

QUARTERLY FINANCIAL STATEMENTS AND DISCLOSURES AS AT 30 JUNE 2021

I STATEMENT OF FINANCIAL POSITION

| | BANK | BANK | BANK | BANK | GROUP | GROUP | GROUP | GROUP |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 30 JUNE 2020 | 31 DEC 2020 | 31 MAR 2021 | 30 JUNE 2021 | 31 MAR 2020 | 31 DEC 2020 | 30 JUNE 2020 | 30 JUNE 2021 |
| | Shs '000 | Shs '000 | Shs '000 | Shs '000 | Shs '000 | Shs '000 | Shs '000 | Shs '000 |
| | (Unaudited) | (Audited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) | (Unaudited) | (Unaudited) |
| A ASSETS | | | | | | | | |
| 1 Cash (both local and foreign) | 72,370 | 88,319 | 89,854 | 98,373 | 90,386 | 88,319 | 72,370 | 98,373 |
| 2 Balances due from Central Bank of Kenya | 547,726 | 594,556 | 454,808 | 538,838 | 274,162 | 594,556 | 547,726 | 538,838 |
| 3 Kenya Government and other securities held for dealing purposes | - | - | - | - | - | - | - | - |
| 4 Financial Assets at fair value through profit and loss | 102,120 | 103,177 | 100,549 | 103,587 | 100,063 | 103,177 | 102,120 | 103,587 |
| 5 Investment Securities | - | - | - | - | - | - | - | - |
| a) Held to Maturity: | 3,922,366 | 3,931,826 | 3,957,208 | 3,926,685 | 4,597,253 | 3,952,870 | 3,943,418 | 3,947,724 |
| a) Kenya Government Securities | 3,922,366 | 3,931,826 | 3,957,208 | 3,926,685 | 4,597,253 | 3,952,870 | 3,943,418 | 3,947,724 |
| b) Other securities | - | - | - | - | - | - | - | - |
| b) Available for sale: | 825,413 | 669,245 | 669,245 | 669,245 | 825,413 | 669,245 | 825,413 | 669,245 |
| a) Kenya Government Securities | - | - | - | - | - | - | - | - |
| b) Other securities | 825,413 | 669,245 | 669,245 | 669,245 | 825,413 | 669,245 | 825,413 | 669,245 |
| 6 Deposits and balances due from local banking institutions | 2,066,893 | 2,240,047 | 2,227,161 | 2,239,704 | 2,017,025 | 2,240,047 | 2,066,893 | 2,239,704 |
| 7 Deposits and balances due from banking institutions abroad | 80,018 | 342,881 | 321,724 | 471,328 | 26,446 | 342,881 | 80,018 | 471,328 |
| 8 Tax recoverable | 21,843 | 27,118 | 23,637 | 19,124 | 19,213 | 29,926 | 24,678 | 21,779 |
| 9 Loans and advances to customers (net) | 8,023,303 | 8,609,289 | 8,629,564 | 8,552,153 | 8,042,897 | 8,609,289 | 8,023,303 | 8,552,153 |
| 10 Balances due from banking institutions in the group | - | - | - | - | - | - | - | - |
| 11 Investments in associates | - | - | - | 268,490 | - | - | - | 268,490 |
| 12 Investments in subsidiary companies | 32,048 | 32,048 | 32,048 | 32,048 | - | - | - | - |
| 13 Investment in joint ventures | - | - | - | - | - | - | - | - |
| 14 Investment properties | - | - | - | - | - | - | - | - |
| 15 Property, plant and equipment | 157,946 | 161,880 | 169,078 | 190,734 | 155,446 | 161,880 | 157,946 | 190,734 |
| 16 Prepaid lease rentals | 143,605 | 136,354 | 132,728 | 129,102 | 147,230 | 136,354 | 143,605 | 129,102 |
