

## AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 31<sup>st</sup> DECEMBER 2019

### 1. STATEMENT OF FINANCIAL POSITION

	31.12.2018 Kshs.'000. Audited	31.12.2019 Kshs.'000. Audited
<b>A. ASSETS</b>		
1 Cash balances (both local and foreign)	191,660	222,569
2 Balances with Central Bank of Kenya	969,384	837,118
3 Kenya Government and other securities held for dealing purposes	-	-
4 Financial Assets at fair value through profit and loss	29,804	24,625
5 Investment Securities:		
a) Held to Maturity:		
a. Kenya Government Securities	538,131	2,145,839
b. Other securities	-	-
b) Available for sale:		
a. Kenya Government Securities	200,137	-
b. Other securities	-	-
6 Deposits and balances due from local banking institutions	380,404	669,504
7 Deposits and balances due from banking institutions abroad	215,683	1,203,873
8 Tax recoverable	-	-
9 Loans and advances to customers (net)	7,502,022	6,811,799
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	92,453	64,535
16 Prepaid lease rentals	-	-
17 Intangible assets	8,041	5,348
18 Deferred tax asset	300,725	214,324
19 Retirement benefit assets	-	-
20 Other assets	86,571	194,242
<b>21 TOTAL ASSETS</b>	<b>10,515,015</b>	<b>12,393,776</b>
<b>B. LIABILITIES</b>		
22 Balances due to Central Bank of Kenya	-	-
23 Customer deposits	7,404,674	9,187,522
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	45,222	163,083
34 TOTAL LIABILITIES	7,449,896	9,350,605
<b>C. SHAREHOLDERS' FUNDS</b>		
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)	(37,073)	(91,652)
39 Statutory loan loss reserve	189,373	222,004
40 Other Reserves	-	-
41 Proposed dividends	-	-
42 Capital grants	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>3,065,119</b>	<b>3,043,171</b>
<b>44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS PARTICULARS</b>	<b>10,515,015</b>	<b>12,393,776</b>

### 2. STATEMENT OF COMPREHENSIVE INCOME

<b>1.0 INTEREST INCOME</b>		
1.1 Loans and advances	961,496	811,399
1.2 Government securities	104,739	147,851
1.3 Deposits and placements with banking institutions	22,940	31,733
1.4 Other interest income	237	353
1.5 Total interest income	1,089,412	991,336
<b>2.0 INTEREST EXPENSES</b>		
2.1 Customer deposits	567,855	599,967
2.2 Deposits and placements from banking institutions	6,299	3
2.3 Other interest expenses	-	10,182
2.4 Total interest expenses	574,154	610,152
<b>3.0 NET INTEREST INCOME (LOSS)</b>	<b>515,258</b>	<b>381,185</b>
<b>4.0 OTHER OPERATING INCOME</b>		
4.1 Fees and commissions on loans & advances	159,262	227,359
4.2 Other fees and commissions	19,916	16,024
4.3 Foreign exchange trading income (loss)	11,493	9,634
4.4 Dividend income	640	1,577
4.5 Other income	(5,398)	(332)
<b>4.6 Total other operating income</b>	<b>185,913</b>	<b>254,263</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>701,171</b>	<b>635,447</b>
<b>6.0 OPERATING EXPENSES</b>		
6.1 Loan loss provision	148,618	131,941
6.2 Staff costs	221,104	216,398
6.3 Directors' emoluments	5,775	5,146
6.4 Rental charges	40,706	34,381
6.5 Depreciation charge on property and equipment	37,997	35,312
6.6 Amortisation charges	4,122	4,274
6.7 Other operating expenses	137,536	143,542
6.8 Total Operating Expenses	595,858	570,994
<b>7.0 Profit/(loss) before tax and exceptional items</b>	<b>105,313</b>	<b>64,453</b>
8.0 Exceptional items	-	-
<b>9.0 Profit/(loss) after exceptional items</b>	<b>105,313</b>	<b>64,453</b>
10.0 Current tax	-	-
11.0 Deferred tax	22,867	86,401
<b>12.0 Profit/(loss) after tax and exceptional items</b>	<b>82,446</b>	<b>(21,948)</b>
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	-	-
<b>15.0 Total Comprehensive Income for the year net of tax</b>	<b>82,446</b>	<b>(21,948)</b>

### 3. OTHER DISCLOSURES

<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>		
a) Gross non-performing loans and advances	773,122	1,410,502
b) Less interest in suspense	68,017	94,901
<b>c) Total Non-Performing Loans and Advances (a-b)</b>	<b>705,105</b>	<b>1,315,601</b>
d) Less loan loss provisions	448,355	548,640
<b>e) Net non-performing loans and advances (c-d)</b>	<b>256,750</b>	<b>766,961</b>
f) Discounted value of securities	256,750	766,961
<b>g) Net NPLs exposure (e-f)</b>	<b>-</b>	<b>-</b>
<b>2.0 INSIDER LOANS AND ADVANCES</b>		
a) Directors, shareholders and associates	1,099,027	1,303,987
b) Employees	40,227	36,099
<b>c) Total Insider Loans, Advances &amp; Other Facilities</b>	<b>1,139,254</b>	<b>1,340,086</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>		
a) Letters of credit, guarantees and acceptances	457,673	355,209
b) Forwards, swaps and options	-	-
c) Other contingent liabilities	890,060	744,988
<b>c) Total Contingent Liabilities</b>	<b>1,347,733</b>	<b>1,100,197</b>
<b>4.0 CAPITAL STRENGTH</b>		
a) Core capital	2,575,020	2,606,842
b) Minimum statutory capital	1,000,000	1,000,000
c) Excess (deficiency) (a-b)	1,575,020	1,606,842
d) Supplementary capital	108,436	98,233
<b>e) Total capital (a+d)</b>	<b>2,683,456</b>	<b>2,705,075</b>
<b>f) Total risk weighted assets</b>	<b>8,674,913</b>	<b>7,858,628</b>
<b>g) Core capital/ total deposit liabilities</b>	<b>34.78%</b>	<b>28.37%</b>
h) Minimum statutory ratio	8.00%	8.00%
i) Excess (deficiency) (g-h)	26.78%	20.37%
<b>j) Core capital/ total risk weighted assets</b>	<b>29.68%</b>	<b>33.17%</b>
k) Minimum statutory ratio	10.50%	10.50%
l) Excess (deficiency) (j-k)	19.18%	22.67%
<b>m) Total capital/ total risk weighted assets</b>	<b>30.93%</b>	<b>34.42%</b>
n) Minimum statutory ratio	14.50%	14.50%
o) Excess (deficiency) (m-n)	16.43%	19.92%
(p) Adjusted Core Capital/Total Deposit Liabilities*	36.03%	28.90%
(q) Adjusted Core Capital/Total Risk Weighted Assets*	30.75%	33.78%
(r) Adjusted Total Capital/Total Risk Weighted Assets*	32.00%	35.03%
<b>5.0 LIQUIDITY</b>		
a) Liquidity Ratio	33.70%	55.28%
b) Minimum statutory ratio	20.00%	20.00%
c) Excess or deficiency (a-b)	13.70%	35.28%

\*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 as audited by RSM Eastern Africa and received an unqualified opinion. The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the institution's website: [www.oriental.co.ke](http://www.oriental.co.ke). They can also be accessed at the institution's Head Office at Finance House Koinange Street, or our branches at-

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