

## QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30TH SEPTEMBER 2017

1. STATEMENT OF FINANCIAL POSITION	30.09.2016 Kshs.'000. Un- Audited	31.12.2016 Kshs.'000. Audited	31.03.2017 Kshs.'000. Un- Audited	30.06.2017 Kshs.'000. Un- Audited	30.09.2017 Kshs.'000. Un- Audited
<b>A. ASSETS</b>					
1 Cash balances (both local and foreign)	190,675	233,405	170,197	161,388	148,557
2 Deposits with Central Bank of Kenya	404,775	561,346	655,454	377,838	495,508
3 Kenya Government and other securities held for dealing purposes	-	-	-	-	-
4 Financial Assets at fair value through profit and loss	49,406	39,765	40,739	42,129	45,513
5 Investment Securities:					
a) Held to Maturity:					
a. Kenya Government Securities	1,354,430	1,485,402	1,117,649	1,366,761	1,196,715
b. Other securities	-	-	-	-	-
b) Available for sale:					
a. Kenya Government Securities	-	-	-	-	-
b. Other securities	-	-	-	-	-
6 Deposits and balances due from local banking institutions	667,018	350,629	516,105	665,689	300,228
7 Deposits and balances due from banking institutions abroad	55,054	95,102	121,405	117,666	62,894
8 Recoverables	-	-	-	-	-
9 Loans and advances to customers (net)	6,554,256	6,657,374	6,864,709	7,233,310	7,701,336
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 Prepaid lease rentals	86,795	81,580	75,002	71,340	118,692
16 Intangible assets	2,777	3,589	4,108	3,648	4,179
17 Deferred tax asset	326,254	323,672	318,103	310,637	302,299
18 Retirement benefit assets	-	-	-	-	-
19 Other assets	118,146	88,383	122,372	132,303	116,434
<b>21 TOTAL ASSETS</b>	<b>9,809,585</b>	<b>9,920,247</b>	<b>10,005,843</b>	<b>10,482,709</b>	<b>10,492,155</b>
<b>B. LIABILITIES</b>					
22 Balances due to Central Bank of Kenya	-	-	-	-	-
23 Customer deposits	6,792,834	6,936,717	6,997,988	7,432,707	7,388,425
24 Deposits and balances due to local banking institutions	51,018	-	5,532	11,495	4,019
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	16,687	2,219	509	1,033	1,565
31 Deferred tax liability	-	-	-	-	-
32 Retirement benefit liability	-	-	-	-	-
33 Other liabilities	35,660	52,042	47,073	50,186	79,148
<b>34 TOTAL LIABILITIES</b>	<b>6,879,512</b>	<b>6,988,759</b>	<b>7,050,593</b>	<b>7,494,388</b>	<b>7,471,592</b>
<b>C. SHAREHOLDERS' FUNDS</b>					
35 Paid up/ Assigned capital	2,491,151	2,490,811	2,490,811	2,491,151	2,491,151
36 Scheme Contributions & Contributions pending allotments	8,849	9,189	9,189	8,849	8,849
37 Revaluation reserve	412,819	412,819	412,819	412,819	412,819
38 Retained earnings/ (Accumulated losses)	(191,524)	(214,709)	(190,946)	(160,876)	(134,134)
39 Statutory loan loss reserve	208,778	233,378	233,378	236,378	241,878
40 Other Reserves	-	-	-	-	-
41 Proposed dividends	-	-	-	-	-
42 Capital grants	-	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>2,930,072</b>	<b>2,931,488</b>	<b>2,955,250</b>	<b>2,988,321</b>	<b>3,020,563</b>
<b>44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>9,809,585</b>	<b>9,920,247</b>	<b>10,005,843</b>	<b>10,482,709</b>	<b>10,492,155</b>
<b>2. STATEMENT OF COMPREHENSIVE INCOME</b>					
<b>1.0 INTEREST INCOME</b>					
1.1 Loans and advances	662,551	1,005,170	212,172	424,622	647,142
1.2 Government securities	65,853	101,694	29,786	63,247	96,113
1.3 Deposits and placements with banking institutions	55,364	64,583	19,031	30,950	40,328
1.4 Other interest income	1,687	2,219	509	1,033	1,565
<b>1.5 Total interest income</b>	<b>785,456</b>	<b>1,173,666</b>	<b>261,497</b>	<b>519,852</b>	<b>785,148</b>
<b>2.0 INTEREST EXPENSES</b>					
2.1 Customer deposits	465,399	590,611	133,108	273,770	424,217
2.2 Deposits and placements from banking institutions	1,003	1,377	0	639	1,304
2.3 Other interest expenses	-	-	-	-	-
<b>2.4 Total Interest Expenses</b>	<b>466,403</b>	<b>591,988</b>	<b>133,108</b>	<b>274,409</b>	<b>425,521</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>319,053</b>	<b>581,678</b>	<b>128,389</b>	<b>245,443</b>	<b>359,627</b>