| 17 Intangible assets | - | - | - | - | - | - | - | - |
| 18 Deferred tax asset | 101,690 | 111,198 | 111,198 | 111,198 | 101,841 | 111,379 | 101,841 | 111,379 |
| 19 Retirement benefit asset | - | - | - | - | - | - | - | - |
| 20 Other assets | 177,550 | 174,274 | 188,994 | 175,804 | 239,629 | 174,274 | 177,550 | 175,804 |
| 21 TOTAL ASSETS | 16,274,891 | 17,222,212 | 17,107,796 | 17,526,413 | 16,637,004 | 17,214,197 | 16,266,881 | 17,518,240 |
| B LIABILITIES | | | | | | | | |
| 22 Balances due to Central Bank of Kenya | 3,830,845 | 3,833,194 | 3,683,511 | 3,487,382 | 4,438,398 | 3,833,194 | 3,830,845 | 3,487,382 |
| 23 Customer deposits | 6,015,988 | 6,201,947 | 6,461,415 | 6,825,759 | 5,544,644 | 6,174,965 | 5,990,045 | 6,798,166 |
| 24 Deposits and balances due to local banking institutions | 1,637,305 | 2,077,535 | 1,921,465 | 2,151,956 | 1,763,709 | 2,077,535 | 1,637,305 | 2,151,956 |
| 25 Deposits and balances due to foreign banking institutions | - | - | - | - | - | - | - | - |
| 26 Other money market deposits | - | - | - | - | - | - | - | - |
| 27 Borrowed funds | - | - | - | - | - | - | - | - |
| 28 Balances due to banking institutions in the group | 393,799 | 839,339 | 768,540 | 772,623 | 386,934 | 839,339 | 393,799 | 772,623 |
| 29 Tax payable | - | - | - | - | - | - | - | - |
| 30 Dividends payable | - | - | - | - | - | - | - | - |
| 31 Deferred tax liability | - | - | - | - | - | - | - | - |
| 32 Retirement benefit liability | - | - | - | - | - | - | - | - |
| 33 Other liabilities | 430,687 | 447,539 | 442,086 | 447,383 | 510,909 | 448,651 | 431,414 | 448,232 |
| 34 TOTAL LIABILITIES | 12,308,624 | 13,399,554 | 13,277,017 | 13,665,103 | 12,644,594 | 13,373,884 | 12,283,406 | 13,658,359 |
| C SHAREHOLDERS' EQUITY | | | | | | | | |
| 35 Paid up/Assigned capital | 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 Share Premium (discount) | - | - | - | - | - | - | - | - |
| 37 Revaluation reserves | 743,146 | 594,785 | 594,787 | 594,787 | 743,146 | 594,785 | 743,146 | 594,787 |
| 38 Retained earnings | 1,490,864 | 1,352,202 | 1,291,338 | 1,284,332 | 1,612,201 | 1,370,404 | 1,508,070 | 1,302,903 |
| 39 Statutory loan loss reserve | 689,476 | 832,890 | 901,873 | 913,410 | 594,282 | 832,543 | 689,476 | 919,410 |
| 40 Other reserves | 281 | 281 | 281 | 281 | 281 | 281 | 281 | 281 |
| 41 Proposed Dividends | - | - | - | - | - | - | - | - |
| 42 Capital grants | - | - | - | - | - | - | - | - |
| 43 TOTAL SHAREHOLDERS' EQUITY | 3,966,267 | 3,822,658 | 3,830,779 | 3,841,310 | 3,992,410 | 3,840,513 | 3,983,473 | 3,859,881 |
| 44 Minority Interest | - | - | - | - | - | - | - | - |
| 45 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 16,274,891 | 17,222,212 | 17,107,796 | 17,526,413 | 16,637,004 | 17,214,197 | 16,266,881 | 17,518,240 |

