

**UN-AUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 31 MARCH 2017**

I STATEMENT OF FINANCIAL POSITION	Bank		Group			
	31-Mar-2016 Ksh '000 (Unaudited)	31-Dec-2016 Ksh '000 (Audited)	31-Mar-2017 Ksh '000 (Unaudited)	31-Mar-2016 Ksh '000 (Unaudited)	31-Dec-2016 Ksh '000 (Audited)	31-Mar-2017 Ksh '000 (Unaudited)
<b>A ASSETS</b>						
1 Cash (both Local & Foreign)	476,615	258,537	239,651	492,697	258,537	239,651
2 Balances due from Central Bank of Kenya	745,860	432,602	52,286	745,860	432,602	52,286
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	821,220	869,316	834,621	821,220	869,316	834,621
b. Other securities	821,220	869,316	834,621	821,220	869,316	834,621
b) Available for sale:						
a. Kenya Government securities	217,155	196,581	224,380	217,155	196,581	224,380
b. Other securities	217,155	196,581	224,380	217,155	196,581	224,380
6 Deposits and balances due from local banking institutions	1,046,512	919,474	882,179	1,147,082	919,474	882,179
7 Deposits and balances due from banking institutions abroad	33,151	72,209	25,953	33,151	72,209	25,953
8 Tax recoverable	-	109	-	-	114	88
9 Loans and advances to customers (net)	10,475,298	9,356,471	9,377,467	10,475,298	9,356,471	9,377,467
10 Balances due from banking institutions in the group	-	-	-	-	-	-
11 Investments in associates	729,134	226,655	226,655	629,134	226,655	226,655
12 Investments in subsidiary companies	6,653	103,902	1,139	-	-	-
13 Investments in joint ventures	-	-	-	-	-	-
14 Investment properties	-	742,000	742,000	-	742,000	742,000
15 Property and equipment	614,314	398,739	449,061	614,314	502,509	562,786
16 Prepaid lease rentals	-	-	-	-	-	-
17 Intangible assets	936,906	872,950	858,481	936,906	872,950	858,481
18 Deferred tax asset	-	240,814	240,814	-	240,814	240,814
19 Retirement benefit asset	-	-	-	-	-	-
20 Other assets	1,178,960	1,033,896	1,181,810	1,181,805	1,089,642	1,085,083
<b>21 TOTAL ASSETS</b>	<b>17,281,779</b>	<b>15,724,254</b>	<b>15,336,497</b>	<b>17,294,621</b>	<b>15,779,873</b>	<b>15,352,443</b>
<b>B LIABILITIES</b>						
22 Balances due to Central Bank of Kenya	-	950,000	1,385,531	-	950,000	1,385,531
23 Customer deposits	10,555,518	8,950,000	6,560,357	10,555,518	8,022,225	6,530,086
24 Deposits and balances due to local banking institutions	1,319,668	152,243	449,249	1,319,668	152,243	449,249
25 Deposits and balances due to foreign banking institutions	-	-	-	-	-	-
26 Other money market deposits	-	-	-	-	-	-
27 Borrowed funds	1,626,954	2,180,409	2,123,963	1,626,954	2,180,409	2,123,963
28 Balances due to banking institutions in the group	-	-	-	-	-	-
29 Tax payable	-	-	-	365	20	-
30 Dividends payable	-	-	-	-	-	-
31 Deferred tax liability	82,424	-	-	82,424	-	-
32 Retirement benefit liability	-	-	-	-	-	-
33 Other liabilities	530,904	756,424	1,328,075	541,805	834,555	1,163,070
<b>34 TOTAL LIABILITIES</b>	<b>14,115,469</b>	<b>12,314,176</b>	<b>11,847,175</b>	<b>14,126,734</b>	<b>12,187,450</b>	<b>11,855,899</b>
<b>C SHAREHOLDERS' FUNDS</b>						
35 Paid up / Assigned capital	1,190,893	1,405,253	1,405,253	1,190,893	1,405,253	1,405,253
36 Share premium/(discount)	1,822,837	2,205,904	2,205,904	1,822,837	2,205,904	2,205,904
37 Revaluation reserves	143,866	142,904	141,942	143,866	142,904	141,942
38 Retained earnings/(Accumulated losses)	(66,700)	(225,604)	(325,399)	(65,123)	(223,261)	(318,177)
39 Statutory loan loss reserves	77,986	66,934	66,935	77,986	66,934	66,935
