

**UNAUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES**

I STATEMENT OF FINANCIAL POSITION	BANK				GROUP			
	30 June 2018 Shs. '000' Unaudited	31 Dec. 2018 Shs. '000' Audited	31 March 2019 Shs. '000' Unaudited	30 June 2019 Shs. '000' Unaudited	30 June 2018 Shs. '000' Unaudited	31 Dec. 2018 Shs. '000' Audited	31 March 2019 Shs. '000' Unaudited	30 June 2019 Shs. '000' Unaudited
<b>A ASSETS</b>								
1 Cash (both Local & Foreign)	293,908	409,090	316,578	305,738	329,254	409,090	316,578	305,738
2 Balances due from Central Bank of Kenya	695,874	924,012	1,440,919	1,310,614	695,874	950,690	1,473,407	1,333,667
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:	1,650,528	1,512,142	1,428,347	1,477,761	1,650,528	1,512,142	1,428,347	1,477,761
a. Kenya Government securities	1,650,528	1,512,142	1,428,347	1,477,761	1,650,528	1,512,142	1,428,347	1,477,761
b. Other securities								
b) Available for sale:	806,946	806,405	814,226	505,565	806,946	806,405	814,226	505,565
a. Kenya Government securities	789,044	794,499	802,485	499,619	789,044	794,499	802,485	499,619
b. Other securities	17,902	11,906	11,741	5,946	17,902	11,906	11,741	5,946
6 Deposits and balances due from local banking institutions	76,420	35,028	22,668		76,420	35,028	22,668	
7 Deposits and balances due from banking institutions abroad	54,062	160,620	199,868	257,642	54,062	160,620	199,868	257,642
8 Tax recoverable				33,883				33,883
9 Loans and advances to customers (net)	11,659,243	13,031,250	14,154,607	14,790,860	11,659,243	13,031,250	14,154,607	14,790,860
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	282,071	270,745	255,596	273,077	282,082	270,845	255,685	273,243
16 Prepaid lease rentals								
17 Intangible assets	170,604	170,207	149,843	141,807	170,804	170,355	149,965	141,903
18 Deferred tax asset	114,758	132,367	132,367	131,927	114,751	132,625	132,353	131,927
19 Retirement benefit asset								
20 Other assets	327,427	352,559	485,851	496,032	348,135	425,559	523,242	543,106
<b>21 TOTAL ASSETS</b>	<b>16,132,842</b>	<b>17,805,424</b>	<b>19,401,870</b>	<b>19,725,905</b>	<b>16,188,100</b>	<b>17,904,609</b>	<b>19,470,946</b>	<b>19,795,294</b>
<b>B LIABILITIES</b>								
22 Balances due to Central Bank of Kenya			499,630				499,630	
23 Customer deposits	11,972,833	13,117,881	14,473,231	15,563,414	11,972,833	13,117,882	14,473,231	15,563,414
24 Deposits and balances due to local banking institutions	798,091	967,462	640,980	267,791	798,091	967,462	640,980	267,791
25 Deposits and balances due to foreign banking institutions	202,175	306,270	278,052	281,703	202,175	306,270	278,052	281,703
26 Other money market deposits								
27 Borrowed funds								
28 Balances due to banking institutions in the group								
29 Tax payable		38,816	44,816		(1,100)	39,726	44,805	(2,780)
30 Dividends payable								
31 Deferred tax liability								14
32 Retirement benefit liability								
33 Other liabilities	390,134	511,970	523,876	563,957	433,321	593,568	575,695	617,738
<b>34 TOTAL LIABILITIES</b>	<b>13,363,232</b>	<b>14,942,398</b>	<b>16,460,585</b>	<b>16,676,865</b>	<b>13,405,319</b>	<b>15,024,907</b>	<b>16,512,393</b>	<b>16,727,880</b>
<b>C SHAREHOLDERS' FUNDS</b>								
35 Paid up /Assigned capital	2,406,425	2,406,425	2,406,425	2,433,158	2,406,425	2,406,425	2,406,425	2,433,158
36 Share premium/(discount)	95,331	75,715	74,992	91,436	95,331	75,715	74,992	91,436
37 Revaluation reserves								
