

**UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30<sup>TH</sup> JUNE 2021**

I STATEMENT OF FINANCIAL POSITION	BANK				GROUP			
	30th June 2020 Shs. '000' Unaudited	31st December 2020 Shs. '000' Audited	31st March 2021 Shs. '000' Unaudited	30th June 2021 Shs. '000' Unaudited	30th June 2020 Shs. '000' Unaudited	31st December 2020 Shs. '000' Audited	31st March 2021 Shs. '000' Unaudited	30th June 2021 Shs. '000' Unaudited
<b>A. ASSETS</b>								
1 Cash (both Local & Foreign)	512,699	357,909	398,233	333,505	542,942	386,776	428,296	368,755
2 Balances due from Central Bank of Kenya	1,510,186	758,929	1,346,496	1,788,913	1,510,186	758,929	1,346,496	1,788,913
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:	2,683,606	3,361,329	3,613,408	3,546,225	2,683,606	3,361,329	3,613,408	3,546,225
a. Kenya Government securities	2,683,606	3,361,329	3,613,408	3,546,225	2,683,606	3,361,329	3,613,408	3,546,225
b. Other securities								
b) Available for sale:	599,233	585,270	951,710	920,972	599,233	585,270	951,710	920,972
a. Kenya Government securities	599,233	585,270	951,710	920,972	599,233	585,270	951,710	920,972
b. Other securities								
6 Deposits and balances due from local banking institutions	86,077	700,123	491,883	210,984	86,077	700,123	491,883	210,984
7 Deposits and balances due from banking institutions abroad	279,513	84,526	216,387	279,513	84,526	216,387	217,027	217,027
8 Tax recoverable	61,025	86,275	84,405	86,810	61,025	89,867	89,119	93,446
9 Loans and advances to customers (net)	15,682,352	15,631,035	15,571,197	15,201,349	15,682,352	15,631,035	15,571,197	15,201,349
10 Balances due from banking institutions in the group								
11 Investments in associates								
12 Investments in subsidiary companies	1,000	1,000	1,000	1,000.00				
13 Investments in joint ventures								
14 Investment properties								
15 Property and equipment	797,310	332,001	315,792	298,883	797,433	332,103	315,884	298,964
16 Prepaid lease rentals								
17 Intangible assets	162,877	150,066	147,154	122,608	162,877	150,066	147,154	122,608
18 Deferred tax asset	175,315	164,385	164,385	164,385	175,023	164,343	164,466	164,466
19 Retirement benefit asset								
20 Other assets	413,675	932,490	972,708	900,026	450,560	968,662	1,019,804	938,893
<b>21 TOTAL ASSETS</b>	<b>22,964,867</b>	<b>23,145,338</b>	<b>24,214,757</b>	<b>23,711,687</b>	<b>23,030,826</b>	<b>23,213,029</b>	<b>24,355,803</b>	<b>23,791,602</b>
<b>B. LIABILITIES</b>								
22 Balances due to Central Bank of Kenya								
23 Customer deposits	17,838,339	17,638,463	18,524,958	18,548,206	17,838,339	17,638,463	18,524,958	18,548,206
24 Deposits and balances due to local banking institutions	765,751	510,781	669,764	96,314	765,751	510,781	669,764	96,314
25 Deposits and balances due to foreign banking institutions								
26 Other money market deposits								
27 Borrowed funds		891,391	888,567	872,775		891,391	888,567	872,775
28 Balances due to banking institutions in the group								
29 Tax payable								
30 Dividends payable					(5,095)			
31 Deferred tax liability								
32 Retirement benefit liability								
33 Other liabilities	1,097,186	886,492	921,819	877,030	1,145,399	929,043	975,524	927,112
<b>34 TOTAL LIABILITIES</b>	<b>19,701,276</b>	<b>19,927,127</b>	<b>21,005,107</b>	<b>20,394,326</b>	<b>19,744,394</b>	<b>19,969,678</b>	<b>21,058,812</b>	<b>20,444,408</b>
<b>C. SHAREHOLDERS' FUNDS</b>								
35 Paid up/Assigned capital	2,766,490	2,903,018	2,903,018	2,915,971	2,766,490	2,903,018	2,903,018	2,915,971
