

## UNAUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES

I STATEMENT OF FINANCIAL POSITION	Bank				Group			
	Unaudited 30 June 2017	Audited 31 December 2017	Unaudited 30 June 2018	Unaudited 30 June 2018	Unaudited 30 June 2017	Audited 31 December 2017	Unaudited 30 June 2018	Unaudited 30 June 2018
<b>A ASSETS</b>								
1 Cash (both Local & Foreign)	262,268	264,755	268,046	293,908	277,943	291,143	298,411	329,254
2 Balances due from Central Bank of Kenya	965,404	704,422	638,892	695,874	965,404	704,422	638,892	695,874
3 Kenya Government and other securities held for dealing purposes	-	-	-	-	-	-	-	-
4 Financial Assets at fair value through profit and loss	-	-	-	-	-	-	-	-
5 Investment Securities:								
a) Held to Maturity:	1,644,264	1,763,334	1,822,413	1,650,528	1,644,264	1,763,334	1,822,413	1,650,528
a. Kenya Government securities	1,644,264	1,763,334	1,822,413	1,650,528	1,644,264	1,763,334	1,822,413	1,650,528
b. Other securities	-	-	-	-	-	-	-	-
b) Available for sale:	450,028	503,680	606,983	806,946	450,028	503,680	606,983	806,946
a. Kenya Government securities	420,766	479,885	583,284	789,044	420,766	479,885	583,284	789,044
b. Other securities	29,262	23,795	23,699	17,902	29,262	23,795	23,699	17,902
6 Deposits and advances due from local banking institutions	508,797	243,417	-	76,420	508,797	243,417	-	76,420
7 Deposits and balances due from banking institutions abroad	224,177	394,288	107,738	54,062	224,177	394,288	107,738	54,062
8 Tax recoverable	996	-	-	-	1,950	-	-	-
9 Loans and advances to customers (net)	8,969,812	9,698,546	10,486,648	11,659,243	8,969,812	9,698,546	10,486,648	11,659,243
10 Balances due from banking institutions in the group	-	-	-	-	-	-	-	-
11 Investments in associates	-	-	-	-	-	-	-	-
12 Investments in subsidiary companies	1,000	1,000	1,000	1,000	-	-	-	-
13 Investments in joint ventures	-	-	-	-	-	-	-	-
14 Investment properties	-	-	-	-	-	-	-	-
15 Property and equipment	316,778	291,186	277,903	282,071	316,802	291,203	277,918	282,082
16 Prepaid lease rentals	-	-	-	-	-	-	-	-
17 Intangible assets	147,691	186,949	180,543	170,604	147,996	187,202	180,769	170,804
18 Deferred tax asset	125,076	114,759	114,758	114,758	125,065	114,750	114,751	114,751
19 Retirement benefit asset	-	-	-	-	-	-	-	-
20 Other assets	342,771	298,738	428,257	327,427	371,708	318,692	473,027	348,135
<b>21 TOTAL ASSETS</b>	<b>13,959,064</b>	<b>14,465,074</b>	<b>14,933,181</b>	<b>16,132,842</b>	<b>14,003,946</b>	<b>14,510,677</b>	<b>15,007,550</b>	<b>16,188,100</b>
<b>B LIABILITIES</b>								
22 Balances due to Central Bank of Kenya	-	-	-	-	-	-	-	-
23 Customer deposits	10,475,650	10,939,796	11,590,949	11,972,833	10,475,701	10,939,796	11,590,949	11,972,833
24 Deposits and balances due to local banking institutions	302,085	79,348	16,940	798,091	302,085	79,348	16,940	798,091
25 Deposits and balances due to foreign banking institutions	311,611	465,539	303,397	202,175	311,560	465,539	303,397	202,175
26 Other money market deposits	-	-	-	-	-	-	-	-
27 Borrowed funds	-	-	-	-	-	-	-	-
28 Balances due to banking institutions in the group	-	-	-	-	-	-	-	-
29 Tax payable	-	785	5,287	(0)	-	59	4,419	(1,100)
30 Dividends payable	-	-	-	-	-	-	-	-
31 Deferred tax liability	-	-	-	-	-	-	-	-
32 Retirement benefit liability	-	-	-	-	-	-	-	-
33 Other liabilities	246,772	314,533	363,397	390,134	284,186	352,349	427,012	433,321
<b>34 TOTAL LIABILITIES</b>	<b>11,336,118</b>	<b>11,800,001</b>	<b>12,279,970</b>	<b>13,363,232</b>	<b>11,377,522</b>	<b>11,837,091</b>	<b>12,342,717</b>	<b>13,405,219</b>
<b>C SHAREHOLDERS' FUNDS</b>								
35 Paid up /Assigned capital	2,000,881	2,390,786	2,401,600	2,406,425	2,000,881	2,390,786	2,401,600	2,406,425