38 Retained earnings/Accumulated losses	187,231	206,533	293,889	355,746	200,402	223,210	311,157	374,120
39 Statutory loan loss reserves	54,898	92,041	92,041	92,040	54,898	92,041	92,041	92,040
40 Other Reserves	(335)	10,119	1,745	4,467	(335)	10,119	1,745	4,467
41 Proposed dividends	26,060	72,193	72,193	72,193	26,060	72,193	72,193	72,193
42 Capital grants								
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>2,769,610</b>	<b>2,863,025</b>	<b>2,941,285</b>	<b>3,049,040</b>	<b>2,782,780</b>	<b>2,879,702</b>	<b>2,958,553</b>	<b>3,067,414</b>
44 Minority Interest								
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>16,132,842</b>	<b>17,805,424</b>	<b>19,401,870</b>	<b>19,725,905</b>	<b>16,188,100</b>	<b>17,904,609</b>	<b>19,470,946</b>	<b>19,795,294</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>								
<b>1.0 INTEREST INCOME</b>								
1.1 Loans and advances	741,494	1,561,460	431,588	857,101	741,494	1,561,460	431,588	857,101
1.2 Government securities	128,560	261,863	62,436	118,026	128,560	261,863	62,436	118,026
1.3 Deposits and placements with banking institutions	4,982	6,506	697	1,046	4,982	6,506	697	1,046
1.4 Other Interest Income	2,220	3,194	359	596	2,220	3,194	359	596
<b>1.5 Total interest income</b>	<b>877,256</b>	<b>1,833,023</b>	<b>495,080</b>	<b>976,769</b>	<b>877,256</b>	<b>1,833,023</b>	<b>495,080</b>	<b>976,769</b>
<b>2.0 INTEREST EXPENSE</b>								
2.1 Customer deposits	410,252	854,824	242,462	505,966	408,413	853,441	242,103	505,236
2.2 Deposits and placement from banking institutions	15,198	44,610	17,111	27,226	15,198	44,610	17,111	27,226
2.3 Other interest expenses								
<b>2.4 Total interest expenses</b>	<b>425,449</b>	<b>899,434</b>	<b>259,573</b>	<b>533,192</b>	<b>423,610</b>	<b>898,051</b>	<b>259,214</b>	<b>532,462</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>451,807</b>	<b>933,589</b>	<b>235,507</b>	<b>443,577</b>	<b>453,646</b>	<b>934,972</b>	<b>235,866</b>	<b>444,307</b>
<b>4.0 NON INTEREST INCOME</b>								
4.1 Fees and commissions on loans and advances	142,237	301,673	95,775	169,943	142,237	301,673	95,775	169,943
4.2 Other fees and commissions	83,396	186,410	79,075	159,237	89,564	202,538	83,256	167,621
4.3 Foreign exchange trading income/(Loss)	40,764	83,486	31,424	57,075	40,764	83,486	31,424	57,075
4.4 Dividend Income								
4.5 Other income	90,620	196,753	5,485	25,482	90,620	196,753	5,485	25,482
<b>4.6 Total Non interest income</b>	<b>357,017</b>	<b>768,323</b>	<b>211,759</b>	<b>411,737</b>	<b>363,185</b>	<b>784,451</b>	<b>215,940</b>	<b>420,121</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>808,824</b>	<b>1,701,912</b>	<b>447,266</b>	<b>855,314</b>	<b>816,831</b>	<b>1,719,423</b>	<b>451,806</b>	<b>864,428</b>
<b>6.0 OTHER OPERATING EXPENSES</b>								
6.1 Loan loss provision	70,591	120,575	27,753	38,170	70,591	120,575	27,753	38,170
6.2 Staff costs	265,910	569,692	154,253	310,800	268,810	575,449	157,175	316,984
6.3 Directors' emoluments	27,457	16,919	16,919	36,509	27,457	16,919	36,509	36,509
6.4 Rental charges	50,703	102,909	26,834	53,884	50,703	102,909	26,834	53,884
6.5 Depreciation charge on property and equipment	29,350	59,567	15,150	30,498	29,362	59,579	15,160	30,522
6.6 Amortisation charges	27,015	50,078	13,295	26,149	27,119	50,182	13,321	26,201
6.7 Other operating expenses	169,711	414,276	99,707	198,090	170,044	415,180	100,022	198,571
<b>6.8 Total Other Operating Expenses</b>	<b>640,737</b>	<b>1,369,703</b>	<b>353,911</b>	<b>694,102</b>	<b>644,086</b>	<b>1,376,482</b>	<b>357,184</b>	<b>700,843</b>
