

BALANCE SHEET	GROUP 6/30/11 Shs. 000	GROUP 12/31/11 Shs. 000	GROUP 6/30/12 Shs. 000	GROUP 6/30/11 Shs. 000	BANK 6/30/11 Shs. 000	BANK 12/31/11 Shs. 000	BANK 3/31/12 Shs. 000	BANK 6/30/12 Shs. 000
A. ASSETS	Un-audited	Audited	Un-audited	Un-audited	Un-audited	Audited	Un-audited	Un-audited
1. Cash [both Local & foreign]	17,487,063	7,166,639	6,915,243	6,915,243	5,378,359	4,507,264	4,852,074	5,155,756
2. Balances due from central Bank of Kenya	9,520,590	8,565,694	9,590,809	9,590,809	9,520,590	8,565,694	9,590,809	9,909,685
3. Kenya Government securities	21,054,686	22,616,694	22,566,708	22,566,708	21,054,686	22,604,042	22,550,088	22,495,215
4. Foreign Currency Treasury Bills and Bonds	15,556	26,301	993,381	1,828,168	-	-	-	-
5. Deposits and balances due from banking institutions	1,067,254	1,734,925	2,482,581	2,606,293	707,061	1,734,925	2,482,581	2,606,293
6. Deposits and balances due from banking institutions abroad	2,325,236	17,814,951	19,369,489	24,764,984	926,567	4,322,572	4,535,126	9,920,066
7. Government and other securities held for dealing purposes	6,386,233	7,594,887	6,083,977	5,769,357	6,369,996	7,594,887	5,573,115	5,769,357
8. Tax recoverable	35,241	53,484	65,632	31,423	926	-	-	-
9. Loans and advances to customers (net)	97,711,984	113,823,792	121,125,041	124,460,769	90,851,088	106,486,367	112,853,305	114,335,302
10. Investment securities	346,068	264,588	235,083	269,654	-	-	-	-
11. Balances due from group companies	106,499	123,080	308,323	219,760	2,988,991	1,318,595	1,483,060	767,517
12. Investments in associates	1,319,859	1,365,892	1,386,521	1,321,858	1,319,859	1,259,696	1,259,696	1,259,696
13. Investments in subsidiary companies	-	-	-	-	6,128,191	6,672,186	8,104,201	8,104,201
14. Investments in joint ventures	-	-	-	-	-	-	-	-
15. Investment properties	8,494	8,494	8,494	8,494	8,494	8,494	8,494	8,494
16. Property and equipment	6,979,640	7,593,617	7,757,598	7,924,660	5,824,989	6,044,159	6,073,929	6,109,101
17. Prepaid lease rentals	28,661	132,401	28,661	4,184	4,207	4,184	4,173	4,161
18. Intangible assets	1,940,150	2,237,346	2,285,694	2,262,364	785,929	1,075,697	1,127,252	1,099,913
19. Deferred tax asset	61,061	243,546	240,645	240,645	61,061	238,571	238,571	238,571
20. Retirement benefit asset	-	-	-	-	-	-	-	-
21. Other assets	4,961,249	5,031,306	7,420,742	8,541,693	4,393,893	4,473,663	6,455,093	7,902,619
22. TOTAL ASSETS	171,352,419	196,293,896	208,968,362	219,887,391	156,324,887	176,910,996	187,191,567	195,685,948
B. LIABILITIES								
23. Balances due to Central Bank of Kenya	-	-	-	-	-	-	-	-
24. Customer deposits	123,987,006	140,446,501	150,715,191	151,113,451	109,558,260	121,774,061	129,977,449	128,204,860
25. Deposits and balances due to Local banking institutions	5,500,733	3,718,360	2,963,498	4,567,248	5,500,733	3,718,360	2,961,178	4,567,248
26. Deposits and balances due to Foreign banking institutions	591,576	-	-	-	-	-	-	-
27. Other money market deposits	-	-	1,179,183	778,189	-	-	-	-
28. Borrowed funds	8,441,490	14,792,277	14,895,207	22,730,936	8,343,728	13,768,876	14,807,212	22,075,835
29. Balances due to group companies	-	-	-	-	-	-	-	-
30. Tax payable	-	487,452	1,447,037	1,815,183	-	417,108	1,412,588	1,803,439
31. Dividends payable.	7,492	17,265	1,537,559	22,748	7,492	17,265	1,537,559	22,748
32. Deferred tax liability	5,537	536	523	530	-	-	-	-
33. Retirement benefit liability	-	-	-	-	-	-	-	-
34. Other liabilities	3,735,497	2,545,957	3,329,565	3,056,032	3,266,930	2,167,906	2,830,771	2,637,754
35. TOTAL LIABILITIES	142,269,331	162,008,349	176,067,763	184,084,316	126,677,143	141,863,576	153,526,757	159,311,884
C. SHAREHOLDERS' FUNDS								
36. Paid up/Assigned capital	1,851,388	1,851,388	1,851,388	1,851,388	1,851,388	1,851,388	1,851,388	1,851,388
37. Share premium/ (discount)	12,161,021	12,161,021	12,161,021	12,161,021	12,161,021	12,161,021	12,161,021	12,161,021
38. Revaluation reserve	(1,498,738)	(1,712,012)	(2,067,142)	(1,736,985)	(918,462)	(1,062,134)	(1,064,754)	(849,004)
