

## STATEMENT OF FINANCIAL POSITION

	BANK				
	30th Sep 2012	31st Dec 2012	31st Mar 2013	30th Jun 2013	30th Sep 2013
	Shs. '000' (Un-audited)	Shs. '000' (Audited)	Shs. '000' (Un-audited)	Shs. '000' (Un-audited)	Shs. '000' (Un-audited)
<b>A. ASSETS</b>					
1. Cash (both Local & foreign)	5,269,134	4,878,652	5,719,419	6,311,432	7,138,525
2. Balances due from central Bank of Kenya	12,031,834	13,395,120	13,147,904	10,011,309	9,044,745
3. Kenya Government and other securities held for dealing purposes	-	-	-	-	-
4. Financial Assets at fair value through profit and loss	-	-	-	-	-
<b>5. Investment Securities: (a-b)</b>	<b>30,247,982</b>	<b>32,791,496</b>	<b>31,001,961</b>	<b>30,912,227</b>	<b>32,143,740</b>
<b>a) Held to Maturity: (i-ii)</b>	<b>22,368,959</b>	<b>23,666,217</b>	<b>21,725,261</b>	<b>22,727,337</b>	<b>22,611,075</b>
i. Kenya Government securities	21,668,959	22,798,317	20,857,361	21,859,437	21,743,175
ii. Other securities	700,000	867,900	867,900	867,900	867,900
<b>b) Available for sale: (i-ii)</b>	<b>7,879,023</b>	<b>9,125,477</b>	<b>9,276,699</b>	<b>8,184,890</b>	<b>9,532,665</b>
i. Kenya Government securities	7,879,023	9,125,477	9,276,699	8,184,890	9,532,665
ii. Other securities	-	-	-	-	-
6. Deposits and balances due from local banking institutions	5,183,717	9,941,086	7,336,976	9,180,739	8,997,190
7. Deposits and balances due from banking institutions abroad	7,819,496	7,252,137	12,188,209	11,455,216	5,175,264
8. Tax recoverable	-	-	-	-	-
9. Loans and advances to customers (Net)	119,542,852	122,410,013	124,985,393	134,941,450	141,152,830
10. Balances due from banking institutions in the group	1,316,065	983,421	1,541,663	1,586,405	1,284,014
11. Investments in associates	1,113,049	1,113,049	1,113,049	1,113,049	1,113,049
12. Investments in subsidiary companies	8,204,101	8,204,101	8,637,689	8,637,689	8,987,689
13. Investments in joint ventures	-	-	-	-	-
14. Investment properties	8,494	8,494	8,494	8,494	8,494
15. Property and equipment	6,352,278	6,529,844	6,408,007	6,297,071	6,485,900
16. Prepaid lease rentals	4,149	4,138	4,126	4,115	4,103
17. Intangible assets	1,057,811	1,122,641	1,201,920	1,189,859	1,341,666
18. Deferred tax asset	238,571	744,341	744,341	744,341	744,341
19. Retirement benefit asset	-	-	-	-	-
20. Other assets	7,471,720	6,450,569	9,393,770	8,021,406	9,279,891
<b>21. TOTAL ASSETS</b>	<b>206,761,253</b>	<b>215,829,300</b>	<b>223,432,921</b>	<b>230,414,802</b>	<b>232,901,441</b>
<b>B. LIABILITIES</b>					
22. Balances due to Central Bank of Kenya	-	-	-	-	-
23. Customer deposits	138,004,625	140,285,671	147,399,366	155,011,661	157,483,586
24. Deposits and balances due to Local banking institutions	2,469,325	2,100,325	1,492,515	3,048,918	1,903,411
25. Deposits and balances due to Foreign banking institutions	-	-	-	-	-
26. Other money market deposits	-	-	-	104,272	217,972
27. Borrowed funds	23,299,269	25,755,053	25,037,384	25,141,994	23,853,123
28. Balances due to group companies	-	-	-	-	-
29. Tax payable	710,512	2,257,874	3,423,144	-	-
30. Dividends payable	16,511	16,246	1,818,337	18,490	20,923
31. Deferred tax liability	-	-	-	-	-
32. Retirement benefit liability	-	-	-	-	-
33. Other liabilities	2,721,306	2,742,368	3,773,708	3,017,925	3,177,754
<b>34. TOTAL LIABILITIES</b>	<b>167,221,548</b>	<b>173,157,537</b>	<b>182,944,454</b>	<b>186,238,988</b>	<b>186,543,069</b>
<b>C. SHAREHOLDERS' FUNDS</b>					
35. Paid up/Assigned capital	1,851,388	1,851,388	1,851,388	1,851,388	1,851,388
36. Share premium/(discount)	12,161,021	12,161,021	12,161,021	12,161,021	12,161,021
37. Revaluation reserve	(471,351)	(731,853)	(1,088,470)	(1,416,639)	(1,740,004)
38. Retained earnings/ Accumulated losses	25,578,802	24,308,413	27,110,205	30,125,721	32,631,644
39. Statutory Loan Loss reserve	419,845	454,323	454,323	454,323	454,323
40. Other Reserves	-	-	-	-	-
41. Proposed dividends	-	4,628,471	-	-	-
42. Capital grants	-	-	-	-	-
<b>43. TOTAL SHAREHOLDERS' FUNDS</b>	<b>39,539,705</b>	<b>42,671,763</b>	<b>40,488,467</b>	<b>44,175,814</b>	<b>46,358,372</b>
44. Minority interest	-	-	-	-	-
<b>45. TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>206,761,253</b>	<b>215,829,300</b>	<b>223,432,921</b>	<b>230,414,802</b>	<b>232,901,441</b>

