

**Unaudited Quarterly Financial Statements and Other Disclosures**

<b>I STATEMENT OF FINANCIAL POSITION</b>		<b>30<sup>th</sup> Sept, 2015</b>	<b>31<sup>st</sup> Dec, 2015</b>	<b>31<sup>st</sup> Mar, 2016</b>	<b>30<sup>th</sup> June, 2016</b>	<b>30<sup>th</sup> Sept, 2016</b>
		<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
		<b>Kshs '000</b>	<b>Kshs '000</b>	<b>Kshs '000</b>	<b>Kshs '000</b>	<b>Kshs '000</b>
<b>A ASSETS</b>						
1	Cash (both Local & Foreign)	319,607	272,005	343,750	330,433	265,021
2	Balances due from Central Bank of Kenya	2,698,124	2,966,012	2,722,269	3,137,778	3,184,190
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:	<b>22,214,805</b>	<b>23,724,390</b>	<b>24,961,229</b>	<b>28,746,460</b>	<b>30,188,841</b>
a.	Kenya Government securities	22,214,805	23,724,390	24,961,229	28,746,460	30,188,841
b.	Other securities	-	-	-	-	-
b)	Available for sale:	<b>7,572,636</b>	<b>8,653,914</b>	<b>10,104,795</b>	<b>11,386,329</b>	<b>11,113,577</b>
a.	Kenya Government securities	7,392,826	8,491,013	9,930,071	11,234,243	10,960,082
b.	Other securities	179,810	162,901	174,724	152,086	153,495
6	Deposits and balances due from local banking institutions	1,220,463	469,903	841,378	691,544	901,615
7	Deposits and balances due from banking institutions abroad	371,478	349,372	258,320	432,154	491,908
8	Tax recoverable	-	28,085	28,085	28,085	28,085
9	Loans and advances to customers (net)	29,602,964	31,018,373	31,561,049	32,571,800	33,751,190
10	Balances due from banking institutions in the group	-	-	-	-	-
11	Investments in associates	-	-	-	-	-
12	Investments in subsidiary companies	-	-	-	-	-
13	Investments in joint ventures	-	-	-	-	-
14	Investment properties	23,522	22,903	22,903	22,903	22,903
15	Property and equipment	173,712	183,599	185,871	188,152	190,302
16	Prepaid lease rentals	-	-	-	-	-
17	Intangible assets	5,233	2,937	2,937	2,937	2,937
18	Deferred tax asset	82,572	47,033	47,033	47,033	47,033
19	Retirement benefit asset	-	-	-	-	-
20	Other assets	960,090	439,022	875,175	806,040	1,037,593
<b>21</b>	<b>TOTAL ASSETS</b>	<b>65,245,206</b>	<b>68,177,548</b>	<b>71,954,794</b>	<b>78,391,648</b>	<b>81,225,195</b>
<b>B LIABILITIES</b>						
22	Balances due to Central Bank of Kenya	-	-	-	-	-
23	Customer deposits	50,300,525	52,928,623	55,772,205	61,140,062	63,588,248
24	Deposits and balances due to local banking institutions	-	-	-	-	-
25	Deposits and balances due to foreign banking institutions	3,693,157	3,596,940	3,700,050	3,471,692	2,952,585
26	Other money market deposits	-	-	-	-	-
27	Borrowed funds	-	-	-	-	-
28	Balances due to banking institutions in the group	-	-	-	-	-
29	Tax payable	562,662	-	245,538	565,805	841,612
30	Dividends payable	-	-	-	-	-
31	Deferred tax liability	-	-	-	-	-
32	Retirement benefit liability	-	-	-	-	-
33	Other liabilities	446,727	378,899	390,992	437,106	454,908
<b>34</b>	<b>TOTAL LIABILITIES</b>	<b>55,003,071</b>	<b>56,904,462</b>	<b>60,108,785</b>	<b>65,614,665</b>	<b>67,837,353</b>
<b>C SHAREHOLDERS' FUNDS</b>						
35	Paid up /Assigned capital	989,717	989,717	989,717	989,717	989,717
36	Share premium/(discount)	-	-	-	-	-
37	Revaluation reserves	-	-	-	-	-
38	Retained earnings/Accumulated losses	9,723,307	10,238,598	10,811,521	11,558,810	12,093,349
39	Statutory loan loss reserves	365,353	365,353	365,353	365,353	474,361
40	Other Reserves	(836,242)	(518,525)	(518,525)	(334,840)	(169,585)
41	Proposed dividends	-	197,943	197,943	197,943	-
42	Capital grants	-	-	-	-	-
