

# UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30 JUNE 2021

	BANK				GROUP CONSOLIDATED		
	30-Jun-20 Unaudited Shs. '000	31-Dec-20 Audited Shs. '000	31-Mar-21 Unaudited Shs. '000	30-Jun-21 Unaudited Shs. '000	30-Jun-20 Unaudited Shs. '000	31-Dec-20 Audited Shs. '000	30-Jun-21 Unaudited Shs. '000
<b>I STATEMENT OF FINANCIAL POSITION AS AT</b>							
<b>A ASSETS</b>							
1 Cash (both Local & Foreign)	968,521	1,069,934	772,422	825,834	968,521	1,069,934	825,834
2 Balances due from Central Bank of Kenya	4,129,240	1,646,241	1,831,488	1,344,693	4,129,240	1,646,241	1,344,693
3 Kenya Government and other securities held for dealing purposes	1,977,712	613,537	287,484	744,458	1,977,712	613,537	744,458
4 Financial Assets at fair value through profit and loss	193,530	56,885	51,122	52,570	193,530	56,885	52,570
5 Investment Securities:							
a) Held to Maturity:							
i. Kenya Government securities	3,603,863	6,309,440	6,585,294	7,281,985	3,603,863	6,309,440	7,281,985
ii. Other securities	-	-	-	-	-	-	-
b) Available for Sale:							
i. Kenya Government securities	-	-	-	-	-	-	-
ii. Other securities	-	-	-	-	-	-	-
6 Deposits and balances due from local banking institutions	2,184,268	292,173	263,889	156,462	2,184,268	292,173	156,462
7 Deposits and balances due from banking institutions abroad	3,961,795	1,611,149	69,810	135,955	3,961,795	1,611,149	135,955
8 Tax recoverable	105,212	62,127	18,163	18,392	111,229	65,664	21,840
9 Loans and advances to customers (net)	16,299,055	18,997,464	20,579,389	21,536,622	16,299,055	18,997,464	21,536,622
10 Balances due from banking institutions in the group	-	-	-	-	-	-	-
11 Investments in associates	-	-	-	-	-	-	-
12 Investments in subsidiary companies	1,000	1,000	1,000	1,000	-	-	-
13 Investments in joint ventures	-	-	-	-	-	-	-
14 Investment properties	-	-	-	-	-	-	-
15 Property and equipment	1,235,419	1,193,603	1,184,383	1,202,448	1,235,618	1,193,765	1,202,578
16 Prepaid lease rentals	-	-	-	-	-	-	-
17 Intangible assets	261,313	252,946	240,708	226,635	265,563	257,392	228,351
18 Deferred tax asset	666,147	625,648	625,648	625,648	665,310	625,446	625,446
19 Retirement benefit asset	-	-	-	-	-	-	-
20 Other assets	635,463	767,456	913,463	790,498	640,170	769,427	800,363
<b>21 TOTAL ASSETS</b>	<b>36,222,538</b>	<b>33,499,603</b>	<b>33,424,261</b>	<b>34,943,200</b>	<b>36,235,874</b>	<b>33,508,517</b>	<b>34,957,158</b>
<b>B LIABILITIES</b>							
22 Balances due to Central Bank of Kenya	4,003,607	-	-	4,003,607	4,003,607	-	-
23 Customer deposits	19,948,403	22,767,783	23,122,658	24,567,626	19,860,655	22,739,618	24,492,875
24 Deposits and balances due from local banking institutions	2,619,130	1,002,693	545,628	557,764	2,619,130	1,002,693	557,764
25 Deposits and balances due from foreign banking institutions	-	-	2,071	25,885	-	-	25,885
26 Other money market deposits	-	-	-	-	-	-	-
27 Borrowed funds	4,191,234	4,086,255	4,101,273	3,939,304	4,191,234	4,086,255	3,939,304
28 Balances due to banking institutions in the group	-	-	-	-	-	-	-
29 Tax payable	-	-	-	-	-	-	-
30 Dividends payable	-	-	-	-	-	-	-
31 Deferred tax liability	-	-	-	-	-	-	-
32 Retirement benefit liability	-	-	-	-	-	-	-
33 Other liabilities	1,547,358	1,562,440	1,469,618	1,521,180	1,566,820	1,580,938	1,567,543
<b>34 TOTAL LIABILITIES</b>	<b>32,309,733</b>	<b>29,419,171</b>	<b>29,241,249</b>	<b>30,611,759</b>	<b>32,241,447</b>	<b>29,409,504</b>	<b>30,583,372</b>
<b>C SHAREHOLDERS' FUNDS</b>							
