

## UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31ST MARCH 2021

### STATEMENT OF FINANCIAL POSITION

	BANK			GROUP		
	31st March 2020 Shs. '000' Unaudited	31st Dec. 2020 Shs. '000' Audited	31st March 2021 Shs. '000' Unaudited	31st March 2020 Shs. '000' Unaudited	31st Dec. 2020 Shs. '000' Audited	31st March 2021 Shs. '000' Unaudited
<b>ASSETS</b>						
Cash ( both Local & Foreign)	543,107	489,147	549,904	549,319	490,935	643,810
Balances due from Central Bank of Kenya	4,309,466	4,749,202	4,714,925	4,309,466	4,749,202	4,714,925
Kenya Government and other securities held for dealing purposes						
Financial Assets at fair value through profit and loss						
Investment Securities:						
a) Held to Maturity:	<b>50,273,096</b>	<b>42,160,461</b>	<b>44,439,662</b>	<b>51,145,658</b>	<b>43,194,552</b>	<b>45,373,387</b>
a. Kenya Government securities	50,273,096	42,160,461	44,439,662	51,145,658	43,100,690	45,373,387
b. Other securities	-	-	-	-	93,862	-
b) Available for sale:	<b>8,023,291</b>	<b>17,587,509</b>	<b>17,570,054</b>	<b>8,848,451</b>	<b>18,414,107</b>	<b>18,609,291</b>
a. Kenya Government securities	5,512,659	16,280,552	15,834,485	6,162,557	17,014,694	16,681,074
b. Other securities	2,510,632	1,306,957	1,735,569	2,685,894	1,399,413	1,928,217
Deposits and balances due from local banking institutions	854,530	887,856	1,016,593	1,311,992	949,339	1,364,779
Deposits and balances due from banking institutions abroad	6,385,626	9,381,097	9,813,912	6,385,626	9,381,097	9,813,912
Tax recoverable	-	-	-	-	32,431	-
Loans and advances to customers (net)	35,364,875	35,968,295	35,314,438	35,444,088	36,036,557	35,379,797
Balances due from banking institutions in the group						
Investments in associates				-	-	-
Investments in subsidiary companies	1,395,692	1,395,692	1,395,695	-	-	-
Investments in joint ventures				-	-	-
Investment properties				-	-	-
Property and equipment	1,810,820	2,171,056	2,059,130	2,155,556	2,508,605	2,394,148
Prepaid lease rentals				-	-	-
Intangible assets	125,358	125,956	137,214	776,461	783,638	794,409
Deferred tax asset		330,721	330,720	-	330,721	330,720
Retirement benefit asset				-	-	-
Other assets	900,638	956,599	997,330	1,744,997	1,382,183	1,862,086
<b>TOTAL ASSETS</b>	<b>109,986,499</b>	<b>116,203,591</b>	<b>118,339,577</b>	<b>112,671,614</b>	<b>118,253,367</b>	<b>121,281,264</b>
<b>LIABILITIES</b>						
Balances due to Central Bank of Kenya						
Customer deposits	83,501,686	88,548,056	90,789,750	83,501,686	88,189,504	90,778,139
Deposits and balances due to local banking institutions	-	-	-	-	-	-
Deposits and balances due to foreign banking institutions	21,810	45,789	46,959	21,810	45,789	46,959
Other money market deposits				-	-	-
Borrowed funds	1,741,016	1,469,614	1,445,627	1,741,016	1,469,614	1,445,627
Balances due to banking institutions in the group				-	-	-
Tax payable	25,431	12,838	51,838	8,648	12,838	37,042
Dividends payable	14,448	-	-	14,448	-	-
Deferred tax liability	570,441	-	-	640,879	66,927	64,463
Retirement benefit liability				-	-	-
Other liabilities	687,329	1,225,693	676,185	2,369,138	2,325,975	2,286,639
<b>TOTAL LIABILITIES</b>	<b>86,562,161</b>	<b>91,301,990</b>	<b>93,010,359</b>	<b>88,297,625</b>	<b>92,110,647</b>	<b>94,658,869</b>
<b>SHAREHOLDERS' FUNDS</b>						
Paid up /Assigned capital	6,649,390	6,649,390	6,649,390	6,649,390	6,649,390	6,649,390
Share premium/(discount)	5,230,109	5,230,109	5,230,109	5,230,109	5,230,109	5,230,109
Revaluation reserves	1,177,363	1,171,843	944,289	1,362,407	1,368,639	1,129,336
Retained earnings/Accumulated losses	10,014,454	10,958,636	12,152,408	10,450,801	11,605,209	12,848,482
Statutory loan loss reserves	353,022	353,022	353,022	353,022	353,022	353,022
Other Reserves				-	-	-
Proposed dividends		538,601	-	-	538,601	-
Capital grants				-	-	-
<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>23,424,338</b>	<b>24,901,601</b>	<b>25,329,218</b>	<b>24,045,729</b>	<b>25,744,970</b>	<b>26,210,339</b>
Minority Interest				328,260	397,750	412,056
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>109,986,499</b>	<b>116,203,591</b>	<b>118,339,577</b>	<b>112,671,614</b>	<b>118,253,367</b>	<b>121,281,264</b>

