

### UN-AUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30 JUNE 2017

I	BALANCE SHEET	Bank			Group Consolidated			
		30-Jun-16 Ksh '000 Unaudited	31-Dec-16 Ksh '000 Audited	31-Mar-17 Ksh '000 Unaudited	30-Jun-17 Ksh '000 Unaudited	30-Jun-16 Ksh '000 Unaudited	31-Dec-17 Ksh '000 Audited	30-Jun-17 Ksh '000 Unaudited
<b>A</b>	<b>ASSETS</b>							
1	Cash (both Local & Foreign)	397,903	258,537	239,651	147,478	418,273	258,537	147,478
2	Balances due from Central Bank of Kenya	365,086	432,602	52,286	85,222	365,086	432,602	85,222
a)	Held to Maturity:	864,234	869,316	834,621	626,773	864,234	869,316	626,773
a.	Kenya Government securities	864,234	869,316	834,621	626,773	864,234	869,316	626,773
b)	Available for sale:	183,221	196,581	224,800	229,867	183,221	196,581	229,867
a.	Kenya Government securities	183,221	196,581	224,800	229,867	183,221	196,581	229,867
6	Deposits and balances due from local banking institutions	1,668,060	919,474	882,179	614,555	1,668,060	919,474	614,555
7	Deposits and balances due from banking institutions abroad	13,612	72,209	25,953	25,912	13,612	72,209	25,912
8	Tax recoverable	424	109	-	109	1,079	114	565
9	Loans and advances to customers (net)	10,260,147	9,356,471	9,377,467	9,059,503	10,260,147	9,356,471	9,059,503
11	Investments in associates	629,703	226,655	226,655	226,655	629,703	226,655	226,655
12	Investments in subsidiary companies	20,838	103,902	1,139	1,138	-	-	-
14	Investment properties	-	742,000	742,000	742,000	-	742,000	742,000
15	Property and equipment	623,470	398,739	449,061	443,212	640,460	502,509	603,492
17	Intangible assets	931,581	872,590	858,481	847,624	931,581	872,590	847,624
18	Deferred tax asset	-	240,814	240,814	240,814	-	240,814	240,814
20	Other assets	1,145,247	1,033,896	1,181,810	1,303,257	1,164,898	1,089,642	1,359,965
<b>21</b>	<b>TOTAL ASSETS</b>	<b>17,103,526</b>	<b>15,724,254</b>	<b>15,336,497</b>	<b>14,594,119</b>	<b>17,140,354</b>	<b>15,779,873</b>	<b>14,810,424</b>
<b>B</b>	<b>LIABILITIES</b>							
22	Balances due to Central Bank of Kenya	1,467,000	950,000	1,385,531	1,389,497	1,467,000	950,000	1,389,497
23	Customer deposits	8,674,596	8,095,100	6,560,357	6,211,219	8,674,596	8,070,223	6,175,995
24	Deposits and balances due to local banking institutions	371,395	152,243	449,249	601,730	371,395	152,243	601,730
27	Borrowed funds	2,776,616	2,180,409	2,123,963	2,014,957	2,776,616	2,180,409	2,014,957
29	Tax payable	-	-	-	-	-	20	-
31	Deferred tax liability	82,424	-	-	-	82,424	-	-
33	Other liabilities	582,326	756,424	1,328,075	994,348	617,764	834,555	1,236,160
<b>34</b>	<b>TOTAL LIABILITIES</b>	<b>13,954,357</b>	<b>12,134,176</b>	<b>11,847,175</b>	<b>11,211,751</b>	<b>13,989,795</b>	<b>12,187,450</b>	<b>11,418,340</b>
<b>C</b>	<b>SHAREHOLDERS' FUNDS</b>							
35	Paid up /Assigned capital	1,190,893	1,405,253	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	2,205,904	1,822,837	2,205,904	2,205,904
37	Revaluation reserves	143,866	142,904	141,942	141,942	143,866	142,904	141,942
38	Retained earnings/(Accumulated losses)	(83,840)	(225,604)	(325,399)	(432,353)	(82,450)	(223,261)	(422,673)
39	Statutory loan loss reserves	77,986	66,934	66,935	66,935	77,986	66,934	66,934
40	Other Reserves	(2,573)	(5,312)	(5,312)	(5,312)	(2,573)	(5,312)	(5,312)
<b>43</b>	<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>3,149,170</b>	<b>3,590,079</b>	<b>3,489,323</b>	<b>3,382,366</b>	<b>3,150,560</b>	<b>3,592,422</b>	<b>3,392,004</b>
