

# UN-AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30<sup>TH</sup> JUNE 2021

## I. STATEMENT OF FINANCIAL POSITION

	BANK			GROUP		
	30 <sup>th</sup> June 2020	31 <sup>st</sup> Dec 2020	30 <sup>th</sup> June 2021	30 <sup>th</sup> June 2020	31 <sup>st</sup> Dec 2020	30 <sup>th</sup> June 2021
	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000
	(Un-Audited)	(Audited)	(Un-Audited)	(Un-Audited)	(Audited)	(Un-Audited)
<b>A. ASSETS</b>						
1 Cash (both local and foreign)	167,134	173,883	162,256	786,036	1,033,171	1,450,869
2 Balances with Central Bank of Kenya	955,233	1,235,709	730,828	955,233	1,235,709	730,828
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:						
i) Kenya Government securities	508,357	2,390,662	2,238,611	508,357	2,390,662	2,238,611
ii) Other securities	-	-	-	3,824,263	5,024,114	5,620,736
b) Available for sale:						
i) Kenya Government securities	9,559,335	8,189,195	8,674,731	9,559,335	8,189,195	8,674,731
ii) Other securities	-	-	-	-	-	-
6 Deposits and balances due from local banking institutions	70,500	518,465	86,755	70,500	518,465	86,755
7 Deposits and balances due from banking institutions abroad	111,459	413,963	129,763	3,602,418	5,120,640	3,873,746
8 Tax recoverable	22,173	-	42,077	22,173	42,077	-
9 Loans and advances to customers (net)	12,607,696	13,081,720	15,818,224	19,725,371	21,356,171	23,314,492
10 Balances due from banking institutions in the group	11,564	39,760	3,401	814,333	374,932	120,728
11 Investments in associates	-	-	-	-	-	-
12 Investments in subsidiary companies	3,375,990	3,375,990	3,375,990	-	-	-
13 Investments in Joint Ventures	-	-	-	-	-	-
14 Investment properties	-	-	-	-	-	-
15 Property, plant and equipment	534,803	532,228	463,210	1,352,982	1,347,121	1,212,676
16 Prepaid lease rentals	-	-	-	-	-	-
17 Intangible assets	146,280	114,168	99,329	337,377	290,405	252,288
18 Deferred tax asset	305,069	449,239	450,163	500,222	612,691	657,337
19 Retirement benefit asset	-	-	-	-	-	-
20 Other assets	304,007	752,361	486,149	535,745	1,054,008	796,112
<b>21 TOTAL ASSETS</b>	<b>28,679,600</b>	<b>31,267,343</b>	<b>32,761,507</b>	<b>42,594,345</b>	<b>48,547,284</b>	<b>49,071,966</b>
<b>B. LIABILITIES</b>						
22 Balances due to Central Bank of Kenya	-	-	-	-	-	-
23 Customer deposits	18,173,856	21,313,803	20,404,240	32,124,385	37,487,728	35,621,135
24 Deposits and balances due to local banking institutions	479,475	-	2,235,271	479,475	-	2,235,271
25 Deposits and balances due to foreign banking institutions	1	2,467	-	1	2,466	-
26 Other money market deposits	-	-	-	-	-	-
27 Borrowed funds	-	-	-	-	-	96,699
28 Balances due to banking institutions in the group	523,064	2,385	194,394	-	2,421	-
29 Tax payable	-	44,787	-	67,587	111,030	92,115
30 Dividends Payable	-	-	-	-	-	-
31 Deferred tax liability	-	-	-	49,982	-	30,085
32 Retirement benefit liability	-	-	-	-	-	-
33 Other liabilities	478,796	714,870	489,030	1,217,975	1,776,668	1,380,512
<b>34 TOTAL LIABILITIES</b>	<b>19,655,192</b>	<b>22,078,312</b>	<b>23,322,935</b>	<b>33,939,405</b>	<b>39,380,313</b>	<b>39,455,817</b>
<b>C. SHAREHOLDERS' EQUITY</b>						
35 Paid up/Assigned capital	1,280,934	1,280,934	1,280,934	1,280,934	1,280,934	1,280,934
36 Share premium/(discount)	4,225,323	4,225,323	4,225,323	4,225,323	4,225,323	4,225,323
37 Revaluation reserves	17,071	17,720	15,518	17,073	17,720	15,518
38 Retained earnings/Accumulated Losses	3,252,850	3,282,683	3,445,935	3,148,144	3,387,079	3,842,199
39 Statutory Loan Loss Reserve	248,229	382,371	470,862	248,229	435,464	485,330
40 Other Reserves	-	-	-	(337,863)	(262,034)	(319,269)
41 Proposed dividends	-	-	-	-	-	-
42 Non controlling Interest	-	-	-	73,099	82,485	86,114
43 Capital grants	-	-	-	-	-	-
<b>44 TOTAL SHAREHOLDERS' EQUITY</b>	<b>9,024,408</b>	<b>9,189,031</b>	<b>9,438,572</b>	<b>8,654,940</b>	<b>9,166,971</b>	<b>9,616,149</b>
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>28,679,600</b>	<b>31,267,343</b>	<b>32,761,507</b>	<b>42,594,345</b>	<b>48,547,284</b>	<b>49,071,966</b>

