

**UNAUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30 SEPTEMBER 2015**

	30 Sept 2014 KShs '000' (Unaudited)	31 Dec 2014 KShs '000' (Audited)	31 March 2015 KShs '000' (Unaudited)	30 June 2015 KShs '000' (Unaudited)	30 Sept 2015 KShs '000' (Unaudited)
<b>I STATEMENT OF FINANCIAL POSITION</b>					
<b>A ASSETS</b>					
1 Cash (both Local & Foreign)	232,316	307,872	191,359	209,441	332,095
2 Balances due from Central Bank of Kenya	490,218	266,747	439,115	780,123	624,528
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:					
a. Kenya Government securities	541,900	535,528	894,113	641,229	540,125
b. Other securities	-	-	250,000	250,000	250,000
b) Available for sale:	261,827	343,438	493,408	593,409	543,735
a. Kenya Government securities	261,827	343,438	493,408	593,409	543,735
b. Other securities	-	-	-	-	-
6 Deposits and balances due from local banking institutions	897,491	1,828,445	1,807,861	997,287	1,047,586
7 Deposits and balances due from banking institutions abroad	11,456	973,023	110,424	150,993	66,699
8 Tax recoverable	423	424	-	-	-
9 Loans and advances to customers (net)	5,050,580	6,189,799	6,705,673	8,817,643	10,092,913
10 Balances due from banking institutions in the group	-	-	-	-	-
11 Investments in associates	-	518,570	613,345	616,973	616,973
12 Investments in subsidiary companies	-	-	-	-	5,324
13 Investments in joint ventures	-	-	-	-	-
14 Investment properties	-	-	-	-	-
15 Property and equipment	500,933	568,093	588,898	578,433	570,554
16 Prepaid lease rentals	101	8,193	6,160	7,041	5,450
17 Intangible assets	808,934	963,133	966,000	815,105	967,886
18 Deferred tax asset	47,774	-	-	-	-
20 Other assets	593,452	614,628	657,790	1,438,795	1,378,477
<b>21 TOTAL ASSETS</b>	<b>9,437,406</b>	<b>13,117,893</b>	<b>13,724,146</b>	<b>15,896,471</b>	<b>17,042,346</b>
<b>B LIABILITIES</b>					
23 Customer deposits	5,343,552	8,484,930	8,568,688	9,885,906	11,380,881
24 Deposits and balances due to local banking institutions	519,369	269,589	630,029	1,053,552	844,124
27 Borrowed funds	120,000	404,740	631,731	667,556	1,242,951
31 Deferred tax liability	-	45,190	45,190	45,190	45,190
33 Other liabilities	1,146,404	807,937	721,588	1,093,512	361,748
<b>34 TOTAL LIABILITIES</b>	<b>7,129,325</b>	<b>10,012,392</b>	<b>10,597,226</b>	<b>12,745,715</b>	<b>13,874,894</b>
<b>C SHAREHOLDERS' FUNDS</b>					
35 Paid up /Assigned capital	1,796,671	1,190,922	1,190,922	1,190,893	1,190,893
36 Share premium/(discount)	421,272	1,822,837	1,822,837	1,822,837	1,822,837
37 Revaluation reserves	63,313	101,711	100,572	100,572	100,572
38 Retained earnings/Accumulated losses	(8,765)	(61,255)	(39,873)	(15,972)	724
39 Statutory loan loss reserves	35,590	51,285	51,286	51,286	51,286
40 Other Reserves	-	-	1,140	-	1,140
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>2,308,081</b>	<b>3,105,500</b>	<b>3,126,920</b>	<b>3,150,756</b>	<b>3,167,452</b>
44 Minority Interest	-	-	-	-	-
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>9,437,406</b>	<b>13,117,892</b>	<b>13,724,146</b>	<b>15,896,471</b>	<b>17,042,345</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>					