36 Share premium/(discount)	479,443	88,705	94,774	95,331	479,443	88,705	94,774	95,331
37 Revaluation reserves	-	-	-	-	-	-	-	-
38 Retained earnings/Accumulated losses	101,093	114,825	122,962	187,231	108,562	123,338	134,584	200,402
39 Statutory loan loss reserves	49,541	49,541	54,898	49,541	49,541	49,541	54,898	54,898
40 Other Reserves	(8,012)	(4,844)	7,815	(335)	(8,012)	(4,844)	7,815	(335)
41 Proposed dividends	-	26,060	26,060	26,060	-	26,060	26,060	26,060
42 Capital grants	-	-	-	-	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>2,622,946</b>	<b>2,665,073</b>	<b>2,653,211</b>	<b>2,769,610</b>	<b>2,630,415</b>	<b>2,673,586</b>	<b>2,664,833</b>	<b>2,782,780</b>
44 Minority Interest	-	-	-	-	-	-	-	-
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>13,959,064</b>	<b>14,465,074</b>	<b>14,933,181</b>	<b>16,132,842</b>	<b>14,003,946</b>	<b>14,510,677</b>	<b>15,007,550</b>	<b>16,188,100</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>								
<b>1.0 INTEREST INCOME</b>								
1.1 Loans and advances	589,029	1,252,434	353,074	741,494	589,029	1,252,434	353,074	741,494
1.2 Government securities	123,852	252,845	57,193	128,560	123,852	252,845	57,193	128,560
1.3 Deposits and placements with banking institutions	12,396	24,301	2,793	4,982	12,396	24,301	2,793	4,982
1.4 Other Interest Income	2,029	3,736	718	2,220	2,029	3,737	718	2,220
<b>1.5 Total interest income</b>	<b>727,306</b>	<b>1,533,317</b>	<b>413,778</b>	<b>877,256</b>	<b>727,306</b>	<b>1,533,317</b>	<b>413,778</b>	<b>877,256</b>
<b>2.0 INTEREST EXPENSE</b>								
2.1 Customer deposits	343,521	709,677	198,089	410,252	343,340	708,982	197,532	408,413
2.2 Deposits and placement from banking institutions	11,240	30,517	3,384	15,198	11,240	30,517	3,384	15,198
2.3 Other interest expenses	-	-	-	-	-	-	-	-
<b>2.4 Total interest expenses</b>	<b>354,761</b>	<b>740,194</b>	<b>201,473</b>	<b>425,450</b>	<b>354,580</b>	<b>739,499</b>	<b>200,916</b>	<b>423,610</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>372,545</b>	<b>793,123</b>	<b>212,305</b>	<b>451,806</b>	<b>372,726</b>	<b>793,818</b>	<b>212,862</b>	<b>453,646</b>
<b>4.0 NON-INTEREST INCOME</b>								
4.1 Fees and commissions on loans and advances	90,320	182,287	65,910	142,237	90,320	182,288	65,910	142,237
4.2 Other fees and commissions	133,894	230,514	43,907	83,396	139,418	238,975	47,960	89,564
4.3 Foreign exchange trading income/(Loss)	29,517	58,428	20,705	40,764	29,450	58,428	20,705	40,764
4.4 Dividend Income	-	-	-	-	-	-	-	-
4.5 Other income	57,269	88,840	25,121	90,620	57,269	88,840	25,121	90,620
<b>4.6 Total Non-interest income</b>	<b>311,000</b>	<b>560,070</b>	<b>155,643</b>	<b>357,017</b>	<b>316,458</b>	<b>568,531</b>	<b>159,696</b>	<b>363,185</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>683,545</b>	<b>1,353,193</b>	<b>367,948</b>	<b>808,824</b>	<b>689,184</b>	<b>1,362,349</b>	<b>372,558</b>	<b>816,831</b>
<b>6.0 OTHER OPERATING EXPENSES</b>								
6.1 Loan loss provision	67,974	136,272	25,112	70,591	67,974	136,272	25,112	70,591
6.2 Staff costs	226,010	466,189	133,357	265,910	228,178	470,607	134,687	268,810
6.3 Directors' emoluments	31,102	50,620	12,651	27,457	31,103	50,620	12,651	27,457
6.4 Rental charges	50,726	101,973	25,939	50,703	50,726	101,973	25,940	50,703
6.5 Depreciation charge on property and equipment	28,832	58,323	14,615	29,350	28,838	58,335	14,627	29,362
6.6 Amortisation charges	28,637	45,913	12,421	27,015	31,189	46,017	12,525	27,119
6.7 Other operating expenses	142,207	314,847	86,067	169,711	139,926	313,307	86,123	170,044
<b>6.8 Total Other Operating Expenses</b>	<b>575,489</b>	<b>1,174,137</b>	<b>310,162</b>	<b>640,737</b>	<b>577,934</b>	<b>1,177,131</b>	<b>311,665</b>	<b>644,086</b>