39. Retained earnings/ Accumulated losses	16,185,043	17,715,214	20,438,108	23,072,158	16,171,465	17,974,523	20,297,310	22,790,814
40. Statutory Loan Loss reserve	384,374	567,159	459,195	428,802	382,332	419,845	419,845	419,845
41. Proposed dividends	-	3,702,777	-	-	-	3,702,777	-	-
42. Capital grants	-	-	58,029	26,691	-	-	-	-
43. TOTAL SHAREHOLDERS' FUNDS	29,083,088	34,285,547	32,900,599	35,803,075	29,647,744	35,047,420	33,664,810	36,374,064
44. TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	171,352,419	196,293,896	208,968,362	219,887,391	156,324,887	176,910,996	187,191,567	195,685,948
PROFIT AND LOSS ACCOUNT								
INTEREST INCOME								
1.1 Loans and advances	6,969,301	16,580,710	6,544,558	13,314,708	6,387,678	15,266,771	6,124,844	12,417,607
1.2 Government securities.	1,308,313	2,669,330	670,211	1,372,596	1,307,528	2,664,817	657,809	1,303,465
1.3 Deposits and placements with banking institutions	31,661	84,202	89,801	148,700	27,120	444,422	81,412	158,576
1.4 Other	1,278	5,329	17,257	23,369	543	-	1,359	3,113
1.5 Total Interest income	8,310,553	19,339,570	7,321,827	14,859,373	7,722,869	18,376,010	6,865,424	13,882,760
INTEREST EXPENSES								
2.1 Customer deposits	728,874	2,131,451	1,190,834	2,587,684	618,685	1,849,599	1,098,443	2,418,610
2.2 Deposits and placements from banking institutions	46,473	179,068	87,402	147,206	28,284	159,867	77,441	121,191
2.3 Other Interest expense	269,341	806,015	347,714	845,825	269,341	806,014	347,714	845,432
2.4 Total Interest Expenses	1,044,687	3,116,533	1,625,950	3,580,715	916,310	2,815,480	1,523,598	3,385,233
NET INTEREST INCOME	7,265,865	16,223,036	5,695,877	11,278,658	6,806,559	15,560,530	5,341,826	10,497,527
OTHER OPERATING INCOME								
4.1 Fees and commissions income on loans & advances	1,574,012	3,353,706	884,284	1,636,988	1,467,579	3,140,853	794,229	1,515,918
4.2 Other Fees and commissions income	2,698,994	5,923,170	1,524,619	3,055,550	2,333,348	4,913,791	1,289,113	2,496,147
4.3 Foreign exchange trading income	683,406	1,969,830	632,335	1,068,427	312,299	821,075	168,105	411,049
4.4 Dividend Income	21,991	23,269	4,845	5,065	-	188,196	-	-
4.5 Other income.	906,771	1,177,033	271,979	518,212	579,097	842,557	101,245	149,785
4.6 Total Non-Interest Income	5,885,174	12,447,008	3,318,062	6,284,241	4,692,323	9,906,472	2,352,692	4,572,899
TOTAL OPERATING INCOME	13,151,039	28,670,045	9,013,939	17,562,899	11,498,882	25,467,002	7,694,518	15,070,426
OPERATING EXPENSES								
6.1 Loan Loss Provision	1,153,687	1,629,648	728,830	1,243,605	1,124,947	1,533,233	697,757	1,154,757
6.2 Staff costs	2,635,241	5,988,598	2,050,458	3,891,779	2,274,833	5,164,421	1,780,766	3,321,246
6.3 Directors' emoluments	11,717	26,085	9,648	16,571	8,715	20,986	8,006	14,282
6.4 Rental charges	406,977	927,935	392,747	691,684	303,120	687,361	199,903	390,227
6.5 Depreciation on property and equipment	739,410	1,581,625	442,473	916,836	623,295	1,338,748	379,083	783,844
6.6 Ammortisation charges	79,764	163,723	66,224	136,539	71,137	144,918	62,891	135,170
6.7 Other operating expenses	2,288,600	5,673,288	1,622,223	3,106,345	1,879,793	4,473,821	1,247,845	2,390,485
6.8 Total Operating Expenses	7,315,396	15,990,902	5,312,603	10,003,359	6,285,840	13,363,488	4,376,251	8,190,010
Profit/(loss) before tax and exceptional items	5,835,643	12,679,143	3,701,336	7,559,540	5,213,042	12,103,514	3,318,267	6,880,416
Exceptional items-share of profit of associate	60,164	154,876	33,201	62,163	60,164	-	-	-
Profit/(loss) after exceptional items	5,895,807	12,834,019	3,734,537	7,621,703	5,273,206	12,103,514	3,318,267	6,880,416
Current tax	(1,158,182)	(2,696,218)	(1,097,576)	(2,218,870)	(1,042,608)	(2,507,147)	(995,480)	(2,064,125)
Deferred tax	-	187,356	-	-	-	177,510	-	-
Profit / (loss) after tax and exceptional items	4,737,625	10,325,157	2,636,961	5,402,833	4,230,598	9,773,857	2,322,787	4,816,291