35 Paid up /Assigned capital	2,046,198	2,046,198	2,046,198	2,046,198	2,046,198	2,046,198	2,046,198
36 Share premium/(discount)	1,246,599	1,246,599	1,246,599	1,246,599	1,246,599	1,246,599	1,246,599
37 Revaluation reserves	50,206	50,034	50,034	50,034	50,206	50,034	50,034
38 Retained earnings/accumulated losses	524,292	444,216	443,030	555,890	605,914	462,797	598,235
39 Statutory loan loss reserves	45,510	293,385	397,152	432,720	45,510	293,385	432,720
40 Other reserves	-	-	-	-	-	-	-
41 Proposed dividends	-	-	-	-	-	-	-
42 Capital grants	-	-	-	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>3,912,805</b>	<b>4,080,432</b>	<b>4,183,013</b>	<b>4,331,441</b>	<b>3,994,427</b>	<b>4,099,013</b>	<b>4,373,786</b>
<b>44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>36,222,538</b>	<b>33,499,603</b>	<b>33,424,261</b>	<b>34,943,200</b>	<b>36,235,874</b>	<b>33,508,517</b>	<b>34,957,158</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED</b>							
	30-Jun-20 Unaudited Shs. '000	31-Dec-20 Audited Shs. '000	31-Mar-21 Unaudited Shs. '000	30-Jun-21 Unaudited Shs. '000	30-Jun-20 Unaudited Shs. '000	31-Dec-20 Audited Shs. '000	30-Jun-21 Unaudited Shs. '000
<b>1.0 INTEREST INCOME</b>							
1.1 Loans and advances	862,656	2,000,884	576,173	1,209,963	862,656	2,000,884	1,209,963
1.2 Government securities	167,798	439,613	189,364	387,013	167,798	439,613	387,013
1.3 Deposits and placements with banking institutions	19,903	46,659	2,885	3,602	19,903	46,659	3,602
1.4 Other Interest Income	-	-	-	-	-	-	-
<b>1.5 Total interest income</b>	<b>1,050,357</b>	<b>2,487,156</b>	<b>768,422</b>	<b>1,600,578</b>	<b>1,050,357</b>	<b>2,487,156</b>	<b>1,600,578</b>
<b>2.0 INTEREST EXPENSE</b>							
2.1 Customer deposits	444,485	1,029,950	278,616	581,832	444,485	1,029,950	581,832
2.2 Deposits and placement from banking institutions	41,728	165,009	96,466	178,469	41,728	165,009	178,469
2.3 Other interest expenses	190,176	433,568	58,931	115,686	190,176	433,568	115,686
<b>2.4 Total interest expenses</b>	<b>676,388</b>	<b>1,628,527</b>	<b>434,013</b>	<b>875,987</b>	<b>676,388</b>	<b>1,628,527</b>	<b>875,987</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>373,968</b>	<b>858,629</b>	<b>334,408</b>	<b>724,590</b>	<b>373,968</b>	<b>858,629</b>	<b>724,590</b>
<b>4.0 NON-INTEREST INCOME</b>							
4.1 Fees and commissions on loans and advances	239,974	558,734	184,281	354,718	239,974	558,734	354,718
4.2 Other fees and commissions	204,907	465,899	116,725	245,972	241,571	528,747	294,224
4.3 Foreign exchange trading income/(loss)	67,771	37,390	33,549	77,768	67,771	37,390	77,768
4.4 Dividend income	-	80,000	-	-	-	-	-
4.5 Other income	101,498	198,370	19,351	47,139	101,498	203,416	47,139
<b>4.6 Total Non-interest income</b>	<b>614,151</b>	<b>1,340,393</b>	<b>353,906</b>	<b>725,597</b>	<b>650,815</b>	<b>1,328,287</b>	<b>773,849</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>988,119</b>	<b>2,199,022</b>	<b>688,314</b>	<b>1,450,188</b>	<b>1,024,783</b>	<b>2,186,916</b>	<b>1,498,440</b>
<b>6.0 OTHER OPERATING EXPENSES</b>							
6.1 Loan loss provision	167,177	187,044	37,497	87,234	167,177	187,044	87,234
6.2 Staff costs	416,166	843,129	223,181	441,125	422,510	854,551	449,623
6.3 Directors' emoluments	32,133	64,372	14,901	30,970	32,133	64,372	30,970
6.4 Rental charges	108,035	209,948	53,335	105,711	108,405	210,796	106,274
6.5 Depreciation charge on property and equipment	27,845	56,141	15,220	31,106	27,878	56,211	31,138
6.6 Amortisation charge on intangible assets	50,741	99,936	18,655	36,672	51,041	100,540	39,401
