

I	STATEMENT OF FINANCIAL POSITION	30/06/2018 (Un-Audited) Shs'000	31/12/2018 (Audited) Shs'000	31/03/2019 (Un-Audited) Shs'000	30/06/2019 (Un-Audited) Shs'000
<b>A</b>	<b>ASSETS</b>				
1	Cash (both local and foreign)	212,764	372,065	323,589	303,806
2	Balances due from Central Bank of Kenya	763,436	546,644	526,739	978,910
3	Kenya Government and other securities held for dealing purposes	-	-	-	-
4	Financial Assets at fair value through profit and loss	6,944	6,727	6,510	7,399
5	Investment Securities:				
	a) Held to Maturity:				
	a. Kenya Government securities	2,205,410	2,190,093	2,206,780	2,172,927
	b. Other securities	-	-	-	-
	b) Available for sale:				
	a. Kenya Government securities	-	-	-	-
	b. Other securities	-	-	-	-
6	Deposits and balances due from local banking institutions	50,275	39,890	94,354	69,566
7	Deposits and balances due from banking institutions abroad	15,679	79,530	111,561	34,835
8	Tax recoverable	2,494	2,809	-	-
9	Loans and advances to customers (net)	7,718,682	8,429,659	8,439,967	8,131,316
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	741,479	720,115	721,080	722,761
16	Prepaid lease rentals	6,810	6,639	6,639	6,639
17	Intangible assets	209,480	186,211	165,161	131,963
18	Deferred tax asset	173,299	-	-	-
19	Retirement benefit asset	-	-	-	-
20	Other assets	315,166	306,950	370,524	382,781
21	<b>TOTAL ASSETS</b>	<b>12,421,918</b>	<b>12,887,332</b>	<b>12,972,904</b>	<b>12,942,903</b>
<b>B</b>	<b>LIABILITIES</b>				
22	Balances due to Central Bank of Kenya	700,000	1,120,000	800,000	800,000
23	Customer Deposits	8,676,103	8,588,544	9,311,533	9,412,578
24	Deposits and balances due to local banking institutions	65,037	235,751	70,029	11,082
25	Deposits and balances due to foreign banking Institutions	-	-	-	-
26	Other money market deposits	-	-	-	-
27	Borrowed funds	1,790,442	1,732,320	1,660,363	1,714,105
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	223,907	285,362	258,961	275,705
34	<b>TOTAL LIABILITIES</b>	<b>11,455,489</b>	<b>11,961,977</b>	<b>12,102,448</b>	<b>12,213,470</b>
<b>C</b>	<b>SHAREHOLDERS' FUNDS</b>				
35	Paid up/Assigned capital	2,119,530	2,119,530	2,119,530	2,119,530
36	Share premium/(discount)	-	-	-	-
37	Revaluation reserves	386,133	376,368	376,152	377,041
38	Retained earnings/Accumulated losses	(1,539,234)	(2,061,222)	(2,149,117)	(2,286,081)
39	Statutory loan loss reserve	-	490,679	523,891	518,943
40	Other Reserves	-	-	-	-
41	Proposed dividends	-	-	-	-
42	Capital grants	-	-	-	-
43	<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>966,429</b>	<b>925,355</b>	<b>870,456</b>	<b>729,433</b>
44	<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>12,421,918</b>	<b>12,887,332</b>	<b>12,972,904</b>	<b>12,942,903</b>
<b>II</b>	<b>STATEMENT OF COMPREHENSIVE INCOME</b>				
<b>1</b>	<b>INTEREST INCOME</b>				
1.1	Loans and advances	684,030	1,223,220	275,377	516,227
1.2	Government securities	91,537	176,592	41,141	83,206
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>777,214</b>	<b>1,401,466</b>	<b>316,518</b>	<b>599,433</b>
<b>2</b>	<b>INTEREST EXPENSES</b>				
2.1	Customer deposits	215,392	430,192	97,291	198,063
2.2	Deposits and placements from banking institutions	183,538	328,266	76,040	148,986
2.3	Other Interest Expenses	-	-	-	-
2.4	<b>Total Interest Expenses</b>	<b>398,930</b>	<b>758,458</b>	<b>173,331</b>	<b>347,049</b>
<b>3</b>	<b>NET INTEREST INCOME/(LOSS)</b>	<b>378,284</b>	<b>643,008</b>	<b>143,187</b>	<b>252,384</b>
<b>4</b>	<b>NON-OPERATING INCOME</b>				
4.1	Fees and commissions on loans and advances	76,177	162,909	42,859	52,550
4.2	Other fees and commissions	65,596	135,383	39,199	107,917
4.3	Foreign exchange trading income (Loss)	8,984	21,436	5,483	10,252
4.4	Dividend Income	-	-	-	-
4.5	Other income	40,807	442,044	98,026	159,915
4.6	<b>Total non-interest income</b>	<b>191,564</b>	<b>761,772</b>	<b>185,567</b>	<b>330,634</b>
<b>5</b>	<b>TOTAL OPERATING INCOME</b>	<b>569,848</b>	<b>1,404,780</b>	<b>328,754</b>	<b>583,018</b>
<b>6</b>	<b>OTHER OPERATING EXPENSES</b>				
6.1	Loan loss provision	157,180	368,168	69,975	138,125