## II. STATEMENT OF COMPREHENSIVE INCOME

	BANK			GROUP		
	30 <sup>th</sup> June 2020	31 <sup>st</sup> Dec 2020	30 <sup>th</sup> June 2021	30 <sup>th</sup> June 2020	31 <sup>st</sup> Dec 2020	30 <sup>th</sup> June 2021
	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000
	(Un-Audited)	(Audited)	(Un-Audited)	(Un-Audited)	(Audited)	(Un-Audited)
<b>1.0 INTEREST INCOME</b>						
1.1 Loans and advances	778,036	1,407,700	813,247	1,301,223	2,553,067	1,362,362
1.2 Government securities	440,788	930,234	486,195	562,932	1,233,365	682,554
1.3 Deposits and placements with banking institutions	3,661	13,829	6,075	65,566	124,261	52,092
1.4 Other Interest Income	6,410	10,507	740	6,410	10,507	740
<b>1.5 Total Interest Income</b>	<b>1,228,895</b>	<b>2,362,270</b>	<b>1,306,257</b>	<b>1,936,131</b>	<b>3,921,200</b>	<b>2,097,748</b>
<b>2.0 INTEREST EXPENSES</b>						
2.1 Customer deposits	385,665	813,276	456,239	522,496	1,089,789	579,783
2.2 Deposits and placements from banking institutions	17,451	26,358	4,502	18,912	30,144	9,335
2.3 Other Interest Expenses	17,504	39,890	18,220	17,504	99,609	18,220
<b>2.4 Total Interest Expenses</b>	<b>420,620</b>	<b>879,524</b>	<b>478,961</b>	<b>568,912</b>	<b>1,219,542</b>	<b>607,338</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>808,275</b>	<b>1,482,746</b>	<b>827,296</b>	<b>1,377,219</b>	<b>2,701,658</b>	<b>1,490,410</b>
<b>4.0 OTHER OPERATING INCOME</b>						
4.1 Fees and commissions on loans and advances	98,398	161,587	98,526	168,920	247,447	167,282
4.2 Other Fees and Commissions	73,068	152,473	90,883	201,008	550,757	261,266
4.3 Foreign exchange trading income (loss)	81,448	200,793	85,261	177,668	465,048	208,252
4.4 Dividend Income	-	-	-	-	-	-
4.5 Other Income	401	5,683	614	6,537	26,280	8,894
4.6 Goodwill on Acquisition of subsidiary	-	-	-	-	-	-
<b>4.8 Total Non-Interest Income</b>	<b>253,315</b>	<b>520,536</b>	<b>275,284</b>	<b>554,133</b>	<b>1,289,532</b>	<b>645,694</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>1,061,590</b>	<b>2,003,282</b>	<b>1,102,580</b>	<b>1,931,352</b>	<b>3,991,190</b>	<b>2,136,104</b>
<b>6.0 OPERATING EXPENSES</b>						
6.1 Loan Loss Provision	200,038	453,499	146,185	261,597	615,195	198,580
6.2 Staff costs	174,883	361,622	187,861	389,906	870,742	412,206
6.3 Directors' emoluments	25,194	29,383	22,089	53,540	57,048	52,661
6.4 Rentals Charges	27,860	38,983	27,786	29,900	181,474	31,744
6.5 Depreciation charge on property and equipment	101,909	80,080	98,544	178,138	157,526	177,916
6.6 Amortisation Charges	20,004	38,569	18,070	44,152	88,254	43,452
6.7 Other operating expenses	212,233	507,755	242,411	395,365	906,679	449,212
<b>6.8 Total Operating Expenses</b>	<b>762,121</b>	<b>1,509,891</b>	<b>742,946</b>	<b>1,352,598</b>	<b>2,876,918</b>	<b>1,365,770</b>
<b>7.0 Profit/(Loss) before tax and exceptional items</b>	<b>299,469</b>	<b>493,391</b>	<b>359,634</b>	<b>578,754</b>	<b>1,114,272</b>	<b>770,334</b>
<b>8.0 Exceptional Items</b>						
9.0 Profit/(Loss) after exceptional items	299,469	493,391	359,634	578,754	1,114,272	770,334
10.0 Current tax	(89,841)	(264,238)	(107,890)	(167,395)	(453,677)	(218,473)
11.0 Deferred tax	-	144,448	-	-	154,543	-
<b>12.0 Profit/(Loss) after tax and exceptional items</b>	<b>209,628</b>	<b>373,601</b>	<b>251,744</b>	<b>411,359</b>	<b>815,138</b>	<b>551,861</b>
<b>13.0 Other Comprehensive Income</b>						
13.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	26,045	133,566	(95,968)
13.2 Fair value changes in available-for-sale financial assets	7,040	7,688	(2,202)	7,040	7,688	(2,202)
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	-	-	-	-	-	-
<b>14 Other comprehensive income for the year net of tax</b>	<b>7,040</b>	<b>7,688</b>	<b>(2,202)</b>	<b>33,085</b>	<b>141,254</b>	<b>(98,170)</b>
<b>15 Total comprehensive income for the year</b>	<b>216,668</b>	<b>381,289</b>	<b>249,542</b>	<b>444,444</b>	<b>956,392</b>	<b>453,691</b>
<b>Attributable to:</b>						
Non Controlling Interest	-	-	-	5,328	14,999	3,629
Equity Holders of the Parent	-	-	-	439,116	941,393	450,062

