

**UN-AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

<b>I STATEMENT OF FINANCIAL POSITION</b>		<b>30 September 2018</b>	<b>31 December 2018</b>	<b>31 March 2019</b>	<b>30 June 2019</b>	<b>30 September 2019</b>
		<b>Shs '000</b>	<b>Shs '000</b>	<b>Shs '000</b>	<b>Shs '000</b>	<b>Shs '000</b>
		<b>(Un-audited)</b>	<b>(Audited)</b>	<b>(Un-audited)</b>	<b>(Un-audited)</b>	<b>(Un-audited)</b>
<b>A ASSETS</b>						
1	Cash (both local and foreign)	753,432	760,143	740,725	703,931	797,206
2	Balances with from Central Bank of Kenya	3,087,523	9,167,200	4,960,627	6,956,995	3,031,509
3	Kenya Government and other securities held for dealing purposes	-	-	-	514,654	87,029
4	Financial Assets at fair value through profit and loss	-	-	-	-	-
5	Investment securities	-	-	-	-	-
	a) Held to Maturity	-	-	-	-	-
	i. Kenya Government securities	6,813,397	6,469,212	8,101,208	7,101,771	7,322,962
	ii. Other Securities	42,128	43,433	-	-	-
	b) Fair Value through Other Comprehensive Income (FVOCI)/ Available for sale	-	-	-	-	-
	i. Kenya Government securities	-	-	-	-	-
	ii. Other Securities	456,381	283,027	283,027	283,027	283,027
6	Deposits and balances due from local banking institutions	102,542	19,308	992	134,839	104,915
7	Deposits and balances due from banking institutions abroad	124,930	2,853,198	1,747,620	688,574	873,839
8	Tax recoverable	341,860	438,004	463,449	447,858	488,288
9	Loans and advances to customers (net)	23,016,402	21,188,115	21,578,442	20,978,279	21,640,256
10	Balances due from banking institutions in the group	1,806,113	1,012,283	1,405,103	1,088,509	1,709,821
11	Investments in associates	1,217,015	1,311,749	1,370,959	1,409,911	1,431,225
12	Investments in subsidiary companies	-	-	-	-	-
13	Investments in joint ventures	-	-	-	-	-
14	Investment properties	-	-	-	-	-
15	Property, plant and equipment	2,269,937	1,857,393	1,771,901	1,725,405	1,600,389
16	Prepaid lease rentals	-	-	-	-	-
17	Intangible assets	37,718	40,129	36,574	32,032	185,110
18	Deferred tax asset	1,682,208	2,327,064	2,327,064	2,327,064	2,327,064
19	Retirement benefit asset	-	-	-	-	-
20	Other assets	1,360,146	1,310,601	1,569,770	1,798,411	1,957,385
<b>21</b>	<b>TOTAL ASSETS</b>	<b>43,111,732</b>	<b>49,080,859</b>	<b>46,357,461</b>	<b>46,211,260</b>	<b>43,839,025</b>
<b>B LIABILITIES</b>						
22	Balances due to Central Bank of Kenya	-	-	-	-	-
23	Customer deposits	27,274,675	30,122,457	32,151,245	30,383,607	29,348,672
24	Deposits and balances due to local banking institutions	510,808	37	2,001,513	1,859,334	883,390
25	Deposits and balances due to banking institutions abroad	1,203,022	58,022	110,584	444,084	11,548
26	Other money market deposits	-	-	-	-	-
27	Borrowed Funds	4,598,422	4,683,357	4,411,078	4,474,519	4,411,201
28	Balances due to banking institutions in the group	2,675,541	6,860,714	3,274,367	4,619,785	4,815,286
29	Tax payable	-	-	-	-	-
30	Dividends payable	-	-	-	-	-
31	Deferred tax liability	-	-	-	-	-
32	Retirement benefit liability	-	-	-	-	-
33	Other liabilities	733,859	620,090	672,654	618,580	552,605
<b>34</b>	<b>TOTAL LIABILITIES</b>	<b>36,996,327</b>	<b>42,344,677</b>	<b>39,621,441</b>	<b>39,399,909</b>	<b>37,022,162</b>
<b>C SHAREHOLDERS' FUNDS</b>						
35	Paid up/ Assigned capital	6,404,949	6,404,949	6,404,949	6,404,949	6,404,949
36	Share premium/ (discount)	1,980,356	1,980,356	1,980,356	1,980,356	1,980,356
37	Revaluation reserves	-	-	-	-	-
38	Retained earnings/ (Accumulated losses)	(1,856,292)	(1,608,282)	(1,578,321)	(1,493,902)	(1,581,746)