36 Share premium/(discount)	103,220	97,344	97,344	97,344	103,220	97,344	97,344	97,344
37 Revaluation reserves								
38 Retained earnings/Accumulated losses	217,322	(130,575)	(65,116)	(39,565)	240,163	(105,435)	(37,775)	(9,732)
39 Statutory loan loss reserves	164,684	350,166	350,166	350,166	164,684	350,166	350,166	350,166
40 Other Reserves	11,875	(1,742)	(15,762)	(6,555)	11,875	(1,742)	(15,762)	(6,555)
41 Proposed dividends								
42 Capital grants								
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>3,263,591</b>	<b>3,218,211</b>	<b>3,269,650</b>	<b>3,317,361</b>	<b>3,286,432</b>	<b>3,243,351</b>	<b>3,296,991</b>	<b>3,347,194</b>
44 Minority Interest								
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>22,964,867</b>	<b>23,145,338</b>	<b>24,214,757</b>	<b>23,711,687</b>	<b>23,030,826</b>	<b>23,213,029</b>	<b>24,355,803</b>	<b>23,791,602</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>								
	Shs. '000' Unaudited	Shs. '000' Audited	Shs. '000' Unaudited	Shs. '000' Unaudited	Shs. '000' Unaudited	Shs. '000' Audited	Shs. '000' Unaudited	Shs. '000' Unaudited
<b>1.0 INTEREST INCOME</b>								
1.1 Loans and advances	1,030,013	2,106,881	494,125	938,028	1,030,013	2,106,881	494,125	938,028
1.2 Government securities	172,973	399,642	117,616	253,742	172,974	399,642	117,616	253,742
1.3 Deposits and placements with banking institutions	6,850	15,335	4,890	10,213	6,850	15,335	4,890	10,213
1.4 Other Interest Income								
1.5 Total interest income	1,209,836	2,521,857	616,631	1,201,983	1,209,837	2,521,857	616,631	1,201,983
<b>2.0 INTEREST EXPENSE</b>								
2.1 Customer deposits	662,941	1,307,085	318,393	641,751	662,093	1,305,139	317,441	639,988
2.2 Deposits and placements from banking institutions	28,250	60,181	14,517	38,566	6,353	60,173	14,517	38,566
2.3 Other interest expenses	28,250	57,947	14,192	28,250	28,250	57,947	14,192	28,250
2.4 Total interest expenses	697,544	1,425,213	347,101	698,672	696,696	1,423,260	346,149	696,855
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>512,292</b>	<b>1,096,651</b>	<b>269,530</b>	<b>503,310</b>	<b>513,140</b>	<b>1,098,597</b>	<b>270,482</b>	<b>505,128</b>
<b>4.0 NON-INTEREST INCOME</b>								
4.1 Fees and commissions on loans and advances	96,036	181,643	44,623	90,830	96,036	181,643	44,623	90,830
4.2 Other fees and commissions	143,856	278,705	75,729	156,063	154,939	300,988	80,650	166,626
4.3 Foreign exchange trading income/(Loss)	67,737	130,335	29,644	55,368	67,737	130,335	29,644	55,368
4.4 Dividend Income								
4.5 Other income	38,390	42,554	5,740	27,105	38,390	42,554	5,740	27,105
4.6 Total Non-interest income	346,019	633,237	155,737	329,366	357,102	655,520	160,658	339,949
<b>5.0 TOTAL OPERATING INCOME</b>	<b>858,311</b>	<b>1,729,888</b>	<b>425,266</b>	<b>832,696</b>	<b>870,242</b>	<b>1,754,117</b>	<b>431,139</b>	<b>845,072</b>
<b>6.0 OTHER OPERATING EXPENSES</b>								
6.1 Loan loss provision	77,108	287,130	29,045	51,593	77,108	287,130	29,045	51,593
6.2 Staff costs	335,424	685,156	152,227	307,945	341,823	698,260	155,580	314,260
6.3 Directors' emoluments	37,941	70,076	20,181	34,254	37,941	70,073	20,181	38,342
6.4 Rental charges	7,315	106,078	27,463	52,857	7,315	106,078	27,463	52,857
6.5 Depreciation charge on property and equipment	75,103	66,933	17,621	34,939	75,124	66,933	17,632	34,960
6.6 Amortisation charges	29,181	59,478	15,114	30,029	29,224	59,582	15,114	30,029
6.7 Other operating expenses	210,762	446,678	96,156	191,537	211,246	447,930	96,463	192,137
6.8 Total Other Operating Expenses	772,834	1,721,826	357,808	705,897	779,781	1,753,988	307,479	705,897