### STATEMENT OF COMPREHENSIVE INCOME

<b>INTEREST INCOME</b>						
Loans and advances	957,830	3,749,880	912,205	957,830	3,749,880	912,205
Government securities	1,345,089	5,728,182	1,452,713	1,345,089	5,728,182	1,452,713
Deposits and placements with banking institutions	31,950	94,091	22,743	31,950	94,091	22,743
Other Interest Income	13,935	87,689	26,320	13,935	87,689	26,320
<b>Total interest income</b>	<b>2,348,804</b>	<b>9,659,842</b>	<b>2,413,981</b>	<b>2,348,804</b>	<b>9,659,842</b>	<b>2,413,981</b>
<b>INTEREST EXPENSE</b>						
Customer deposits	1,227,583	4,911,290	1,178,933	1,227,583	4,911,290	1,178,933
Deposits and placement from banking institutions	8,413	26,142	2,977	8,413	26,142	2,977
Other interest expenses	17,863	75,178	19,010	17,863	75,178	19,010
<b>Total interest expenses</b>	<b>1,253,859</b>	<b>5,012,610</b>	<b>1,200,920</b>	<b>1,253,859</b>	<b>5,012,610</b>	<b>1,200,920</b>
<b>NET INTEREST INCOME/(LOSS)</b>	<b>1,094,945</b>	<b>4,647,232</b>	<b>1,213,061</b>	<b>1,094,945</b>	<b>4,647,232</b>	<b>1,213,061</b>
<b>NON-INTEREST INCOME</b>						
Fees and commissions on loans and advances	33,847	167,874	31,128	33,847	167,874	31,128
Other fees and commissions	74,981	347,753	88,286	74,981	347,753	88,286
Foreign exchange trading income/(Loss)	122,456	411,483	77,868	122,456	411,483	77,868
Dividend Income	-	101,440	-	-	14,265	-
Other income	54,224	76,186	27,675	319,384	1,299,176	323,744
<b>Total Non-interest income</b>	<b>285,508</b>	<b>1,104,736</b>	<b>224,957</b>	<b>550,668</b>	<b>2,240,551</b>	<b>521,026</b>
<b>TOTAL OPERATING INCOME</b>	<b>1,380,453</b>	<b>5,751,968</b>	<b>1,438,018</b>	<b>1,645,613</b>	<b>6,887,783</b>	<b>1,734,087</b>
<b>OTHER OPERATING EXPENSES</b>						
Loan loss provision	56,008	1,158,133	60,344	56,008	1,159,953	60,344
Staff costs	325,608	1,369,794	338,401	325,608	1,369,794	338,401
Directors' emoluments	32,349	131,549	34,199	32,349	131,549	34,199
Rental charges	40,440	41,895	12,238	40,440	41,895	12,238
Depreciation charge on property and equipment	52,741	203,554	102,130	52,741	203,554	102,130
Amortisation charges	-	56,914	-	-	56,914	-
Other operating expenses	186,946	940,835	196,536	431,138	1,732,370	417,820
<b>Total Other Operating Expenses</b>	<b>694,092</b>	<b>3,902,674</b>	<b>743,848</b>	<b>938,284</b>	<b>4,696,029</b>	<b>965,132</b>
<b>Profit/(loss) Before Tax and Exceptional Items</b>	<b>686,361</b>	<b>1,849,294</b>	<b>694,170</b>	<b>707,329</b>	<b>2,191,754</b>	<b>768,955</b>
Exceptional Items						
<b>Profit/(Loss) After Exceptional Items</b>	<b>686,361</b>	<b>1,849,294</b>	<b>694,170</b>	<b>707,329</b>	<b>2,191,754</b>	<b>768,955</b>
Current Tax	55,000	115,274	39,000	68,545	185,441	58,725
Deferred Tax		(380,126)	-	-	(381,429)	-
<b>Profit/(Loss) After Tax and Exceptional Items</b>	<b>631,361</b>	<b>2,114,146</b>	<b>655,170</b>	<b>638,784</b>	<b>2,387,742</b>	<b>710,230</b>
Minority Interest				1,431	83,097	13,766
<b>Profit/(loss) after tax, exceptional items and Minority Interest</b>	<b>631,361</b>	<b>2,114,146</b>	<b>655,170</b>	<b>637,353</b>	<b>2,304,645</b>	<b>696,464</b>

