

QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30TH JUNE 2018
I. STATEMENT OF FINANCIAL POSITION

	30.06.2017 Kshs.'000, Un- Audited	31.12.2017 Kshs.'000, Audited	31.03.2018 Kshs.'000, Un- Audited	30.06.2018 Kshs.'000, Un- Audited
A. ASSETS				
1 Cash balances (both local and foreign)	161,388	151,804	170,660	178,285
2 Balances with Central Bank of Kenya	377,838	822,778	551,934	458,805
3 Kenya Government and other securities held for dealing purposes	-	-	-	-
4 Financial Assets at fair value through profit and loss	42,129	45,698	43,257	36,270
5 Investment Securities:				
a) Held to Maturity:				
a. Kenya Government Securities	1,366,761	1,207,628	1,283,151	1,302,058
b. Other securities	-	-	-	-
b) Available for sale:				
a. Kenya Government Securities	-	-	-	-
b. Other securities	-	-	-	-
6 Deposits and balances due from local banking institutions	665,689	327,158	502,725	624,704
7 Deposits and balances due from banking institutions abroad	117,666	234,764	100,607	384,609
8 Tax recoverable	-	-	-	-
9 Loans and advances to customers (net)	7,233,310	7,288,835	7,509,619	7,593,365
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	71,340	119,289	110,267	103,891
16 Prepaid lease rentals	-	-	-	-
17 Intangible assets	3,648	4,854	7,627	9,293
18 Deferred tax asset	310,637	304,167	298,589	294,503
19 Retirement benefit assets	-	-	-	-
20 Other assets	132,303	69,550	96,622	95,919
21 TOTAL ASSETS	10,482,709	10,576,525	10,675,058	11,081,702
B. LIABILITIES				
22 Balances due to Central Bank of Kenya	-	-	-	-
23 Customer deposits	7,432,707	7,463,416	7,600,700	8,012,139
24 Deposits and balances due to local banking institutions	11,495	-	-	-
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	50,186	85,111	92,367	76,345
34 TOTAL LIABILITIES	7,494,388	7,548,527	7,693,067	8,088,484
C. SHAREHOLDERS' FUNDS				
35 Paid up/ Assigned capital	2,491,151	2,490,811	2,491,151	2,491,151
36 Scheme Conversions & Contributions pending allotments	8,849	9,189	8,849	8,849
37 Share premium (discount)	412,819	412,819	412,819	412,819
38 Revaluation reserve	-	-	-	-
39 Retained earnings/ (Accumulated losses)	(160,876)	(132,528)	(113,046)	(100,599)
40 Statutory loan loss Reserve	236,378	247,707	182,218	180,998
41 Other Reserves	-	-	-	-
42 Proposed dividends	-	-	-	-
43 Capital grants	-	-	-	-
44 TOTAL SHAREHOLDERS' FUNDS	2,988,321	3,027,998	2,981,991	2,993,218
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	10,482,709	10,576,525	10,675,058	11,081,702

2. STATEMENT OF COMPREHENSIVE INCOME

	30.06.2017 Kshs.'000, Un- Audited	31.12.2017 Kshs.'000, Audited	31.03.2018 Kshs.'000, Un- Audited	30.06.2018 Kshs.'000, Un- Audited
1.0 INTEREST INCOME				
1.1 Loans and advances	424,622	974,278	228,044	447,719
1.2 Government securities	63,247	120,173	31,466	63,520
1.3 Deposits and placements with banking institutions	30,950	49,418	8,003	11,943
1.4 Other interest income	1,033	1,947	101	535
1.5 Total interest income	519,852	1,145,816	267,614	523,717
2.0 INTEREST EXPENSES				
2.1 Customer deposits	273,770	575,334	153,753	301,922
2.2 Deposits and placements from banking institutions	639	1,368	36	36
2.3 Other interest expenses	-	-	-	-
2.4 Total Interest Expenses	274,409	576,702	153,789	301,958
3.0 NET INTEREST INCOME (LOSS)	245,443	569,114	113,825	221,759
4.0 OTHER OPERATING INCOME				
4.1 Fees and commissions on loans & advances	82,156	178,526	24,931	58,934
4.2 Other fees and commissions	9,995	17,586	4,858	9,649
4.3 Foreign exchange trading income (loss)	8,223	13,452	3,327	6,121
4.4 Dividend income	1,232	1,698	215	406
4.5 Other income	13,353	28,832	(1,853)	(5,158)
4.6 Total other operating income	114,959	240,095	31,478	69,952
5.0 OPERATING EXPENSES	360,402	809,209	145,303	291,711
6.1 Loan loss provision	36,567	177,294	14,468	30,764
6.2 Staff costs	121,340	235,485	55,236	110,756
6.3 Directors' emoluments	5,976	6,556	658	2,576
6.4 Rental charges	20,894	40,698	10,176	19,556
6.5 Depreciation charge on property and equipment	14,717	34,161	9,484	18,978
6.6 Amortisation charges	869	1,852	740	1,760
6.7 Other operating expenses	90,174	197,148	26,946	65,490
6.8 Total Operating Expenses	290,537	693,194	119,708	249,880
7.0 Profit/(loss) before tax and exceptional items	69,865	116,015	25,595	41,831
8.0 Exceptional items	-	-	-	-
9.0 Profit/(loss) after exceptional items	69,865	116,015	25,595	41,831
10.0 Current tax	-	-	-	-
11.0 Deferred tax	13,035	19,505	5,577	9,664
12.0 Profit/(loss) after tax and exceptional items	56,830	96,510	20,018	32,167
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	56,830	96,510	20,018	32,167