39	Statutory loan loss reserve	-	486,296	486,296	486,296	560,433
40	Other reserves	(413,608)	(527,137)	(557,260)	(566,348)	(547,129)
41	Proposed dividends	-	-	-	-	-
42	Capital grants	-	-	-	-	-
<b>43</b>	<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>6,115,405</b>	<b>6,736,182</b>	<b>6,736,020</b>	<b>6,811,351</b>	<b>6,816,863</b>
<b>44</b>	<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>43,111,732</b>	<b>49,080,859</b>	<b>46,357,461</b>	<b>46,211,260</b>	<b>43,839,025</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>						
		<b>Period Ended 30 September 2018</b>	<b>Period Ended 31 December 2018</b>	<b>Period Ended 31 March 2019</b>	<b>Period Ended 30 June 2019</b>	<b>Period Ended 30 September 2019</b>
		<b>Shs '000</b>	<b>Shs '000</b>	<b>Shs '000</b>	<b>Shs '000</b>	<b>Shs '000</b>
		<b>(Un-audited)</b>	<b>(Un-audited)</b>	<b>(Un-audited)</b>	<b>(Un-audited)</b>	<b>(Un-audited)</b>
<b>1 INTEREST INCOME</b>						
1.1	Loans and advances	2,067,905	2,713,067	585,241	1,164,272	1,723,380
1.2	Government securities	375,966	508,207	137,691	288,897	427,921
1.3	Deposits and placements with banking institutions	107,575	130,068	22,468	41,521	56,628
1.4	Other interest income	27,271	38,346	3,225	3,174	3,179
<b>1.5</b>	<b>Total interest income</b>	<b>2,578,717</b>	<b>3,389,688</b>	<b>748,625</b>	<b>1,497,864</b>	<b>2,211,108</b>
<b>2 INTEREST EXPENSES</b>						
2.1	Customer deposits	1,209,029	1,528,426	317,436	611,388	894,210
2.2	Deposits and placements from banking institutions	56,068	75,363	25,207	60,528	77,668
2.3	Other interest expense	392,881	603,026	84,271	211,261	404,657
<b>2.4</b>	<b>Total interest expenses</b>	<b>1,657,978</b>	<b>2,206,815</b>	<b>426,914</b>	<b>883,177</b>	<b>1,376,535</b>
<b>3 NET INTEREST INCOME/(LOSS)</b>		<b>920,739</b>	<b>1,182,873</b>	<b>321,711</b>	<b>614,687</b>	<b>834,573</b>
<b>4 OTHER OPERATING INCOME</b>						
4.1	Fees and commissions on loans and advances	119,070	162,106	36,259	68,355	104,632
4.2	Other fees and commissions	341,351	457,829	110,152	209,345	300,009
4.3	Foreign exchange trading income (loss)	343,370	436,126	230,678	461,127	595,346
4.4	Dividend income	-	12,043	-	-	-
4.5	Other income	417,845	646,501	94,024	232,770	470,321
<b>4.6</b>	<b>Total other operating income</b>	<b>1,221,636</b>	<b>1,714,605</b>	<b>471,113</b>	<b>971,597</b>	<b>1,470,308</b>
<b>5 Total operating income</b>		<b>2,142,375</b>	<b>2,897,478</b>	<b>792,824</b>	<b>1,586,284</b>	<b>2,304,881</b>
<b>6 OPERATING EXPENSES</b>						
6.1	Loan loss provision	402,643	403,608	156,680	261,237	457,663
6.2	Rental costs	808,100	1,069,304	274,399	518,301	734,795
6.3	Directors' emoluments	40,563	46,719	18,776	30,942	42,823
6.4	Staff charges	142,642	205,524	66,998	133,343	205,399
6.5	Depreciation charge on property and equipment	138,297	179,156	40,830	81,957	124,517
6.6	Amortisation charges	15,264	19,911	4,601	9,143	16,680
6.7	Other operating expenses	546,001	763,695	226,624	446,835	672,615
<b>6.8</b>	<b>Total operating expenses</b>	<b>2,093,510</b>	<b>2,687,917</b>	<b>788,308</b>	<b>1,481,758</b>	<b>2,254,492</b>
<b>7 Profit / (Loss) before tax and exceptional expenses</b>		<b>48,865</b>	<b>209,561</b>	<b>4,516</b>	<b>104,526</b>	<b>50,389</b>
8	Exceptional items	-	-	-	-	-
<b>9 Profit / (Loss) before tax</b>		<b>48,865</b>	<b>209,561</b>	<b>4,516</b>	<b>104,526</b>	<b>50,389</b>
10	Current tax	13,643	-	25,445	9,854	50,284
11	Deferred tax	-	(36,488)	-	-	-
<b>12 Profit / (Loss) after tax</b>		<b>62,508</b>	<b>173,073</b>	<b>29,961</b>	<b>114,380</b>	<b>100,673</b>
