

# UN-AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30TH JUNE 2016

## STATEMENT OF FINANCIAL POSITION

|  | BANK                  |                    |                       |                       | GROUP                 |                    |                       |                       |
|--|-----------------------|--------------------|-----------------------|-----------------------|-----------------------|--------------------|-----------------------|-----------------------|
|  | 30th June 2015        | 31st Dec 2015      | 31st Mar 2016         | 30th June 2016        | 30th June 2015        | 31st Dec 2015      | 31st Mar 2016         | 30th June 2016        |
|  | Shs '000 (Un-Audited) | Shs '000 (Audited) | Shs '000 (Un-Audited) | Shs '000 (Un-Audited) | Shs '000 (Un-Audited) | Shs '000 (Audited) | Shs '000 (Un-Audited) | Shs '000 (Un-Audited) |
| <b>A. ASSETS</b>   |                       |                    |                       |                       |                       |                    |                       |                       |
| 1. Cash (both local and foreign)                                   | 247,695               | 214,580            | 220,720               | 197,299               | 881,200               | 708,473            | 765,083               | 659,168               |
| 2. Balances with Central Bank of Kenya                             | 4,633,174             | 1,498,412          | 1,880,489             | 908,138               | 4,633,174             | 1,498,412          | 1,880,489             | 908,138               |
| 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:   |                       |                    |                       |                       |                       |                    |                       |                       |
| i) Kenya Government securities                                     | 3,139,732             | 2,268,532          | 1,529,805             | 1,544,843             | 3,139,732             | 2,268,532          | 1,529,805             | 1,544,843             |
| ii) Other securities   | 26,153                | -                  | -                     | -                     | 3,241,442             | 2,441,880          | 2,820,835             | 1,388,680             |
| b) Available for sale:   |                       |                    |                       |                       |                       |                    |                       |                       |
| i) Kenya Government securities                                     | 3,649,549             | 8,076,571          | 8,736,079             | 8,463,394             | 3,649,549             | 8,076,571          | 8,736,079             | 8,463,394             |
| ii) Other securities   | 145,790               | 106,531            | 107,371               | 107,371               | 145,790               | 106,531            | 110,873               | 107,371               |
| 6. Deposits and balances due from local banking institutions       | 1,626,248             | 601,145            | 322,893               | 85,840                | 1,626,248             | 601,145            | 322,893               | 85,840                |
| 7. Deposits and balances due from banking institutions abroad      | 1,125,935             | 237,663            | 62,016                | 901,405               | 2,886,763             | 2,828,002          | 2,568,159             | 3,848,324             |
| 8. Tax recoverable   | -                     | -                  | -                     | -                     | -                     | 78,678             | -                     | -                     |
| 9. Loans and advances to customers (net)                           | 11,207,219            | 12,422,326         | 12,181,966            | 12,444,979            | 18,288,203            | 19,606,520         | 19,709,887            | 19,368,853            |
| 10. Balances due from banking institutions in the group            | 206,161               | 3,323              | 3,323                 | 1,263                 | 206,161               | 195,695            | 167,636               | 1,263                 |
| 11. Investments in associates                                      | -                     | -                  | -                     | -                     | -                     | -                  | -                     | -                     |
| 12. Investments in subsidiary companies                            | 2,737,026             | 2,857,690          | 2,857,690             | 2,857,690             | -                     | -                  | -                     | -                     |
| 13. Investments in Joint Ventures                                  | -                     | -                  | -                     | -                     | -                     | -                  | -                     | -                     |
