

# UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30 SEPTEMBER 2020

I STATEMENT OF FINANCIAL POSITION AS AT	BANK					GROUP CONSOLIDATED		
	30-Sep-19	31-Dec-19	31-Mar-20	30-Jun-20	30-Sep-20	30-Sep-19	31-Dec-19	30-Sep-20
	Unaudited Shs. '000	Audited Shs. '000	Unaudited Shs. '000	Unaudited Shs. '000	Unaudited Shs. '000	Unaudited Shs. '000	Audited Shs. '000	Unaudited Shs. '000
<b>A ASSETS</b>								
1 Cash (both Local & Foreign)	781,100	870,112	872,817	968,521	955,193	781,100	870,112	955,193
2 Balances due from Central Bank of Kenya	2,116,280	2,436,549	1,689,400	4,129,240	961,906	2,116,280	2,436,549	961,906
3 Kenya Government and other securities held for dealing purposes	958,822	934,543	694,377	1,977,712	2,114,083	958,822	934,543	2,114,083
4 Financial Assets at fair value through profit and loss	149,451	318,195	354,960	193,530	94,834	149,451	318,195	94,834
5 Investment Securities:								
a) Held to Maturity:								
a. Kenya Government securities	2,638,040	2,300,990	3,842,506	3,603,863	4,443,339	2,638,040	2,300,990	4,443,339
b. Other securities	-	-	-	-	-	-	-	-
b) Available for sale:								
a. Kenya Government securities	-	-	-	-	-	-	-	-
b. Other securities	-	-	-	-	-	-	-	-
6 Deposits and balances due from local banking institutions	446,101	239,503	1,369,356	2,184,268	1,829,641	446,101	239,503	1,829,641
7 Deposits and balances due from banking institutions abroad	612,296	1,503,723	363,796	3,961,795	1,848,684	612,296	1,503,723	1,848,684
8 Tax recoverable	82,430	4,566	11,374	105,212	68,279	90,224	7,401	75,877
9 Loans and advances to customers (net)	14,302,269	14,526,066	15,054,813	16,299,055	18,429,742	14,302,269	14,526,066	18,429,742
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	1,000	-	-	-
13 Investments in joint ventures	-	-	-	-	-	-	-	-
14 Investment properties	-	-	-	-	-	-	-	-
15 Property and equipment	385,024	1,353,950	1,343,232	1,235,419	1,232,869	385,050	1,353,974	1,233,049
16 Prepaid lease rentals	-	-	-	-	-	-	-	-
17 Intangible assets	303,015	289,132	276,278	261,313	241,110	307,715	293,682	245,210
18 Deferred tax asset	491,273	666,147	666,147	666,147	666,147	491,966	665,310	665,310
19 Retirement benefit asset	-	-	-	-	-	-	-	-
20 Other assets	998,563	1,007,162	925,130	635,463	656,930	954,343	1,010,021	657,734
<b>21 TOTAL ASSETS</b>	<b>24,265,663</b>	<b>26,451,638</b>	<b>27,465,185</b>	<b>36,222,538</b>	<b>33,543,757</b>	<b>24,233,657</b>	<b>26,460,069</b>	<b>33,554,602</b>
<b>B LIABILITIES</b>								
22 Balances due to Central Bank of Kenya	-	-	-	4,003,607	-	17,488,533	17,197,726	21,640,678
23 Customer deposits	17,581,964	17,268,392	17,547,388	19,948,403	21,734,747	17,488,533	17,197,726	21,640,678
24 Deposits and balances due to local banking institutions	267,861	745,245	1,155,466	2,619,130	1,822,100	267,861	745,245	1,822,100
25 Deposits and balances due to foreign banking institutions	11,177	-	-	-	-	11,177	-	-
26 Other money market deposits	-	-	-	-	-	-	-	-
27 Borrowed funds	1,948,055	2,882,177	3,068,627	4,191,234	4,379,468	1,948,055	2,882,177	4,379,468
28 Balances due to banking institutions in the group	-	-	-	-	-	-	-	-
29 Tax payable	-	-	-	-	-	813	-	-
30 Dividends payable	-	-	-	-	-	-	-	-
31 Deferred tax liability	-	-	-	-	-	-	-	-
32 Retirement benefit liability	-	-	-	-	-	-	-	-