6.2	Staff costs	353,639	740,346	171,595	345,944
6.3	Directors' emoluments	12,631	27,028	7,930	13,858
6.4	Rental charges	30,048	61,955	15,056	32,508
6.5	Depreciation charge on property and equipment	25,219	50,348	12,351	24,388
6.6	Amortisation charges	43,131	90,105	21,541	43,087
6.7	Other operating expenses	173,819	418,397	80,621	167,991
6.8	<b>Total Other Operating Expenses</b>	<b>795,667</b>	<b>1,756,347</b>	<b>379,069</b>	<b>765,701</b>
7	Profit/(loss) before tax and exceptional items	(225,819)	(351,567)	(50,315)	(182,683)
8	Exceptional items	-	-	-	-
9	<b>Profit/(loss) after exceptional items</b>	<b>(225,819)</b>	<b>(351,567)</b>	<b>(50,315)</b>	<b>(182,683)</b>
10	Current tax	(7,751)	(15,168)	(4,370)	(8,966)
11	Deferred tax	-	(173,299)	-	-
12	<b>Profit / (loss) after tax and exceptional items</b>	<b>(233,570)</b>	<b>(540,034)</b>	<b>(54,685)</b>	<b>(191,649)</b>
13	Other Comprehensive Income:				
13.1	Exchange differences on translating foreign operations	-	-	-	-
13.2	Available-for-sale financial assets	(868)	(412)	(217)	889
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>(868)</b>	<b>(412)</b>	<b>(217)</b>	<b>889</b>
15	<b>Total comprehensive income for the year</b>	<b>(234,438)</b>	<b>(540,446)</b>	<b>(54,902)</b>	<b>(190,760)</b>
<b>III</b>	<b>OTHER DISCLOSURES</b>				
<b>1)</b>	<b>Non-performing loans and advances</b>				
a)	Gross non-performing loans and advances	2,757,973	2,539,178	2,562,680	2,885,671
b)	Less: Interest in suspense	682,385	708,877	710,781	746,142
c)	<b>Total Non-performing loans and advances (a-b)</b>	<b>2,075,588</b>	<b>1,830,301</b>	<b>1,851,899</b>	<b>2,139,529</b>
d)	Less: Loan loss provisions	872,369	888,166	904,698	930,811
e)	Net non-performing loans (c-d)	1,203,219	942,135	947,201	1,208,718
f)	Discounted value of securities	1,203,219	942,135	947,201	1,208,718
g)	<b>Net NPLs Exposure (e-f)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2)</b>	<b>Insider loans and advances</b>				
a)	Directors, shareholders and associates	-	-	-	-
b)	Employees	501,310	441,074	416,146	393,922
c)	<b>Total insider loans, advances and other facilities</b>	<b>501,310</b>	<b>441,074</b>	<b>416,146</b>	<b>393,922</b>
<b>3)</b>	<b>Off-balance sheet items</b>				
a)	Letters of credit, guarantees, acceptances	1,008,617	1,046,914	1,025,439	1,047,588
b)	Forwards, swaps and options	74,006	97,743	144,443	51,300
c)	Other contingent liabilities	-	2,246,847	-	-
d)	<b>Total contingent liabilities</b>	<b>1,082,623</b>	<b>3,391,504</b>	<b>1,169,882</b>	<b>1,098,888</b>
<b>4)</b>	<b>Capital strength</b>				
a)	Core capital	465,028	58,308	(29,587)	(166,551)
b)	Minimum statutory capital	1,000,000	1,000,000	1,000,000	1,000,000
c)	Excess/(Deficiency) (i-k)	(534,972)	(941,692)	(1,029,587)	(1,166,551)
d)	Supplementary capital	95,014	58,308	-	-
e)	Total capital (a+d)	560,042	116,616	(29,587)	(166,551)
f)	Total risk weighted assets	10,807,683	11,107,327	11,330,844	10,888,315
g)	Core capital/total deposit liabilities	5.4%	0.7%	-0.3%	-1.8%
h)	Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%
i)	Excess/(Deficiency) (g-h)	-2.6%	-7.3%	-8.3%	-9.8%
j)	Core capital/total risk weighted assets	4.3%	0.5%	-0.3%	-1.5%
k)	Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%
l)	Excess/(Deficiency) (j-k)	-6.2%	-10.0%	-10.8%	-12.0%
m)	Total capital/total risk weighted assets	5.2%	1.0%	-0.3%	-1.5%
n)	Minimum Statutory Ratio	14.5%	14.5%	14.5%	14.5%
o)	Excess/(Deficiency) (m-n)	-9.3%	-13.5%	-14.8%	-16.0%
(p)	Adjusted Core Capital/Total Deposit Liabilities*	6.4%	2.2%	1.1%	-0.6%
(q)	Adjusted Core Capital/Total Risk Weighted Assets*	5.2%	1.7%	0.9%	0.2%
(r)	Adjusted Total Capital/Total Risk Weighted Assets*	6.0%	3.4%	1.9%	-0.6%
<b>5)</b>	<b>Liquidity</b>				
a)	Liquidity Ratio	28.5%	21.8%	26.0%	25.2%
b)	Minimum statutory Ratio	20.0%	20.0%	20.0%	20.0%
c)	Excess/(Deficiency) (a-b)	8.5%	1.8%	6.0%	5.2%

\* 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 27<sup>th</sup> August 2019 and signed on its behalf by:

**THOMAS KIYAI-CHIEF EXECUTIVE OFFICER**

**DR. IYAYA WANJALA- CHAIRMAN**

Regulated by Central Bank of Kenya