<b>13 Other Comprehensive Income</b>						
13.1	Gains/(Losses) from translating the financial statements of foreign operations	(101,561)	(77,326)	(30,123)	(39,211)	(19,992)
13.2	Fair value changes in available-for-sale financial assets	(111,606)	(284,960)	-	-	-
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	-	14,248	-	-	-
<b>14 Other comprehensive income for the year net of tax</b>		<b>(213,167)</b>	<b>(348,038)</b>	<b>(30,123)</b>	<b>(39,211)</b>	<b>(19,992)</b>
<b>15 Total comprehensive income for the year</b>		<b>(150,659)</b>	<b>(174,965)</b>	<b>(162)</b>	<b>75,169</b>	<b>80,681</b>
<b>III OTHER DISCLOSURES</b>						
		<b>Period Ended 30 September 2018</b>	<b>Period Ended 31 December 2018</b>	<b>Period Ended 31 March 2019</b>	<b>Period Ended 30 June 2019</b>	<b>Period Ended 30 September 2019</b>
		<b>Shs '000</b>	<b>Shs '000</b>	<b>Shs '000</b>	<b>Shs '000</b>	<b>Shs '000</b>
		<b>(Un-audited)</b>	<b>(Audited)</b>	<b>(Un-audited)</b>	<b>(Un-audited)</b>	<b>(Un-audited)</b>
<b>1 NON-PERFORMING LOANS AND ADVANCES</b>						
a	Gross non-performing loans and advances (a)	10,180,839	9,508,974	9,648,413	9,145,675	9,138,500
b	Interest in suspense (b)	104,680	83,067	222,813	322,274	418,407
c	Net non-performing loans and advances (a-b)	7,538,429	7,168,734	7,205,047	6,924,182	6,763,737
d	Loan loss provisions	3,073,715	2,727,110	2,956,345	2,776,890	3,093,304
e	Net non-performing loans (c-d)	4,464,514	4,441,624	4,248,702	4,147,302	3,693,433
f	Discounted value of securities	(2,932,628)	(3,953,571)	(3,738,672)	(3,604,815)	(3,172,603)
g	Net NPLs Exposure (e-f)	1,531,886	488,053	510,030	542,487	520,830
<b>2 INSIDER LOANS AND ADVANCES</b>						
a	Shareholders, Directors, and their associates	18,765	23,303	22,413	17,464	17,250
b	Employees	785,269	749,751	768,032	738,295	770,193
c	Total insider loans and advances	804,734	773,054	790,445	755,759	787,443
<b>3 OFF-BALANCE SHEET ITEMS</b>						
a	Letters of credit, guarantees and acceptances	7,938,199	8,083,318	6,922,133	6,445,903	5,930,606
b	Forwards, swaps and options	104,680	83,067	222,813	322,274	418,407
c	Other contingent liabilities	1,796,424	1,183,212	1,839,359	1,546,490	543,860
d	Total contingent liabilities	9,839,304	9,349,597	8,982,306	8,315,667	6,892,873
<b>4 CAPITAL STRENGTH</b>						
a	Core capital	3,738,130	3,423,941	3,416,943	3,463,373	3,374,283
b	Minimum statutory capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
c	Excess/ (Deficiency)	2,738,130	2,423,941	2,416,943	2,463,373	2,374,283
d	Supplementary Capital	1,458,004	1,535,496	1,241,470	1,263,789	1,269,660
e	Total capital	5,196,134	4,959,437	4,658,413	4,727,163	4,643,943
f	Total risk weighted assets	33,869,229	30,952,640	31,091,419	30,326,244	30,795,890
g	Core capital/total deposit liabilities	9.2%	9.3%	9.8%	9.8%	10.5%
h	Minimum statutory ratio	8.0%	8.0%	8.0%	8.0%	8.0%
i	Excess/ (Deficiency)	4.5%	1.3%	1.8%	1.9%	2.5%
j	Core capital/total risk weighted assets	11.0%	11.1%	11.0%	11.0%	11.0%
k	Minimum statutory ratio	10.5%	10.5%	10.5%	10.5%	10.5%
l	Excess/ (Deficiency)	0.5%	0.6%	0.5%	0.9%	0.5%
m	Total capital/total risk weighted assets	15.3%	16.0%	15.0%	15.6%	15.1%
n	Minimum statutory ratio	14.5%	14.5%	14.5%	14.5%	14.5%
o	Excess/ (Deficiency)	0.8%	1.5%	0.5%	1.1%	0.6%
	Adjusted Core Capital/Total Deposit Liabilities*	13.7%	10.3%	10.6%	11.0%	11.5%
	Adjusted Core Capital/Total Risk Weighted Assets*	11.9%	12.4%	11.9%	12.6%	12.0%
	Adjusted Total Capital/Total Risk Weighted Assets*	16.2%	17.4%	15.9%	16.8%	16.