	BANK			GROUP		
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<b>Other Comprehensive Income</b>						
Gains/(Losses) from translating the financial statements of foreign operations						
Fair value changes in available for sale financial assets	(1,210,227)	(1,685,690)	(227,553)	(1,237,597)	(1,698,205)	(232,697)
Revaluation surplus on Property, plant and equipment						
Share of other comprehensive income of associates						
Income tax relating to components of other comprehensive income		469,941			469,941	
<b>Other Comprehensive Income for the year net of tax</b>	<b>(1,210,227)</b>	<b>(1,215,749)</b>	<b>(227,553)</b>	<b>(1,237,597)</b>	<b>(1,228,264)</b>	<b>(232,697)</b>
<b>Total comprehensive income for the year</b>	<b>(578,866)</b>	<b>898,397</b>	<b>427,617</b>	<b>(600,244)</b>	<b>1,076,381</b>	<b>463,767</b>
<b>EARNINGS PER SHARE- BASIC &amp; DILUTED</b>		<b>318</b>			<b>347</b>	
<b>DIVIDEND PER SHARE -DECLARED</b>						

### OTHER DISCLOSURES

<b>NON-PERFORMING LOANS AND ADVANCES</b>						
(a) Gross Non-performing loans and advances	4,964,145	4,837,979	4,660,807	4,964,145	4,837,979	4,660,807
(b) Less: Interest in Suspense	846,691	886,870	935,638	846,691	886,870	935,638
<b>(c) Total Non-Performing Loans and Advances (a-b)</b>	<b>4,117,454</b>	<b>3,951,109</b>	<b>3,725,169</b>	<b>4,117,454</b>	<b>3,951,109</b>	<b>3,725,169</b>
(d) Less: Loan Loss Provision	1,229,668	2,040,658	2,079,382	1,229,668	2,040,658	2,079,382
<b>(e) Net Non-Performing Loans and Advances(c-d)</b>	<b>2,887,786</b>	<b>1,910,451</b>	<b>1,645,787</b>	<b>2,887,786</b>	<b>1,910,451</b>	<b>1,645,787</b>
(f) Discounted Value of Securities	2,822,055	1,746,412	1,436,081	2,822,055	1,746,412	1,436,081
<b>(g) Net NPLs Exposure (e-f)</b>	<b>65,731</b>	<b>164,039</b>	<b>209,706</b>	<b>65,731</b>	<b>164,039</b>	<b>209,706</b>
<b>INSIDER LOANS AND ADVANCES</b>						
(a) Directors, Shareholders and Associates	1,635,830	2,225,408	2,152,542	1,635,830	2,225,408	2,152,542
(b) Employees	348,017	394,976	386,396	348,017	394,976	386,396
<b>(c) Total Insider Loans and Advances and other facilities</b>	<b>1,983,847</b>	<b>2,620,384</b>	<b>2,538,938</b>	<b>1,983,847</b>	<b>2,620,384</b>	<b>2,538,938</b>
