

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31ST DECEMBER 2015

I STATEMENT OF FINANCIAL POSITION		BANK 31 Dec 2014 KShs '000' (Audited)	BANK 31 Dec 2015 KShs '000' (Audited)	GROUP 31 Dec 2015 KShs '000' (Audited)
A ASSETS				
1	Cash (both Local & Foreign)	307,872	417,801	417,801
2	Balances with Central Bank of Kenya	266,747	668,206	668,206
3	Kenya Government & other Securities held for dealing purposes	-	-	-
4	Financial Assets at Fair Value through Profit & Loss	-	-	-
5	Investment Securities:			
	(i) Held to Maturity:			
	(a) Kenya Government Securities	535,528	817,860	817,860
	(b) Other Securities	-	-	-
	(ii) Available for Sale:			
	(a) Kenya Government Securities	343,438	196,581	196,581
	(b) Other Securities	-	150,000	150,000
6	Deposits and Balances due from Local Banking Institutions	1,828,445	1,045,605	1,045,605
7	Deposits and Balances due from Banking Institutions Abroad	973,023	40,570	40,570
8	Tax Recoverable	424	424	424
9	Loans and Advances to Customers (Net)	6,189,799	10,155,694	10,155,694
10	Balances due from Banking Institutions in the Group	-	-	-
11	Investments in Associates	518,570	629,134	629,134
12	Investments in Subsidiary Companies	-	3,460	-
13	Investments in Joint ventures	-	-	-
14	Investment Properties	-	-	-
15	Property, Plant and Equipment	568,093	621,841	621,841
16	Prepaid Lease Rentals	8,193	3,665	3,665
17	Intangible Assets	963,133	948,865	948,865
18	Deferred Tax Asset	-	-	-
19	Retirement Benefit Asset	-	-	-
20	Other Assets	614,628	1,081,838	1,084,879
	TOTAL ASSETS	13,117,893	16,781,543	16,781,124
B LIABILITIES				
21	Balances due to Central Bank of Kenya	-	-	-
22	Customer Deposits	8,484,930	10,945,980	10,931,651
23	Deposits and Balances due to Local Banking Institutions	269,589	689,836	689,836
24	Deposits and Balances due to Foreign Banking Institutions	-	-	-
25	Other Money Market Deposits	-	-	-
26	Borrowed Funds	1,004,746	1,648,975	1,648,975
27	Balances due to Banking Institutions Group Companies	-	-	-
28	Tax Payable	-	-	396
29	Dividends Payable	-	-	-
30	Deferred Tax Liability	45,190	81,197	81,197
31	Retirement Benefit Liability	-	-	-
32	Other liabilities	207,966	252,765	263,632
	TOTAL LIABILITIES	10,012,421	13,618,752	13,615,686
C SHAREHOLDERS' FUNDS				
33	Paid Up/ Assigned Capital	1,190,893	1,190,893	1,190,893
34	Share Premium (Discount)	1,822,837	1,822,837	1,822,837
35	Revaluation Reserves	101,711	142,904	142,904
36	Retained Earnings/Accumulated Losses	(61,255)	(69,257)	(66,610)
37	Statutory Loan Reserves	51,285	77,987	77,987
38	Other Reserves	-	(2,573)	(2,573)
39	Proposed Dividends	-	-	-
40	Capital Grants	-	-	-
	TOTAL SHAREHOLDERS' FUNDS	3,105,471	3,162,791	3,165,438
41	Minority Interest	-	-	-
	TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	13,117,893	16,781,543	16,781,124

II STATEMENT OF COMPREHENSIVE INCOME		BANK 31 Dec 2014 KShs '000' (Audited)	BANK 31 Dec 2015 KShs '000' (Audited)	GROUP 31 Dec 2015 KShs '000' (Audited)
INTEREST INCOME				
1	Loans and Advances	858,524	1,545,367	1,545,367
2	Government Securities	69,922	124,522	124,522
3	Deposits and Placements with Banking Institutions	112,687	214,132	214,132
4	Other Interest Income	-	-	-
	Total Interest Income	1,041,133	1,883,822	1,883,822
INTEREST EXPENSE				
5	Customer Deposits	448,510	1,151,065	1,151,063
6	Deposits and Placements from Banking Institutions	9,116	-	-
7	Other Interest Expenses	-	-	-
	Total Interest Expenses	457,626	1,151,063	1,151,063
	NET INTEREST INCOME /LOSS	583,507	732,759	732,759
NON INTEREST INCOME				
8	Fees and Commissions on Loans and Advances	97,468	175,650	175,650
9	Other Fees and Commissions	99,160	160,424	166,251
10	Foreign Exchange Trading Income (Loss)	33,217	18,119	18,119
11	Dividend Income	-	-	-
12	Other Income	132,139	49,501	49,862
	Total Non-Interest Income	361,984	403,694	409,882
	TOTAL OPERATING INCOME	945,491	1,136,453	1,142,641
OPERATING EXPENSES				
13	Loan Loss Provision	121,010	138,093	138,093
14	Staff Costs	291,045	445,292	445,292
15	Directors' Emoluments	25,500	44,702	44,702
16	Rental Charges	39,016	135,379	135,379
17	Depreciation Charge on Property and Equipment	36,411	91,481	91,481
18	Amortisation Charges	11,028	51,000	51,000
19	Other Operating Expenses	325,211	218,088	216,494
	Total Operating Expenses	849,221	1,100,035	1,102,441
	Profit/(Loss) Before Tax and Exceptional Items	96,270	36,418	40,200
20	Exceptional Items	-	-	-
	Profit/(Loss) After Exceptional Items	96,270	36,418	40,200
21	Current tax	-	-	1,135
22	Deferred tax	76,582	18,681	18,681
	Profit/(Loss) After Tax and Exceptional Items	172,852	55,100	60,016
23	Minority Interest	-	-	20,384
	Profit/(Loss) After Tax, Exceptional Items & Minority Interest	172,852	55,100	80,400
Other Comprehensive Income:				
24	Gains/(Losses) from Translating the Financial Statements of Foreign Operations	-	-	-
25	Fair Value changes in Available-to-sale Financial Assets	1,140	(3,712)	(3,712)
26	Revaluation Surplus on Property, Plant and Equipment	38,222	43,294	43,294
27	Share of other Comprehensive Income of Associates	-	-	-
28	Income Tax Relating to Components of other Comprehensive Income	-	-	-
	Other Comprehensive Income for the Year Net of Tax	39,362	39,582	39,582
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	212,214	94,682	119,982
EARNINGS PER SHARE- BASIC & DILUTED				
DIVIDEND PER SHARE-DECLARED				

