

AUDITED FINANCIAL STATEMENTS AND DISCLOSURES FOR THE PERIOD ENDED 31ST DECEMBER 2020

1. STATEMENT OF FINANCIAL POSITION		31.12.2019 Kshs.'000' Audited	31.12.2020 Kshs.'000' Audited
A. ASSETS			
1	Cash balances (both local and foreign)	222,569	168,855
2	Balances with Central Bank of Kenya	837,118	607,014
3	Kenya Government and other securities held for dealing purposes	-	-
4	Financial Assets at fair value through profit and loss	24,625	20,548
5	Investment Securities:		
a)	Held to Maturity:		
a.	Kenya Government Securities	2,145,839	3,224,805
b.	Other securities	-	-
b)	Available for sale:		
a.	Kenya Government Securities	-	-
b.	Other securities	-	-
6	Deposits and balances due from local banking institutions	669,504	470,269
7	Deposits and balances due from banking institutions abroad	1,203,873	938,356
8	Tax recoverable	-	-
9	Loans and advances to customers (net)	6,811,799	7,078,318
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	64,535	43,294
16	Prepaid lease rentals	-	-
17	Intangible assets	5,348	45,600
18	Deferred tax asset	214,324	211,897
19	Retirement benefit assets	-	-
20	Other assets	194,242	175,598
21	TOTAL ASSETS	12,393,776	12,984,554
B. LIABILITIES			
22	Balances due to Central Bank of Kenya	-	-
23	Customer deposits	9,187,522	9,748,877
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	-	12,434
30	Dividends payable	-	-
31	Deferred tax liability	-	-
32	Retirement benefit liability	-	-
33	Other liabilities	163,083	152,352
34	TOTAL LIABILITIES	9,350,605	9,913,663
C. SHAREHOLDERS' FUNDS			
35	Paid up/ Assigned capital	2,490,811	2,491,031
	Scheme Conversions & Contributions pending allotments	9,189	8,969
36	Share premium (discount)	412,819	412,819
37	Revaluation reserve	-	-
38	Retained earnings/ (Accumulated losses)	(91,652)	(155,377)
39	Statutory loan loss reserve	222,004	313,450
40	Other Reserves	-	-
41	Proposed dividends	-	-
42	Capital grants	-	-
43	TOTAL SHAREHOLDERS' FUNDS	3,043,171	3,070,892
44	TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	12,393,776	12,984,555
2. STATEMENT OF COMPREHENSIVE INCOME			
1.0	INTEREST INCOME		
1.1	Loans and advances	811,399	857,613
1.2	Government securities	147,851	259,040
1.3	Deposits and placements with banking institutions	31,733	27,656
1.4	Other interest income	353	-
1.5	Total interest income	991,336	1,144,309
2.0	INTEREST EXPENSES		
2.1	Customer deposits	599,967	606,729
2.2	Deposits and placements from banking institutions	3	82
2.3	Other interest expenses	10,182	6,382
2.4	Total Interest Expenses	610,152	613,193
3.0	NET INTEREST INCOME (LOSS)	381,185	531,116
4.0	OTHER OPERATING INCOME		
4.1	Fees and commissions on loans & advances	227,359	260,505
4.2	Other fees and commissions	16,024	14,354
4.3	Foreign exchange trading income (loss)	9,634	30,627
4.4	Dividend income	1,577	129
4.5	Other income	(332)	4,569
4.6	Total other operating income	254,263	310,184
5.0	TOTAL OPERATING INCOME	635,447	841,300
6.0	OPERATING EXPENSES		
6.1	Loan loss provision	131,941	351,281
6.2	Staff costs	216,398	214,727
6.3	Directors' emoluments	5,146	5,686
6.4	Rental charges	34,381	46,705
6.5	Depreciation charge on property and equipment	35,312	27,753
6.6	Amortisation charges	4,274	5,846
6.7	Other operating expenses	143,542	146,720
6.8	Total Operating Expenses	570,994	798,718
7.0	Profit / (loss) before tax and exceptional items	64,453	42,582
8.0	Exceptional Items	-	-
9.0	Profit / (loss) after exceptional items	64,453	42,582
10.0	Current tax	-	12,434
11.0	Deferred tax	86,401	2,427
12.0	Profit / (loss) after tax and exceptional items	(21,948)	27,721
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	(21,948)	27,721
3. OTHER DISCLOSURES			
1.0	NON-PERFORMING LOANS AND ADVANCES		
a)	Gross non-performing loans and advances	1,410,502	1,812,217
b)	Less interest in suspense	94,901	93,094
c)	Total Non-Performing Loans and Advances (a-b)	1,315,601	1,719,123
d)	Less loan loss provisions	548,640	703,982
e)	Net non-performing loans and advances (c-d)	766,961	1,015,141
f)	Discounted value of securities	766,961	1,015,141
g)	Net NPLs exposure (e-f)	-	-
2.0	INSIDER LOANS AND ADVANCES		
a)	Directors, shareholders and associates	1,303,987	1,257,276
b)	Employees	36,099	31,115
c)	Total Insider Loans, Advances & Other Facilities	1,340,086	1,288,391
3.0	OFF-BALANCE SHEET ITEMS		
a)	Letters of credit, guarantees and acceptances	355,209	508,574
b)	Forwards, swaps and options	-	-
c)	Other contingent liabilities	744,988	567,532
c)	Total Contingent Liabilities	1,100,197	1,076,106
4.0	CAPITAL STRENGTH		
a)	Core capital	2,606,842	2,545,544
b)	Minimum statutory capital	1,000,000	1,000,000
c)	Excess (deficiency) (a-b)	1,606,842	1,545,544
d)	Supplementary capital	98,233	108,900
e)	Total capital (a+d)	2,705,075	2,654,444
f)	Total risk weighted assets	7,858,628	8,711,984
g)	Core capital / total deposit liabilities	28.37%	26.11%
h)	Minimum statutory ratio	8.00%	8.00%
i)	Excess (deficiency) (g-h)	20.37%	18.11%
j)	Core capital / total risk weighted assets	33.17%	29.22%
k)	Minimum statutory ratio	10.50%	10.50%
l)	Excess (deficiency) (j-k)	22.67%	18.72%
m)	Total capital / total risk weighted assets	34.42%	30.47%
n)	Minimum statutory ratio	14.50%	14.50%
o)	Excess (deficiency) (m-n)	19.92%	15.97%
(p)	Adjusted Core Capital/Total Deposit Liabilities*	28.90%	26.11%
(q)	Adjusted Core Capital/Total Risk Weighted Assets*	33.78%	29.22%
(r)	Adjusted Total Capital/Total Risk Weighted Assets*	35.03%	30.47%
5.0	LIQUIDITY		
a)	Liquidity Ratio	55.28%	54.88%
b)	Minimum statutory ratio	20.00%	20.00%
c)	Excess or deficiency (a-b)	35.28%	34.88%

*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.

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