<b>4.0 OTHER OPERATING INCOME</b>					
4.1 Fees and commissions on loans & advances	73,553	137,941	28,587	82,156	125,496
4.2 Other fees and commissions	16,094	19,906	5,167	9,995	14,937
4.3 Foreign exchange trading income (loss)	5,376	8,816	4,468	8,223	12,388
4.4 Dividend income	2,111	2,111	1,232	1,232	1,115
4.5 Other income	4,047	(3,252)	6,623	13,353	28,267
<b>4.6 Total other operating income</b>	<b>101,181</b>	<b>165,522</b>	<b>46,077</b>	<b>114,959</b>	<b>182,202</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>420,234</b>	<b>747,200</b>	<b>174,466</b>	<b>360,402</b>	<b>541,829</b>
<b>6.0 OPERATING EXPENSES</b>					
6.1 Loan loss provision	81,000	260,963	19,000	56,507	56,500
6.2 Staff costs	127,493	187,740	57,679	121,340	179,104
6.3 Directors' emoluments	5,533	7,635	2,400	5,976	7,676
6.4 Rental charges	31,910	45,493	11,097	20,894	31,123
6.5 Depreciation charge on property and equipment	25,063	33,510	7,742	14,717	22,511
6.6 Amortisation charges	1,276	1,723	409	869	1,357
6.7 Other operating expenses	116,351	174,631	45,996	90,174	133,111
<b>6.8 Total Operating Expenses</b>	<b>388,726</b>	<b>711,695</b>	<b>144,323</b>	<b>290,537</b>	<b>431,383</b>
<b>7.0 Profit/(loss) before tax and exceptional items</b>	<b>31,508</b>	<b>35,505</b>	<b>30,143</b>	<b>69,865</b>	<b>110,446</b>
8.0 Exceptional items	-	-	-	-	-
<b>9.0 Profit/(loss) after exceptional items</b>	<b>31,508</b>	<b>35,505</b>	<b>30,143</b>	<b>69,865</b>	<b>110,446</b>
10.0 Current tax	-	-	-	-	-
11.0 Deferred tax	(762)	1,819	5,569	13,035	21,373
<b>12.0 Profit/(loss) after tax and exceptional items</b>	<b>32,270</b>	<b>33,686</b>	<b>24,574</b>	<b>56,830</b>	<b>89,073</b>
<b>13.0 Other Comprehensive Income:</b>					
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	-	-	-	-	-
<b>14.0 Other Comprehensive income for the year net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>15.0 Total Comprehensive Income for the year net of tax</b>	<b>32,270</b>	<b>33,686</b>	<b>24,574</b>	<b>56,830</b>	<b>89,073</b>
<b>16.0 RISK DISCLOSURES</b>					
<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>					
a) Gross non-performing loans and advances	851,776	855,709	848,213	843,381	824,255
b) Less interest in suspense	89,255	86,552	86,552	86,552	86,552
<b>c) Total Non-Performing Loans and Advances (a-b)</b>	<b>762,521</b>	<b>769,157</b>	<b>761,661</b>	<b>756,829</b>	<b>737,703</b>
d) Less loan loss provisions	287,290	364,781	383,985	401,552	421,485
<b>e) Net non-performing loans and advances (c-d)</b>	<b>475,231</b>	<b>404,376</b>	<b>377,676</b>	<b>355,277</b>	<b>316,218</b>
f) Discounted value of securities	475,231	404,376	377,676	355,277	316,218
<b>g) Net NPLs exposure (e-f)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.0 INSIDER LOANS AND ADVANCES</b>					
a) Directors, shareholders and associates	797,114	730,144	704,690	738,766	791,579
b) Employees	42,506	47,537	47,873	38,702	30,040
<b>c) Total Insider Loans, Advances &amp; Other Facilities</b>	<b>839,620</b>	<b>777,681</b>	<b>752,563</b>	<b>777,468</b>	<b>821,619</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>					
a) Letters of credit, guarantees and acceptances	493,910	516,408	502,588	517,221	503,982
b) Forwards, swaps and options	-	-	-	-	-
c) Other contingent liabilities	583,786	520,985	584,300	666,742	535,579
<b>c) Total Contingent Liabilities</b>	<b>1,077,696</b>	<b>1,037,393</b>	<b>1,087,158</b>	<b>1,183,963</b>	<b>1,039,561</b>
<b>4.0 CAPITAL STRENGTH</b>					
a) <b>Core capital</b>	<b>2,705,160</b>	<b>2,698,110</b>	<b>2,709,585</b>	<b>2,723,527</b>	<b>2,734,148</b>
b) Minimum statutory capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>c) Excess (deficiency) (a-b)</b>	<b>1,705,160</b>	<b>1,698,110</b>	<b>1,709,585</b>	<b>1,723,527</b>	<b>1,734,148</b>
d) Supplementary capital	89,691	90,092	92,111	93,584	102,597
<b>e) Total capital (a+d)</b>	<b>2,794,851</b>	<b>2,788,202</b>			