

**FINANCIAL STATEMENTS AND OTHER DISCLOSURES
FOR THE PERIOD ENDED 30TH JUNE 2016**

STATEMENT OF FINANCIAL POSITION	Bank			Group		
	30 June 2015 KShs '000' (Unaudited)	31 Dec 2015 KShs '000' (Audited)	31 March 2016 KShs '000' (Unaudited)	30 June 2016 KShs '000' (Unaudited)	31 Dec 2015 KShs '000' (Audited)	30 June 2016 KShs '000' (Unaudited)
A ASSETS						
1 Cash (Both Local & Foreign)	209,441	417,801	476,615	397,903	417,801	418,273
2 Balances due from Central Bank of Kenya	780,123	668,206	745,860	365,086	668,206	365,086
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:	891,229	817,860	821,220	864,234	817,860	864,234
a. Kenya Government securities	641,229	817,860	821,220	864,234	817,860	864,234
b. Other securities	250,000	-	-	-	-	-
b) Available for sale:	593,409	346,581	217,155	183,221	346,581	183,221
a. Kenya Government securities	593,409	196,581	217,155	183,221	196,581	183,221
b. Other securities	-	150,000	-	-	150,000	-
6 Deposits and balances due from local banking institutions	997,287	1,045,605	1,147,082	1,668,060	1,045,605	1,668,060
7 Deposits and balances due from banking institutions abroad	150,993	40,570	33,151	13,612	40,570	13,612
8 Tax recoverable	-	424	-	424	-	1,079
9 Loans and advances to customers (net)	8,817,643	10,155,694	10,475,298	10,260,147	10,155,694	10,260,147
10 Balances due from banking institutions in the group	-	-	-	-	-	-
11 Investments in associates	616,973	629,134	629,134	629,703	629,134	629,703
12 Investments in subsidiary companies	-	3,460	6,653	20,838	-	-
13 Investments in joint ventures	-	-	-	-	-	-
14 Investment properties	-	-	-	-	-	-
15 Property and equipment	578,433	621,841	614,314	623,470	621,841	640,460
16 Prepaid lease rentals	7,041	3,665	-	-	3,665	-
17 Intangible assets	815,105	948,865	936,906	931,581	948,865	931,581
18 Deferred tax asset	-	-	-	-	-	-
19 Retirement benefit asset	-	-	-	-	-	-
20 Other assets	1,438,795	1,081,838	1,178,391	1,145,248	1,084,879	1,164,899
21 TOTAL ASSETS	15,896,471	16,781,543	17,281,779	17,103,526	16,781,124	17,140,354
B LIABILITIES						
22 Balances due to Central Bank of Kenya	-	-	-	-	-	-
23 Customer deposits	9,885,906	10,945,980	10,555,518	14,670,000	10,931,651	14,670,000
24 Deposits and balances due to local banking institutions	1,053,552	689,836	1,319,668	371,395	689,836	371,395
25 Deposits and balances due to foreign banking institutions	-	-	-	-	-	-
26 Other money market deposits	-	-	-	-	-	-
27 Borrowed funds	667,556	1,648,975	1,626,954	2,776,616	1,648,975	2,776,616
28 Balances due to banking institutions in the group	-	-	-	-	-	-
29 Tax payable	-	-	-	-	396	-
30 Dividends payable	-	-	-	-	-	-
31 Deferred tax liability	45,190	81,197	82,424	82,424	81,197	82,424
32 Retirement benefit liability	-	-	-	-	-	-
33 Other liabilities	1,093,512	252,765	530,904	582,325	263,632	617,763
34 TOTAL LIABILITIES	12,745,715	13,618,752	14,115,469	13,954,356	13,615,686	13,989,794
C SHAREHOLDERS' FUNDS						
35 Paid up/Assigned capital	1,190,893	1,190,893	1,190,893	1,190,893	1,190,893	1,190,893
36 Share premium/(discount)	1,822,837	1,822,837	1,822,837	1,822,837	1,822,837	1,822,837