33 Other liabilities	352,081	1,537,841	1,691,608	1,547,358	1,608,460	357,448	1,554,683	1,624,048
<b>34 TOTAL LIABILITIES</b>	<b>20,161,138</b>	<b>22,433,655</b>	<b>23,463,089</b>	<b>32,309,733</b>	<b>29,544,775</b>	<b>20,073,886</b>	<b>22,379,831</b>	<b>29,466,294</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	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	1,246,599
37 Revaluation reserves	67,376	50,206	50,206	50,206	50,206	67,376	50,206	50,206
38 Retained earnings/accumulated losses	744,351	674,980	642,092	524,292	483,990	799,597	737,235	573,316
39 Statutory loan loss reserves	-	-	17,002	45,510	171,988	-	-	171,988
40 Other reserves	-	-	-	-	-	-	-	-
41 Proposed dividends	-	-	-	-	-	-	-	-
42 Capital grants	-	-	-	-	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>4,104,525</b>	<b>4,017,983</b>	<b>4,002,096</b>	<b>3,912,805</b>	<b>3,998,982</b>	<b>4,159,771</b>	<b>4,080,238</b>	<b>4,088,308</b>
<b>44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>24,265,663</b>	<b>26,451,638</b>	<b>27,465,185</b>	<b>36,222,538</b>	<b>33,543,757</b>	<b>24,233,657</b>	<b>26,460,069</b>	<b>33,554,602</b>

II STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED	30-Sep-19	31-Dec-19	31-Mar-20	30-Jun-20	30-Sep-20	30-Sep-19	31-Dec-19	30-Sep-20
	Unaudited Shs. '000	Audited Shs. '000	Unaudited Shs. '000	Unaudited Shs. '000	Unaudited Shs. '000	Unaudited Shs. '000	Audited Shs. '000	Unaudited Shs. '000
<b>1.0 INTEREST INCOME</b>								
1.1 Loans and advances	1,205,342	1,768,893	420,747	862,656	1,369,318	1,205,342	1,768,893	1,369,318
1.2 Government securities	241,703	305,339	75,840	167,798	277,817	241,703	305,339	277,817
1.3 Deposits and placements with banking institutions	43,770	59,138	9,140	19,903	36,268	43,770	59,138	36,268
1.4 Other Interest Income	-	-	-	-	-	-	-	-
<b>1.5 Total interest income</b>	<b>1,490,815</b>	<b>2,133,370</b>	<b>505,728</b>	<b>1,050,357</b>	<b>1,683,403</b>	<b>1,490,815</b>	<b>2,133,370</b>	<b>1,683,403</b>
<b>2.0 INTEREST EXPENSE</b>								
2.1 Customer deposits	609,065	838,283	217,740	444,485	734,660	609,065	838,283	734,660
2.2 Deposits and placement from banking institutions	81,618	103,205	20,808	41,728	100,670	81,618	103,205	100,670
2.3 Other interest expenses	94,961	257,974	60,968	190,176	265,093	94,961	257,974	265,093
<b>2.4 Total interest expenses</b>	<b>785,644</b>	<b>1,199,462</b>	<b>299,517</b>	<b>676,388</b>	<b>1,100,424</b>	<b>785,644</b>	<b>1,199,462</b>	<b>1,100,424</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>705,171</b>	<b>933,908</b>	<b>206,211</b>	<b>373,969</b>	<b>582,979</b>	<b>705,171</b>	<b>933,908</b>	<b>582,979</b>
<b>4.0 NON-INTEREST INCOME</b>								
4.1 Fees and commissions on loans and advances	251,815	482,096	124,550	239,974	400,605	251,815	482,096	400,605
4.2 Other fees and commissions	464,551	484,483	112,478	204,907	325,836	500,789	537,495	378,193
4.3 Foreign exchange trading income/(loss)	230,627	265,243	70,386	67,771	33,338	230,627	265,243	33,338
4.4 Dividend income	-	-	-	-	-	-	-	-
4.5 Other income	137,746	164,977	46,717	101,498	160,986	137,746	164,986	160,986
<b>4.6 Total Non-interest income</b>	<b>1,084,738</b>	<b>1,396,799</b>	<b>354,131</b>	<b>614,151</b>	<b>920,766</b>	<b>1,120,976</b>	<b>1,449,820</b>	<b>973,123</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>1,789,909</b>	<b>2,330,707</b>	<b>560,342</b>	<b>988,119</b>	<b>1,503,745</b>	<b>1,826,147</b>	<b>2,383,728</b>	<b>1,556,102</b>
