



AUDITED FINANCIAL STATEMENTS AND DISCLOSURES AS AT 31ST DECEMBER 2012

BALANCE SHEET			PROFIT AND LOSS ACCOUNT			OTHER DISCLOSURES		
	31-Dec-11 Audited	31-Dec-12 Audited		31-Dec-11 Audited	31-Dec-12 Audited		31-Dec-11 Audited	31-Dec-12 Audited
A. ASSETS	Ksh '000'	Ksh '000'	1.0 INTEREST INCOME	Ksh '000'	Ksh '000'	1) NON PERFORMING LOANS AND ADVANCES	Ksh '000'	Ksh '000'
1. Cash balances (both local & foreign)	627,453	497,309	1.1 Loans and advances	1,255,240	1,746,991	a) Gross non-performing loans and advances	900,874	987,660
2. Balances due from Central Bank of Kenya	318,715	988,217	1.2 Government securities	45,950	12,222	b) Less Interest in Suspense	128,931	166,678
3. Kenya Government securities	395,445	32,833	1.3 Deposits and placements with banking institutions	5,588	87,727	c) Total non performing loans and advances (a-b)	771,943	820,982
4. Foreign Currency Treasury bills and bonds	-	-	1.4 Other interest income	-	-	d) Less loan loss provisions	348,695	431,701
5. Deposits and balances due from local banking institutions	511,029	373,459	1.5 Total Interest income	1,306,778	1,846,940	e) Net NPLs (c-d)	423,248	389,281
6. Deposits and balances due from banking institutions abroad	45,013	-	2.0 INTEREST EXPENSES			f) Discounted value of securities	373,492	368,239
7. Government and other securities held for dealing purposes	-	-	2.1 Customer deposits	113,451	402,899	g) Net NPLs exposure (e-f)	49,756	21,041
8. Tax recoverable	38,685	38,685	2.2 Deposits and placements from banking institutions	12,816	922	2) INSIDER LOANS AND ADVANCES		
9. Loans and advances to customers (net)	6,754,243	6,954,783	2.3 Other interest expenses	83,880	132,734	a) Directors, shareholders and associates	39,064	74,694
10. Investment securities	-	-	2.4 Total Interest Expenses	210,147	536,555	b) Employees	553,350	547,458
11. Balances due from group companies	-	-	3.0 NET INTEREST INCOME	1,096,631	1,310,386	c) Total insider Loans and Advances	592,613	622,152
12. Investments in associates	-	-	4.0 OTHER OPERATING INCOME			3) OFF BALANCE SHEET ITEMS		
13. Investments in subsidiaries companies	-	-	4.1 Fees and commissions on loans and advances	186,905	112,966	a) Letter of Credit, guarantees, acceptances	39,115	238,543
14. Investment in joint ventures	-	-	4.2 Other fees and Commissions income	274,386	246,076	b) Other contingent Liabilities	-	-
15. Investment properties	-	-	4.3 Foreign exchange trading income	18,300	12,564	c) Total Contingent Liabilities	39,115	238,543
16. Property and equipment	378,035	353,353	4.4 Dividend Income	-	-	4) CAPITAL STRENGTH		
17. Prepaid Operating Rental Leases	-	-	4.5 Other income	38,653	26,511	a) Core Capital	1,275,190	1,419,455
18. Intangible assets	81,071	74,931	4.6 Total Non-Interest Income	518,244	398,118	b) Minimum statutory capital	700,000	1,000,000
19. Deferred tax asset	69,847	49,188	5.0 TOTAL OPERATING INCOME	1,614,876	1,708,503	c) Excess/ deficiency (a-b)	575,190	419,455
20. Retirement benefit asset	-	-	6.0 OPERATING EXPENSES			d) Supplementary capital	39,853	72,333
21. Other assets	99,180	183,292	6.1 Loan loss provision	289,948	291,826	e) Total Capital (a+d)	1,315,043	1,491,788
22. TOTAL ASSETS	9,318,715	9,546,050	6.2 Staff costs	483,898	481,173	f) Total Risk Weighted Assets	6,649,967	6,928,934
B. LIABILITIES			6.3 Directors' emoluments	29,735	32,312	g) Core Capital/ Total Deposit Liabilities	20%	21%
23. Balances due to Central Bank of Kenya	-	-	6.4 Operating lease rental	16,183	6,500	h) Minimum Statutory ratio	8%	8%
24. Customers' deposits	6,446,016	6,649,643	6.5 Depreciation on property and equipment	98,537	81,952	i) Excess/deficiency (g-h)	12%	13%
25. Deposits and balances due to local banking institutions	-	-	6.6 Amortization charges (Intangible)	29,385	28,409	j) Core Capital/ Total Risk Weighted Assets	19%	20%
26. Deposits and balances due to foreign banking institutions	-	-	6.7 Other operating expenses	411,247	480,120	k) Minimum statutory ratio	8%	8%
27. Other money market deposits	-	-	6.8 Total Operating Expenses	1,358,932	1,402,293	l) Excess/deficiency (j-k)	11%	12%
28. Borrowed funds	1,224,671	954,744	Profit/(loss) before tax and exceptional items	255,944	306,211	m) Total Capital/ Total Risk Weighted assets	20%	22%
29. Balances due to group companies	-	18,549	Exceptional items	-	-	n) Minimum statutory ratio	12%	12%
30. Tax payable	-	89,373	Profit/(loss) before tax	255,944	306,211	o) Excess/deficiency (m-n)	8%	10%
31. Dividends payable	-	-	Current tax	-	89,373			
32. Deferred tax liability	-	-	Deferred tax	82,578	20,759	5) LIQUIDITY		
33. Retirement benefit liability	-	-	Profit / (loss) after tax	173,366	196,078	a) Liquidity ratio	29%	28%
34. Other liabilities	317,030	306,565				b) Minimum statutory ratio	20%	20%
35. TOTAL LIABILITIES	7,987,717	8,018,874				c) Excess/deficiency (a-b)	9%	8%
C. SHAREHOLDERS' EQUITY						6) MESSAGE FROM DIRECTORS		
36. Paid up/Assigned capital	1,139,612	1,139,612				The financial statements are extracts from the books of the institution.		
37. Share Premium/(Discount)	-	-				Signed by: Kenny Nwosu Albert Ruturi		
38. Revaluation reserves	21,274	21,041				CHAIRMAN MANAGING DIRECTOR		
39. Retained earnings/ Accumulated losses	135,577	279,850						
40. Statutory loan loss reserve	34,535	67,072						
41. Proposed dividends	-	19,601						
42. Capital grants	-	-						
43. TOTAL SHAREHOLDERS' EQUITY	1,330,998	1,527,176						
44. TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	9,318,715	9,546,050						