<b>1.0 INTEREST INCOME</b>					
1.1 Loans and advances	620,625	858,524	256,874	646,177	968,243
1.2 Government securities	34,265	69,922	19,616	58,427	95,727
1.3 Deposits and placements with banking institutions	84,297	112,687	37,583	9,460	147,990
1.4 Other Interest Income	-	-	-	-	-
<b>1.5 Total interest income</b>	<b>739,188</b>	<b>1,041,133</b>	<b>314,073</b>	<b>714,065</b>	<b>1,211,959</b>
<b>2.0 INTEREST EXPENSE</b>					
2.1 Customer deposits	223,111	448,510	154,210	351,686	611,474
2.2 Deposits and placement from banking institutions	5,256	9,116	788	14,470	118,003
2.3 Other interest expenses	101,585	-	26,066	55,798	-
<b>2.4 Total interest expenses</b>	<b>329,951</b>	<b>457,626</b>	<b>181,064</b>	<b>421,954</b>	<b>729,477</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>409,237</b>	<b>583,507</b>	<b>133,009</b>	<b>292,110</b>	<b>482,482</b>
<b>4.0 NON-INTEREST INCOME</b>					
4.1 Fees and commissions on loans and advances	64,174	97,468	34,395	94,682	143,694
4.2 Other fees and commissions	74,005	99,160	38,322	74,813	114,849
4.3 Foreign exchange trading income/(Loss)	13,386	33,217	1,252	10,958	30,157
4.5 Other income	27,555	132,139	28,609	34,768	35,025
<b>4.6 Total Non-interest income</b>	<b>179,120</b>	<b>361,984</b>	<b>102,578</b>	<b>215,221</b>	<b>323,725</b>
<b>5.0 Total OPERATING INCOME</b>	<b>588,357</b>	<b>945,491</b>	<b>235,587</b>	<b>507,331</b>	<b>806,207</b>
<b>6.0 OTHER OPERATING EXPENSES</b>					
6.1 Loan loss provision	53,256	121,010	20,991	46,026	83,013
6.2 Staff costs	216,670	291,045	102,188	212,822	323,220
6.3 Directors' emoluments	20,256	25,500	10,197	20,393	36,937
6.4 Rental charges	27,686	39,016	11,521	23,490	37,944
6.5 Depreciation charge on property and equipment	20,243	36,411	13,937	26,468	38,155
6.6 Amortisation charges	9,553	11,028	3,174	7,885	17,189
6.7 Other operating expenses	183,545	325,211	52,161	124,964	206,960
<b>6.8 Total Other Operating Expenses</b>	<b>531,208</b>	<b>849,221</b>	<b>214,169</b>	<b>462,048</b>	<b>744,228</b>
<b>7.0 Profit/(Loss) Before Tax and Exceptional Items</b>	<b>57,149</b>	<b>96,270</b>	<b>21,418</b>	<b>45,283</b>	<b>61,979</b>
8.0 Exceptional Items	-	-	-	-	-
<b>9.0 Profit/(Loss) After Exceptional Items</b>	<b>57,149</b>	<b>96,270</b>	<b>21,418</b>	<b>45,283</b>	<b>61,979</b>
10.0 Current Tax	-	76,582	-	-	-
<b>12.0 Profit/(Loss) After Tax and Exceptional Items</b>	<b>57,149</b>	<b>19,688</b>	<b>21,418</b>	<b>45,283</b>	<b>61,979</b>
13.0 Minority Interest	-	-	-	-	-
<b>14.0 Profit/(loss) after tax, exceptional items and Minority Interest</b>	<b>57,149</b>	<b>19,688</b>	<b>21,418</b>	<b>45,283</b>	<b>61,979</b>
<b>15.0 Other Comprehensive Income</b>					
15.2 Fair value changes in available for sale financial assets	-	1,140	-	-	-
15.3 Revaluation surplus on Property,plant and equipment	-	38,221	-	-	-
<b>16.0 Other Comprehensive Income for the year net of tax</b>	<b>-</b>	<b>39,361</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>17.0 Total comprehensive income for the year</b>	<b>57,149</b>	<b>59,049</b>	<b>21,418</b>	<b>45,283</b>	<b>61,979</b>