<b>43</b>	<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>10,242,135</b>	<b>11,273,086</b>	<b>11,846,009</b>	<b>12,776,983</b>	<b>13,387,842</b>
44	Minority Interest	-	-	-	-	-
<b>45</b>	<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>65,245,206</b>	<b>68,177,548</b>	<b>71,954,794</b>	<b>78,391,648</b>	<b>81,225,195</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED</b>		<b>30<sup>th</sup> Sept, 2015</b>	<b>31<sup>st</sup> Dec, 2015</b>	<b>31<sup>st</sup> Mar, 2016</b>	<b>30<sup>th</sup> June, 2016</b>	<b>30<sup>th</sup> Sept, 2016</b>
<b>1.0 INTEREST INCOME</b>						
1.1	Loans and advances	3,281,588	4,469,907	1,250,917	2,553,560	3,767,624
1.2	Government securities	2,270,406	2,987,477	972,112	2,096,015	3,374,405
1.3	Deposits and placements with banking institutions	97,366	113,685	9,220	16,526	24,910
1.4	Other Interest Income	16,322	20,913	4,615	8,986	13,157
<b>1.5</b>	<b>Total interest income</b>	<b>5,665,683</b>	<b>7,591,982</b>	<b>2,236,863</b>	<b>4,675,087</b>	<b>7,180,096</b>
<b>2.0 INTEREST EXPENSE</b>						
2.1	Customer deposits	2,745,265	3,816,135	1,139,857	2,277,320	3,430,194
2.2	Deposits and placement from banking institutions	47,903	66,916	14,957	26,552	49,422
2.3	Other interest expenses	1,148	1,149	-	-	-
<b>2.4</b>	<b>Total interest expense</b>	<b>2,794,316</b>	<b>3,884,201</b>	<b>1,154,814</b>	<b>2,303,872</b>	<b>3,479,616</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>		<b>2,871,367</b>	<b>3,707,781</b>	<b>1,082,050</b>	<b>2,371,215</b>	<b>3,700,480</b>
<b>4.0 NON-INTEREST INCOME</b>						
4.1	Fees and commissions on loans and advances	-	-	-	-	-
4.2	Other fees and commissions	113,222	155,256	44,584	87,200	129,926
4.3	Foreign exchange trading income/(Loss)	58,312	85,878	25,656	46,172	68,920
4.4	Dividend Income	69	69	44	70	833
4.5	Other income	16,128	98,707	5,240	28,750	63,216
<b>4.6</b>	<b>Total Non-interest income</b>	<b>187,731</b>	<b>339,910</b>	<b>75,524</b>	<b>162,193</b>	<b>262,896</b>
<b>5.0 TOTAL OPERATING INCOME</b>		<b>3,059,097</b>	<b>4,047,691</b>	<b>1,157,574</b>	<b>2,533,408</b>	<b>3,963,376</b>
<b>6.0 OTHER OPERATING EXPENSES</b>						
6.1	Loan loss provision	455,370	601,761	107,400	129,938	365,872
6.2	Staff costs	351,624	473,842	122,501	273,343	398,656
6.3	Directors' emoluments	10,034	13,437	3,315	6,636	9,852
6.4	Rental charges	106,669	138,717	30,657	61,966	96,780
6.5	Depreciation charge on property and equipment	30,202	43,239	7,381	22,042	44,787
6.6	Amortisation charges	2,358	2,458	1,407	703	703
6.7	Other operating expenses	227,295	288,666	66,452	152,761	241,353
<b>6.8</b>	<b>Total Other Operating Expenses</b>	<b>1,183,551</b>	<b>1,562,120</b>	<b>339,112</b>	<b>647,390</b>	<b>1,158,003</b>
<b>7.0 Profit/(loss) before tax and exceptional items</b>		<b>1,875,546</b>	<b>2,485,571</b>	<b>818,462</b>	<b>1,886,018</b>	<b>2,805,372</b>
8	Exceptional items	-	-	-	-	-
9.0	Profit/(loss) after exceptional items	1,875,546	2,485,571	818,462	1,886,018	2,805,372
10	Current tax	562,664	423,915	245,538	565,805	841,612
11	Deferred tax	-	35,539	-	-	-
<b>12.0 Profit/(loss) after tax and exceptional items</b>		<b>1,312,882</b>	<b>2,026,117</b>	<b>572,924</b>	<b>1,320,213</b>	<b>1,963,760</b>
<b>13.0 Minority Interest</b>		-	-	-	-	-
<b>14.0 Profit/(loss) after tax, exceptional items and Minority Interest</b>		<b>1,312,882</b>	<b>2,026,117</b>	<b>572,924</b>	<b>1,320,213</b>	<b>1,963,760</b>
<b>15.0 Other Comprehensive Income</b>						
15.1	Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	-
