

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 31ST DECEMBER 2022
1. STATEMENT OF FINANCIAL POSITION

	31.12.2021 Kshs./'000. Audited	31.12.2022 Kshs./'000. Audited
A. ASSETS		
1 Cash balances (both local and foreign)	188,022	204,467
2 Balances with Central Bank of Kenya	574,835	463,034
3 Kenya Government and other securities held for dealing purposes	-	-
4 Financial Assets at fair value through profit and loss	12,729	9,739
5 Investment Securities:		
a) Held to Maturity:		
a. Kenya Government Securities	4,552,306	4,079,609
b. Other securities	-	-
b) Available for sale:		
a. Kenya Government Securities	-	-
b. Other securities	-	-
6 Deposits and balances due from local banking institutions	298,870	558,982
7 Deposits and balances due from banking institutions abroad	1,003,770	150,552
8 Tax recoverable	-	-
9 Loans and advances to customers (net)	6,506,864	7,306,544
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	27,607	22,750
16 Prepaid lease rentals	-	-
17 Intangible assets	28,630	14,439
18 Deferred tax asset	210,803	244,651
19 Retirement benefit assets	-	-
20 Other assets	253,033	279,005
21 TOTAL ASSETS	13,657,469	13,333,772
B. LIABILITIES		
22 Balances due to Central Bank of Kenya	-	-
23 Customer deposits	10,242,665	9,831,714
24 Deposits and balances due to local banking institutions	100,015	-
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	5,638	63,013
30 Dividends payable	-	-
31 Deferred tax liability	-	-
32 Retirement benefit liability	-	-
33 Other liabilities	191,182	191,661
34 TOTAL LIABILITIES	10,539,500	10,086,388
C. SHAREHOLDERS' FUNDS		
35 Paid up/ Assigned capital	2,491,031	2,491,031
Scheme Conversions & Contributions pending allotments	8,969	8,969
36 Share premium (discount)	412,819	412,819
37 Revaluation reserve	-	-
38 Retained earnings/ (Accumulated losses)	(108,300)	2,776
39 Statutory loan loss reserve	313,450	331,789
40 Other Reserves	-	-
41 Proposed dividends	-	-
42 Capital grants	-	-
43 TOTAL SHAREHOLDERS' FUNDS	3,117,969	3,247,384
44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	13,657,469	13,333,772

2. STATEMENT OF COMPREHENSIVE INCOME

1.0 INTEREST INCOME		
1.1 Loans and advances	842,435	991,602
1.2 Government securities	368,825	420,753
1.3 Deposits and placements with banking institutions	36,201	18,201
1.4 Other interest income	-	-
1.5 Total interest income	1,247,461	1,430,556
2.0 INTEREST EXPENSES		
2.1 Customer deposits	646,349	640,707
2.2 Deposits and placements from banking institutions	205	8,146
2.3 Other interest expenses	12,749	13,116
2.4 Total Interest Expenses	659,303	661,969
3.0 NET INTEREST INCOME (LOSS)	588,158	768,587
4.0 OTHER OPERATING INCOME		
4.1 Fees and commissions on loans & advances	134,058	87,909
4.2 Other fees and commissions	16,997	16,817
4.3 Foreign exchange trading income (loss)	26,160	59,298
4.4 Dividend income	799	-
4.5 Other income	92,848	206,525
4.6 Total other operating income	270,862	370,549
5.0 TOTAL OPERATING INCOME	859,020	1,139,136
6.0 OPERATING EXPENSES		
6.1 Loan loss provision	340,184	489,102
6.2 Staff costs	232,620	246,964
6.3 Directors' emoluments	6,052	5,900
6.4 Rental charges	45,493	3,413
6.5 Depreciation charge on property and equipment	21,207	10,787
6.6 Amortisation charges	16,970	15,641
6.7 Other operating expenses	129,055	181,022
6.8 Total Operating Expenses	791,581	952,829
7.0 Profit/(loss) before tax and exceptional items	67,439	186,307
8.0 Exceptional items	-	-
9.0 Profit/(loss) after exceptional items	67,439	186,307
10.0 Current tax	19,267	90,741
11.0 Deferred tax	1,094	(33,848)
12.0 Profit/(loss) after tax and exceptional items	47,078	129,414
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	47,078	129,414

3. OTHER DISCLOSURES

1.0 NON-PERFORMING LOANS AND ADVANCES		
a) Gross non-performing loans and advances	1,933,653	1,653,437
b) Less interest in suspense	93,081	92,045
c) Total Non-Performing Loans and Advances (a-b)	1,840,572	1,561,392
d) Less loan loss provisions	845,563	827,070
e) Net non-performing loans and advances (c-d)	995,009	734,322
f) Discounted value of securities	995,009	734,322
g) Net NPLs exposure (e-f)	-	-
2.0 INSIDER LOANS AND ADVANCES		
a) Directors, shareholders and associates	790,876	703,766
b) Employees	35,474	109,010
c) Total Insider Loans, Advances & Other Facilities	826,350	812,776
3.0 OFF-BALANCE SHEET ITEMS		
a) Letters of credit, guarantees and acceptances	899,799	1,322,801
b) Forwards, swaps and options	-	-
c) Other contingent liabilities	655,606	690,736
c) Total Contingent Liabilities	1,555,405	2,013,537
4.0 CAPITAL STRENGTH		
a) Core capital	2,593,716	2,670,944
b) Minimum statutory capital	1,000,000	1,000,000
c) Excess (deficiency) [a-b]	1,593,716	1,670,944
d) Supplementary capital	113,969	114,071
e) Total capital (a+d)	2,707,685	2,785,015
f) Total risk weighted assets	9,117,499	9,125,698
g) Core capital/ total deposit liabilities	25.32%	27.17%
h) Minimum statutory ratio	8.00%	8.00%
i) Excess (deficiency) [g-h]	17.32%	19.17%
j) Core capital/ total risk weighted assets	28.45%	29.27%
k) Minimum statutory ratio	10.50%	10.50%
l) Excess (deficiency) [j-k]	17.95%	18.77%
m) Total capital/ total risk weighted assets	29.70%	30.52%
n) Minimum statutory ratio	14.50%	14.50%
o) Excess (deficiency) [m-n]	15.20%	16.02%
p) Adjusted Core Capital/Total Deposit Liabilities*	25.32%	27.17%
q) Adjusted Core Capital/Total Risk Weighted Assets*	28.45%	29.27%
r) Adjusted Total Capital/Total Risk Weighted Assets*	29.70%	30.52%
5.0 LIQUIDITY		
a) Liquidity Ratio	63.13%	54.69%
b) Minimum statutory ratio	20.00%	20.00%
c) Excess or deficiency [a-b]	43.13%	34.69%

* 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 LLP 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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