6.7 Other operating expenses	336,274	634,671	178,980	358,783	338,224	641,268	361,265
<b>6.8 Total other operating expenses</b>	<b>1,138,371</b>	<b>2,095,241</b>	<b>541,769</b>	<b>1,091,621</b>	<b>1,147,369</b>	<b>2,114,782</b>	<b>1,105,905</b>
<b>7.0 Profit/(loss) before tax and exceptional items</b>	<b>(150,252)</b>	<b>103,781</b>	<b>146,546</b>	<b>358,586</b>	<b>(122,586)</b>	<b>72,134</b>	<b>392,535</b>
8.0 Exceptional items	-	-	-	-	-	-	-
<b>9.0 Profit/(loss) after exceptional items</b>	<b>(150,252)</b>	<b>103,781</b>	<b>146,546</b>	<b>358,586</b>	<b>(122,586)</b>	<b>72,134</b>	<b>392,535</b>
10.0 Current tax	45,076	(833)	(43,964)	(107,576)	36,776	(13,495)	(117,760)
11.0 Deferred tax	-	(40,499)	-	-	-	(39,864)	-
<b>12.0 Profit/(loss) after tax and exceptional items</b>	<b>(105,176)</b>	<b>62,449</b>	<b>102,582</b>	<b>251,010</b>	<b>(85,810)</b>	<b>18,775</b>	<b>274,774</b>
<b>13.0 Other comprehensive Income</b>							
13.1 Gains/(losses) from translating the financial statements of foreign operations	-	-	-	-	-	-	-
13.2 Fair value changes in available for sale financial assets	-	-	-	-	-	-	-
13.3 Revaluation (deficit)/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>14.0 Other comprehensive income for the year net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>15.0 Total comprehensive income for the year</b>	<b>(105,176)</b>	<b>62,449</b>	<b>102,582</b>	<b>251,010</b>	<b>(85,810)</b>	<b>18,775</b>	<b>274,774</b>
<b>III OTHER DISCLOSURES</b>							
	30-Jun-20 Unaudited Shs. '000	31-Dec-20 Audited Shs. '000	31-Mar-21 Unaudited Shs. '000	30-Jun-21 Unaudited Shs. '000			
<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>							
(a) Gross non-performing loans and advances	3,126,951	2,337,489	2,404,382	2,527,986			
(b) Less: interest in suspense	446,569	297,155	288,455	297,900			
<b>(c) Total non-performing loans and advances (a-b)</b>	<b>2,680,382</b>	<b>2,040,333</b>	<b>2,115,927</b>	<b>2,230,086</b>			
(d) Less: loan loss provision	889,513	909,900	881,165	922,671			
<b>(e) Net non-performing loans and advances (c-d)</b>	<b>1,790,869</b>	<b>1,130,433</b>	<b>1,234,762</b>	<b>1,307,414</b>			
(f) Discounted value of securities	1,767,836	1,112,782	1,208,737	1,278,820			
<b>(g) Net NPLs exposure (e-f)</b>	<b>22,933</b>	<b>17,650</b>	<b>26,025</b>	<b>28,594</b>			
<b>2.0 INSIDER LOANS AND ADVANCES</b>							
(a) Directors, shareholders and associates	328,158	505,794	543,000	579,015			
(b) Employees	464,649	632,331	659,479	651,648			
<b>(c) Total insider loans and advances and other facilities</b>	<b>792,806</b>	<b>1,138,125</b>	<b>1,202,478</b>	<b>1,230,663</b>			
<b>3.0 OFF-BALANCE SHEET ITEMS</b>							
(a) Letters of credit, guarantees, acceptances	10,858,402	12,076,027	11,820,395	11,679,074			
(b) Forwards, swaps and options	17,867,634	7,755,392	5,792,843	4,997,095			
(c) Other contingent liabilities	694,806	437,662	392,736	337,809			
<b>(d) Total contingent liabilities</b>	<b>29,420,842</b>	<b>20,269,081</b>	<b>18,005,974</b>	<b>17,013,978</b>			
<b>4.0 CAPITAL STRENGTH</b>							
(a) Core capital	3,532,651	3,506,291	3,427,342	3,469,853			
(b) Minimum statutory capital	1,000,000	1,000,000	1,000,000	1,000,000			
(c) Excess/(deficiency)(a-b)	2,532,651	2,506,291	2,427,342	2,469,853			
(d) Supplementary capital	1,298,262	1,616,894	1,724,261	1,717,211			
<b>(e) Total capital (a+d)</b>	<b>4,830,913</b>	<b>5,123,185</b>	<b>5,151,603</b>	<b>5,187,063</b>			
(f) Total risk weighted assets	29,2						