

# AUDITED FINANCIAL RESULTS

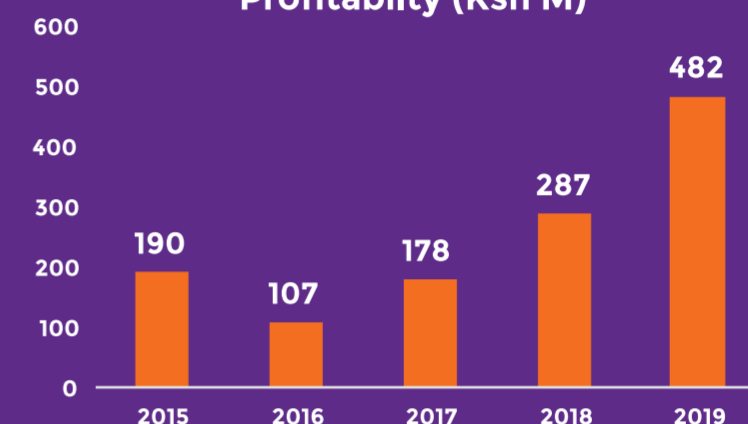
For The Year Ended December 31, 2019

Regulated by the Central Bank of Kenya.

A) STATEMENT OF COMPREHENSIVE INCOME	BANK		GROUP	
	AUDITED 31st Dec, 2019 KShs. '000'	AUDITED 31st Dec, 2018 KShs. '000'	AUDITED 31st Dec, 2019 KShs. '000'	AUDITED 31st Dec, 2018 KShs. '000'
<b>1.0 Income</b>				
1.1 Interest on Loan Portfolio	4,340,080	3,570,948	4,340,080	3,570,948
1.2 Fees and Commission on Loan Portfolio	655,487	621,189	655,487	621,189
1.3 Government Securities	392,559	311,444	392,559	311,444
1.4 Deposit and Balances with Banks and Financial Inst.	137,748	163,237	142,054	167,118
1.5 Other Investments	-	-	-	-
1.6 Other Operating Income	115,044	125,942	146,841	153,340
1.7 Non- Operating Income	2,307	4,632	2,307	4,632
<b>1.8 Total Income</b>	<b>5,643,226</b>	<b>4,797,392</b>	<b>5,679,329</b>	<b>4,828,671</b>
<b>2.0 Expenses</b>				
2.1 Interest and Fee Expense on Deposits	1,744,449	1,626,553	1,744,449	1,626,553
2.2 Other Fees and Commissions expense	219,455	171,680	221,244	173,809
2.3 Provision for Loan Impairment	562,714	114,551	561,610	114,551
2.4 Staff Costs	908,785	957,805	915,503	968,578
2.5 Director's Emoluments	14,032	13,490	14,734	14,488
2.6 Rental Charges	125,874	291,511	126,528	291,808
2.7 Depreciation Charges	255,744	188,579	255,839	188,701
2.8 Amortization Charges	176,022	144,297	176,022	144,297
2.9 Other Administrative Expense	602,710	516,845	603,971	518,496
<b>2.0 Total Expenses</b>	<b>4,609,786</b>	<b>4,025,311</b>	<b>4,619,901</b>	<b>4,041,281</b>
<b>3.0 Operating Profit</b>	<b>1,033,440</b>	<b>772,081</b>	<b>1,059,428</b>	<b>787,390</b>
4.0 Interest and Fee Expense on Borrowings(Finance Costs)	576,968	498,466	577,010	500,030
<b>5.0 Profit/(Loss) before tax</b>	<b>456,472</b>	<b>273,615</b>	<b>482,418</b>	<b>287,360</b>
6.0 Current Tax	(144,509)	(92,709)	(152,287)	(96,916)
<b>7.0 Net Profit (After Taxes and Before Donations)</b>	<b>311,963</b>	<b>180,906</b>	<b>330,131</b>	<b>190,444</b>
8.0 Donations for Operating Expense	-	-	-	-
<b>9.0 Net Profit After Taxes</b>	<b>311,963</b>	<b>180,906</b>	<b>330,131</b>	<b>190,444</b>
Other Comprehensive Income	-	-	-	-
Deferred tax on revaluation surplus	-	-	-	-
<b>10.0 Total comprehensive income</b>	<b>311,963</b>	<b>180,906</b>	<b>330,131</b>	<b>190,444</b>
<b>B) STATEMENT OF FINANCIAL POSITION</b>				
<b>1.0 ASSETS</b>				
1.1 Cash and bank balances	408,188	349,311	408,188	349,311
1.2 Short term deposits with banks	2,581,505	3,670,427	2,581,505	3,670,427
1.3 Government securities	3,469,378	1,879,900	3,469,378	1,879,900
1.4 Advances to customers	19,776,742	16,934,753	19,776,742	16,934,753
1.5 Due from related organisations	29,658	54,037	27,169	41,514
1.6 Other receivables	265,493	1,363,705	268,927	1,370,822
1.7 Tax recoverable	-	167,935	-	167,935
1.8 Other investment	1000	1000	-	-
1.9 Investment in associate companies	53,039	51,424	53,039	51,424
1.1 Intangible assets	712,412	877,561	712,412	1,335,886
1.1 Property and equipment	1,799,431	1,414,170	1,799,828	956,337
