460</b>	<b>11,961,977</b>	<b>12,102,448</b>	<b>12,213,470</b>	<b>11,731,210</b>
C	<b>SHAREHOLDERS' FUNDS</b>					
35	Paid up/Assigned capital	2,119,530	2,119,530	2,119,530	2,119,530	2,119,530
36	Share premium/(discount)	-	-	-	-	-
37	Revaluation reserves	386,123	376,368	376,152	377,041	378,831
38	Retained earnings/Accumulated losses	(1,710,557)	(2,061,222)	(2,149,117)	(2,286,081)	(2,470,634)
39	Statutory loan loss reserve	-	490,679	523,891	411,865	435,883
40	Other Reserves	-	-	-	-	-
41	Proposed dividends	-	-	-	-	-
42	Capital grants	-	-	-	-	-
43	<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>795,096</b>	<b>925,355</b>	<b>870,456</b>	<b>622,355</b>	<b>463,610</b>
44	<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>12,574,556</b>	<b>12,887,332</b>	<b>12,972,904</b>	<b>12,835,825</b>	<b>12,194,820</b>
II	<b>STATEMENT OF COMPREHENSIVE INCOME</b>					
1	<b>INTEREST INCOME</b>					
1.1	Loans and advances	979,324	1,223,220	275,377	516,227	804,654
1.2	Government securities	133,602	176,592	41,141	83,206	124,779
1.3	Deposits and placements with banking institutions	1,647	1,654	-	-	-
1.4	Other Interest income	-	-	-	-	-
1.5	<b>Total Interest income</b>	<b>1,114,573</b>	<b>1,401,466</b>	<b>316,518</b>	<b>599,433</b>	<b>929,433</b>
2	<b>INTEREST EXPENSES</b>					
2.1	Customer deposits	320,865	430,192	97,291	198,063	300,328
2.2	Deposits and placements from banking institutions	245,173	328,266	76,040	148,986	226,906
2.3	Other Interest Expenses	-	-	-	-	-
2.4	<b>Total Interest Expenses</b>	<b>566,038</b>	<b>758,458</b>	<b>173,331</b>	<b>347,049</b>	<b>527,234</b>
3	<b>NET INTEREST INCOME/(LOSS)</b>	<b>548,535</b>	<b>643,008</b>	<b>143,187</b>	<b>252,384</b>	<b>402,199</b>
4	<b>NON-OPERATING INCOME</b>					
4.1	Fees and commissions on loans and advances	115,277	162,909	42,859	52,550	86,633
4.2	Other fees and commissions	101,367	135,383	39,199	107,917	137,528
4.3	Foreign exchange trading income (Loss)	10,260	21,436	5,483	10,252	18,501
4.4	Dividend Income	-	-	-	-	-
4.5	Other income	166,538	442,044	98,026	159,915	235,150
4.6	<b>Total non-interest income</b>	<b>393,442</b>	<b>761,772</b>	<b>185,567</b>	<b>330,634</b>	<b>477,812</b>
5	<b>TOTAL OPERATING INCOME</b>	<b>941,977</b>	<b>1,404,780</b>	<b>328,754</b>	<b>583,018</b>	<b>880,011</b>
6	<b>OTHER OPERATING EXPENSES</b>					
6.1	Loan loss provision	343,467	368,168	69,875	138,125	262,505
6.2	Staff costs	545,227	740,346	171,595	345,944	522,784
6.3	Directors' emoluments	19,247	27,028	7,930	13,858	25,088
6.4	Rental charges	45,377	61,955	15,056	32,308	49,994
6.5	Depreciation charge on property and equipment	36,917	50,348	12,351	24,388	35,803
6.6	Amortisation charges	65,666	90,105	21,541	43,087	75,491
6.7	Other operating expenses	278,994	418,397	80,621	167,991	271,112
6.8	<b>Total Other Operating Expenses</b>	<b>1,334,895</b>	<b>1,756,347</b>	<b>379,069</b>	<b>765,701</b>	<b>1,242,877</b>
7	Profit/(loss) before tax and exceptional items	(392,918)	(351,567)	(50,315)	(182,683)	(362,866)
8	Exceptional items	-	-	-	-	-
9	<b>Profit/(loss) after exceptional items</b>	<b>(392,918)</b>	<b>(351,567)</b>	<b>(50,315)</b>	<b>(182,683)</b>	<b>(362,866)</b>
10	Current tax	(11,975)	(15,168)	(4,370)	(8,966)	(13,336)
11	Deferred tax	-	-	-	-	-
12	<b>Profit / (loss) after tax and exceptional items</b>	<b>(404,893)</b>	<b>(540,034)</b>	<b>(54,685)</b>	<b>(191,649)</b>	<b>(376,202)</b>
13	<b>Other Comprehensive Income:</b>					
13.1	Exchange differences on translating foreign operations	-	-	-	-	-