<b>7.0 Profit/(loss) Before Tax and Exceptional Items</b>	<b>108,056</b>	<b>179,056</b>	<b>57,786</b>	<b>168,087</b>	<b>111,250</b>	<b>185,218</b>	<b>60,893</b>	<b>172,745</b>
8.0 Exceptional Items	-	-	-	-	-	-	-	-
<b>9.0 Profit/(Loss) After Exceptional Items</b>	<b>108,056</b>	<b>179,056</b>	<b>57,786</b>	<b>168,087</b>	<b>111,250</b>	<b>185,218</b>	<b>60,893</b>	<b>172,745</b>
10.0 Current Tax	18,000	38,892	4,500	9,500	18,330	51,138	4,500	9,500
11.0 Deferred Tax	-	10,318	-	-	-	-	-	-
<b>12.0 Profit/(Loss) After Tax and Exceptional Items</b>	<b>90,056</b>	<b>129,846</b>	<b>53,286</b>	<b>158,587</b>	<b>92,420</b>	<b>134,080</b>	<b>56,393</b>	<b>163,245</b>
13.0 Minority Interest	-	-	-	-	-	-	-	-
<b>14.0 Profit/(loss) after tax, exceptional items and Minority Interest</b>	<b>90,056</b>	<b>129,846</b>	<b>53,286</b>	<b>158,587</b>	<b>92,420</b>	<b>134,080</b>	<b>56,393</b>	<b>163,245</b>
<b>15.0 Other Comprehensive Income</b>								
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	-	-	-	-
15.2 Fair value changes in available for sale financial assets	191	4,717	18,083	6,440	191	4,717	18,083	6,440
15.3 Revaluation surplus on Property, plant and equipment	-	-	-	-	-	-	-	-
15.4 Share of other comprehensive income of associates	-	-	-	-	-	-	-	-
15.5 Income tax relating to components of other comprehensive income	(57)	(1,415)	(5,425)	(1,932)	(57)	(1,415)	(5,425)	(1,932)
16.0 Other Comprehensive Income for the year net of tax	134	3,302	12,658	4,508	134	3,302	12,658	4,508
<b>17.0 Total comprehensive income for the year</b>	<b>90,190</b>	<b>133,148</b>	<b>65,944</b>	<b>163,095</b>	<b>92,554</b>	<b>137,382</b>	<b>69,051</b>	<b>167,753</b>
<b>18.0 EARNINGS PER SHARE- BASIC &amp; DILUTED</b>	<b>9.00</b>	<b>5.40</b>	<b>8.90</b>	<b>13.20</b>	<b>9.20</b>	<b>5.60</b>	<b>9.39</b>	<b>13.60</b>
<b>19.0 DIVIDEND PER SHARE -DECLARED</b>	-	-	-	-	-	-	-	-

III OTHER DISCLOSURES	Bank			
	Unaudited 30 June 2017	Audited 31 December 2017	Unaudited 31 March 2018	Unaudited 30 June 2018
<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>				
(a) Gross Non-performing loans and advances	837,730	876,544	1,356,721	1,284,862
(b) Less: Interest in Suspense	145,929	145,687	174,036	173,715
(c) Total Non-Performing Loans and Advances (a-b)	691,801	730,857	1,182,685	1,111,148
(d) Less: Loan Loss Provision	398,053	326,442	410,881	417,956
(e) Net Non-Performing Loans and Advances (c-d)	293,748	404,415	771,804	693,192
(f) Discounted Value of Securities	293,748	404,415	722,051	693,192
(g) Net NPLs Exposure (e-f)	-	-	49,753	-
<b>2.0 INSIDER LOANS AND ADVANCES</b>				
(a) Directors, Shareholders and Associates	649,300	558,101	617,383	612,119
(b) Employees	509,479	553,064	572,135	631,119
(c) Total Insider Loans and Advances and other facilities	1,158,779	1,111,165	1,189,518	1,243,238
<b>3.0 OFF-BALANCE SHEET ITEMS</b>				
(a) Letters of credit, guarantees, acceptances	7,980,168	7,246,797	7,926,114	7,141,186
(b) Forwards, swaps and options	-	-	-	-
(c) Other contingent liabilities	3,615,212	5,143,676	454,494	264,007
(d) Total Contingent Liabilities	11,595,380	12,390,473	8,380,608	7,405,193
<b>4.0 CAPITAL STRENGTH</b>				
(a) Core capital	2,536,388	2,594,315	2,592,694	2,635,754
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
(c) Excess/(Deficiency) (a-b)	1,536,388	1,594,315	1,592,694	1,635,754
(d) Supplementary Capital	49,541	49,541	-	54,898
(e) Total Capital (a+d)	2,585,929	2,643,856	2,592,694	2,690,652
(f) Total risk weighted assets	16,899,733	16,678,825	17,774,000	17,762,908
(g) Core Capital/Total deposits Liabilities	23.5%	22.7%	21.8%	21.6%
(h				