

## KENYA BRANCHES UN-AUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30TH SEPTEMBER 2016

I BALANCE SHEET					
	30-09-2015	31-12-2015	31-03-2016	30-06-2016	30-09-2016
	Shs. '000'	Shs. '000'	Shs. '000'	Shs. '000'	Shs. '000'
<b>A ASSETS</b>	<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
1 Cash (both Local & Foreign)	83,682	129,938	103,537	109,900	62,674
2 Balances due from Central Bank of Kenya	446,247	408,225	266,946	397,435	595,773
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:					
a. Kenya Government securities	4,831,821	5,045,334	4,590,128	5,579,430	5,581,450
b. Other securities	4,831,821	5,045,334	4,590,128	5,579,430	5,581,450
b) Available for sale:	-	-	-	-	-
a. Kenya Government securities	-	-	-	-	-
b. Other securities	-	-	-	-	-
6 Deposits and balances due from local banking institutions	730,000	153,467	-	-	-
7 Deposits and balances due from banking institutions abroad	200,531	169,268	72,208	632,111	605,463
8 Tax recoverable	-	-	-	38,300	58,949
9 Loans and advances to customers (net)	3,824,529	4,116,680	4,418,864	4,483,260	4,491,541
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	-	-	-	-	-
15 Property and equipment	81,905	86,158	94,209	95,136	98,798
16 Prepaid lease rentals	3,421	3,333	1,859	15,024	24,537
17 Intangible assets	-	-	-	-	-
18 Deferred tax asset	26,762	75,269	75,269	75,269	75,269
19 Retirement benefit asset	-	-	-	-	-
20 Other assets	96,960	42,306	46,553	67,908	69,709
<b>21 TOTAL ASSETS</b>	<b>10,325,858</b>	<b>10,229,978</b>	<b>9,669,573</b>	<b>11,492,773</b>	<b>11,684,163</b>
<b>B LIABILITIES</b>					
22 Balances due to Central Bank of Kenya	-	-	-	-	-
23 Customer deposits	7,255,004	6,861,254	6,386,099	7,564,115	8,011,088
24 Deposits and balances due to local banking institutions	-	350,000	30,000	-	-
25 Deposits and balances due to foreign banking institutions	936,811	654,447	700,287	1,061,706	1,168,548
26 Other money market deposits	-	-	-	-	-
27 Borrowed funds	-	-	-	-	-
28 Balances due to banking institutions in the group	-	-	-	-	-
29 Tax payable	-	80,837	133,337	-	-
30 Dividends payable	-	-	-	-	-
31 Deferred tax liability	-	-	-	-	-
32 Retirement benefit liability	-	-	-	-	-
33 Other liabilities	127,256	135,988	179,122	565,774	121,014
<b>34 TOTAL LIABILITIES</b>	<b>8,319,071</b>	<b>8,082,526</b>	<b>7,428,845</b>	<b>9,191,595</b>	<b>9,300,650</b>
<b>C SHAREHOLDERS' FUNDS</b>					
35 Paid up /Assigned capital	1,044,226	1,044,226	1,044,226	1,044,226	1,044,226
36 Share premium/(discount)	-	-	-	-	-
37 Revaluation reserves	-	-	-	-	-
38 Retained earnings/Accumulated losses	866,611	811,888	905,164	965,614	1,047,949
39 Statutory loan loss reserves	95,950	291,338	291,338	291,338	291,338
40 Other Reserves	-	-	-	-	-
41 Proposed dividends	-	-	-	-	-
42 Capital grants	-	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>2,006,787</b>	<b>2,147,452</b>	<b>2,240,728</b>	<b>2,301,178</b>	<b>2,383,513</b>
44 Minority Interest	-	-	-	-	-
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>10,325,858</b>	<b>10,229,978</b>	<b>9,669,573</b>	<b>11,492,773</b>	<b>11,684,163</b>
<b>II PROFIT AND LOSS ACCOUNT</b>					