<b>18.0 EARNINGS PER SHARE- BASIC &amp; DILUTED</b>					
<b>19.0 DIVIDEND PER SHARE -DECLARED</b>					
<b>III OTHER DISCLOSURES</b>					
<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>					
(a) Gross Non-performing loans and advances	660,832	602,163	610,760	613,409	589,859
(b) Less: Interest in Suspense	57,057	88,752	127,757	153,250	204,880
<b>(c) Total Non-Performing Loans and Advances (a-b)</b>	<b>603,775</b>	<b>513,411</b>	<b>483,003</b>	<b>460,159</b>	<b>384,979</b>
(d) Less: Loan Loss Provision	200,481	185,627	201,220	213,137	334,676
<b>(e) Net Non-Performing Loans and Advances (c-d)</b>	<b>403,293</b>	<b>327,784</b>	<b>281,783</b>	<b>247,022</b>	<b>50,303</b>
(f) Discounted Value of Securities	403,293	327,784	281,783	247,022	50,303
<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	281,236	438,939	431,313	310,268	404,193
(b) Employees	178,518	176,559	196,627	205,774	195,317
<b>(c) Total Insider Loans and Advances and other facilities</b>	<b>459,754</b>	<b>615,498</b>	<b>627,940</b>	<b>516,042</b>	<b>599,510</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>					
(a) Letters of credit, guarantees, acceptances	130,217	154,873	154,873	154,873	154,873
(b) Forwards, swaps and options	-	-	-	-	-
(c) Other contingent liabilities	-	-	-	-	-
<b>(d) Total Contingent Liabilities</b>	<b>130,217</b>	<b>154,873</b>	<b>154,873</b>	<b>154,873</b>	<b>154,873</b>
<b>4.0 CAPITAL STRENGTH</b>					
(a) Core capital	1,424,566	2,196,566	2,208,414	2,220,318	2,227,532
(b) Minimum Statutory Capital	700,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>(c) Excess/(Deficiency)(a-b)</b>	<b>724,566</b>	<b>1,196,566</b>	<b>1,208,414</b>	<b>1,220,318</b>	<b>1,227,532</b>
(d) Supplementary Capital	51,418	76,713	76,429	76,429	76,714
<b>(e) Total Capital (a+d)</b>	<b>1,475,984</b>	<b>2,273,279</b>	<b>2,284,843</b>	<b>2,296,747</b>	<b>2,304,246</b>
(f) Total risk weighted assets	6,572,989	8,708,542	10,017,966	13,021,551	15,420,120
<b>(g) Core Capital/Total deposits Liabilities</b>	<b>26.7%</b>	<b>25.9%</b>	<b>26.0%</b>	<b>22.5%</b>	<b>19.6%</b>
(h) Minimum statutory Ratio	8.0%	10.5%	10.5%	10.5%	10.5%
(i) Excess/(Deficiency) (g-h)	18.7%	15.4%	15.5%	12.0%	9.1%
<b>(j) Core Capital / total risk weighted assets</b>	<b>21.7%</b>	<b>25.2%</b>	<b>22.0%</b>	<b>17.1%</b>	<b>14.4%</b>
(k) Minimum Statutory Ratio	8.0%	10.5%	10.5%	10.5%	10.5%
(l) Excess (Deficiency) (j-k)	13.7%	14.7%	11.5%	6.6%	3.9%
<b>(m) Total Capital/total risk weighted assets</b>	<b>22.5%</b>	<b>26.1%</b>	<b>22.8%</b>	<b>17.6%</b>	<b>14.9%</b>
(n) Minimum statutory Ratio	12.0%	14.5%	14.5%	14.5%	14.5%
(o) Excess/(Deficiency) (m-n)	10.5%	11.6%	8.3%	3.1%	0.4%
<b>14 LIQUIDITY</b>					
<b>14.1 (a) Liquidity Ratio</b>	<b>35.3%</b>	<b>49.4%</b>	<b>38.6%</b>	<b>23.3%</b>	<b>23.1%</b>
14.2 (b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%
14.3 (c) Excess (Deficiency) (a-b)	15.3%	29.4%	18.6%	3.3%	3.1%

The financial statements are extracts from the books of institution

Signed by:  
**James Gacheru**  
Chairman

**Samuel Kimani**  
Chief Executive Officer