| 14. Investment properties  | -                     | -                  | -                     | -                     | -                     | -                  | -                     | -                     |
| 15. Property, plant and equipment                                  | 537,269               | 481,696            | 458,559               | 424,822               | 1,256,798             | 1,222,941          | 1,162,611             | 1,081,277             |
| 16. Prepaid lease rentals  | -                     | -                  | -                     | -                     | -                     | -                  | -                     | -                     |
| 17. Intangible assets  | 261,166               | 237,757            | 231,497               | 228,995               | 591,174               | 587,686            | 565,339               | 541,487               |
| 18. Deferred tax asset   | 19,867                | 108,781            | 133,701               | 126,129               | 207,286               | 387,254            | 387,288               | 376,461               |
| 19. Retirement benefit asset                                       | -                     | -                  | -                     | -                     | -                     | -                  | -                     | -                     |
| 20. Other assets   | 606,931               | 232,763            | 522,715               | 492,108               | 963,973               | 358,558            | 867,978               | 803,307               |
| <b>21. TOTAL ASSETS</b>  | <b>30,169,915</b>     | <b>29,374,062</b>  | <b>29,252,326</b>     | <b>28,784,276</b>     | <b>41,717,493</b>     | <b>40,964,878</b>  | <b>41,694,955</b>     | <b>39,178,430</b>     |
| <b>B. LIABILITIES</b>  |                       |                    |                       |                       |                       |                    |                       |                       |
| 22. Balances due to Central Bank of Kenya                          | -                     | -                  | -                     | -                     | -                     | -                  | -                     | -                     |
| 23. Customer deposits  | 16,581,418            | 15,489,590         | 17,570,586            | 17,095,525            | 27,351,078            | 26,371,497         | 29,054,255            | 27,449,357            |
| 24. Deposits and balances due to local banking institutions        | 226                   | 1,458,481          | 101,400               | -                     | 226                   | 1,750,802          | 101,400               | -                     |
| 25. Deposits and balances due to foreign banking institutions      | 946,482               | 683,406            | 16,750                | 520,520               | 1,127,828             | 683,573            | 475,823               | 550,751               |
| 26. Other money market deposits                                    | -                     | -                  | -                     | -                     | -                     | -                  | -                     | -                     |
| 27. Borrowed funds   | 195,976               | 196,077            | 200,691               | 196,077               | 277,287               | 284,587            | 284,253               | 196,077               |
| 28. Balances due to banking institutions in the group              | 4,321,048             | 3,248,412          | 2,685,887             | 2,192,427             | 4,321,048             | 3,251,737          | 2,688,866             | 2,195,197             |
| 29. Tax payable  | 16,877                | 4,215              | 65,635                | 36,253                | 16,877                | 4,215              | 65,635                | 36,253                |
| 30. Dividends Payable  | -                     | -                  | -                     | -                     | -                     | -                  | -                     | -                     |
| 31. Deferred tax liability   | -                     | -                  | 22,513                | 22,513                | 54,506                | 97,031             | 95,301                | 92,161                |
| 32. Retirement benefit liability                                   | -                     | -                  | -                     | -                     | -                     | -                  | -                     | -                     |
| 33. Other liabilities  | 437,791               | 388,151            | 544,910               | 512,674               | 940,196               | 665,634            | 873,431               | 767,999               |
| <b>34. TOTAL LIABILITIES</b>                                       | <b>22,499,818</b>     | <b>21,468,332</b>  | <b>21,208,372</b>     | <b>20,575,989</b>     | <b>34,089,046</b>     | <b>33,109,076</b>  | <b>33,638,964</b>     | <b>31,287,795</b>     |