3. OTHER DISCLOSURES

1.0 NON-PERFORMING LOANS AND ADVANCES				
a) Gross non-performing loans and advances	843,381	808,524	790,634	796,883
b) Less interest in suspense	86,552	67,882	68,098	67,637
c) Total Non-Performing Loans and Advances (a-b)	756,829	740,642	722,536	729,246
d) Less loan loss provisions	401,552	384,662	396,195	408,355
e) Net non-performing loans and advances (c-d)	355,277	355,980	326,341	320,891
f) Discounted value of securities	355,277	355,980	326,341	320,891
g) Net NPLs exposure (e-f)	-	-	-	-
2.0 INSIDER LOANS AND ADVANCES				
a) Directors, shareholders and associates	738,766	765,083	715,035	1,014,551
b) Employees	38,702	36,846	36,848	38,590
c) Total Insider Loans, Advances & Other Facilities	777,468	801,929	751,883	1,053,141
3.0 OFF-BALANCE SHEET ITEMS				
a) Letters of credit, guarantees and acceptances	517,221	441,320	509,070	474,235
b) Forwards, swaps and options	-	-	-	-
c) Other contingent liabilities	666,742	664,135	507,422	450,004
c) Total Contingent Liabilities	1,183,963	1,105,455	1,016,492	924,239
4.0 CAPITAL STRENGTH				
a) Core capital	2,723,527	2,780,291	2,491,176	2,561,632
b) Minimum statutory capital	1,000,000	1,000,000	1,000,000	1,000,000
c) Excess (deficiency) (a-b)	1,723,527	1,780,291	1,491,176	1,561,632
d) Supplementary capital	99,584	106,323	106,056	105,776
e) Total capital (a+d)	2,823,111	2,886,614	2,597,232	2,667,408
f) Total risk weighted assets	7,966,690	8,505,879	8,484,510	8,462,099
g) Core capital/ total deposit liabilities	36.64%	37.25%	32.78%	31.22%
h) Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%
i) Excess (deficiency) (g-h)	28.64%	29.25%	24.78%	23.22%
j) Core capital/ total risk weighted assets	34.19%	32.69%	29.36%	29.56%
k) Minimum statutory ratio	10.50%	10.50%	10.50%	10.50%
l) Excess (deficiency) (j-k)	23.69%	22.19%	18.86%	19.06%
m) Total capital/ total risk weighted assets	35.44%	33.94%	30.61%	30.81%
n) Minimum statutory ratio	14.50%	14.50%	14.50%	14.50%
o) Excess (deficiency) (m-n)	20.94%	19.44%	16.11%	16.31%
(p) Adjusted Core Capital/Total Deposit Liabilities*	36.64%	37.25%	32.86%	31.49%
(q) Adjusted Core Capital/Total Risk Weighted Assets*	34.19%	32.69%	29.43%	29.81%
(r) Adjusted Total Capital/Total Risk Weighted Assets*	35.44%	33.94%	30.68%	31.06%
5.0 LIQUIDITY				
a) Liquidity Ratio	36.03%	36.77%	34.30%	36.80%
b) Minimum statutory ratio	20.00%	20.00%	20.00%	20.00%
c) Excess or deficiency (a-b)	16.03%	16.77%	14.30%	16.80%

*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

The above financial statements are extracts from the books of the institution. The complete set of quarterly financial statements, statutory and qualitative disclosures can be accessed on the institution's website: www.oriental.co.ke.

They can also be accessed at the institution's Head Office at Finance House Koinange Street, or our branches at:-

Nairobi - Finance House, Koinange Street

Tel: 020 2228461/2

Nakuru - AFC Building, Kijabe Road
Tel: 051 2211638/9

Eldoret - Muya House, Kenyatta Street
Tel: 053 2062871/2

Westlands - Apollo Centre, Ring Road
Tel: 020 3743429/3743412/5

Kitale - Robert Ouko Street
Tel: 054 31984/6

Sameer Business Park, Mombasa Road
Tel: 020 6551668/9

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