

UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE QUARTER ENDED 30TH JUNE 2012

A:	BALANCE SHEET	BANK			
		31st June, 2011 Shs '000	31st Dec, 2011 Shs '000	31st March, 2012 Shs '000	30th June, 2012 Shs '000
1	ASSETS				
1.1	Cash (both Local & Foreign)	41,246	55,249	61,746	46,048
1.2	Balances due from Central Bank of Kenya	854,003	1,143,864	1,255,806	1,083,275
1.3	Kenya Government securities	14,051,384	13,343,793	14,025,771	12,777,616
1.4	Foreign Currency Treasury Bills & Bonds	-	-	-	-
1.5	Deposits and balances due from local banking institutions	-	-	95,000	-
1.6	Deposits and balances due from banking institutions abroad	303,792	419,820	185,540	234,863
1.7	Kenya Government and other securities held for dealing purposes	-	758,495	782,042	812,042
1.8	Tax recoverable	-	130,289	110,289	185,489
1.9	Loans and advances to customers (net)	6,252,898	7,229,142	7,253,048	7,554,907
1.10	Investment securities	-	-	-	-
1.11	Balances due from group companies	-	-	-	-
1.12	Investments in associates	-	-	-	-
1.13	Investments in subsidiary companies	-	-	-	-
1.14	Investments in joint ventures	-	-	-	-
1.15	Investment properties	-	-	-	-
1.16	Property and equipment	102,815	102,842	100,715	101,076
1.17	Prepaid lease rentals	-	-	-	-
1.18	Intangible assets	68	1,663	1,663	3,479
1.19	Deferred tax asset	31,178	31,324	31,324	31,324
1.20	Retirement benefit asset	-	-	-	-
1.21	Other assets	137,337	135,676	140,131	205,304
1.22	TOTAL ASSETS	21,774,721	23,352,157	24,043,075	23,035,423
2	LIABILITIES				
2.1	Balances due to Central Bank of Kenya	-	-	-	-
2.2	Customer deposits	17,529,858	18,474,826	19,316,042	17,830,797
2.3	Deposits and balances due to local banking institutions	53,000	-	-	145,000
2.4	Deposits and balances due to foreign banking institutions	945,151	1,361,228	1,106,642	1,306,308
2.5	Other money market deposits	-	-	-	-
2.6	Borrowed funds	-	-	-	-
2.7	Balances due to group companies	-	-	-	-
2.8	Tax payable	5,993	-	-	-
2.9	Dividends payable	-	-	-	-
2.10	Deferred tax liability	-	-	-	-
2.11	Retirement benefit liability	82,488	85,805	85,805	85,805
2.12	Other liabilities	49,166	52,317	65,579	86,404
2.13	TOTAL LIABILITIES	18,665,656	19,974,176	20,574,068	19,454,314
3	SHAREHOLDERS' FUNDS				
3.1	Paid up /Assigned capital	450,000	450,000	450,000	450,000
3.2	Share premium	-	-	-	-
3.3	Revaluation reserves	54,000	(144,000)	(91,000)	(61,000)
3.4	Retained earnings	2,541,065	2,996,981	3,035,007	3,115,109
3.5	Statutory loan reserves	64,000	75,000	75,000	77,000
3.6	Proposed dividends	-	-	-	-
3.7	Capital grants	-	-	-	-
3.8	TOTAL SHAREHOLDERS' FUNDS	3,109,065	3,377,981	3,469,007	3,581,109
3.9	TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	21,774,721	23,352,157	24,043,075	23,035,423
B:	PROFIT AND LOSS ACCOUNT				
4	INTEREST INCOME				
4.1	Loans and advances	354,855	822,305	317,902	655,997
4.2	Government securities	648,665	1,318,063	396,661	779,022
4.3	Deposits and placements with banking institutions	2,339	17,604	8,730	12,099
4.4	Other Interest Income	909	1,409	267	540
4.5	Total interest income	1,006,768	2,159,381	723,560	1,447,658
5	INTEREST EXPENSE				
5.1	Customer deposits	436,922	1,027,191	606,903	1,165,990
5.2	Deposits and placement from banking institutions	7,516	28,115	6,769	15,207
5.3	Other interest expenses	-	-	-	-
5.4	Total interest expenses	444,438	1,055,306	613,672	1,181,197
5.5	NET INTEREST INCOME	562,330	1,104,075	109,888	266,461
6	OTHER OPERATING INCOME				
6.1	Fees and commissions on loans and advances	30,109	65,317	18,316	28,575