<b>7.0 Profit/(Loss) Before Tax and Exceptional Items</b>	<b>85,478</b>	<b>8,362</b>	<b>67,458</b>	<b>125,804</b>	<b>90,462</b>	<b>18,130</b>	<b>69,660</b>	<b>130,894</b>
8.0 Exceptional Items								
<b>9.0 Profit/(Loss) After Exceptional Items</b>	<b>85,478</b>	<b>8,362</b>	<b>67,458</b>	<b>125,804</b>	<b>90,462</b>	<b>18,130</b>	<b>69,660</b>	<b>130,894</b>
10.0 Current Tax	12,000	60,515	2,000	34,794	12,000	63,005	2,000	34,794
11.0 Deferred Tax		10,931				10,931		
<b>12.0 Profit/(Loss) After Tax and Exceptional Items</b>	<b>73,478</b>	<b>(63,084)</b>	<b>65,458</b>	<b>91,010</b>	<b>78,462</b>	<b>(55,806)</b>	<b>67,660</b>	<b>96,100</b>
13.0 Minority Interest								
<b>14.0 Profit/(Loss) after tax, exceptional items and Minority Interest</b>	<b>73,478</b>	<b>(63,084)</b>	<b>65,458</b>	<b>91,010</b>	<b>78,462</b>	<b>(55,806)</b>	<b>67,660</b>	<b>96,100</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	31,832	(228)	(14,020)	11,969	31,832	(228)	(14,020)	11,969
15.3 Revaluation surplus on Property, plant and equipment								
15.4 Share of other comprehensive income of associates								
Income tax relating to components of other comprehensive income								
15.5 Income	(9,550)			(2,762)	(9,550)			(2,762)
16.0 Other Comprehensive Income for the year net of tax	22,282	(228)	(14,020)	9,207	22,282	(228)	(14,020)	9,207
17.0 Total comprehensive income for the year	95,760	(63,312)	51,438	100,217	100,744	(56,034)	53,640	105,307
<b>18.0 EARNINGS PER SHARE- BASIC &amp; DILUTED</b>	<b>5.3</b>	<b>-2.2</b>	<b>9.0</b>	<b>6.2</b>	<b>5.7</b>	<b>-1.9</b>	<b>9.3</b>	<b>6.4</b>
<b>19.0 DIVIDEND PER SHARE -DECLARED</b>								
<b>III OTHER DISCLOSURES</b>								
	Shs. '000' Unaudited	Shs. '000' Audited	Shs. '000' Unaudited	Shs. '000' Unaudited				
<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>								
(a) Gross Non-Performing loans and advances	1,659,175	2,016,878	1,817,705	1,829,065				
(b) Less: Interest in Suspense	354,464	521,577	597,356	671,041				
(c) Total Non-Performing Loans and Advances (a-b)	1,304,711	1,495,301	1,220,349	1,158,024				
(d) Less: Loan Loss Provision	360,394	797,355	761,124	815,768				
(e) Net Non-Performing Loans and Advances (c-d)	944,317	697,946	459,225	342,256				
(f) Discounted Value of Securities								
(g) Net NPLs Exposure (e-f)	944,317	697,946	459,225	342,256				
<b>2.0 INSIDER LOANS AND ADVANCES</b>								
(a) Directors, Shareholders and Associates	688,239	632,513	578,243	618,674				
(b) Employees	939,410	946,521	928,202	943,209				
(c) Total Insider Loans and Advances and other facilities	1,627,649	1,579,034	1,506,445	1,561,883				
<b>3.0 OFF-BALANCE SHEET ITEMS</b>								
(a) Letters of credit, guarantees, acceptances	9,822,930	8,672,988	9,420,021	8,609,098				
(b) Forwards, swaps and options								
(c) Other contingent liabilities	555,707	589,821	555,582	436,946				
(d) Total Contingent Liabilities	10,378,637	9,262,809	9,975,603	9,046,044				
<b>4.0 CAPITAL STRENGTH</b>								
(a) Core capital	3,058,219	2,869,788	2,902,516	2,928,245				
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000				
(c) Excess/(Deficiency) (a-b)	2,058,219	1,869,788	1,902,516	1,928,245				
(d) Supplementary Capital	164,684	350,166	350,166	350,166				
(e) Total Capital (a+d)	3,222,903	3,219,954	3,252,682	3,278,411				
(f) Total risk weighted assets	22,256,963	22,155,953	22,268,292	22,196,353				
(g) Core Capital/Total deposits Liabilities	17.1%	17.1%	16.6%	16.6%				
(h) Minimum statutory ratio	8.0%	8.00%	8.00%	8.0%				
(i) Excess/(Deficiency) (g-h)	9.1%	8.27%	7.67%</					