## STATEMENT OF COMPREHENSIVE INCOME

	BANK				
<b>1. INTEREST INCOME</b>					
1.1 Loans and advances	18,822,176	25,383,447	6,444,520	12,374,902	18,409,015
1.2 Government securities	2,011,288	2,794,769	763,876	1,539,951	2,304,103
1.3 Deposits and placements with banking institutions	218,057	311,683	72,237	192,921	282,633
1.4 Other Interest Income	5,123	6,626	729	675	3,527
<b>1.5 Total Interest income</b>	<b>21,056,644</b>	<b>28,496,525</b>	<b>7,281,362</b>	<b>14,108,449</b>	<b>20,999,278</b>
<b>2. INTEREST EXPENSES</b>					
2.1 Customer deposits	3,706,001	4,736,298	628,043	1,407,090	2,270,338
2.2 Deposits and placements from banking institutions	138,483	140,999	766	1,145	11,312
2.3 Other Interest expense	1,248,318	1,507,610	396,425	719,082	1,010,109
<b>2.4 Total interest Expenses</b>	<b>5,092,802</b>	<b>6,384,907</b>	<b>1,025,234</b>	<b>2,127,317</b>	<b>3,291,759</b>
<b>3. NET INTEREST INCOME</b>	<b>15,963,842</b>	<b>22,111,618</b>	<b>6,256,128</b>	<b>11,981,132</b>	<b>17,707,519</b>
<b>4. NON-INTEREST INCOME</b>					
4.1 Fees and commissions income on loans & advances	2,336,178	3,282,313	849,215	1,888,136	2,878,439
4.2 Other Fees and commissions income	3,797,803	5,187,917	1,314,030	2,775,040	4,228,669
4.3 Foreign exchange trading income	536,015	696,827	193,908	455,931	691,337
4.4 Dividend Income	180,078	180,078	-	40,089	83,041
4.5 Other income	304,333	415,915	73,150	174,923	246,672
<b>4.6 Total Non-Interest Income</b>	<b>7,154,407</b>	<b>9,763,050</b>	<b>2,430,303</b>	<b>5,334,119</b>	<b>8,128,538</b>
<b>5. TOTAL OPERATING INCOME</b>	<b>23,118,249</b>	<b>31,874,668</b>	<b>8,686,431</b>	<b>17,315,251</b>	<b>25,835,877</b>
<b>6. OPERATING EXPENSES</b>					
6.1 Loan Loss Provision	1,422,685	1,455,875	642,627	1,242,627	1,853,563
6.2 Staff costs	4,944,902	5,884,522	1,641,714	3,675,374	5,542,641
6.3 Directors' emoluments	18,993	20,110	5,304	10,607	14,717
6.4 Rental charges	606,397	846,935	238,030	377,381	629,358
6.5 Depreciation on property and equipment	1,198,332	1,734,133	445,606	892,674	1,363,159
6.6 Amortisation charges	208,452	283,953	77,895	157,526	239,162
6.7 Other operating expenses	3,855,231	5,589,533	1,632,693	2,648,421	4,302,945
<b>6.8 Total Operating Expenses</b>	<b>12,254,992</b>	<b>15,815,061</b>	<b>4,683,869</b>	<b>9,004,810</b>	<b>13,945,545</b>
<b>Profit/(loss) before tax and exceptional items</b>	<b>10,863,257</b>	<b>16,059,607</b>	<b>4,002,562</b>	<b>8,310,441</b>	<b>11,890,332</b>
Exceptional items-share of profit of associate	-	-	-	-	-
<b>Profit/(loss) after exceptional items</b>	<b>10,863,257</b>	<b>16,059,607</b>	<b>4,002,562</b>	<b>8,310,441</b>	<b>11,890,332</b>
10. Current tax	(3,258,977)	(5,568,537)	(1,200,768)	(2,493,132)	(3,567,099)
<b>12. Profit / (loss) after tax and exceptional items</b>	<b>7,604,280</b>	<b>10,996,840</b>	<b>2,801,794</b>	<b>5,817,309</b>	<b>8,323,233</b>
13. Minority Interest	-	-	-	-	-
<b>14. Profit/(loss) after tax, exceptional items and Minority interest</b>	<b>7,604,280</b>	<b>10,996,840</b>	<b>2,801,794</b>	<b>5,817,309</b>	<b>8,323,233</b>
<b>15. 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	590,783	330,281	(356,616)	315,215	(8,151)
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. Other Comprehensive Income for the year net of tax</b>	<b>590,783</b>	<b>330,281</b>	<b>(356,616)</b>	<b>315,215</b>	<b>(8,151)</b>
<b>17. Total comprehensive income for the year</b>	<b>8,195,062</b>	<b>11,327,120</b>	<b>2,445,178</b>	<b>6,132,524</b>	<b>8,315,082</b>

