

QUARTERLY FINANCIAL STATEMENTS AND DISCLOSURES AS AT 30 JUNE 2017
I STATEMENT OF FINANCIAL POSITION

| | BANK 30 JUN 2016 Shs '000 (Unaudited) | BANK 31 DEC 2016 Shs '000 (Audited) | BANK 31 MAR 2017 Shs '000 (Unaudited) | BANK 30 JUN 2017 Shs '000 (Unaudited) | GROUP 30 JUN 2016 Shs '000 (Unaudited) | GROUP 31 DEC 2016 Shs '000 (Audited) | GROUP 31 MAR 2017 Shs '000 (Unaudited) | GROUP 30 JUN 2017 Shs '000 (Unaudited) |
|--|--|--|--|--|---|---|---|---|
| A ASSETS | | | | | | | | |
| 1 | 70,449 | 81,522 | 90,255 | 79,636 | 70,449 | 81,522 | 90,255 | 79,636 |
| 2 | 636,557 | 291,682 | 277,436 | 594,187 | 636,557 | 291,682 | 277,436 | 594,187 |
| 3 | - | - | - | - | - | - | - | - |
| 4 | 90,171 | 89,427 | 87,678 | 89,650 | 90,171 | 89,427 | 87,678 | 89,650 |
| 5 | - | - | - | - | - | - | - | - |
| a) Held to Maturity: | 5,017,605 | 5,017,588 | 5,071,947 | 4,709,939 | 5,045,411 | 5,038,692 | 5,092,985 | 4,731,036 |
| i. Kenya Government Securities | 5,017,605 | 5,017,588 | 5,071,947 | 4,709,939 | 5,045,411 | 5,038,692 | 5,092,985 | 4,731,036 |
| ii. Other securities | - | - | - | - | - | - | - | - |
| b) Available for sale: | 805,499 | 805,499 | 805,499 | 805,499 | 805,499 | 805,499 | 805,499 | 805,499 |
| i. Kenya Government Securities | - | - | - | - | - | - | - | - |
| ii. Other securities | 805,499 | 805,499 | 805,499 | 805,499 | 805,499 | 805,499 | 805,499 | 805,499 |
| 6 | 936,405 | 943,219 | 1,204,298 | 1,196,741 | 936,405 | 943,219 | 1,204,298 | 1,196,741 |
| 7 | 110,650 | 103,790 | 60,318 | 48,058 | 110,650 | 103,790 | 60,318 | 48,058 |
| 8 | 21,043 | 11,172 | 4,169 | 19,260 | 24,976 | 15,108 | 8,024 | 23,111 |
| 9 | 8,994,367 | 8,733,212 | 8,497,966 | 8,822,464 | 8,994,367 | 8,733,212 | 8,497,966 | 8,822,464 |
| 10 | - | - | - | - | - | - | - | - |
| 11 | - | - | - | - | - | - | - | - |
| 12 | 32,048 | 32,048 | 32,048 | 32,048 | - | - | - | - |
| 13 | - | - | - | - | - | - | - | - |
| 14 | - | - | - | - | - | - | - | - |
| 15 | 128,237 | 229,185 | 120,896 | 118,142 | 128,237 | 229,185 | 120,896 | 118,142 |
| 16 | 3,904 | 3,873 | 3,858 | 3,843 | 3,904 | 3,873 | 3,858 | 3,843 |
| 17 | - | - | - | - | - | - | - | - |
| 18 | 2,402 | 7,313 | 7,313 | 7,313 | 2,613 | 7,374 | 7,374 | 7,374 |
| 19 | - | - | - | - | - | - | - | - |
| 20 | 163,804 | 68,852 | 171,684 | 184,205 | 163,879 | 68,852 | 172,312 | 184,205 |
| 21 TOTAL ASSETS | 17,013,141 | 16,418,382 | 16,435,365 | 16,710,985 | 17,013,118 | 16,411,435 | 16,428,899 | 16,703,946 |
| B LIABILITIES | | | | | | | | |
| 22 | 2,015,515 | 4,243,454 | 4,235,846 | 4,385,647 | 2,015,515 | 4,243,454 | 4,235,846 | 4,385,647 |
| 23 | 7,390,935 | 5,788,514 | 5,748,253 | 6,455,494 | 7,379,077 | 5,768,453 | 5,728,274 | 6,434,619 |
| 24 | 2,634,090 | 1,992,483 | 2,264,094 | 1,802,265 | 2,634,090 | 1,992,483 | 2,264,094 | 1,802,265 |
| 25 | - | - | - | - | - | - | - | - |
| 26 | - | - | - | - | - | - | - | - |
| 27 | 1,809,378 | 1,229,274 | 1,010,226 | 872,055 | 1,809,378 | 1,229,274 | 1,010,226 | 872,055 |
| 28 | - | - | - | - | - | - | - | - |
| 29 | - | - | - | - | - | - | - | - |
| 30 | - | - | - | - | - | - | - | - |
| 31 | - | - | - | - | - | - | - | - |
| 32 | - | - | - | - | - | - | - | - |
| 33 | 250,666 | 261,313 | 257,274 | 285,677 | 251,257 | 262,106 | 258,228 | 286,632 |
| 34 TOTAL LIABILITIES | 14,100,584 | 13,515,038 | 13,515,693 | 13,801,138 | 14,089,317 | 13,495,770 | 13,496,668 | 13,781,218 |
| C SHAREHOLDERS' EQUITY | | | | | | | | |
| 35 | 1,042,500 | 1,042,500 | 1,042,500 | 1,042,500 | 1,042,500 | 1,042,500 | 1,042,500 | 1,042,500 |
| 36 | - | - | - | - | - | - | - | - |
| 37 | 721,379 | 721,379 | 721,379 | 721,379 | 721,379 | 721,379 | 721,379 | 721,379 |
| 38 | 783,805 | 702,112 | 673,462 | 615,502 | 795,049 | 714,433 | 686,021 | 628,383 |
| 39 | 364,592 | 437,072 | 482,050 | 530,185 | 364,592 | 437,072 | 482,050 | 530,185 |
| 40 | 281 | 281 | 281 | 281 | 281 | 281 | 281 | 281 |
| 41 | - | - | - | - | - | - | - | - |
| 42 | - | - | - | - | - | - | - | - |
| 43 | - | - | - | - | - | - | - | - |
| 44 TOTAL SHAREHOLDERS' EQUITY | 2,912,557 | 2,903,344 | 2,919,672 | 2,909,847 | 2,923,801 | 2,915,665 | 2,932,231 | 2,922,728 |
| 44 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 17,013,141 | 16,418,382 | 16,435,365 | 16,710,985 | 17,013,118 | 16,411,435 | 16,428,899 | 16,703,946 |