44	Minority Interest	-	-	-	-	-	-	-
<b>45</b>	<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>17,103,526</b>	<b>15,724,254</b>	<b>15,336,497</b>	<b>14,594,119</b>	<b>17,140,354</b>	<b>15,779,873</b>	<b>14,810,424</b>
<b>II</b>	<b>PROFIT AND LOSS ACCOUNT</b>							
<b>1.0</b>	<b>INTEREST INCOME</b>							
1.1	Loans and advances	999,314	1,910,861	358,492	678,545	999,314	1,910,861	678,545
1.2	Government securities	58,232	112,657	28,119	53,602	58,232	112,657	53,602
1.3	Deposits and placements with banking institutions	84,880	139,044	28,307	49,286	84,880	139,044	49,286
<b>1.5</b>	<b>Total interest income</b>	<b>1,142,425</b>	<b>2,162,562</b>	<b>414,918</b>	<b>781,433</b>	<b>1,142,425</b>	<b>2,162,562</b>	<b>781,433</b>
<b>2.0</b>	<b>INTEREST EXPENSE</b>							
2.1	Customer deposits	649,948	1,127,221	220,682	412,912	649,948	1,127,221	412,912
2.2	Deposits and placement from banking institutions	40,997	105,936	21,737	62,290	40,997	105,936	62,290
2.3	Other interest expenses	76,900	207,916	83,378	161,298	76,900	207,916	161,298
<b>2.4</b>	<b>Total interest expenses</b>	<b>767,845</b>	<b>1,441,073</b>	<b>325,798</b>	<b>636,501</b>	<b>767,845</b>	<b>1,441,073</b>	<b>636,501</b>
<b>3.0</b>	<b>NET INTEREST INCOME/(LOSS)</b>	<b>374,580</b>	<b>721,489</b>	<b>89,121</b>	<b>144,932</b>	<b>374,580</b>	<b>721,489</b>	<b>144,932</b>
<b>4.0</b>	<b>NON-INTEREST INCOME</b>							
4.1	Fees and commissions on loans and advances	32,975	48,022	7,688	24,636	32,975	49,546	24,636
4.2	Other fees and commissions	80,512	180,345	45,242	100,368	80,512	187,787	106,367
4.3	Foreign exchange trading income/(Loss)	7,809	1,333	3,447	8,270	7,809	1,333	8,270
4.5	Other income	17,364	328,667	8,210	(2,771)	21,939	339,751	15,229
<b>4.6</b>	<b>Total non-interest income</b>	<b>138,660</b>	<b>558,367</b>	<b>64,587</b>	<b>130,503</b>	<b>143,401</b>	<b>578,417</b>	<b>155,202</b>
<b>5.0</b>	<b>TOTAL OPERATING INCOME</b>	<b>513,240</b>	<b>1,279,856</b>	<b>153,707</b>	<b>275,435</b>	<b>517,981</b>	<b>1,299,906</b>	<b>300,134</b>
<b>6.0</b>	<b>OTHER OPERATING EXPENSES</b>							
6.1	Loan loss provision	32,929	313,878	33,309	59,449	32,929	313,878	59,449
6.2	Staff costs	232,739	412,591	89,628	167,636	238,324	424,476	173,919
6.3	Directors' emoluments	17,825	63,913	12,973	25,123	17,825	63,913	25,123
6.4	Rental charges	27,681	57,380	13,399	26,368	27,681	57,380	26,368
6.5	Depreciation charge on property and equipment	28,621	57,536	14,480	28,073	28,970	62,326	34,514
6.6	Amortisation charges	27,906	94,322	14,469	28,377	27,906	94,322	28,377
6.7	Other operating expenses	160,122	770,560	76,205	148,119	160,186	773,327	150,692
<b>6.8</b>	<b>Total Other Operating Expenses</b>	<b>527,823</b>	<b>1,770,179</b>	<b>254,463</b>	<b>483,114</b>	<b>533,821</b>	<b>1,789,623</b>	<b>498,442</b>
<b>7.0</b>	<b>Profit/(Loss) Before Tax and Exceptional Items</b>	<b>(14,583)</b>	<b>(490,323)</b>	<b>(100,756)</b>	<b>(207,710)</b>	<b>(15,840)</b>	<b>(489,717)</b>	<b>(198,308)</b>
8.0	Exceptional Items	-	-	-	-	-	-	-
<b>9.0</b>	<b>Profit/(Loss) After Exceptional Items</b>	<b>(14,583)</b>	<b>(490,323)</b>	<b>(100,756)</b>	<b>(207,710)</b>	<b>(15,840)</b>	<b>(489,717)</b>	<b>(198,308)</b>
10.0	Current Tax	315	-	-	-	-	1,225	-
11.0	Deferred Tax	-	(323,238)	-	-	-	(323,238)	-
<b>12.0</b>	<b>Profit/(Loss) After Tax and Exceptional Items</b>	<b>(14,583)</b>	<b>(167,400)</b>	<b>(100,756)</b>	<b>(207,710)</b>	<b>(15,840)</b>	<b>(167,704)</b>	<b>(198,308)</b>
