

# Business Sh117bn

What investors on the NSE lost in paper wealth in the first quarter

## Subsidised fertiliser shortage hits NCPB

BY BARNABAS BII

There is a shortage of subsidised fertiliser in depots run by the National Cereals and Produce Board (NCPB) in the North Rift region, midway the planting season, a spot check has revealed.

The *Daily Nation* has established that even though the Cabinet secretary for Agriculture Peter Munya recently launched the distribution of subsidised fertiliser, the key commodity is yet to reach most farmers.

A source at the NCPB told *Nation* that the government is distributing old leftover stocks of subsidised fertiliser bought last year. "No fertiliser was imported this year. I would advise farmers not to waste their time. You better buy a 50-kg DAP bag and mix with lime of the same quality," said the source.

### Major suppliers

NCPB officially, however, blamed the shortage on logistics challenges in distribution of government subsidised fertiliser, as farmers' rush to purchase the inputs for this season's planting exercise.

"We have received approval from the Ministry of Agriculture and want to enlist major suppliers to speed up the process," Joseph Kimote, managing director at the NCPB told the *Daily Nation*.

The agency is seeking the services of major fertiliser suppliers to hasten the distribution process after the government allocated Sh5.7 billion for the subsidy programme to lower the cost of farm inputs from Sh6,200 to Sh2,800.

Kenya requires 650,000 tonnes of fertiliser. But the global demand for the commodity outstrips supply occasioned by a decline in the supply of raw materials.

The rigorous government procurement process has been blamed for the slow distribution of cheap fertiliser as agro-dealers profit from increased demand for the farm input for this season's planting exercise.

## Shipping and logistics conference comes to a close



Delegates during the 26th Intermodal Africa Conference and Exhibition in Mombasa yesterday. The event is the biggest annual container ports, shipping and transport logistics event in Africa. The Kenya Ports Authority and Port Management Association of Eastern and Southern Africa are hosting the two-day conference that started on Tuesday and ends today.

KEVIN ODIT | NATION

## Alarm Auditor-General casts doubts on the bank's "going concern" ability

# Consolidated Bank eyes bailout on Sh3.2bn loss

State-owned lender seeks fresh funds barely two years after Sh1.6bn lifeline

BY OTIATO GUGUYU

State-owned Consolidated Bank is eyeing a fresh bailout, barely two years after it received Sh1.6 billion support from the National Treasury, amid piling record losses that have seen it breach key regulatory requirements.

The lender has accumulated losses of up to Sh3.2 billion after it extended losses to Sh299.5 million in 2021 from a loss of Sh278.3 million in 2020 — leaving it in a financial quandary and in breach of regulatory benchmarks by the Central Bank of Kenya (CBK).

The bank's regulatory capital ratios at December 2021 were below the CBK set regulatory minimum with total capital/risk-weighted assets at 5.3 per-

cent against a minimum of 14.5 percent.

Based on the bank's financial situation, Auditor-General Nancy Gathungu has cast doubts on the lender's "ability to continue as a going concern" even though its management maintained they would pull through with support from the State and other shareholders.

"The board is engaging the National Treasury and other potential shareholders to inject additional capital in the bank to ensure compliance with prudential capital ratios," Consolidated Bank chairman, Peter Musei, and director Kennedy Otiso disclosed in the lender's financial report for 2020/21.

"The National Treasury, which is a majority shareholder with 93.4 percent is committed to

### FACTS & FIGURES

**299.5m**

The loss in shillings that the Consolidated Bank recorded in 2021 up from Sh278.3 million loss in 2020

**Sh3.5bn**

Amount the bank was eyeing from a strategic investor after an earlier internal restructuring

**93.4pc**

The stake the National Treasury has in the Consolidated Bank

continuing supporting the bank to meet regulatory capital ratios and implement the 2022 turnaround strategy" he added.

Consolidated Bank has sought several bailouts from the government, and its principal shareholders since 2018 to sustain operations and finance bond repayments but the bank's fortunes have not improved.

The bank on October 22, 2019, received a Sh1.6 billion capital injection from the National Treasury to help steady its operations.

Privatisation Commission has tried to sell off Consolidated Bank even hiring PKF Consulting Ltd to help the bank with its internal restructuring before a Sh3.5 billion deal with a strategic investor.

The deal fizzled out and the fate of Consolidated Bank is still unknown, even as the lenders' losses have kept piling.

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### BRIEFLY

#### TRAINING

#### New curriculum for HR experts unveiled

Human resource professionals are set to start undertaking a new competency-based certification from July following its launch yesterday as the state moves to align HR training with the evolving job market. The revised Certified Human Resource Professional and TVET-Competency-based Diploma and Certificate in Human Resource Management curriculum were developed by the Human Resource Management Professionals Examination Board and a team of experts. Brian Ambani

#### STOCKS

#### Paper wealth for NSE investors falls Sh117 billion in Q1

Investors on the Nairobi Securities Exchange (NSE) lost Sh117 billion in paper wealth in the quarter ended March as demand for stock slumped on uncertainty on the Ukraine-Russia conflict. A report by the Capital Markets Authority showed that the NSE market capitalisation declined to Sh2.47trillion as of March 25, down from Sh2.59trillion in the previous quarter. Peter Mburu

#### PERFORMANCE

#### Bamburi to pay out Sh1.3bn dividend

Bamburi Cement Plc has announced Sh1.3 billion in dividend for the year ended last December after increased sales lifted its profit 22.2 percent. The firm has proposed to grow its dividend 19.3 percent to Sh3.58 per share compared with Sh3 per unit, or a cumulative Sh1.1 billion, which it paid shareholders in the previous year. Bamburi's net earnings increased to Sh1.38 billion from Sh1.13 billion the year before, it said on Tuesday, citing increased sales and cost-cutting. Constant Munda