| <b>C. SHAREHOLDERS' EQUITY</b>                                     |                       |                    |                       |                       |                       |                    |                       |                       |
| 35. Paid up/Assigned capital                                       | 1,276,480             | 1,276,480          | 1,276,480             | 1,276,480             | 1,276,480             | 1,276,480          | 1,276,480             | 1,276,480             |
| 36. Share premium/(discount)                                       | 4,192,814             | 4,192,814          | 4,192,814             | 4,192,814             | 4,192,814             | 4,192,814          | 4,192,814             | 4,192,814             |
| 37. Revaluation reserves   | (29,825)              | (45,155)           | (50,770)              | (33,102)              | (29,826)              | (45,155)           | (50,770)              | (33,102)              |
| 38. Retained earnings/(Accumulated Losses)                         | 2,154,503             | 2,411,193          | 2,550,408             | 2,679,757             | 2,023,339             | 2,226,125          | 2,357,810             | 2,339,048             |
| 39. Statutory Loan Loss Reserve                                    | 76,125                | 70,398             | 75,022                | 92,338                | 116,113               | 94,779             | 99,403                | 116,719               |
| 40. Other Reserves   | -                     | -                  | -                     | -                     | (22,824)              | 45,533             | 15,760                | (57,097)              |
| 41. Proposed dividends   | -                     | -                  | -                     | -                     | -                     | -                  | -                     | -                     |
| 42. Non controlling Interest                                       | -                     | -                  | -                     | -                     | 72,351                | 65,226             | 64,494                | 55,773                |
| 43. Capital grants   | -                     | -                  | -                     | -                     | -                     | -                  | -                     | -                     |
| <b>44. TOTAL SHAREHOLDERS' EQUITY</b>                              | <b>7,670,097</b>      | <b>7,905,730</b>   | <b>8,043,954</b>      | <b>8,208,287</b>      | <b>7,628,447</b>      | <b>7,855,802</b>   | <b>7,955,991</b>      | <b>7,890,635</b>      |
| <b>45. TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>              | <b>30,169,915</b>     | <b>29,374,062</b>  | <b>29,252,326</b>     | <b>28,784,276</b>     | <b>41,717,493</b>     | <b>40,964,878</b>  | <b>41,694,955</b>     | <b>39,178,430</b>     |

## STATEMENT OF COMPREHENSIVE INCOME

|  | BANK                  |                    |                       |                       | GROUP                 |                    |                       |                       |
|--|-----------------------|--------------------|-----------------------|-----------------------|-----------------------|--------------------|-----------------------|-----------------------|
|  | 30th June 2015        | 31st Dec 2015      | 31st Mar 2016         | 30th June 2016        | 30th June 2015        | 31st Dec 2015      | 31st Mar 2016         | 30th June 2016        |
|  | Shs '000 (Un-Audited) | Shs '000 (Audited) | Shs '000 (Un-Audited) | Shs '000 (Un-Audited) | Shs '000 (Un-Audited) | Shs '000 (Audited) | Shs '000 (Un-Audited) | Shs '000 (Un-Audited) |
| <b>1.0 INTEREST INCOME</b>   |                       |                    |                       |                       |                       |                    |                       |                       |
| 1.1. Loans and advances  | 787,306               | 1,727,852          | 517,863               | 1,024,881             | 1,338,974             | 2,869,101          | 814,900               | 1,645,292             |
| 1.2. Government securities   | 465,892               | 986,388            | 302,362               | 587,823               | 575,638               | 1,194,275          | 367,073               | 691,090               |
| 1.3. Deposits and placements with banking institutions                               | 82,155                | 287,064            | 23,263                | 39,654                | 88,614                | 289,960            | 29,515                | 59,282                |
| 1.4. Other Interest Income   | 9,530                 | 34,564             | 5,124                 | 8,221                 | 9,530                 | 43,987             | 5,124                 | 8,221                 |
| <b>1.5 Total Interest Income</b>   | <b>1,344,883</b>      | <b>3,035,868</b>   | <b>848,612</b>        | <b>1,660,579</b>      | <b>2,012,756</b>      | <b>4,397,323</b>   | <b>1,216,612</b>      | <b>2,403,885</b>      |