6.2	Other fees and commissions	24,413	54,011	14,189	28,542
6.3	Foreign exchange trading income	18,924	914	8,732	17,082
6.4	Dividend Income	-	-	-	-
6.5	Other income	47,526	63,896	8,029	14,249
6.6	Total non-interest income	120,972	184,138	49,266	88,448
6.7	TOTAL OPERATING INCOME	683,302	1,288,213	159,154	354,909
7	OPERATING EXPENSES				
7.1	Loan loss provision	7,978	18,325	(86)	1,603
7.2	Staff costs	65,684	139,205	50,515	88,747
7.3	Directors' emoluments	-	-	-	-
7.4	Rental charges	5,808	12,312	3,102	6,211
7.5	Depreciation charge on property and equipment	4,777	10,405	3,069	6,036
7.6	Amortisation charges	-	-	-	-
7.7	Other operating expenses	66,108	132,799	44,528	72,184
7.8	Total operating expenses	150,355	313,046	101,128	174,781
7.9	Profit before tax and exceptional items	532,947	975,167	58,026	180,128
7.10	Exceptional items	-	-	-	-
7.11	Profit after exceptional items	532,947	975,167	58,026	180,128
7.12	Current tax	180,000	209,451	20,000	60,000
7.13	Deferred tax	-	(146)	-	-
7.14	Profit after tax and exceptional items	352,947	765,562	38,026	120,128
8	EARNINGS PER SHARE- BASIC & DILUTED	-	-	-	-
9	DIVIDEND PER SHARE -DECLARED	-	-	-	-
C:	OTHER DISCLOSURES				
10	NON-PERFORMING LOANS AND ADVANCES				
10.1	(a) Gross Non-performing loans and advances	149,005	169,433	169,088	162,657
10.2	(b) Less Interest in Suspense	869	320	320	320
10.3	(c) Total Non-Performing Loans and Advances (a-b)	148,136	169,113	168,768	162,337
10.4	(d) Less Loan Loss Provision	94,329	104,675	104,589	99,444
10.5	(e) Net Non-Performing Loans and Advances (c-d)	53,807	64,438	64,179	62,893
10.6	(f) Discounted Value of Securities	53,807	64,438	64,179	62,893
10.7	(g) Net NPLs Exposure (e-f)	-	-	-	-
11	INSIDER LOANS AND ADVANCES				
11.1	(a) Directors, Shareholders and Associates	-	-	-	-
11.2	(b) Employees	29,357	29,601	27,054	25,251
11.3	(c) Total Insider Loans and Advances and other facilities	29,357	29,601	27,054	25,251
12	OFF-BALANCE SHEET ITEMS				
12.1	(a) Letters of credit, guarantees, acceptances	598,120	1,255,944	1,544,629	1,809,644
12.2	(b) Other contingent liabilities	571,989	782,744	691,402	692,914
12.3	(c) Total Contingent Liabilities	1,170,109	2,038,688	2,236,031	2,502,558
13	CAPITAL STRENGTH				
13.1	(a) Core capital	2,814,592	3,446,981	3,465,994	3,505,045
13.2	(b) Minimum Statutory Capital	500,000	700,000	700,000	700,000
13.3	(c) Excess (a-b)	2,314,592	2,746,981	2,765,994	2,805,045
13.4	(d) Supplementary Capital	64,000	75,000	75,000	77,000
13.5	(e) Total Capital (a+d)	2,878,592	3,521,981	3,540,994	3,582,045
13.6	(f) Total risk weighted assets	7,282,483	7,588,537	7,937,394	8,588,564
13.7	(g) Core Capital/Total deposits Liabilities	16.06%	18.70%	17.9%	19.66%
13.8	(h) Minimum statutory Ratio	8.00%	8.0%	8.0%	8.00%
13.9	(i) Excess	8.06%	10.7%	9.9%	11.66%
13.10	(j) Core Capital / total risk weighted assets	38.65%	45.4%	43.7%	40.81%
13.11	(k) Minimum Statutory Ratio	8.00%	8.0%	8.0%	8.00%
13.12	(l) Excess (j-k)	30.65%	37.4%	35.7%	32.81%
13.13	(m) Total Capital/total risk weighted assets	39.53%	46.4%	44.6%	41.71%
13.14	(n) Minimum statutory Ratio	12.00%	12.0%	12.0%	12.00%
13.15	(o) Excess (m-n)	27.53%	34.4%	32.6%	29.71%
14	LIQUIDITY				
14.1	(a) Liquidity Ratio	82.3%	78.5%	79.7%	76.1%
14.2	(b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
14.3	(c) Excess (a-b)	62.3%	58.5%	59.7%	56.1%

The above balance sheet and profit and loss account are extracts from unaudited financial statements.

Signed:

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