<b>1.0 INTEREST INCOME</b>					
1.1 Loans and advances	403,785	544,624	144,112	275,254	413,746
1.2 Government securities	327,398	503,769	154,605	313,934	488,000
1.3 Deposits and placements with banking institutions	6,717	12,281	183	3,697	7,943
1.4 Other Interest Income	-	-	-	-	-
<b>1.5 Total interest income</b>	<b>738,890</b>	<b>1,060,674</b>	<b>298,900</b>	<b>592,885</b>	<b>909,689</b>
<b>2.0 INTEREST EXPENSE</b>					
2.1 Customer deposits	209,696	318,152	96,165	197,498	315,802
2.2 Deposits and placement from banking institutions	16,432	23,148	3,706	7,785	15,745
2.3 Other interest expenses	-	-	-	-	-
2.4 Total interest expenses	226,128	341,300	99,871	205,283	331,547
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>512,762</b>	<b>719,374</b>	<b>199,029</b>	<b>387,602</b>	<b>578,142</b>
<b>4.0 NON-INTEREST INCOME</b>					
4.1 Fees and commissions on loans and advances	14,070	15,582	3,346	6,811	8,588
4.2 Other fees and commissions	17,481	24,842	5,118	9,965	20,160
4.3 Foreign exchange trading income/(Loss)	26,257	32,391	6,210	12,521	17,613
4.4 Dividend Income	-	-	-	-	-
4.5 Other income	31,501	38,627	6,488	15,834	24,087
4.6 Total Non-interest income	89,309	111,442	21,162	45,131	70,448
<b>5.0 TOTAL OPERATING INCOME</b>	<b>603,071</b>	<b>830,816</b>	<b>220,191</b>	<b>432,733</b>	<b>648,590</b>
<b>6.0 OTHER OPERATING EXPENSES</b>					
6.1 Loan loss provision	148,230	52,095	-	28,651	29,192
6.2 Staff costs	116,388	165,682	38,784	86,213	138,135
6.3 Directors' emoluments	-	-	-	-	-
6.4 Rental charges	23,865	35,779	8,547	20,517	30,604
6.5 Depreciation charge on property and equipment	11,924	17,366	5,834	12,190	18,590
6.6 Amortisation charges	-	-	-	-	-
6.7 Other operating expenses	54,730	75,375	21,250	41,435	62,508
6.8 Total Other Operating Expenses	355,137	346,297	74,415	189,006	279,029
<b>7.0 Profit/(loss) Before Tax and Exceptional Items</b>	<b>247,934</b>	<b>484,519</b>	<b>145,776</b>	<b>243,727</b>	<b>369,561</b>
8.0 Exceptional Items	-	-	-	-	-
<b>9.0 Profit/(Loss) After Exceptional Items</b>	<b>247,934</b>	<b>484,519</b>	<b>145,776</b>	<b>243,727</b>	<b>369,561</b>
10.0 Current Tax	90,015	185,936	52,500	90,000	133,500
11.0 Deferred Tax	-	-	-	-	-
<b>12.0 Profit/ (Loss) After Tax and Exceptional Items</b>	<b>157,919</b>	<b>298,583</b>	<b>93,276</b>	<b>153,727</b>	<b>236,061</b>
13.0 Minority Interest	-	-	-	-	-
<b>14.0 Profit/ (loss) after tax, exceptional items and Minority Interest</b>	<b>157,919</b>	<b>298,583</b>	<b>93,276</b>	<b>153,727</b>	<b>236,061</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	-	-	-	-	-
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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>17.0 Total comprehensive income for the year</b>	<b>157,919</b>	<b>298,583</b>	<b>93,276</b>	<b>153,727</b>	<b>236,061</b>
<b>18.0 EARNINGS PER SHARE- BASIC &amp; DILUTED</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19.0 DIVIDEND PER SHARE -DECLARED</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>III OTHER DISCLOSURES</b>					
<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>					