| <b>2.0 INTEREST EXPENSES</b>   |                       |                    |                       |                       |                       |                    |                       |                       |
| 2.1. Customer deposits   | 530,718               | 1,106,735          | 310,144               | 610,943               | 731,911               | 1,483,012          | 394,989               | 770,311               |
| 2.2. Deposits and placements from banking institutions                               | 38,628                | 210,382            | 41,828                | 66,161                | 49,104                | 237,494            | 51,077                | 78,507                |
| 2.3. Other Interest Expenses   | 9,177                 | 18,506             | 4,614                 | 9,228                 | 12,040                | 24,480             | 6,445                 | 11,027                |
| <b>2.4 Total Interest Expenses</b>   | <b>578,523</b>        | <b>1,335,623</b>   | <b>356,586</b>        | <b>686,332</b>        | <b>793,055</b>        | <b>1,744,986</b>   | <b>452,512</b>        | <b>859,845</b>        |
| <b>3.0 NET INTEREST INCOME/(LOSS)</b>  | <b>766,360</b>        | <b>1,700,245</b>   | <b>492,027</b>        | <b>974,247</b>        | <b>1,219,702</b>      | <b>2,652,337</b>   | <b>764,100</b>        | <b>1,544,040</b>      |
| <b>4.0 OTHER OPERATING INCOME</b>  |                       |                    |                       |                       |                       |                    |                       |                       |
| 4.1. Fees and commissions on loans and advances                                      | 55,381                | 106,933            | 43,971                | 102,918               | 87,723                | 183,262            | 92,303                | 203,204               |
| 4.2. Other Fees and Commissions  | 75,665                | 138,494            | 36,694                | 73,886                | 172,851               | 302,178            | 56,504                | 102,273               |
| 4.3. Foreign exchange trading income (loss)  | 33,232                | 78,544             | 19,120                | 36,799                | 104,396               | 267,949            | 63,441                | 142,871               |
| 4.4. Dividend Income   | -                     | -                  | -                     | -                     | -                     | -                  | -                     | -                     |
| 4.5. Other income  | 41,671                | 89,971             | 6,191                 | 22,568                | 95,828                | 145,699            | 31,228                | 111,035               |
| 4.6. Goodwill on Acquisition of subsidiary   | -                     | -                  | -                     | -                     | -                     | -                  | -                     | -                     |
| <b>4.7 Total Non-Interest Income</b>   | <b>205,949</b>        | <b>413,942</b>     | <b>105,976</b>        | <b>236,171</b>        | <b>460,798</b>        | <b>899,088</b>     | <b>243,476</b>        | <b>559,383</b>        |
| <b>5.0 TOTAL OPERATING INCOME</b>  | <b>972,309</b>        | <b>2,114,187</b>   | <b>598,002</b>        | <b>1,210,418</b>      | <b>1,680,500</b>      | <b>3,551,425</b>   | <b>1,007,576</b>      | <b>2,103,423</b>      |
| <b>6.0 OPERATING EXPENSES</b>  |                       |                    |                       |                       |                       |                    |                       |                       |
| 6.1. Loan Loss Provision   | 27,714                | 92,816             | 4,522                 | 25,878                | 42,332                | 294,190            | 51,630                | 335,758               |
| 6.2. Staff costs   | 274,675               | 553,890            | 139,638               | 278,466               | 568,301               | 1,147,974          | 295,819               | 589,355               |
| 6.3. Directors' emoluments   | 25,233                | 51,129             | 14,085                | 28,500                | 37,870                | 86,918             | 22,994                | 47,278                |
| 6.4. Rentals Charges   | 73,473                | 145,358            | 36,756                | 73,451                | 116,917               | 237,032            | 60,499                | 122,720               |
| 6.5. Depreciation charge on property and equipment                                   | 40,608                | 146,589            | 33,294                | 66,549                | 94,695                | 277,322            | 75,407                | 130,758               |
| 6.6. Amortisation Charges  | 12,521                | 30,074             | 6,261                 | 12,521                | 12,521                | 73,709             | 6,261                 | 39,236                |