II STATEMENT OF COMPREHENSIVE INCOME

| | BANK | BANK | BANK | BANK | GROUP | GROUP | GROUP | GROUP |
|---|----------------|------------------|----------------|----------------|----------------|------------------|----------------|----------------|
| | 30 JUNE 2020 | 31 DEC 2020 | 31 MAR 2021 | 30 JUNE 2021 | 31 MAR 2020 | 31 DEC 2020 | 30 JUNE 2020 | 30 JUNE 2021 |
| | Shs '000 | Shs '000 | Shs '000 | Shs '000 | Shs '000 | Shs '000 | Shs '000 | Shs '000 |
| | (Unaudited) | (Audited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) | (Unaudited) | (Unaudited) |
| 1 INTEREST INCOME | | | | | | | | |
| 1.1 Loans and advances | 311,295 | 657,666 | 171,077 | 354,057 | 180,688 | 657,666 | 311,295 | 354,057 |
| 1.2 Government securities | 244,545 | 469,934 | 110,384 | 222,123 | 129,628 | 472,169 | 245,662 | 223,240 |
| 1.3 Deposits and placements with banking institutions | 32,411 | 84,090 | 21,977 | 42,149 | 10,853 | 84,090 | 32,411 | 42,149 |
| 1.4 Other interest income | - | - | - | - | - | - | - | - |
| 1.5 Total Interest Income | 588,251 | 1,211,690 | 303,438 | 618,329 | 321,169 | 1,213,925 | 589,368 | 619,446 |
| 2 INTEREST EXPENSES | | | | | | | | |
| 2.1 Customer deposits | 275,093 | 498,193 | 155,819 | 302,595 | 137,449 | 497,633 | 274,813 | 302,316 |
| 2.2 Deposits and placements from banking institutions | 130,143 | 319,194 | 50,794 | 105,075 | 73,047 | 319,194 | 130,143 | 105,075 |
| 2.3 Other interest expenses | 15,881 | 31,994 | 5,972 | 24,947 | 5,704 | 31,994 | 15,881 | 24,947 |
| 2.4 Total Interest Expenses | 421,117 | 849,381 | 212,585 | 432,617 | 216,200 | 848,821 | 420,837 | 432,338 |
| 3 NET INTEREST INCOME | 167,134 | 362,309 | 90,853 | 185,712 | 104,969 | 365,104 | 168,531 | 187,108 |
| 4 NON-OPERATING INCOME | | | | | | | | |
| 4.1 Fees and commissions income on loans & advances | 3,986 | 7,984 | 1,793 | 5,961 | 974 | 7,984 | 3,986 | 5,961 |
| 4.2 Other fees and commissions income | 6,758 | 14,247 | 3,709 | 6,960 | 3,689 | 14,247 | 6,758 | 6,960 |
| 4.3 Foreign exchange trading income | 66,803 | 81,150 | 4,289 | 9,378 | 57,652 | 81,150 | 66,803 | 9,378 |
| 4.4 Dividend Income | - | - | - | - | - | - | - | - |
| 4.5 Other income | - | 610 | - | - | - | 610 | - | - |
| 4.6 Total Non-Interest Income | 77,547 | 103,991 | 9,791 | 22,299 | 62,315 | 103,991 | 77,547 | 22,299 |
| 5 TOTAL OPERATING INCOME | 244,681 | 466,300 | 100,644 | 208,011 | 167,284 | 469,095 | 246,078 | 209,407 |
| 6 OTHER OPERATING EXPENSES | | | | | | | | |
| 6.1 Loan loss provision | 21,519 | 30,779 | (15,306) | (30,668) | 23,697 | 31,246 | 21,729 | (30,645) |
| 6.2 Staff costs | 103,595 | 207,477 | 48,852 | 98,779 | 52,533 | 207,477 | 103,595 | 98,779 |
| 6.3 Directors' emoluments | 6,231 | 17,508 | 4,951 | 10,030 | 3,279 | 17,508 | 6,281 | 10,080 |
| 6.4 Rental charges | - | - | - | - | - | - | - | - |
| 6.5 Depreciation on property and equipment | 34,519 | 70,788 | 17,804 | 35,795 | 17,243 | 70,788 | 34,519 | 35,795 |
| 6.6 Amortisation charges | - | - | - | - | - | - | - | - |
| 6.7 Other operating expenses | 57,719 | 120,868 | 32,741 | 67,429 | 34,316 | 121,435 | 57,997 | 67,730 |
| 6.8 Total other operating Expenses | 223,583 | 447,420 | 89,042 | 181,365 | 131,068 | 448,554 | 224,121 | 181,739 |
| 7 Profit before tax and exceptional items | 21,098 | 18,880 | 11,602 | 26,646 | 36,216 | 20,541 | 21,957 | 27,668 |
| 8 Exceptional items | - | - | - | - | - | - | - | - |
| 9 Profit after exceptional items | 21,098 | 18,880 | 11,602 | 26,646 | 36,216 | 20,541 | 21,957 | 27,668 |
| 10 Current tax | (5,275) | - | (3,481) | (7,994) | (10,865) | (440) | (6,587) | (8,300) |
| 11 Deferred tax | - | 1,699 | - | - | - | 1,729 | - | - |
| 12 Profit after tax and exceptional items | 15,823 | 20,579 | 8,121 | 18,652 | 25,351 | 21,830 | 15,370 | 19,368 |
| 13 Gains/(Losses) from translating the financial Minority Interest | - | - | - | - | - | - | - | - |
| 14 Profit after tax, exceptional items and minority interest | 15,823 | 20,579 | 8,121 | 18,652 | 25,351 | 21,830 | 15,370 | 19,368 |
| 15 Other Comprehensive Income | | | | | | | | |
| 15.1 Gains/(Losses) from translating the financial statements of foreign operations | - | - | - | - | - | - | - | - |
| 15.2 Fair value changes in available-for-sale financial assets | - | (156,168) | - | - | - | (156,168) | - | - |
| 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 | - | 7,808 | - | - | - | 7,808 | - | - |
| 16 Other comprehensive income for the year net of tax | - | (148,360) | - | - | - | (148,360) | - | - |
| 17 Total comprehensive income for the year | 15,823 | (127,781) | 8,121 | 18,652 | 25,351 | (126,530) | 15,370 | 19,368 |

III OTHER DISCLOSURES

| | 30 JUNE 2020 | 31 DEC 2020 | 31 MAR 2021 | 30 JUNE 2021 |
|--|--------------|-------------|-------------|--------------|
| | Shs '000 | Shs '000 | Shs '000 | Shs '000 |
| | (Unaudited) | (Audited) | (Unaudited) | (Unaudited) |
| 1) NON-PERFORMING LOANS AND ADVANCES | | | | |
| a) Gross non-performing loans and advances | 3,459,009 | 3,419,763 | 3,426,603 | 3,077,050 |
| less: | | | | |
| b) Total Non-performing Loans and Advances (a-b) | 420,485 | 456,448 | 487,945 | 479,126 |
| less: | | | | |
| c) Total Non-performing Loans and Advances (a-b) less: | 3,038,524 | 2,963,315 | 2,938,658 | 2,597,924 |
| d) Loan loss provisions | 1,682,477 | 1,798,627 | 1,854,567 | 1,792,249 |