(a) Gross Non-performing loans and advances	441,139	434,253	769,160	794,179	794,491
(b) Less: Interest in Suspense	41,885	41,886	41,886	41,886	41,886
<b>(c) Total Non-Performing Loans and Advances (a-b)</b>	<b>399,254</b>	<b>392,367</b>	<b>727,274</b>	<b>752,293</b>	<b>752,605</b>
(d) Less: Loan Loss Provision	277,913	112,871	388,603	413,754	413,754
<b>(e) Net Non-Performing Loans and Advances(c-d)</b>	<b>121,341</b>	<b>279,496</b>	<b>338,671</b>	<b>338,539</b>	<b>338,851</b>
(f) Discounted Value of Securities	123,890	279,496	338,671	338,539	338,851
<b>(g) Net NPLs Exposure (e-f)</b>	<b>(2,549)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.0 INSIDER LOANS AND ADVANCES</b>					
(a) Directors, Shareholders and Associates	-	-	-	-	-
(b) Employees	38,144	39,406	38,726	35,809	35,667
<b>(c) Total Insider Loans and Advances and other facilities</b>	<b>38,144</b>	<b>39,406</b>	<b>38,726</b>	<b>35,809</b>	<b>35,667</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>					
(a) Letters of credit, guarantees, acceptances	971,777	913,842	518,977	581,298	542,290
(b) Forwards, swaps and options	-	-	-	-	-
(c) Other contingent liabilities	297,725	498,898	428,457	458,185	144,508
<b>(d) Total Contingent Liabilities</b>	<b>1,269,502</b>	<b>1,412,740</b>	<b>947,434</b>	<b>1,039,483</b>	<b>686,798</b>
<b>4.0 CAPITAL STRENGTH</b>					
(a) Core capital	1,831,877	1,856,114	1,902,752	1,932,978	1,974,145
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
(c) Excess/(Deficiency)/(a-b)	831,877	856,114	902,752	932,978	974,145
(d) Supplemental Capital	95,950	291,338	291,338	291,338	291,338
<b>(e) Total Capital (a+d)</b>	<b>1,927,827</b>	<b>2,147,452</b>	<b>2,194,090</b>	<b>2,224,316</b>	<b>2,265,483</b>
(f) Total risk weighted assets	5,406,313	5,776,330	5,591,244	5,959,598	5,847,633
<b>(g) Core Capital/Total deposits Liabilities</b>	<b>25.2%</b>	<b>27.1%</b>	<b>21.1%</b>	<b>25.6%</b>	<b>24.6%</b>
(h) Minimum statutory Ratio	8.0%	8.0%	8.0%	8.0%	8.0%
(i) Excess/(Deficiency) (g-h)	17.2%	19.1%	21.8%	17.6%	16.6%
<b>(j) Core Capital / total risk weighted assets</b>	<b>33.9%</b>	<b>32.1%</b>	<b>34.0%</b>	<b>32.4%</b>	<b>33.8%</b>
(k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%
(l) Excess (Deficiency) (j-k)	23.4%	21.6%	23.5%	21.9%	23.3%
<b>(m) Total Capital/total risk weighted assets</b>	<b>35.7%</b>	<b>37.2%</b>	<b>39.2%</b>	<b>37.3%</b>	<b>38.7%</b>
(n) Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%	14.5%
(o) Excess/(Deficiency) (m-n)	21.2%	22.7%	24.7%	22.8%	24.2%
<b>14 LIQUIDITY</b>					
14.1 (a) Liquidity Ratio	73.5%	71.4%	67.4%	74.8%	71.1%
14.2 (b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%
14.3 (c) Excess (Deficiency) (a-b)	53.5%	51.4%	47.4%	54.8%	51.1%

### MESSAGE FROM THE COUNTRY EXECUTIVE

These financial statements are extracts from the books of the institution. The complete set of quarterly financial statements, statutory and qualitative disclosures can be accessed at the institutions' head office located at 15 Koinange Street, Nairobi.

Signed: Salman Malik-RGM Africa & Country Executive Kenya

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