

## KENYA BRANCHES UN-AUDITED QUARTERLY FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 31ST MARCH 2016

<b>I BALANCE SHEET</b>		<b>31<sup>st</sup> March 2015</b>	<b>31<sup>st</sup> Dec 2015</b>	<b>31<sup>st</sup> March 2016</b>
		<b>Shs. '000' Unaudited</b>	<b>Shs. '000' Audited</b>	<b>Shs. '000' Unaudited</b>
<b>A ASSETS</b>				
1	Cash ( both Local & Foreign)	84,641	129,938	103,537
2	Balances due from Central Bank of Kenya	294,923	408,225	266,946
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:	4,419,626	5,045,334	4,590,128
a.	Kenya Government securities	4,419,626	5,045,334	4,590,128
b.	Other securities	-	-	-
b)	Available for sale:	-	-	-
a.	Kenya Government securities	-	-	-
b.	Other securities	-	-	-
6	Deposits and balances due from local banking institutions	-	153,467	-
7	Deposits and balances due from banking institutions abroad	40,324	169,268	72,208
8	Tax recoverable	-	-	-
9	Loans and advances to customers (net)	3,798,243	4,116,680	4,418,864
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	30,896	86,158	94,209
16	Prepaid lease rentals	3,962	3,333	1,859
17	Intangible assets	-	-	-
18	Deferred tax asset	26,762	75,269	75,269
19	Retirement benefit asset	-	-	-
20	Other assets	64,821	42,306	46,553
<b>21</b>	<b>TOTAL ASSETS</b>	<b>8,764,198</b>	<b>10,229,978</b>	<b>9,669,573</b>
<b>B LIABILITIES</b>				
22	Balances due to Central Bank of Kenya	-	-	-
23	Customer deposits	5,464,234	6,861,254	6,386,099
24	Deposits and balances due to local banking institutions	300,000	350,000	30,000
25	Deposits and balances due to foreign banking institutions	861,895	654,447	700,287
26	Other money market deposits	-	-	-
27	Borrowed funds	-	-	-
28	Balances due to banking institutions in the group	-	-	-
29	Tax payable	33,273	80,837	133,337
30	Dividends payable	-	-	-
31	Deferred tax liability	-	-	-
32	Retirement benefit liability	-	-	-
33	Other liabilities	94,009	135,988	179,122
<b>34</b>	<b>TOTAL LIABILITIES</b>	<b>6,753,411</b>	<b>8,082,526</b>	<b>7,428,845</b>
<b>C SHAREHOLDERS' FUNDS</b>				
35	Paid up /Assigned capital	1,044,226	1,044,226	1,044,226
36	Share premium/(discount)	-	-	-
37	Revaluation reserves	-	-	-
38	Retained earnings/Accumulated losses	870,611	811,888	905,164
39	Statutory loan loss reserves	95,950	291,358	291,358
40	Other Reserves	-	-	-
41	Proposed dividends	-	-	-
42	Capital grants	-	-	-
<b>43</b>	<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>2,010,787</b>	<b>2,147,452</b>	<b>2,240,728</b>
44	Minority Interest	-	-	-
<b>45</b>	<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>8,764,198</b>	<b>10,229,978</b>	<b>9,669,573</b>
<b>II PROFIT AND LOSS ACCOUNT</b>				
<b>1.0 INTEREST INCOME</b>				
1.1	Loans and advances	141,563	544,624	144,112
1.2	Government securities	103,772	503,769	154,605
1.3	Deposits and placements with banking institutions	60	12,281	183
1.4	Other Interest Income	-	-	-
<b>1.5</b>	<b>Total interest income</b>	<b>245,395</b>	<b>1,060,674</b>	<b>298,900</b>
<b>2.0 INTEREST EXPENSE</b>				
2.1	Customer deposits	66,586	318,152	96,165
2.2	Deposits and placement from banking institutions	5,834	23,148	3,706
2.3	Other interest expenses	-	-	-
<b>2.4</b>	<b>Total interest expenses</b>	<b>72,420</b>	<b>341,300</b>	<b>99,871</b>
<b>3.0</b>	<b>NET INTEREST INCOME/(LOSS)</b>	<b>172,975</b>	<b>719,374</b>	<b>199,029</b>
<b>4.0 NON-INTEREST INCOME</b>				
4.1	Fees and commissions on loans and advances	2,977	15,582	3,346
4.2	Other fees and commissions	6,646	24,842	5,118
4.3	Foreign exchange trading income/(Loss)	7,952	32,391	6,210
4.4	Dividend Income	-	-	-
4.5	Other income	14,682	38,627	6,488
<b>4.6</b>	<b>Total Non-interest income</b>	<b>32,257</b>	<b>111,442</b>	<b>21,162</b>