40 Other Reserves	(2,573)	(5,312)	(5,312)	(2,573)	(5,312)	(5,312)
41 Proposed dividends	-	-	-	-	-	-
42 Capital grants	-	-	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>3,166,310</b>	<b>3,590,079</b>	<b>3,489,323</b>	<b>3,167,887</b>	<b>3,592,422</b>	<b>3,496,545</b>
44 Minority Interest	-	-	-	-	-	-
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>17,281,779</b>	<b>15,724,254</b>	<b>15,336,497</b>	<b>17,294,621</b>	<b>15,779,873</b>	<b>15,352,443</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>						
<b>1.0 INTEREST INCOME</b>						
1.1 Loans and advances	537,214	1,910,861	358,492	537,214	1,910,861	358,492
1.2 Government securities	29,580	112,657	28,119	29,580	112,657	28,119
1.3 Deposits and placements with banking institutions	48,834	139,044	28,307	48,834	139,044	28,307
1.4 Other interest income	-	-	-	-	-	-
<b>1.5 Total Interest income</b>	<b>615,628</b>	<b>2,162,562</b>	<b>414,918</b>	<b>615,628</b>	<b>2,162,562</b>	<b>414,918</b>
<b>2.0 INTEREST EXPENSE</b>						
2.1 Customer deposits	374,431	1,127,221	220,682	374,431	1,127,221	220,682
2.2 Deposits and placement from banking institutions	18,568	105,936	21,737	18,568	105,936	21,737
2.3 Other interest expenses	30,213	207,816	83,378	30,213	207,816	83,378
<b>2.4 Total Interest expenses</b>	<b>423,212</b>	<b>1,441,073</b>	<b>325,798</b>	<b>423,212</b>	<b>1,441,073</b>	<b>325,798</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>192,416</b>	<b>721,489</b>	<b>89,121</b>	<b>192,416</b>	<b>721,489</b>	<b>89,121</b>
<b>4.0 NON-INTEREST INCOME</b>						
4.1 Fees and commissions on loans and advances	34,834	48,022	7,688	34,834	49,546	10,344
4.2 Other fees and commissions	20,444	180,345	45,242	20,444	187,787	45,242
4.3 Foreign exchange trading income/(Loss)	1,980	1,333	3,447	1,980	1,333	3,447
4.4 Dividend Income	-	-	-	-	-	-
4.5 Other income	8,863	328,667	8,210	10,986	339,751	17,860
4.6 Total Non-interest income	66,120	558,367	64,587	68,243	578,417	76,894
<b>5.0 TOTAL OPERATING INCOME</b>	<b>258,536</b>	<b>1,279,856</b>	<b>153,707</b>	<b>260,659</b>	<b>1,299,906</b>	<b>166,014</b>
<b>6.0 OTHER OPERATING EXPENSES</b>						
6.1 Non-interest provision	8,606	313,878	33,309	8,606	313,878	33,309
6.2 Staff costs	113,453	412,591	89,628	116,072	424,476	92,865
6.3 Directors' emoluments	12,605	63,913	12,973	12,605	63,913	12,973
6.4 Rental charges	15,239	57,380	13,399	37,710	57,380	13,399
6.5 Depreciation charge on property and equipment	14,085	57,536	14,480	14,085	62,326	18,399
6.6 Amortisation charges	13,949	94,322	14,469	13,949	94,322	14,469
6.7 Other operating expenses	78,041	770,560	76,205	56,145	773,327	77,344
<b>6.8 Total Other Operating Expenses</b>	<b>255,978</b>	<b>1,770,179</b>	<b>254,463</b>	<b>259,172</b>	<b>1,789,635</b>	<b>262,847</b>
<b>6.9 Profit/(Loss) Before Tax and Exceptional Items</b>	<b>2,558</b>	<b>(490,323)</b>	<b>(100,756)</b>	<b>1,487</b>	<b>(489,717)</b>	<b>(96,833)</b>
7.0 Profit/(Loss) After Exceptional Items	2,558	(490,323)	(100,756)	1,487	(489,717)	(96,833)
7.1 Current Tax	-	315	-	-	1,225	-
7.2 Deferred Tax	-	(323,238)	-	-	(323,238)	-
<b>7.3 Profit/(Loss) After Tax and Exceptional Items</b>	<b>2,558</b>	<b>(167,400)</b>	<b>(100,756)</b>	<b>1,487</b>	<b>(167,704)</b>	<b>(96,833)</b>
8.0 Minority Interest	-	-	-	-	-	-
<b>14.0 Profit/(Loss) after tax, exceptional items and Minority Interest</b>	<b>2,558</b>	<b>(167,400)</b>	<b>(100,756)</b>	<b>1,487</b>	<b>(167,704)</b>	<b>(96,833)</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	-	(2,740)	-	-	(2,740)	-