15.2	Fair value changes in available for sale financial assets	(750,033)	(432,316)	-	183,685	348,940
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	-	-	-	-	-
<b>16.0 Other Comprehensive Income for the year net of tax</b>		<b>(750,033)</b>	<b>(432,316)</b>	-	<b>183,685</b>	<b>348,940</b>
<b>17.0 Total comprehensive income for the year</b>		<b>562,849</b>	<b>1,593,801</b>	<b>572,924</b>	<b>1,503,898</b>	<b>2,312,700</b>
<b>18.0 EARNINGS PER SHARE- BASIC &amp; DILUTED</b>		<b>26.53</b>	<b>40.94</b>	<b>11.58</b>	<b>26.68</b>	<b>39.68</b>
<b>19.0 DIVIDEND PER SHARE -DECLARED</b>		-	<b>4.00</b>	-	-	-
<b>III OTHER DISCLOSURES</b>						
<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>						
(a)	Gross Non-performing loans and advances	2,073,199	2,363,810	2,316,487	2,235,015	3,285,102
(b)	Less: Interest in Suspense	196,368	222,816	222,782	221,776	294,780
<b>(c) Total Non-Performing Loans and Advances (a-b)</b>		<b>1,876,831</b>	<b>2,140,994</b>	<b>2,093,705</b>	<b>2,013,239</b>	<b>2,990,322</b>
(d)	Less: Loan Loss Provision	949,815	1,021,958	1,122,910	1,141,777	1,349,106
<b>(e) Net Non-Performing Loans and Advances(c-d)</b>		<b>927,016</b>	<b>1,119,036</b>	<b>970,795</b>	<b>871,462</b>	<b>1,641,216</b>
(f)	Discounted Value of Securities	927,016	1,119,036	970,795	871,462	1,641,216
<b>(g) Net NPLs Exposure (e-f)</b>		-	-	-	-	-
<b>2.0 INSIDER LOANS AND ADVANCES</b>						
(a)	Directors, Shareholders and Associates	596	210	210	210	2,397
(b)	Employees	216,319	237,734	236,546	240,402	255,443
<b>(c) Total Insider Loans and Advances and other facilities</b>		<b>216,915</b>	<b>237,944</b>	<b>236,756</b>	<b>240,612</b>	<b>255,840</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>						
(a)	Letters of credit, guarantees, acceptances	5,125,701	4,885,832	5,187,947	5,030,960	5,148,884
(b)	Forwards, swaps and options	463,078	107,921	264,890	174,281	157,882
(c)	Other contingent liabilities	894,447	916,308	799,732	1,007,817	930,448
<b>(d) Total Contingent Liabilities</b>		<b>6,483,226</b>	<b>5,910,061</b>	<b>6,252,569</b>	<b>6,213,058</b>	<b>6,237,214</b>
<b>4.0 CAPITAL STRENGTH</b>						
(a)	Core capital	9,974,011	11,181,282	11,467,743	11,841,388	12,054,153
(b)	Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
(c)	Excess/(Deficiency) (a-b)	8,974,011	10,181,282	10,467,743	10,841,388	11,054,153
(d)	Supplementary Capital	365,353	365,353	365,353	365,353	474,361
<b>(e) Total Capital (a+d)</b>		<b>10,339,364</b>	<b>11,546,635</b>	<b>11,833,096</b>	<b>12,206,741</b>	<b>12,528,514</b>
(f)	Total risk weighted assets	41,623,093	42,539,275	43,631,743	44,788,386	44,100,072
<b>(g) Core Capital/Total deposits Liabilities</b>		<b>19.8%</b>	<b>21.1%</b>	<b>20.6%</b>	<b>19.4%</b>	<b>19.0%</b>
(h)	Minimum statutory Ratio	8.0%	8.0%	8.0%	8.0%	8.0%
(i)	Excess/(Deficiency) (g-h)	11.8%	13.1%	12.6%	11.4%	11.0%
<b>(j) Core Capital / total risk weighted assets</b>		<b>24.0%</b>	<b>26.3%</b>	<b>26.3%</b>	<b>26.4%</b>	<b>27.3%</b>
(k)	Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%
(l)	Excess (Deficiency) (j-k)	13.5%	15.8%	15.8%	15.9%	16.8%
<b>(m) Total Capital/total risk weighted assets</b>		<b>24.8%</b>	<b>27.1%</b>	<b>27.1%</b>	<b>27.3%</b>	<b>28.4%</b>
(n)	Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%	14.5%
(o)	Excess/(Deficiency) (m-n)	10.3%	12.6%	12.6%	12.8%	13.9%
<b>14 LIQUIDITY</b>						
14.1	(a) Liquidity Ratio	60.4%	61.5%	63.2%	67.0%	67.4%
14.2	(b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%
14.3	(c) Excess (Deficiency) (a-b)	40.				