13.2	Available-for-sale financial assets	(10)	(412)	(217)	889	1,790
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>(10)</b>	<b>(412)</b>	<b>(217)</b>	<b>889</b>	<b>1,790</b>
15	<b>Total comprehensive income for the year</b>	<b>(404,903)</b>	<b>(540,446)</b>	<b>(54,902)</b>	<b>(190,760)</b>	<b>(374,412)</b>
III	<b>OTHER DISCLOSURES</b>					
1	<b>Non-performing loans and advances</b>					
a)	<b>Gross non-performing loans and advances</b>	<b>2,736,347</b>	<b>2,539,178</b>	<b>2,562,680</b>	<b>2,885,671</b>	<b>2,708,475</b>
Less:						
b)	Interest in suspense	672,287	708,877	710,781	746,142	728,470
c)	<b>Total Non-performing loans and advances (a-b)</b>	<b>2,064,060</b>	<b>1,830,301</b>	<b>1,851,899</b>	<b>2,139,529</b>	<b>1,980,005</b>
Less:						
d)	Loan loss provisions	926,800	888,166	904,698	930,811	769,566
e)	Net non-performing loans (c-d)	1,137,260	942,135	947,201	1,208,718	1,210,439
f)	Discounted value of securities	1,137,260	942,135	947,201	1,208,718	1,210,439
g)	<b>Net NPLs Exposure (e-f)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2	<b>Insider loans and advances</b>					
a)	Directors, shareholders and associates	-	-	-	-	-
b)	Employees	479,538	441,074	416,146	393,922	369,632
c)	<b>Total insider loans, advances and other facilities</b>	<b>479,538</b>	<b>441,074</b>	<b>416,146</b>	<b>393,922</b>	<b>369,632</b>
3	<b>Off-balance sheet items</b>					
a)	Letters of credit, guarantees, acceptances	1,052,962	1,046,914	1,025,439	1,047,588	911,872
b)	Forwards, swaps and options	63,003	97,743	144,443	51,300	51,950
c)	Other contingent liabilities	-	2,246,847	-	-	-
d)	<b>Total contingent liabilities</b>	<b>1,115,965</b>	<b>3,391,504</b>	<b>1,169,882</b>	<b>1,098,888</b>	<b>963,822</b>
4	<b>Capital strength</b>					
a)	Core capital	276,572	58,308	(29,587)	(166,551)	(351,104)
b)	Minimum statutory capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
c)	Excess/(deficiency)	(723,428)	(941,692)	(1,029,587)	(1,166,551)	(1,351,104)
d)	Supplementary capital	95,014	58,308	-	-	-
e)	Total capital (a+d)	371,586	116,616	(29,587)	(166,551)	(351,104)
f)	Total risk weighted assets	11,013,504	11,107,327	11,330,844	10,888,316	10,377,666
g)	Core capital/total deposit liabilities	3.3%	0.7%	-0.3%	-1.8%	-4.1%
h)	Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%	8.0%
i)	Excess/(Deficiency) (g-h)	-4.7%	-7.3%	-8.3%	-9.8%	-12.1%
j)	Core capital/total risk weighted assets	2.5%	0.5%	-0.3%	-1.5%	-3.4%
k)	Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%
l)	Excess/(Deficiency) (i-k)	-8.0%	-10.0%	-10.8%	-12.0%	-13.9%
m)	Total capital/ total risk weighted assets	3.4%	1.0%	-0.3%	-1.5%	-3.4%
n)	Minimum Statutory Ratio	14.5%	14.5%	14.5%	14.5%	14.5%
p)	Adjusted Core Capital/Total Deposit Liabilities*	4.5%	2.2%	1.1%	0.7%	-3.0%
q)	Adjusted Core Capital/Total Risk Weighted Assets*	3.4%	1.7%	0.9%	-0.6%	-2.5%
r)	Adjusted Total Capital/Total Risk Weighted Assets*	4.3%	3.4%	1.9%	-0.6%	-2.5%
5	<b>Liquidity</b>					
a)	Liquidity Ratio	20.8%	21.8%	26.0%	25.2%	18.3%
b)	Minimum statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%
c)	Excess/(Deficiency) (a-b)	0.8%	1.8%	6.0%	5.2%	-1.7%

\* 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 Koinange Street**.

The financial statements were approved by the Board of Directors on **27<sup>th</sup> November 2019** and signed on its behalf by:

**THOMAS KIYAI-CHIEF EXECUTIVE OFFICER**

Regulated by Central Bank of Kenya

**DR. IFAYA WANJALA- CHAIRMAN**