## OTHER DISCLOSURES

	BANK				
<b>1) NON PERFORMING LOANS AND ADVANCES</b>					
a) Gross non performing loans and advances	3,759,010	4,018,405	7,060,986	7,175,944	7,669,693
b) Less Interest in suspense	1,110,088	1,227,189	1,412,368	1,544,794	1,458,451
<b>c) Total Non-Performing loans and advances (a-b)</b>	<b>2,648,922</b>	<b>2,791,216</b>	<b>5,648,618</b>	<b>5,631,150</b>	<b>6,211,242</b>
d) Less Loan loss provision	1,982,429	1,982,429	2,539,429	2,539,429	2,655,579
e) Net non-performing loans(c-d)	666,493	808,787	3,066,189	3,092,049	3,555,663
f) Discounted value of securities	504,888	630,798	2,201,479	2,497,874	3,174,249
<b>g) Net NPLs Exposure (e-f)</b>	<b>161,605</b>	<b>177,989</b>	<b>864,710</b>	<b>594,175</b>	<b>381,414</b>
<b>2) INSIDER LOANS AND ADVANCES</b>					
a) Directors, shareholders and associates	3,618,273	3,464,360	3,757,094	1,247,038	1,171,669
b) Employees	3,401,149	3,394,249	3,530,352	3,803,524	4,132,265
<b>c) Total insider Loans and Advances and other Facilities</b>	<b>7,019,422</b>	<b>6,858,609</b>	<b>7,287,446</b>	<b>5,050,562</b>	<b>5,303,934</b>
<b>3) OFF BALANCE SHEET ITEMS</b>					
a) Letter of Credit, guarantees, acceptances	5,100,191	5,166,588	5,046,541	5,328,403	7,410,114
b) Forwards, Swaps and Options	-	8,873	112,257	18,908	51,101
c) Other contingent Liabilities	2,318,779	2,294,355	2,350,441	2,619,564	3,146,645
<b>d) Total contingent Liabilities</b>	<b>7,418,970</b>	<b>7,469,816</b>	<b>7,509,239</b>	<b>7,966,875</b>	<b>10,607,860</b>

<b>4) CAPITAL STRENGTH</b>					
a) Core Capital	26,993,022	29,524,772	30,492,080	31,999,838	33,252,800
b) Minimum statutory capital	700,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>c) Excess/ (deficiency)</b>	<b>26,293,022</b>	<b>28,524,772</b>	<b>29,492,080</b>	<b>30,999,838</b>	<b>32,252,800</b>
d) Supplementary capital	13,148,054	15,216,709	15,700,363	15,781,006	17,080,723
<b>e) Total Capital (a+d)</b>	<b>40,141,075</b>	<b>44,741,481</b>	<b>46,192,443</b>	<b>47,780,844</b>	<b>50,333,523</b>
<b>f) Total Risk Weighted Assets</b>	<b>147,843,758</b>	<b>148,659,773</b>	<b>203,393,753</b>	<b>214,388,779</b>	<b>222,895,174</b>