II STATEMENT OF COMPREHENSIVE INCOME

| | BANK 30 JUN 2016 Shs '000 (Unaudited) | BANK 31 DEC 2016 Shs '000 (Audited) | BANK 31 MAR 2017 Shs '000 (Unaudited) | BANK 30 JUN 2017 Shs '000 (Unaudited) | GROUP 30 JUN 2016 Shs '000 (Unaudited) | GROUP 31 DEC 2016 Shs '000 (Audited) | GROUP 31 MAR 2017 Shs '000 (Unaudited) | GROUP 30 JUN 2017 Shs '000 (Unaudited) |
|--|--|--|--|--|---|---|---|---|
| 1 INTEREST INCOME | | | | | | | | |
| 1.1 | 620,274 | 1,150,042 | 215,444 | 427,366 | 620,274 | 1,150,042 | 215,444 | 427,366 |
| 1.2 | 283,548 | 569,939 | 140,341 | 278,653 | 285,180 | 572,059 | 140,900 | 279,770 |
| 1.3 | 15,882 | 30,166 | 8,665 | 20,982 | 15,882 | 30,166 | 8,665 | 20,982 |
| 1.4 | - | - | - | - | - | - | - | - |
| 1.5 Total Interest Income | 919,704 | 1,750,147 | 364,450 | 727,001 | 921,336 | 1,752,267 | 365,009 | 728,118 |
| 2 INTEREST EXPENSES | | | | | | | | |
| 2.1 | 554,132 | 975,524 | 131,538 | 278,994 | 554,052 | 974,190 | 131,400 | 278,716 |
| 2.2 | 118,489 | 270,015 | 122,254 | 243,402 | 118,489 | 270,015 | 122,254 | 243,402 |
| 2.3 | 9,090 | 21,170 | 5,310 | 8,381 | 9,090 | 21,170 | 5,310 | 8,381 |
| 2.4 Total Interest Expenses | 681,711 | 1,266,709 | 259,102 | 530,777 | 681,631 | 1,265,375 | 258,964 | 530,499 |
| 3 NET INTEREST INCOME | 237,993 | 483,438 | 105,348 | 196,224 | 239,705 | 486,892 | 106,045 | 197,619 |
| 4 NON-OPERATING INCOME | | | | | | | | |
| 4.1 | 11,902 | 18,614 | 4,633 | 6,427 | 11,902 | 18,614 | 4,633 | 6,427 |
| 4.2 | 9,112 | 17,308 | 3,403 | 6,192 | 9,112 | 17,308 | 3,403 | 6,192 |
| 4.3 | 13,953 | 25,825 | 6,845 | 15,244 | 13,953 | 25,825 | 6,845 | 15,244 |
| 4.4 | - | - | - | - | - | - | - | - |
| 4.5 | 25,954 | 61,825 | 12,925 | 26,277 | 25,954 | 61,825 | 12,925 | 26,277 |
| 4.6 Total Non-Interest Income | 60,921 | 123,572 | 27,806 | 54,140 | 60,921 | 123,572 | 27,806 | 54,140 |
| 5 TOTAL OPERATING INCOME | 298,914 | 607,010 | 133,154 | 250,364 | 300,626 | 610,464 | 133,851 | 251,759 |
| 6 OTHER OPERATING EXPENSES | | | | | | | | |
| 6.1 | 33,366 | 126,338 | 18,335 | 55,524 | 33,445 | 126,091 | 18,409 | 55,672 |
| 6.2 | 88,395 | 203,210 | 49,311 | 97,746 | 88,395 | 203,210 | 49,311 | 97,746 |
| 6.3 | 5,489 | 11,406 | 3,400 | 5,568 | 5,539 | 11,506 | 3,425 | 5,618 |
| 6.4 | - | - | - | - | - | - | - | - |
| 6.5 | 10,434 | 19,704 | 4,480 | 9,211 | 10,434 | 19,704 | 4,480 | 9,211 |
| 6.6 | 30 | 61 | 15 | 30 | 30 | 61 | 15 | 30 |
| 6.7 | 62,718 | 151,381 | 34,287 | 72,998 | 62,997 | 152,137 | 34,546 | 73,394 |
| 6.8 Total other operating Expenses | 200,433 | 512,100 | 109,828 | 241,075 | 200,840 | 512,709 | 110,186 | 241,671 |
| 7 Profit before tax and exceptional items | 98,481 | 94,910 | 23,326 | 9,289 | 99,786 | 97,755 | 23,665 | 10,088 |
| 8 | - | - | - | - | - | - | - | - |
| 9 | 98,481 | 94,910 | 23,326 | 9,289 | 99,786 | 97,755 | 23,665 | 10,088 |
| 10 | (29,544) | (40,097) | (6,998) | (2,787) | (29,936) | (40,801) | (7,099) | (3,025) |
| 11 | - | 4,911 | - | - | - | 4,761 | - | - |
| 12 Profit after tax and exceptional items | 68,937 | 59,724 | 16,328 | 6,502 | 69,850 | 61,715 | 16,566 | 7,063 |
| Other Comprehensive Income | | | | | | | | |
| 13.1 | - | - | - | - | - | - | - | - |
| 13.2 | - | - | - | - | - | - | - | - |
| 13.3 | - | - | - | - | - | - | - | - |
| 13.4 | - | - | - | - | - | - | - | - |
| 13.5 | - | - | - | - | - | - | - | - |
| 14 Other comprehensive income for the year net of tax | - | - | - | - | - | - | - | - |
| 15 Total comprehensive income for the year | 68,937 | 59,724 | 16,328 | 6,502 | 69,850 | 61,715 | 16,566 | 7,063 |