<b>OFF-BALANCE SHEET ITEMS</b>						
(a) Letters of credit, guarantees, acceptances	8,562,841	8,967,455	8,894,116	8,562,841	8,967,455	8,894,116
(b) Forwards, swaps and options	17,754,727	13,265,793	12,221,825	17,754,727	13,265,793	12,221,825
(c) Other contingent liabilities	3,320,995	1,294,883	6,492,668	3,320,995	1,294,883	6,492,668
<b>(d) Total Contingent Liabilities</b>	<b>29,638,563</b>	<b>23,528,131</b>	<b>27,608,609</b>	<b>29,638,563</b>	<b>23,528,131</b>	<b>27,608,609</b>
<b>CAPITAL STRENGTH</b>						
(a) Core capital	21,322,610	22,559,049	23,425,727			
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000			
(c) Excess/(Deficiency)(a-b)	20,322,610	21,559,049	22,425,727			
(d) Supplementary Capital	564,022	353,022	353,022			
<b>(e) Total Capital (a+d)</b>	<b>21,886,632</b>	<b>22,912,071</b>	<b>23,778,749</b>			
(f) Total risk weighted assets	52,391,362	58,365,121	56,909,333			
<b>(g) Core Capital/Total deposits Liabilities</b>	<b>25.5%</b>	<b>25.5%</b>	<b>25.8%</b>			
(h) Minimum statutory Ratio	8.0%	8.0%	8.0%			
(i) Excess/(Deficiency) (g-h)	17.5%	17.5%	17.8%			
<b>(j) Core Capital / total risk weighted assets</b>	<b>40.7%</b>	<b>38.7%</b>	<b>41.2%</b>			
(k) Minimum Statutory Ratio	10.5%	10.5%	10.5%			
(l) Excess (Deficiency) (j-k)	30.2%	28.2%	30.7%			
<b>(m) Total Capital/total risk weighted assets</b>	<b>41.8%</b>	<b>39.3%</b>	<b>41.8%</b>			
(n) Minimum statutory Ratio	14.5%	14.5%	14.5%			
(o) Excess/(Deficiency) (m-n)	27.3%	24.8%	27.3%			
(p) Adjusted Core Capital/Total Deposit Liabilities*	25.6%	25.5%	25.8%			
(q) Adjusted Core Capital/Total Risk Weighted Assets*	40.7%	38.7%	41.2%			
(r) Adjusted Total Capital/Total Risk Weighted Assets*	41.8%	39.3%	41.8%			
<b>LIQUIDITY</b>						
(a) Liquidity Ratio	79.2%	80.5%	81.2%			
(b) Minimum Statutory Ratio	20.0%	20.0%	20.0%			
(c) Excess (Deficiency) (a-b)	59.2%	60.5%	61.2%			

\* The Adjusted Capital Ratios includes the expected credit loss provisions added back to Capital in line with the CBK Guidance Note issued in April 2018 on implementation of IFRS 9.

### MESSAGE FROM THE DIRECTORS

These financial statements are extracts from the books of the institution. The