

I STATEMENT OF FINANCIAL POSITION		31/12/2016 (Audited) Shs'000	31/12/2017 (Audited) Shs'000
A ASSETS			
1	Cash (both local and foreign)	305,079	276,107
2	Balances due from Central Bank of Kenya	347,862	581,631
3	Kenya Government and other securities held for dealing purposes	-	-
4	Financial Assets at fair value through profit and loss	6,097	7,139
5	Investment Securities:		
	a).Held to Maturity:		
	a.Kenya Government securities	2,663,491	2,605,899
	b.Other securities	-	-
	b).Available for sale:		
	a.Kenya Government securities	-	-
	b.Other securities	-	-
6	Deposits and balances due from local banking institutions	7,789	67,854
7	Deposits and balances due from banking institutions abroad	45,924	39,599
8	Tax recoverable	-	6,022
9	Loans and advances to customers (net)	9,161,484	8,421,072
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	795,453	746,346
16	Prepaid lease rentals	8,979	6,810
17	Intangible assets	278,004	239,528
18	Deferred tax asset	56,634	173,299
19	Retirement benefit asset	-	-
20	Other assets	243,099	284,438
21	TOTAL ASSETS	13,917,895	13,455,744
B LIABILITIES			
22	Balances due to Central Bank of Kenya	820,000	1,484,201
23	Customer Deposits	9,491,803	8,646,305
24	Deposits and balances due to local banking institutions	91,258	208,561
25	Deposits and balances due to foreign banking Institutions	-	-
26	Other money market deposits	-	-
27	Borrowed funds	1,885,948	1,807,002
28	Balances due to banking institutions in the group companies	-	-
29	Tax payable	2,029	-
30	Dividends payable	-	-
31	Deferred tax liability	-	-
32	Retirement benefit liability	-	-
33	Other liabilities	223,784	241,241
34	TOTAL LIABILITIES	12,514,822	12,387,310
C. SHAREHOLDERS' FUNDS			
35	Paid up/Assigned capital	1,619,530	1,619,530
36	Share premium/(discount)	-	-
37	Revaluation reserves	392,980	385,401
38	Retained earnings/Accumulated losses	(873,623)	(1,265,665)
39	Statutory loan loss reserve	264,186	329,168
40	Other Reserves	-	-
41	Proposed dividends	-	-
42	Capital grants	-	-
43	TOTAL SHAREHOLDERS' FUNDS	1,403,073	1,068,434
44	TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	13,917,895	13,455,744
II STATEMENT OF COMPREHENSIVE INCOME			
1 INTEREST INCOME			
1.1	Loans and advances	1,444,256	1,115,343
1.2	Government securities	225,794	219,274
1.3	Deposits and placements with banking institutions	1,737	10,036
1.4	Other interest income	-	-
1.5	Total interest income	1,671,787	1,344,653
2 INTEREST EXPENSES			
2.1	Customer deposits	625,294	513,196
2.2	Deposits and placements from banking institutions	360,406	333,017
2.3	Other interest Expenses	-	-
2.4	Total interest Expenses	985,700	846,213
3	NET INTEREST INCOME/(LOSS)	686,087	498,440
4 NON-OPERATING INCOME			
4.1	Fees and commissions on loans and advances	103,080	163,370
4.2	Other fees and commissions	166,852	160,280
4.3	Foreign exchange trading income (Loss)	30,548	28,433
4.4	Dividend Income	-	-
4.5	Other income	451,245	425,737
4.6	Total non-interest income	751,725	777,820
5	TOTAL OPERATING INCOME	1,437,812	1,276,260
6 OTHER OPERATING EXPENSES			
6.1	Loan loss provision	309,017	395,027
6.2	Staff costs	742,100	719,588
6.3	Directors' emoluments	33,918	26,404
6.4	Rental charges	56,694	59,094
6.5	Depreciation charge on property and equipment	93,220	80,568
6.6	Amortisation charges	72,786	77,723
6.7	Other operating expenses	406,854	356,426
6.8	Total Other Operating Expenses	1,714,589	1,714,830
7	Profit/(loss) before tax and exceptional items	(276,777)	(438,570)
8	Exceptional items	-	-
9	Profit / (loss) after exceptional items	(276,777)	(438,570)
10	Current tax	(29,894)	(13,776)
11	Deferred tax	95,311	116,665
12	Profit / (loss) after tax and exceptional items	(211,360)	(335,681)
13 Other Comprehensive Income:			
13.1	Exchange differences on translating foreign operations	-	-
13.2	Available-for-sale financial assets	(782)	1,042
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	Other comprehensive income for the year net of tax	(782)	1,042
15	Total comprehensive income for the year	(212,142)	(334,639)
III OTHER DISCLOSURES			
1 Non-performing loans and advances			
a)	Gross non-performing loans and advances	2,037,505	2,481,493
	Less:		
b)	Interest in suspense	559,398	761,323
c)	Total Non-performing loans and advances (a-b)	1,478,107	1,720,170
	Less:		
d)	Loan loss provisions	596,479	699,560
e)	Net non-performing loans (c-d)	881,628	1,020,610
f)	Discounted value of securities	881,628	1,020,610
g)	Net NPLs Exposure (e-f)	-	-
2 Insider loans and advances			
a)	Directors, shareholders and associates	4,043	1,062
b)	Employees	634,536	537,030
c)	Total insider loans, advances and other facilities	638,579	538,092
3 Off-balance sheet items			
a)	Letters of credit, guarantees, acceptances	986,386	1,137,461
b)	Forwards, swaps and options	117,782	104,800
c)	Other contingent liabilities	13,000	2,285,195
d)	Total contingent liabilities	1,117,168	3,527,456
4 Capital strength			
a)	Core capital	745,907	353,865
b)	Minimum statutory capital	1,000,000	1,000,000
c)	Excess/(deficiency)	(254,093)	(646,135)
d)	Supplementary capital	255,302	240,895
e)	Total capital (a+d)	1,001,209	594,760
f)	Total risk weighted assets	12,669,090	11,685,595
g)	Core capital/total deposit liabilities	7.8%	4.1%
h)	Minimum Statutory Ratio	8.0%	8.0%
i)	Excess/(Deficiency) (g-h)	-0.2%	-3.9%
j)	Core capital/total risk weighted assets	5.9%	3.0%
k)	Minimum Statutory Ratio	10.5%	10.5%
l)	Excess/(Deficiency) (j-k)	-4.6%	-7.5%
m)	Total capital/ total risk weighted assets	7.9%	5.1%
n)	Minimum Statutory Ratio	14.5%	14.5%
o)	Excess/(Deficiency) (m-n)	-6.6%	-9.4%
5 Liquidity			
a)	Liquidity Ratio	25.8%	21.7%
b)	Minimum statutory Ratio	20.0%	20.0%
c)	Excess/(Deficiency) (a-b)	5.8%	1.7%

These financial statements are extracts from the books of the institution as audited by Deloitte & Touche 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 They may also be accessed at the institution's head office located at Consolidated Bank House, 23 Koling Street.

The financial statements were approved by the Board of Directors on 27th March 2018 and signed on its behalf by:

THOMAS KIYAI-CHIEF EXECUTIVE OFFICER

JOSEPH KOSKEY- DIRECTOR