37 Revaluation reserves	100,572	142,904	143,866	143,866	142,904	143,866
38 Retained earnings/Accumulated losses	(15,972)	(69,257)	(66,700)	(83,840)	(66,610)	(82,450)
39 Statutory loan loss reserves	51,286	77,987	77,987	77,987	77,987	77,987
40 Other Reserves	1,140	(2,573)	(2,573)	(2,573)	(2,573)	(2,573)
41 Proposed dividends	-	-	-	-	-	-
42 Capital grants	-	-	-	-	-	-
43 TOTAL SHAREHOLDERS' FUNDS	3,150,756	3,162,791	3,166,310	3,149,170	3,165,438	3,150,560
44 Minority Interest	-	-	-	-	-	-
45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	15,896,471	16,781,543	17,281,779	17,103,526	16,781,124	17,140,354
II STATEMENT OF COMPREHENSIVE INCOME						
1.0 INTEREST INCOME						
1.1 Loans and advances	646,177	1,545,367	537,214	999,314	1,545,367	999,314
1.2 Government securities	58,427	124,322	29,580	58,232	124,322	58,232
1.3 Deposits and placements with banking institutions	9,460	214,132	48,834	84,880	214,132	84,880
1.4 Other Interest income	-	-	1,980	-	-	-
1.5 Total interest income	714,065	1,883,822	615,628	1,142,425	1,883,822	1,142,425
2.0 INTEREST EXPENSE						
2.1 Customer deposits	351,686	988,340	374,431	649,948	988,340	649,948
2.2 Deposits and placement from banking institutions	14,470	51,121	18,568	40,997	51,121	40,997
2.3 Other interest expenses	55,798	111,602	30,213	77,900	111,602	76,900
2.4 Total interest expenses	421,954	1,151,063	423,212	767,845	1,151,063	767,845
3.0 NET INTEREST INCOME/(LOSS)	292,110	732,759	192,416	374,580	732,759	374,580
4.0 NON-INTEREST INCOME						
4.1 Fees and commissions on loans and advances	94,682	175,650	20,444	32,975	175,650	32,975
4.2 Other fees and commissions	74,813	160,424	34,834	80,512	166,251	80,678
4.3 Foreign exchange trading income/(Loss)	10,958	18,119	1,980	7,809	18,119	7,809
4.4 Dividend income	-	-	-	-	-	-
4.5 Other income	34,768	49,501	8,863	17,364	49,862	21,939
4.6 Total Non-interest income	215,221	403,694	66,121	138,660	409,882	143,401
5.0 TOTAL OPERATING INCOME	507,331	1,136,453	258,536	513,240	1,142,641	517,981
6.0 OTHER OPERATING EXPENSES						
6.1 Loan loss provision	46,026	138,093	8,606	32,799	138,093	32,929
6.2 Staff costs	212,822	445,292	113,453	232,929	445,292	238,324
6.3 Directors' emoluments	20,393	44,702	12,605	17,825	44,702	17,825
6.4 Rental charges	23,490	135,379	15,239	27,681	135,379	75,687
6.5 Depreciation charge on property and equipment	26,468	91,481	14,085	28,621	91,481	28,970
6.6 Amortisation charges	7,885	31,000	13,949	27,906	31,000	27,906
6.7 Other operating expenses	124,964	214,088	78,041	160,122	216,494	112,180
6.8 Total Other Operating Expenses	462,048	1,100,035	255,979	527,823	1,102,441	533,821
7.0 Profit/(Loss) Before Tax and Exceptional Items	45,283	36,418	2,558	(14,583)	40,200	(15,840)
8.0 Exceptional Items	-	-	-	-	-	-
9.0 Profit/(Loss) After Exceptional Items	45,283	36,418	2,558	(14,583)	40,200	(15,840)
10.0 Current Tax	-	-	-	-	1,135	-
11.0 Deferred Tax	-	18,681	-	-	18,681	-
12.0 Profit/(Loss) After Tax and Exceptional Items	45,283	17,737	2,558	(14,583)	20,384	(15,840)
13.0 Minority Interest	-	-	-	-	-	-
14.0 Profit/(Loss) after tax, exceptional items and Minority Interest	45,283	17,737	2,558	(14,583)	20,384	(15,840)