III OTHER DISCLOSURES		BANK 31 Dec 2014 KShs '000' (Audited)	BANK 31 Dec 2015 KShs '000' (Audited)	GROUP 31 Dec 2015 KShs '000' (Audited)
1.0 NON-PERFORMING LOANS AND ADVANCES				
1.1	(a) Gross Non-Performing Loans and Advances	602,163	777,949	777,949
1.2	(b) Less Interest in Suspense	(88,752)	(252,407)	(252,407)
1.3	(c) Total Non-Performing Loans and Advances (a-b)	513,411	525,542	525,542
1.4	(d) Less Loan Losses Provision	(85,627)	(358,550)	(358,550)
1.5	(e) Net Non-Performing Loans and Advances (c-d)	327,784	166,992	166,992
1.6	(f) Discounted Value of Securities	327,784	166,992	166,992
1.7	(g) Net NPLs Exposure (e-f)	-	-	-
2.0 INSIDER LOANS AND ADVANCES				
2.1	(a) Directors, Shareholders and Associates	438,939	390,292	390,292
2.2	(b) Employees	176,559	273,890	273,890
2.3	(c) Total Insider Loans and Advances and other facilities	615,498	664,182	664,182
3.0 OFF-BALANCE SHEET ITEMS				
3.1	(a) Letters of credit, Guarantees & Acceptances	154,873	155,007	155,007
3.2	(b) Forwards Swaps & Options	-	-	-
3.3	(c) Other Contingent Liabilities	-	-	-
3.4	(d) Total Contingent Liabilities	154,873	155,007	155,007
4.0 CAPITAL STRENGTH				
4.1	(a) Core capital	2,196,566	2,185,962	2,185,962
4.2	(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000
4.3	(c) Excess/ (Deficiency) (a-b)	1,196,566	1,185,962	1,185,962
4.4	(d) Supplementary Capital	76,713	113,713	113,713
4.5	(e) Total Capital (a+d)	2,273,279	2,299,675	2,299,675
4.6	(f) Total risk weighted assets	8,708,542	14,150,605	14,150,605
4.7	(g) Core Capital/Total Deposit Liabilities	25.9%	20.0%	20.0%
4.8	(h) Minimum Statutory Ratio	10.5%	10.5%	10.5%
4.9	(i) Excess/ (Deficiency) (g-h)	15.4%	9.5%	9.5%
4.10	(j) Core Capital / Total Risk Weighted Assets	25.2%	15.4%	15.4%
4.1	(k) Minimum Statutory Ratio	8.0%	10.5%	10.5%
4.1	(l) Excess/(Deficiency) (j-k)	17.2%	4.9%	4.9%
4.1	(m) Total Capital/Total Risk Weighted Assets	26.1%	16.3%	16.3%
4.1	(n) Minimum statutory Ratio	12.0%	14.5%	14.5%
4.2	(o) Excess/(Deficiency) (m-n)	14.1%	1.8%	1.8%
5.0 LIQUIDITY				
5.1	(a) Liquidity Ratio	49.4%	23.0%	23.0%
5.2	(b) Minimum Statutory Ratio	20.0%	20.0%	20.0%
5.3	(c) Excess/(Deficiency) (a-b)	29.4%	3.0%	3.0%

The above statement of financial position, statement of comprehensive income and other disclosures are extracts from the books of the bank as audited by Messrs. Deloitte & Touche, Certified Public Accountants who expressed an unqualified opinion.

Signed by:
James Gacheru
Chairman

Samuel Kimani
Chief Executive Officer

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