| 6.7. Other operating expenses  | 204,876               | 547,295            | 158,713               | 313,484               | 456,486               | 994,487            | 273,773               | 558,049               |
| <b>6.8 Total Operating Expenses</b>  | <b>659,099</b>        | <b>1,567,150</b>   | <b>393,269</b>        | <b>798,849</b>        | <b>1,329,122</b>      | <b>3,111,632</b>   | <b>786,382</b>        | <b>1,823,154</b>      |
| <b>7.0 Profit/(Loss) before tax and exceptional items</b>                            | <b>313,209</b>        | <b>547,038</b>     | <b>204,734</b>        | <b>411,569</b>        | <b>351,377</b>        | <b>439,793</b>     | <b>221,194</b>        | <b>280,269</b>        |
| <b>8.0 Exceptional items</b>   |                       |                    |                       |                       |                       |                    |                       |                       |
| <b>9.0 Profit/(Loss) after exceptional items</b>                                     | <b>313,209</b>        | <b>547,038</b>     | <b>204,734</b>        | <b>411,569</b>        | <b>351,377</b>        | <b>439,793</b>     | <b>221,194</b>        | <b>280,269</b>        |
| 10.0 Current tax   | (93,963)              | (159,173)          | (61,420)              | (123,471)             | (106,021)             | (180,366)          | (68,852)              | (135,803)             |
| 11.0 Deferred tax  | -                     | 82,345             | -                     | -                     | -                     | 129,509            | -                     | -                     |
| <b>12.0 Profit/(Loss) after tax and exceptional items</b>                            | <b>219,246</b>        | <b>470,210</b>     | <b>143,314</b>        | <b>288,098</b>        | <b>245,356</b>        | <b>388,936</b>     | <b>152,342</b>        | <b>144,466</b>        |
| <b>13.0 Other Comprehensive Income</b>   |                       |                    |                       |                       |                       |                    |                       |                       |
| 13.1. Gains/(Losses) from translating the financial statements of foreign operations | -                     | -                  | -                     | -                     | (70,214)              | 30,920             | (45,031)              | (117,887)             |
| 13.2. Fair value changes in available-for-sale financial assets                      | (18,463)              | (33,793)           | (5,615)               | 12,053                | (18,463)              | (33,793)           | (5,615)               | 12,053                |
| 13.3. Revaluation surplus on Property, plant and equipment                           | -                     | -                  | -                     | -                     | -                     | -                  | -                     | -                     |
| 13.4. Share of other comprehensive income of associates                              | -                     | -                  | -                     | -                     | -                     | -                  | -                     | -                     |
| 13.5. Income tax relating to components of other comprehensive income                | -                     | -                  | -                     | -                     | -                     | -                  | -                     | -                     |
| <b>14.0 Other comprehensive income for the year net of tax</b>                       | <b>(18,463)</b>       | <b>(33,793)</b>    | <b>(5,615)</b>        | <b>12,053</b>         | <b>(88,678)</b>       | <b>(2,873)</b>     | <b>(50,646)</b>       | <b>(105,834)</b>      |
| <b>15.0 Total comprehensive income for the year</b>                                  | <b>200,783</b>        | <b>436,417</b>     | <b>137,699</b>        | <b>300,151</b>        | <b>156,679</b>        | <b>386,063</b>     | <b>101,696</b>        | <b>38,632</b>         |
| <b>Attributable to:</b>  |                       |                    |                       |                       |                       |                    |                       |                       |
| Non Controlling Interest   | -                     | -                  | -                     | -                     | 4,947                 | 34,093             | 734                   | (9,456)               |
| Equity Holders of the Parent   | -                     | -                  | -                     | -                     | 151,732               | 351,970            | 100,962               | 48,088                |

## OTHER DISCLOSURES

|  | BANK           |               |               |                | GROUP          |               |  |  |
|--|----------------|---------------|---------------|----------------|----------------|---------------|--|--|
|  | 30th June 2015 | 31st Dec 2015 | 31st Mar 2016 | 30th June 2016 | 30th June 2015 | 31st Dec 2015 |  |  |