13.0	Minority Interest	-	-	-	-	-	-	-
<b>14.0</b>	<b>Profit/(Loss) after tax, exceptional items and Minority Interest</b>	<b>(14,583)</b>	<b>(167,400)</b>	<b>(100,756)</b>	<b>(207,710)</b>	<b>(15,840)</b>	<b>(167,704)</b>	<b>(198,308)</b>
<b>15.0</b>	<b>Other Comprehensive Income</b>							
15.2	Fair value changes in available for sale financial assets	-	(2,740)	-	-	-	(2,740)	-
<b>16.0</b>	<b>Other Comprehensive Income for the year net of tax</b>	<b>-</b>	<b>(2,740)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,740)</b>	<b>-</b>
<b>17.0</b>	<b>Total comprehensive income for the year</b>	<b>(14,583)</b>	<b>(170,140)</b>	<b>(100,756)</b>	<b>(207,710)</b>	<b>(15,840)</b>	<b>(170,444)</b>	<b>(198,308)</b>
<b>18.0</b>	<b>EARNINGS PER SHARE- BASIC &amp; DILUTED</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19.0</b>	<b>DIVIDEND PER SHARE -DECLARED</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III</b>	<b>OTHER DISCLOSURES</b>							
<b>1.0</b>	<b>NON-PERFORMING LOANS AND ADVANCES</b>							
(a)	Gross Non-performing loans and advances	990,530	2,141,177	2,017,524	2,032,553	990,530	2,141,177	2,032,553
(b)	Less: Interest in Suspense	384,404	532,120	603,992	714,305	384,404	532,120	714,305
<b>(c)</b>	<b>Total Non-Performing Loans and Advances (a-b)</b>	<b>606,126</b>	<b>1,609,057</b>	<b>1,413,532</b>	<b>1,318,248</b>	<b>606,126</b>	<b>1,609,057</b>	<b>1,318,248</b>
(d)	Less: Loan Loss Provision	399,897	608,691	633,103	651,786	399,897	608,691	651,786
<b>(e)</b>	<b>Net Non-Performing Loans and Advances(c-d)</b>	<b>206,229</b>	<b>1,000,366</b>	<b>780,429</b>	<b>666,462</b>	<b>206,229</b>	<b>1,000,366</b>	<b>666,462</b>
(f)	Discounted Value of Securities	152,634	912,555	804,106	454,320	152,634	912,555	454,320
<b>(g)</b>	<b>Net NPLs Exposure (e-f)</b>	<b>53,595</b>	<b>87,811</b>	<b>(23,677)</b>	<b>212,142</b>	<b>53,595</b>	<b>87,811</b>	<b>212,142</b>
<b>2.0</b>	<b>INSIDER LOANS AND ADVANCES</b>							
(a)	Directors, Shareholders and Associates	475,093	331,817	398,362	263,643	475,093	331,817	263,643
(b)	Employees	262,022	253,367	240,777	192,419	262,022	253,367	192,419
<b>(c)</b>	<b>Total Insider Loans and Advances and other facilities</b>	<b>737,115</b>	<b>585,184</b>	<b>639,139</b>	<b>456,062</b>	<b>737,115</b>	<b>585,184</b>	<b>456,062</b>
<b>3.0</b>	<b>OFF-BALANCE SHEET ITEMS</b>							
(a)	Letters of credit, guarantees, acceptances	155,007	582,339	967,256	1,064,829	155,096	582,339	1,064,829
(b)	Forwards, swaps and options	-	-	-	-	-	-	-
(c)	Other contingent liabilities	-	-	-	-	-	-	-
<b>(d)</b>	<b>Total Contingent Liabilities</b>	<b>155,007</b>	<b>582,339</b>	<b>967,256</b>	<b>1,064,829</b>	<b>155,096</b>	<b>582,339</b>	<b>1,064,829</b>
<b>4.0</b>	<b>CAPITAL STRENGTH</b>							
(a)	Core capital	2,213,644	2,686,105	2,359,288	2,252,333	2,213,644	2,686,105	2,252,333
(b)	Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
(c)	Excess/(Deficiency) (a-b)	<b>1,213,644</b>	<b>1,686,105</b>	<b>1,359,288</b>	<b>1,252,333</b>	<b>1,213,644</b>	<b>1,686,105</b>	<b>1,252,333</b>
(d)	Supplementary Capital	113,953	102,660	102,420	102,420	113,953	102,660	102,420
<b>(e)</b>	<b>Total Capital (a+d)</b>	<b>2,327,597</b>	<b>2,788,765</b>	<b>2,461,708</b>	<b>2,354,753</b>	<b>2,327,597</b>	<b>2,788,765</b>	<b>2,354,753</b>
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