15.0 Other Comprehensive Income						
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	-	-
15.2 Fair value changes in available for sale financial assets	-	(3,712)	-	-	(3,712)	-
15.3 Revaluation surplus on Property, plant and equipment	-	43,294	-	-	43,294	-
15.4 Share of other comprehensive income of associates	-	-	-	-	-	-
15.5 Income tax relating to components of other comprehensive income	-	-	-	-	-	-
16.0 Other Comprehensive Income for the year net of tax	-	39,582	-	-	39,582	-
17.0 Total comprehensive income for the year	45,283	57,319	2,558	(14,583)	59,966	(15,840)
18.0 EARNINGS PER SHARE- BASIC & DILUTED						
19.0 DIVIDEND PER SHARE -DECLARED						
III OTHER DISCLOSURES						
1.0 NON-PERFORMING LOANS AND ADVANCES						
(a) Gross Non-performing loans and advances	613,409	777,949	846,761	990,530	777,949	990,530
(b) Less: Interest in Suspense	153,250	252,407	283,505	384,404	252,407	384,404
(c) Total Non-Performing Loans and Advances (a-b)	460,159	525,542	563,256	606,126	525,542	606,126
(d) Less: Loan Loss Provision	213,137	358,550	257,592	270,303	358,550	270,303
(e) Net Non-Performing Loans and Advances(c-d)	247,022	166,992	305,664	335,823	166,992	335,823
(f) Discounted Value of Securities	-	-	178,301	152,634	-	152,634
(g) Net NPLs Exposure (e-f)	247,022	166,992	127,363	183,189	166,992	183,189
2.0 INSIDER LOANS AND ADVANCES						
(a) Directors, Shareholders and Associates	310,268	390,292	492,348	475,093	390,292	475,093
(b) Employees	205,774	273,890	271,482	262,022	273,890	262,022
(c) Total Insider Loans and Advances and other facilities	516,042	664,182	763,830	737,115	664,182	737,115
3.0 OFF-BALANCE SHEET ITEMS						
(a) Letters of credit, guarantees, acceptances	154,873	155,007	155,007	155,096	155,007	155,096
(b) Forwards, swaps and options	-	-	-	-	-	-
(c) Other contingent liabilities	-	-	-	-	-	-
(d) Total Contingent Liabilities	154,873	155,007	155,007	155,096	155,007	155,096
4.0 CAPITAL STRENGTH						
(a) Core capital	2,220,318	2,185,962	2,224,487	2,213,644	2,185,962	2,213,644
(b) Minimum Statutory Capital	700,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
(c) Excess/(Deficiency) (a-b)	1,520,318	1,185,962	1,224,487	1,213,644	1,185,962	1,213,644
(d) Supplementary Capital	76,429	113,713	113,953	113,953	113,713	113,953
(e) Total Capital (a+d)	2,296,747	2,299,675	2,338,440	2,327,597	2,299,675	2,327,597
(f) Total risk weighted assets	13,021,551	14,150,605	14,657,093	14,820,431	14,150,605	14,820,431
(g) Core Capital/Total deposits Liabilities	22.5%	20.0%	21.1%	25.5%	20.0%	25.5%
(h) Minimum statutory Ratio	8.0%	10.5%	10.5%	10.5%	10.5%	10.5%
(i) Excess/(Deficiency) (g-h)	14.5%	9.5%	10.6%	15.0%	9.5%	15.0%
(j) Core Capital / total risk weighted assets	17.1%	15.4%	15.2%	14.9%	15.4%	14.9%
(k) Minimum Statutory Ratio	8.0%	10.5%	10.5%	10.5%	10.5%	10.5%
(l) Excess (Deficiency) (j-k)	9.1%	4.9%	4.7%	4.4%	4.9%	4.4%
(m) Total Capital/total risk weighted assets	17.6%	16.3%	16.0%	15.7%	16.3%	15.7%
(n) Minimum statutory Ratio	12.0%	14.5%	14.5%	14.5%	14.5%	14.5%
(o) Excess/(Deficiency) (m-n)	5.6%	1.8%	1.5%	1.2%	1.8%	1.2%
						