

FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 31ST DECEMBER 2017

I. STATEMENT OF FINANCIAL POSITION		31.12.2016	31.12.2017
		Kshs.'000.	Kshs.'000.
		Audited	Audited
A. ASSETS			
1	Cash balances (both local and foreign)	233,405	151,804
2	Balances with Central Bank of Kenya	561,346	822,778
3	Kenya Government and other securities held for dealing purposes	-	-
4	Financial Assets at fair value through profit and loss	39,765	45,698
5	Investment Securities:		
a)	Held to Maturity:		
a.	Kenya Government Securities	1,485,402	1,207,628
b.	Other securities	-	-
b)	Available for sale:		
a.	Kenya Government Securities	-	-
b.	Other securities	-	-
6	Deposits and balances due from local banking institutions	350,629	327,158
7	Deposits and balances due from banking institutions abroad	95,102	234,764
8	Tax recoverable	-	-
9	Loans and advances to customers (net)	6,657,374	7,288,835
10	Balances due from banking institutions in the group	-	-
11	Investments in associates	-	-
12	Investments in subsidiary companies	-	-
13	Investment in joint ventures	-	-
14	Investment properties	-	-
15	Property, plant and equipment	81,580	119,289
16	Prepaid lease rentals	-	-
17	Intangible assets	3,589	4,854
18	Deferred tax asset	323,672	304,167
19	Retirement benefit assets	-	-
20	Other assets	88,383	69,550
21	TOTAL ASSETS	9,920,247	10,576,525
B. LIABILITIES			
22	Balances due to Central Bank of Kenya	-	-
23	Customer deposits	6,936,717	7,463,416
24	Deposits and balances due to local banking institutions	-	-
25	Deposits and balances due to banking institutions abroad	-	-
26	Other money market deposits	-	-
27	Borrowed funds	-	-
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	52,042	85,111
34	TOTAL LIABILITIES	6,988,759	7,548,527
C. SHAREHOLDERS' FUNDS			
35	Paid up/ Assigned capital	2,490,811	2,490,811
	Scheme Conversions & Contributions pending allotments	9,189	9,189
36	Share premium (discount)	412,819	412,819
37	Revaluation reserve	-	-
38	Retained earnings/ (Accumulated losses)	(214,709)	(132,528)
39	Statutory loan loss reserve	233,378	247,707
40	Other Reserves	-	-
41	Proposed dividends	-	-
42	Capital grants	-	-
43	TOTAL SHAREHOLDERS' FUNDS	2,931,488	3,027,998
44	TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	9,920,247	10,576,525
2. STATEMENT OF COMPREHENSIVE INCOME			
1.0 INTEREST INCOME			
1.1	Loans and advances	1,005,170	974,278
1.2	Government securities	101,694	120,173
1.3	Deposits and placements with banking institutions	64,583	43,418
1.4	Other interest income	2,219	1,947
1.5	Total interest income	1,173,666	1,145,816
2.0 INTEREST EXPENSES			
2.1	Customer deposits	590,611	575,334
2.2	Deposits and placements from banking institutions	1,377	1,368
2.3	Other interest expenses	-	-
2.4	Total Interest Expenses	591,988	576,702
3.0	NET INTEREST INCOME/(LOSS)	581,678	569,114
4.0 OTHER OPERATING INCOME			
4.1	Fees and commissions on loans & advances	137,941	178,526
4.2	Other fees and commissions	19,906	17,586
4.3	Foreign exchange trading income (loss)	8,916	13,452
4.4	Dividend income	2,111	1,696
4.5	Other income	(3,252)	28,832
4.6	Total other operating income	165,522	240,095
5.0	TOTAL OPERATING INCOME	747,200	809,209
6.0 OPERATING EXPENSES			
6.1	Loan loss provision	260,963	177,294
6.2	Staff costs	187,740	235,485
6.3	Directors' emoluments	7,635	6,556
6.4	Rental charges	45,493	40,698
6.5	Depreciation charge on property and equipment	33,510	34,161
6.6	Amortisation charges	1,723	1,852
6.7	Other operating expenses	174,531	187,148
6.8	Total Operating Expenses	711,695	693,194
7.0	Profit/(loss) before tax and exceptional items	35,505	116,015
8.0	Exceptional items	-	-
9.0	Profit/(loss) after exceptional items	35,505	116,015
10.0	Current tax	-	-
11.0	Deferred tax	1,819	19,505
12.0	Profit/(loss) after tax and exceptional items	33,686	96,510
13.0 Other Comprehensive Income:			
13.1	Gains/(Losses) from translating the financial statement of foreign operations	-	-
13.2	Fair value changes in available-for-sale financial assets	-	-
13.3	Revaluation surplus on Property, plant and equipment	-	-
13.4	Share of other comprehensive income of associates	-	-
13.5	Income tax relating to components of other comprehensive income	-	-
14.0	Other Comprehensive Income for the year net of tax	-	-
15.0	Total Comprehensive Income for the year net of tax	33,686	96,510
3.0 OTHER DISCLOSURES			
1.0 NON-PERFORMING LOANS AND ADVANCES			
a)	Gross non-performing loans and advances	855,709	808,524
b)	Less interest in suspense	86,552	67,882
c)	Total Non-Performing Loans and Advances (a-b)	769,157	740,642
d)	Less loan loss provisions	364,781	384,662
e)	Net non-performing loans and advances (c-d)	404,376	355,980
f)	Discounted value of securities	404,376	355,980
g)	Net NPLs exposure (e-f)	-	-
2.0 INSIDER LOANS AND ADVANCES			
a)	Directors, shareholders and associates	730,144	765,083
b)	Employees	47,537	36,846
c)	Total Insider Loans, Advances & Other Facilities	777,681	801,929
3.0 OFF-BALANCE SHEET ITEMS			
a)	Letters of credit, guarantees and acceptances	516,408	441,320
b)	Forwards, swaps and options	-	-
c)	Other contingent liabilities	520,985	664,135
d)	Total Contingent Liabilities	1,037,393	1,105,455
4.0 CAPITAL STRENGTH			
a)	Core capital	2,698,110	2,780,291
b)	Minimum statutory capital	1,000,000	1,000,000
c)	Excess (deficiency) (a-b)	1,698,110	1,780,291
d)	Supplementary capital	90,092	106,323
e)	Total capital (a+d)	2,788,202	2,886,614
f)	Total risk weighted assets	7,207,329	8,505,679
g)	Core capital/ total deposit liabilities	33.89%	37.25%
h)	Minimum statutory ratio	8.00%	8.00%
i)	Excess (deficiency) (g-h)	30.90%	29.25%
j)	Core capital/ total risk weighted assets	37.44%	32.69%
k)	Minimum statutory ratio	10.50%	10.50%
l)	Excess (deficiency) (j-k)	26.94%	22.19%
m)	Total capital/ total risk weighted assets	38.69%	33.84%
n)	Minimum statutory ratio	14.50%	14.50%
o)	Excess (deficiency) (m-n)	24.19%	19.44%
5.0 LIQUIDITY			
a)	Liquidity Ratio	39.30%	36.77%
b)	Minimum statutory ratio	20.00%	20.00%
c)	Excess or deficiency (a-b)	19.30%	16.77%

These financial statements are extracts from the books of the institution as audited by RSM Eastern Africa and received unqualified opinion. The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the Bank's website; www.moriental.co.ke. They may also be accessed at our Head Office located at Finance House, Koinange Street, Nairobi or our branches at:

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