<b>6.0 OTHER OPERATING EXPENSES</b>								
6.1 Loan loss provision	266,284	402,867	88,813	167,177	61,987	266,284	402,867	61,987
6.2 Staff costs	599,299	824,932	210,027	416,166	628,362	608,819	837,545	637,786
6.3 Directors' emoluments	47,303	63,435	15,803	32,133	48,048	47,303	63,435	48,048
6.4 Rental charges	157,118	212,435	55,880	108,035	158,243	157,616	213,128	158,834
6.5 Depreciation charge on property and equipment	59,935	74,876	14,084	27,845	41,722	59,949	74,891	41,773
6.6 Amortisation charges	77,866	103,514	26,024	50,741	74,094	78,316	104,114	74,544
6.7 Other operating expenses	485,821	584,159	172,404	336,274	518,433	488,629	588,103	521,601
<b>6.8 Total other operating expenses</b>	<b>1,693,625</b>	<b>2,266,218</b>	<b>583,035</b>	<b>1,138,371</b>	<b>1,530,888</b>	<b>1,706,915</b>	<b>2,284,084</b>	<b>1,544,573</b>
<b>7.0 Profit/(loss) before tax and exceptional items</b>	<b>96,284</b>	<b>64,489</b>	<b>(22,693)</b>	<b>(150,252)</b>	<b>(27,143)</b>	<b>119,232</b>	<b>99,644</b>	<b>11,529</b>
8.0 Exceptional items	-	-	-	-	-	-	-	-
<b>9.0 Profit/(loss) after exceptional items</b>	<b>96,284</b>	<b>64,489</b>	<b>(22,693)</b>	<b>(150,252)</b>	<b>(27,143)</b>	<b>119,232</b>	<b>99,644</b>	<b>11,529</b>
10.0 Current tax	(28,885)	(109,339)	6,808	45,076	8,143	(35,770)	(119,891)	(3,459)
11.0 Deferred tax	-	134,265	-	-	-	-	132,735	-
<b>12.0 Profit/(loss) after tax and exceptional items</b>	<b>67,399</b>	<b>89,415</b>	<b>(15,885)</b>	<b>(105,176)</b>	<b>(19,000)</b>	<b>83,463</b>	<b>112,488</b>	<b>8,070</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	-	(5,000)	-	-	-	-	(5,000)	-
13.4 Share of other comprehensive income of associates	-	-	-	-	-	-	-	-
13.5 Income tax relating to components of other comprehensive income	-	250	-	-	-	-	250	-
<b>14.0 Other comprehensive income for the year net of tax</b>	<b>-</b>	<b>(4,750)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,750)</b>	<b>-</b>
<b>15.0 Total comprehensive income for the year</b>	<b>67,399</b>	<b>84,665</b>	<b>(15,885)</b>	<b>(105,176)</b>	<b>(19,000)</b>	<b>83,463</b>	<b>107,738</b>	<b>8,070</b>

III OTHER DISCLOSURES	BANK				
	30-Sep-19	31-Dec-19	31-Mar-20	30-Jun-20	30-Sep-20
	Unaudited Shs. '000	Audited Shs. '000	Unaudited Shs. '000	Unaudited Shs. '000	Unaudited Shs. '000
<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>					
(a) Gross non-performing loans and advances	3,112,453	3,258,027	3,236,090	3,126,951	2,413,009
(b) Less: interest in suspense	367,767	398,659	382,528	446,569	305,044
<b>(c) Total non-performing loans and advances (a-b)</b>	<b>2,744,685</b>	<b>2,859,368</b>	<b>2,853,563</b>	<b>2,680,382</b>	<b>2,107,965</b>
(d) Less: loan loss provision	943,262	921,360	803,766	889,513	886,872
<b>(e) Net non-performing loans and advances (c-d)</b>	<b>1,801,423</b>	<b>1,938,008</b>	<b>2,049,797</b>	<b>1,790,869</b>	<b>1,221,093</b>
(f) Discounted value of securities	1,738,960	1,900,467	2,019,726	1,767,936	1,203,611
<b>(g) Net NPLs exposure (e-f)</b>	<b>62,463</b>	<b>37,541</b>	<b>30,071</b>	<b>22,933</b>	<b>17,482</b>
<b>2.0 INSIDER LOANS AND ADVANCES</b>					
(a) Directors, shareholders and associates	114,110	158,036	220,619	328,158	379,112
(b) Employees	510,434	498,280	454,838	46	