<b>5.0</b>	<b>TOTAL OPERATING INCOME</b>	<b>205,232</b>	<b>830,816</b>	<b>220,191</b>
<b>6.0 OTHER OPERATING EXPENSES</b>				
6.1	Loan loss provision	38,323	52,095	-
6.2	Staff costs	34,539	165,682	38,784
6.3	Directors' emoluments	-	-	-
6.4	Rental charges	5,956	35,779	8,547
6.5	Depreciation charge on property and equipment	3,471	17,366	5,834
6.6	Amortisation charges	-	-	-
6.7	Other operating expenses	19,183	75,375	21,250
<b>6.8</b>	<b>Total Other Operating Expenses</b>	<b>101,472</b>	<b>346,297</b>	<b>74,415</b>
7.0	Profit/(loss) Before Tax and Exceptional Items	103,760	484,519	145,776
8.0	Exceptional Items	-	-	-
9.0	Profit/(Loss) After Exceptional Items	103,760	484,519	145,776
10.0	Current Tax	34,500	185,936	52,500
11.0	Deferred Tax	-	-	-
12.0	Profit/(Loss) After Tax and Exceptional Items	69,260	298,583	93,276
13.0	Minority Interest	-	-	-
14.0	Profit/(loss) after tax, exceptional items and Minority Interest	69,260	298,583	93,276
15.0	Other Comprehensive Income	-	-	-
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	-	-	-
16.0	Other Comprehensive Income for the year net of tax	-	-	-
<b>17.0</b>	<b>Total comprehensive income for the year</b>	<b>69,260</b>	<b>298,583</b>	<b>93,276</b>
18.0	EARNINGS PER SHARE- BASIC & DILUTED	-	-	-
19.0	DIVIDEND PER SHARE -DECLARED	-	-	-
<b>III OTHER DISCLOSURES</b>				
<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>				
(a)	Gross Non-performing loans and advances	403,025	434,253	769,160
(b)	Less: Interest in Suspense	38,671	41,886	41,886
(c)	Total Non-Performing Loans and Advances (a-b)	364,354	392,367	727,274
(d)	Less: Loan Loss Provision	170,405	112,871	388,603
(e)	Net Non-Performing Loans and Advances(c-d)	193,949	279,496	338,671
(f)	Discounted Value of Securities	153,400	279,496	338,671
(g)	Net NPLs Exposure (e-f)	40,549	-	-
<b>2.0 INSIDER LOANS AND ADVANCES</b>				
(a)	Directors, Shareholders and Associates	-	-	-
(b)	Employees	32,843	39,406	38,726
(c)	<b>Total Insider Loans and Advances and other facilities</b>	<b>32,843</b>	<b>39,406</b>	<b>38,726</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>				
(a)	Letters of credit, guarantees, acceptances	544,206	913,842	518,977
(b)	Forwards, swaps and options	-	-	-
(c)	Other contingent liabilities	466,883	498,898	428,457
(d)	<b>Total Contingent Liabilities</b>	<b>1,011,089</b>	<b>1,412,740</b>	<b>947,434</b>
<b>4.0 CAPITAL STRENGTH</b>				
(a)	Core capital	1,880,207	1,856,114	1,902,752
(b)	Minimum Statutory Capital	1,000,000	1,000,000	1,000,000
(c)	Excess/(Deficiency)(a-b)	880,207	856,114	902,752
(d)	Supplementary Capital	95,950	291,338	291,338
(e)	<b>Total Capital (a+d)</b>	<b>1,976,157</b>	<b>2,147,452</b>	<b>2,194,090</b>
(f)	<b>Total risk weighted assets</b>	<b>5,082,331</b>	<b>5,776,330</b>	<b>5,591,244</b>
(g)	<b>Core Capital/Total deposits Liabilities</b>	<b>34.4%</b>	<b>27.1%</b>	<b>29.8%</b>
(h)	Minimum statutory Ratio	8.0%	8.0%	8.0%
(i)	Excess/(Deficiency) (g-h)	26.4%	19.1%	21.8%
(j)	<b>Core Capital / total risk weighted assets</b>	<b>37.0%</b>	<b>32.1%</b>	<b>34.0%</b>
(k)	Minimum Statutory Ratio	10.5%	10.5%	10.5%
(l)	Excess (Deficiency) (j-k)	26.5%	21.6%	23.5%
(m)	<b>Total Capital/total risk weighted assets</b>	<b>38.9%</b>	<b>37.2%</b>	<b>39.2%</b>
(n)	Minimum statutory Ratio	14.5%	14.5%	14.5%
(o)	Excess/(Deficiency) (m-n)	24.4%	22.7%	24.7%
<b>14 LIQUIDITY</b>				
14.1 (a)	<b>Liquidity Ratio</b>	<b>70.6%</b>	<b>71.4%</b>	<b>67.4%</b>
14.2 (b)	Minimum Statutory Ratio	20.0%	20.0%	20.0%
14.3 (c)	Excess (Deficiency) (a-b)	50.6%	51.4%	47.4%
<b>MESSAGE FROM THE COUNTRY EXECUTIVE</b>				
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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