<b>7.0 Profit/(Loss) Before Tax and Exceptional Items</b>	<b>168,087</b>	<b>332,208</b>	<b>93,355</b>	<b>161,213</b>	<b>172,745</b>	<b>342,940</b>	<b>94,622</b>	<b>163,586</b>
8.0 Exceptional Items								
<b>9.0 Profit/(Loss) After Exceptional Items</b>	<b>168,087</b>	<b>332,208</b>	<b>93,355</b>	<b>161,213</b>	<b>172,745</b>	<b>342,940</b>	<b>94,622</b>	<b>163,586</b>
10.0 Current Tax	9,500	83,055	6,000	12,000	9,500	86,552	6,000	12,000
11.0 Deferred Tax		8,119				7,852		
<b>12.0 Profit/(Loss) After Tax and Exceptional Items</b>	<b>158,587</b>	<b>241,034</b>	<b>87,355</b>	<b>149,213</b>	<b>163,245</b>	<b>248,537</b>	<b>88,622</b>	<b>151,586</b>
13.0 Minority Interest								
<b>14.0 Profit/(Loss) after tax, exceptional items and Minority Interest</b>	<b>158,587</b>	<b>241,034</b>	<b>87,355</b>	<b>149,213</b>	<b>163,245</b>	<b>248,537</b>	<b>88,622</b>	<b>151,586</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	6,440	21,376	(8,374)	(8,074)	6,440	21,376	(8,374)	(8,074)
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	(1,932)	(6,413)	2,512	2,422	(1,932)	(6,413)	2,512	2,422
<b>16.0 Other Comprehensive Income for the year net of tax</b>	<b>4,508</b>	<b>14,963</b>	<b>(5,862)</b>	<b>(5,652)</b>	<b>4,508</b>	<b>14,964</b>	<b>(5,862)</b>	<b>(5,652)</b>
<b>17.0 Total comprehensive income for the year</b>	<b>163,095</b>	<b>255,997</b>	<b>81,493</b>	<b>143,561</b>	<b>167,753</b>	<b>263,500</b>	<b>82,760</b>	<b>145,934</b>
<b>18.0 EARNINGS PER SHARE BASIC &amp; DILUTED</b>	<b>13.20</b>	<b>10.02</b>	<b>14.50</b>	<b>12.20</b>	<b>13.60</b>	<b>10.33</b>	<b>14.80</b>	<b>12.40</b>
<b>19.0 DIVIDEND PER SHARE DECLARED</b>		<b>3.00</b>				<b>3.00</b>		

III OTHER DISCLOSURES	BANK			
	30 June 2018 Shs. '000' Unaudited	31 Dec. 2018 Shs. '000' Audited	31 March 2019 Shs. '000' Unaudited	30 June 2019 Shs. '000' Unaudited
<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>				
1.1 (a) Gross Non-performing loans and advances	1,284,862	1,112,560	1,146,978	1,139,022
1.2 (b) Less: Interest in Suspense	173,715	168,823	182,120	227,310
<b>1.3 (c) Total Non-Performing Loans and Advances (a-b)</b>	<b>1,111,148</b>	<b>943,737</b>	<b>964,858</b>	<b>911,712</b>
1.4 (d) Less: Loan Loss Provision	417,956	240,207	260,148	305,536
<b>1.5 (e) Net Non-Performing Loans and Advances(c-d)</b>	<b>693,192</b>	<b>703,530</b>	<b>704,710</b>	<b>606,176</b>
1.6 (f) Discounted Value of Securities	693,192	703,530	704,710	606,176
1.7 (g) Net NPLs Exposure (e-f)				
<b>2.0 INSIDER LOANS AND ADVANCES</b>				
2.1 (a) Directors, Shareholders and Associates	612,119	647,644	606,875	418,460
2.2 (b) Employees	631,119	714,103	690,269	794,043
<b>2.3 (c) Total Insider Loans and Advances and other facilities</b>	<b>1,243,238</b>	<b>1,361,747</b>	<b>1,297,144</b>	<b>1,212,503</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>				
3.1 (a) Letters of credit, guarantees, acceptances	7,141,186	6,700,830	5,424,543	5,301,191
3.2 (b) Forwards, swaps and options				
3.3 (c) Other contingent liabilities	264,007	872,218	522,341	303,943
<b>3.4 (d) Total Contingent Liabilities</b>	<b>7,405,193</b>	<b>7,573,048</b>	<b>5,946,884</b>	<b>5,605,134</b>
<b>4.0 CAPITAL STRENGTH</b>				
4.1 (a) Core capital	2,635,754	2,628,938	2,671,454	2,877,927
4.2 (b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
4.3 (c) Excess/(Deficiency)(a-b)	1,635,754	1,628,938	1,671,454	1,877,927
4.4 (d) Supplementary Capital	54,898	92,040		