## III. OTHER DISCLOSURES

	BANK			GROUP		
	30 <sup>th</sup> June 2020	31 <sup>st</sup> Dec 2020	30 <sup>th</sup> June 2021	30 <sup>th</sup> June 2020	31 <sup>st</sup> Dec 2020	30 <sup>th</sup> June 2021
	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000	Shs '000
	(Un-Audited)	(Audited)	(Un-Audited)	(Un-Audited)	(Audited)	(Un-Audited)
<b>1) NON-PERFORMING LOANS AND ADVANCES</b>						
a) Gross non-performing loans and advances	3,098,980	3,268,625	2,807,766	3,380,721	3,550,661	3,103,965
Less:						
b) Interest in Suspense	720,945	866,247	891,028	779,485	930,315	950,858
<b>c) Total Non-Performing Loans and Advances (a-b)</b>	<b>2,378,035</b>	<b>2,402,378</b>	<b>1,916,738</b>	<b>2,601,236</b>	<b>2,620,346</b>	<b>2,153,107</b>
Less:						
d) Loan Loss Provisions	1,142,090	1,519,463	1,139,333	1,292,639	1,714,248	1,335,422
e) Net Non-Performing Loans (c-d)	1,235,945	882,915	777,405	1,308,597	906,098	817,686
f) Discounted Value of Securities	1,235,945	882,915	777,405	1,308,597	906,098	817,686
<b>g) Net NPLs Exposure (e-f)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2) Insider Loans and Advances</b>						
a) Directors, shareholders and associates	1,152	880	1,875	2,291	1,598	2,444
b) Employees	18,254	12,719	9,755	64,064	59,145	59,287
<b>c) Total Insider Loans and Advances and Other Facilities</b>	<b>19,406</b>	<b>13,599</b>	<b>11,630</b>	<b>66,355</b>	<b>60,743</b>	<b>61,731</b>
<b>3) Off-Balance Sheet Items</b>						
a) Letters of credit, guarantees, acceptances	1,656,487	1,852,973	3,672,515	6,594,396	6,426,523	8,091,301
b) Forwards, swaps and options	1,822,068	1,336,981	1,184,374	1,822,068	1,336,981	1,184,374
c) Other contingent liabilities	601,609	833,067	824,048	1,357,127	1,667,434	1,698,764
<b>d) Total Contingent Liabilities</b>	<b>4,080,164</b>	<b>4,022,021</b>	<b>5,680,937</b>	<b>9,773,590</b>	<b>9,430,938</b>	<b>10,974,439</b>
<b>4) Capital Strength</b>						
a) Core capital	5,278,303	5,412,950	5,450,330	8,414,931	8,883,959	9,175,718
b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
c) Excess/(Deficiency)	4,278,303	4,412,950	4,450,330	7,414,931	7,883,959	8,175,718
d) Supplementary Capital	235,349	259,925	301,881	235,344	259,925	301,881
<b>e) Total capital (a+d)&lt;/</b>						