III OTHER DISCLOSURES

| | 30 JUN 2016 Shs '000 (Unaudited) | 31 DEC 2016 Shs '000 (Audited) | 31 MAR 2017 Shs '000 (Unaudited) | 30 JUN 2017 Shs '000 (Unaudited) |
|---|--|--------------------------------------|--|--|
| 1) NON-PERFORMING LOANS AND ADVANCES | | | | |
| a) Gross non-performing loans and advances | 2,072,275 | 2,594,459 | 2,598,455 | 2,679,951 |
| less: | | | | |
| b) Interest in suspense | 254,045 | 322,834 | 347,485 | 372,914 |
| c) Total Non-Performing Loans and Advances (a-b) | 1,818,230 | 2,271,625 | 2,250,970 | 2,307,037 |
| less: | | | | |
| d) Loan loss provisions | 878,379 | 1,026,488 | 1,097,429 | 1,186,569 |
| e) Net Non-performing loans and advances(c-d) | 939,851 | 1,245,137 | 1,153,541 | 1,120,468 |
| f) Discounted value of securities | 939,851 | 1,245,137 | 1,153,541 | 1,120,468 |
| g) Net NPLs exposure(e-f) | - | - | - | - |
| 2) Insider Loans and Advances | | | | |
| a) Directors, shareholders and associates | 787,847 | 857,561 | 815,449 | 903,452 |
| b) Employees | 280,746 | 282,461 | 284,082 | 295,033 |
| c) Total Insider Loans, Advances and other facilities | 1,068,593 | 1,140,022 | 1,099,531 | 1,198,485 |
| 3) Off-Balance Sheet Items | | | | |
| a) Letters of credit, guarantees, acceptances | 671,659 | 631,878 | 576,916 | 556,341 |
| b) Forwards, swaps, and options | - | 17,760 | 561 | 26,686 |
| c) Other contingent liabilities | 92 | - | 70,994 | 92 |
| 4) Total Contingent Liabilities | 671,751 | 649,638 | 648,471 | 583,119 |
| 4) Capital Strength | | | | |
| a) Core capital | 1,789,716 | 1,737,580 | 1,700,766 | 1,647,718 |
| b) Minimum Statutory Capital | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| c) excess | 789,716 | 737,580 | 700,766 | 647,718 |
| d) Supplementary capital | 281,872 | 280,935 | 276,138 | 283,132 |
| e) Total capital (a+d) | 2,071,588 | 2,018,515 | 1,976,904 | |