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	-	-	-	-	-	-
<b>16.0 Other Comprehensive Income for the year net of tax</b>	<b>(2,740)</b>	<b>(2,740)</b>	<b>(2,740)</b>	<b>(2,740)</b>	<b>(2,740)</b>	<b>(2,740)</b>
<b>17.0 Total comprehensive income for the year</b>	<b>2,558</b>	<b>(170,140)</b>	<b>(100,756)</b>	<b>1,487</b>	<b>(170,444)</b>	<b>(96,833)</b>
<b>18.0 EARNINGS PER SHARE - BASIC &amp; DILUTED</b>						
18.1 Basic	-	-	-	-	-	-
18.2 Diluted	-	-	-	-	-	-
<b>19.0 DIVIDEND PER SHARE - DECLARED</b>						
19.1 Basic	-	-	-	-	-	-
19.2 Diluted	-	-	-	-	-	-
<b>III OTHER DISCLOSURES</b>						
<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>						
(a) Gross Non-performing loans and advances	846,761	2,141,177	2,017,524	846,761	2,141,177	2,017,524
(b) Less: Interest in Suspense	283,505	532,120	603,992	283,505	532,120	603,992
<b>(c) Total Non-Performing Loans and Advances (a-b)</b>	<b>563,256</b>	<b>1,609,057</b>	<b>1,413,532</b>	<b>563,256</b>	<b>1,609,057</b>	<b>1,413,532</b>
(d) Less: Loan Loss Provision	257,592	608,691	633,103	257,592	608,691	633,103
<b>(e) Net Non-Performing Loans and Advances (c-d)</b>	<b>305,664</b>	<b>1,000,366</b>	<b>780,429</b>	<b>305,664</b>	<b>1,000,366</b>	<b>780,429</b>
(f) Discounted Value of Securities	178,301	912,555	804,126	178,301	912,555	804,126
<b>(g) Net NPLs Exposure (e-f)</b>	<b>127,363</b>	<b>87,811</b>	<b>(23,677)</b>	<b>127,363</b>	<b>87,811</b>	<b>(23,677)</b>
<b>2.0 INSIDER LOANS AND ADVANCES</b>						
(a) Directors, Shareholders and Associates	492,348	331,817	398,362	492,348	331,817	398,362
(b) Employees	271,082	253,367	240,777	271,082	253,367	240,777
<b>(c) Total Insider Loans and Advances and other facilities</b>	<b>763,430</b>	<b>585,184</b>	<b>639,139</b>	<b>763,430</b>	<b>585,184</b>	<b>639,139</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>						
(a) Letters of credit/guarantees, acceptances	155,007	582,339	967,256	155,007	582,339	967,256
(b) Forwards, swaps and options	-	-	-	-	-	-
(c) Other contingent liabilities	-	-	-	-	-	-
(d) Total Contingent Liabilities	155,007	582,339	967,256	155,007	582,339	967,256
<b>4.0 CAPITAL STRENGTH</b>						
(a) Core capital	2,224,487	2,686,105	2,359,288	2,224,487	2,686,105	2,359,288
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
(c) Excess/(Deficiency) (a-b)	1,224,487	1,686,105	1,359,288	1,224,487	1,686,105	1,359,288
(d) Supplementary Capital	-	102,660	102,420	-	113,953	102,420
<b>(e) Total Capital (a+d)</b>	<b>2,234,487</b>	<b>2,788,765</b>	<b>2,461,708</b>	<b>2,234,487</b>	<b>2,788,765</b>	<b>2,461,708</b>
(f) Total risk weighted assets	14,466,700	13,887,501	14,467,367	14,657,093	13,887,501	14,467,367
<b>(g) Core Capital/Total deposits Liabilities</b>	<b>21.0%</b>	<b>33.2%</b>	<b>16.3%</b>	<b>21.0%</b>	<b>33.2%</b>	<b>16.3%</b>
(h) Minimum statutory Ratio	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
(i) Excess/(Deficiency) (g-h)	13.0%	25.2%	8.3%	13.0%	25.2%	8.3%
<b>(j) Core Capital / Total risk weighted assets</b>	<b>15.4%</b>	<b>19.3%</b>	<b>16.3%</b>	<b>15.2%</b>	<b>19.3%</b>	<b>16.3%</b>
(k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
(l) Excess (Deficiency) (j-k)	4.9%	8.8%	5.8%	4.7%	8.8%	5.8%
<b>(m) Total Capital/total risk weighted assets</b>	<b>16.2%</b>	<b>20.1%</b>	<b>17.0%</b>	<b>16.0%</b>	<b>20.1%</b>	<b>17.0%</b>
(n) Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%
(o						