

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 |
| ASSETS | | | | | | |
| 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: | 50,273,096 | 42,160,461 | 44,439,662 | 51,145,658 | 43,194,552 | 45,373,387 |
| a. Kenya Government securities | 50,273,096 | 42,160,461 | 44,439,662 | 51,145,658 | 43,194,552 | 45,373,387 |
| b. Other securities | - | - | - | - | 93,862 | - |
| b) Available for sale: | 8,023,291 | 17,587,509 | 17,570,054 | 8,848,451 | 18,414,107 | 18,609,291 |
| 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 |
| TOTAL ASSETS | 109,986,499 | 116,203,591 | 118,339,577 | 112,671,614 | 118,253,367 | 121,281,264 |
| LIABILITIES | | | | | | |
| 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 |
| TOTAL LIABILITIES | 86,562,161 | 91,301,990 | 93,010,359 | 88,297,625 | 92,110,647 | 94,658,869 |
| SHAREHOLDERS' FUNDS | | | | | | |
| 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 | - | - | - | - | - | - |
| TOTAL SHAREHOLDERS' FUNDS | 23,424,338 | 24,901,601 | 25,329,218 | 24,045,729 | 25,744,970 | 26,210,339 |
| Minority Interest | - | - | - | 328,260 | 397,750 | 412,056 |
| TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS | 109,986,499 | 116,203,591 | 118,339,577 | 112,671,614 | 118,253,367 | 121,281,264 |

STATEMENT OF COMPREHENSIVE INCOME

| | 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 |
|---|--|---|--|--|---|--|
| INTEREST INCOME | | | | | | |
| 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 |
| Total interest income | 2,348,804 | 9,659,842 | 2,413,981 | 2,348,804 | 9,659,842 | 2,413,981 |
| INTEREST EXPENSE | | | | | | |
| 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 |
| Total interest expenses | 1,253,859 | 5,012,610 | 1,200,920 | 1,253,859 | 5,012,610 | 1,200,920 |
| NET INTEREST INCOME/(LOSS) | 1,094,945 | 4,647,232 | 1,213,061 | 1,094,945 | 4,647,232 | 1,213,061 |
| NON-INTEREST INCOME | | | | | | |
| 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 |
| Total Non-interest income | 285,508 | 1,104,736 | 224,957 | 550,668 | 2,240,551 | 521,026 |
| TOTAL OPERATING INCOME | 1,380,453 | 5,751,968 | 1,438,018 | 1,645,613 | 6,887,783 | 1,734,087 |
| OTHER OPERATING EXPENSES | | | | | | |
| 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 |
| Total Other Operating Expenses | 694,092 | 3,902,674 | 743,848 | 938,284 | 4,696,029 | 965,132 |
| Profit/(loss) Before Tax and Exceptional Items | 686,361 | 1,849,294 | 694,170 | 707,329 | 2,191,754 | 768,955 |
| Exceptional Items | - | - | - | - | - | - |
| Profit/(Loss) After Exceptional Items | 686,361 | 1,849,294 | 694,170 | 707,329 | 2,191,754 | 768,955 |
| Current Tax | 55,000 | 115,274 | 39,000 | 68,545 | 185,441 | 58,725 |
| Deferred Tax | - | (380,126) | - | - | (381,429) | - |
| Profit/(Loss) After Tax and Exceptional Items | 631,361 | 2,114,146 | 655,170 | 638,784 | 2,387,742 | 710,230 |
| Minority Interest | - | - | - | 1,431 | 83,097 | 13,766 |
| Profit/(loss) after tax, exceptional items and Minority Interest | 631,361 | 2,114,146 | 655,170 | 637,353 | 2,304,645 | 696,464 |

| | BANK | | | GROUP | | |
|--|--|---|--|--|---|--|
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| Other Comprehensive Income | | | | | | |
| 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 | - |
| Other Comprehensive Income for the year net of tax | (1,210,227) | (1,215,749) | (227,553) | (1,237,597) | (1,228,264) | (232,697) |
| Total comprehensive income for the year | (578,866) | 898,397 | 427,617 | (600,244) | 1,076,381 | 463,767 |
| EARNINGS PER SHARE- BASIC & DILUTED | | 318 | | | 347 | |
| DIVIDEND PER SHARE -DECLARED | | | | | | |

OTHER DISCLOSURES

| | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| NON-PERFORMING LOANS AND ADVANCES | | | | | | |
| (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 |
| (c) Total Non-Performing Loans and Advances (a-b) | 4,117,454 | 3,951,109 | 3,725,169 | 4,117,454 | 3,951,109 | 3,725,169 |
| (d) Less: Loan Loss Provision | 1,229,668 | 2,040,658 | 2,079,382 | 1,229,668 | 2,040,658 | 2,079,382 |
| (e) Net Non-Performing Loans and Advances (c-d) | 2,887,786 | 1,910,451 | 1,645,787 | 2,887,786 | 1,910,451 | 1,645,787 |
| (f) Discounted Value of Securities | 2,822,055 | 1,746,412 | 1,436,081 | 2,822,055 | 1,746,412 | 1,436,081 |
| (g) Net NPLs Exposure (e-f) | 65,731 | 164,039 | 209,706 | 65,731 | 164,039 | 209,706 |
| INSIDER LOANS AND ADVANCES | | | | | | |
| (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 |
| (c) Total Insider Loans and Advances and other facilities | 1,983,847 | 2,620,384 | 2,538,938 | 1,983,847 | 2,620,384 | 2,538,938 |
| OFF-BALANCE SHEET ITEMS | | | | | | |
| (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 |
| (d) Total Contingent Liabilities | 29,638,563 | 23,528,131 | 27,608,609 | 29,638,563 | 23,528,131 | 27,608,609 |
| CAPITAL STRENGTH | | | | | | |
| (a) Core capital | 21,322,610 | 22,559,049 | 23,425,727 | 21,322,610 | 22,559,049 | 23,425,727 |
| (b) Minimum Statutory Capital | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| (c) Excess/(Deficiency)(a-b) | 20,322,610 | 21,559,049 | 22,425,727 | 20,322,610 | 21,559,049 | 22,425,727 |
| (d) Supplementary Capital | 564,022 | | | | | |