RATIOS					
g) Core Capital/ Total Deposit Liabilities	19%	21%	20%	20%	21%
h) Minimum statutory ratio	8%	8%	10.5%	10.5%	10.5%
<b>i) Excess / (deficiency) (g-h)</b>	<b>11%</b>	<b>13%</b>	<b>9.5%</b>	<b>9.5%</b>	<b>10.5%</b>
j) Core Capital/ Total Risk Weighted Assets	18%	20%	15%	15%	15%
k) Minimum statutory Ratio	8%	8%	10.5%	10.5%	10.5%
<b>l) Excess / (deficiency) (j-k)</b>	<b>10%</b>	<b>12%</b>	<b>4.5%</b>	<b>4.5%</b>	<b>4.5%</b>
m) Total Capital/ Total Risk Weighted assets	27%	30%	23%	22%	23%
n) Minimum statutory Ratio	12%	12%	14.5%	14.5%	14.5%
<b>o) Excess / (deficiency) (m-n)</b>	<b>15%</b>	<b>18%</b>	<b>8.5%</b>	<b>7.5%</b>	<b>8.5%</b>

<b>5) LIQUIDITY</b>					
a) Liquidity Ratio	42%	44%	44%	41%	38%
b) Minimum statutory Ratio	20%	20%	20%	20%	20%
<b>c) Excess / (deficiency) (a-b)</b>	<b>22%</b>	<b>26%</b>	<b>24%</b>	<b>21%</b>	<b>18%</b>

## UN-AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30TH SEPTEMBER 2013

GROUP CONSOLIDATED					
30th Sep 2012 Shs. '000' (Un-audited)	31st Dec 2012 Shs. '000' (Audited)	31st Mar 2013 Shs. '000' (Un-audited)	30th Jun 2013 Shs. '000' (Un-audited)	30th Sep 2013 Shs. '000' (Un-audited)	
7,863,637	7,703,654	8,680,882	8,947,373	9,933,263	
12,031,834	13,395,120	13,147,904	10,011,309	9,044,745	
-	-	-	-	-	
-	-	-	-	-	
35,468,267	41,101,360	40,323,497	42,093,215	43,564,081	
27,283,472	31,975,883	31,046,798	33,586,282	33,694,931	
21,715,109	30,803,463	29,810,944	21,877,011	21,760,382	
5,568,363	1,172,420	1,235,854	11,709,271	11,934,549	
8,184,795	9,125,477	9,276,699	8,506,933	9,869,150	
7,879,023	9,125,477	9,276,699	8,184,890	9,532,665	
305,772	-	-	322,043	336,485	
5,183,717	9,997,868	7,421,473	9,265,311	9,036,426	
19,301,475	14,037,451	18,814,447	17,452,045	12,642,604	
57,292	55,330	7,198	76,288	111,783	
131,335,156	135,692,125	139,563,646	150,477,390	158,577,454	
388,301	2,286	196,542	481,930	99,721	
1,382,786	1,456,447	1,503,427	1,516,416	1,525,707	
-	-	-	-	-	
-	-	-	-	-	
8,494	8,494	8,494	8,494	8,494	
8,457,590	9,071,802	8,825,268	8,840,601	9,259,776	
223,017	292,358	242,533	228,684	178,332	
2,217,381	2,301,522	2,366,829	2,350,366	2,697,641	
240,645	819,876	766,919	766,801	767,192	
8,063,069	7,234,765	10,365,205	9,061,447	10,221,180	
232,222,661	243,170,458	252,234,264	261,577,670	267,668,399	
-	-	-	-	-	
162,120,318	165,812,458	173,832,149	184,024,528	190,141,876	
2,469,325	2,100,325	1,492,515	3,048,918	1,903,411	
2,104,174	-	1,573,217	369,811	217,972	
22,257,100	26,568,809	24,779,591	25,613,851	24,544,662	
765,748	2,365,036	3,491,192	61,094	35,751	
16,511	16,246	1,818,337	18,490	20,923	
537	38,122	37,789	37,966	38,099	
3,245,373	3,353,074	4,379,238	3,737,911	3,806,716	
192,979,086	200,254,070	211,404,028	216,912,569	220,709,410	
1,851,388	1,851,388	1,851,388	1,851,388	1,851,388	
12,161,021	12,161,021	12,161,021	12,161,021	12,161,021	
(1,359,853)	(1,272,313)	(2,076,570)	(1,403,145)	(1,689,789)	
26,162,089	25,034,934	28,294,535	31,465,916	34,051,696	
428,930	566,733	582,193	582,897	584,673	
-	-	-	-	-	
-	4,628,471	-	-	-	
-	46,054	17,669	7,024	-	
39,243,575	42,916,388	40,830,236	44,665,101	46,958,989	
232,222,661	243,170,458	252,234,264	261,577,670	267,668,399	