The above financial statements and disclosures are extracts of the financial records of the Group

Signed: **DR. JAMES MWANGI, CBS**
CHIEF EXECUTIVE OFFICER/MANAGING DIRECTOR

Signed: **MR. PETER K. MUNGA, CBS**
CHAIRMAN

	GROUP 6/30/11 Shs. 000	GROUP 12/31/11 Shs. 000	GROUP 3/31/12 Shs. 000	GROUP 6/30/12 Shs. 000	BANK 6/30/11 Shs. 000	BANK 12/31/11 Shs. 000	BANK 3/31/12 Shs. 000	BANK 6/30/12 Shs. 000
	Un-audited	Audited	Un-audited	Un-audited	Un-audited	Audited	Un-audited	Un-audited
OTHER DISCLOSURES								
1) NON PERFORMING LOANS AND ADVANCES								
a) Gross non performing loans and advances	4,070,101	3,250,727	3,311,243	4,036,405	3,901,700	3,091,732	3,166,882	3,747,621
b) Less Interest in suspense	636,366	561,970	625,053	1,055,569	636,366	543,124	609,266	1,030,581
c) Total Non-Performing loans and advances (a-b)	3,433,735	2,688,757	2,686,190	2,980,836	3,265,334	2,548,608	2,557,616	2,717,041
d) less Loan loss provision	1,459,100	1,118,456	1,772,152	1,906,203	1,367,205	1,086,410	1,686,410	1,782,429
e) Net non- performing loans (c-d)	1,974,635	1,570,301	914,038	1,074,633	1,898,129	1,462,198	871,206	934,611
f) Discounted value of securities	1,974,635	1,570,301	914,038	882,871	1,898,129	1,294,321	806,396	742,849
g) Net NPLs Exposure (e-f)	-	-	-	191,762	-	167,877	64,810	191,762
2) INSIDER LOANS AND ADVANCES								
a) Directors, shareholders and associates	4,145,716	3,279,331	3,220,821	2,926,583	4,145,716	3,279,331	3,220,821	2,926,583
b) Employees	2,339,723	2,895,314	2,955,633	3,207,631	2,235,065	2,809,179	2,822,013	3,042,788
c) Total insider Loans and Advances and other Facilities	6,485,439	6,174,645	6,176,454	6,134,214	6,380,781	6,088,510	6,042,834	5,969,371
3) OFF BALANCE SHEET ITEMS								
a) Letter of Credit, guarantees, acceptances	3,072,928	5,415,359	6,429,452	7,508,657	2,812,822	4,900,656	5,673,906	6,354,240
b) Other contingent Liabilities	2,024,260	2,337,672	2,317,482	2,572,631	2,024,260	2,335,560	2,317,482	2,572,631
c) Total contingent Liabilities	5,097,188	7,753,031	8,746,934	10,081,288	4,837,082	7,236,216	7,991,388	8,926,871
4) CAPITAL STRENGTH								
a) Core Capital					20,941,725	19,589,322	24,205,628	25,452,381
b) Minimum statutory capital						700,000	700,000	700,000
c) Excess/ (deficiency)					20,441,725	18,889,322	23,505,628	24,752,381
d) Supplementary capital					5,581,039	8,044,140	7,935,617	13,146,036
e) Total Capital (a+d)					26,522,764	27,633,462	32,141,245	38,598,416
f) Total Risk Weighted Assets					110,063,458	127,548,066	137,044,472	141,283,472
Ratios								
g) Core Capital/ Total Deposit Liabilities					18%	16%	18%	19%
h) Minimum statutory ratio					8%	8%	8%	8%
i) Excess / (deficiency) (g-h)					10%	8%	10%	11%
j) Core Capital/ Total Risk Weighted Assets					19%	15%	18%	18%
k) Minimum statutory Ratio					8%	8%	8%	8%
l) Excess / (deficiency) (j-k)					11%	7%	10%	10%
m) Total Capital/ Total Risk Weighted assets					24%	22%	23%	27%
n) Minimum statutory Ratio					12%	12%	12%	12%
o) Excess / (deficiency) (m-n)					12%	10%	11%	15%
5) LIQUIDITY								
a) Liquidity Ratio					33%	37%	35%	39%
b) Minimum statutory Ratio					20%	20%	20%	20%
c) Excess / (deficiency) (a-b)					13%	17%	15%	19%