1.1 Deferred Tax Assets	584,671	460,713	584,798	461,163
<b>1.1 Total Assets</b>	<b>29,681,517</b>	<b>27,224,936</b>	<b>29,681,986</b>	<b>27,219,472</b>
<b>2.0 LIABILITIES</b>				
2.1 Cash collaterals held	491,063	588,844	491,063	588,844
2.2 Customer deposits	19,601,300	17,940,968	19,538,740	17,891,042
2.3 Borrowings	4,366,275	4,430,520	4,366,275	4,430,520
2.4 Deferred tax liability	-	-	-	-
2.5 Due to related organisations	65,409	73,604	65,409	73,604
2.6 Other liabilities	1,335,816	727,121	1,349,006	740,923
2.7 Tax payable	45,812	-	48,124	1,301
<b>3.0 Total Liabilities</b>	<b>25,905,675</b>	<b>23,761,057</b>	<b>25,858,617</b>	<b>23,726,234</b>
<b>4.0 SHARE CAPITAL &amp; RESERVES</b>				
4.1 Share capital	480,000	480,000	480,000	480,000
4.2 Share premium	2,899,759	2,899,759	2,899,759	2,899,759
4.3 Retained earnings / accumulated deficit	141,430	(171,384)	188,957	(142,025)
4.4 Revaluation reserve	254,653	255,504	254,653	255,504
4.5 Statutory reserve	-	-	-	-
<b>4.6 Total Shareholders' funds</b>	<b>3,775,842</b>	<b>3,463,879</b>	<b>3,823,369</b>	<b>3,493,238</b>
<b>5.0 TOTAL LIABILITIES AND EQUITY</b>	<b>29,681,517</b>	<b>27,224,936</b>	<b>29,681,986</b>	<b>27,219,472</b>
<b>C) OTHER DISCLOSURES</b>				
<b>1 NON-PERFORMING LOANS AND ADVANCES</b>				
(a) Gross Non-Performing Loans and Advances	2,546,335	2,507,203	2,546,335	2,507,203
Less:				
(b) Interest in Suspense	235,862	203,954	235,862	203,954
(c) Total Non-Performing Loans and Advances (a-b)	2,310,473	2,303,249	2,310,473	2,303,249
(d) Impairment Loss Allowance	2,473,016	2,245,769	2,473,016	2,245,769
(e) Net Non-Performing Loans (c-d)	162,543	57,480	162,543	57,480
(f) Realizable Value of Securities	162,543	57,480	162,543	57,480
(g) Net NPLs Exposure (e-f)	-	-	-	-
<b>2 INSIDER LOANS AND ADVANCES</b>				
(a) Directors, Shareholders and Associates	39,561	24,006	39,561	24,006
(b) Employees	343,335	232,611	343,335	232,611
(c) Total Insider Loans, Advances and Other Facilities	382,896	256,617	382,896	256,617
<b>3 OFF-BALANCE SHEET ITEMS</b>				
(a) Guarantees and Commitments	208,555	178,246	208,555	178,246
(b) Other Contingent Liabilities	1,178,000	996,921	1,178,000	996,921
(c) Total Contingent Liabilities	1,386,555	1,175,167	1,386,555	1,175,167
<b>4 CAPITAL STRENGTH</b>				
(a) Core Capital	2,881,628	2,742,250	2,881,628	2,742,250
(b) Minimum Statutory Capital	60,000	60,000	60,000	60,000
(c) Excess/(Deficiency) (a-b)	2,821,628	2,682,250	2,821,628	2,682,250
(d) Supplementary Capital	63,663	63,876	63,663	63,876
(e) Total Capital (a+b)	2,945,291	2,806,126	2,945,291	2,806,126
(f) Total Risk Weighted Assets	22,208,223	20,971,258	22,208,223	20,971,258
(g) Core Capital/ Total Deposit Liabilities	14%	15%	14%	15%
(h) Minimum Statutory Ratio	8%	8%	8%	8%
(i) Excess/(Deficiency) (g-h)	6%	7%	6%	7%
(j) Core Capital/ Total Risk Weighted Assets	13%	13%	13%	13%
(k) Minimum Statutory Ratio	10%	10%	10%	10%
(l) Excess/(Deficiency) (j-k)	3%	3%	3%	3%
(m) Total Capital/ Total Risk Weighted Assets	13%	13%	13%	13%
(n) Minimum Statutory Ratio	12%	12%	12%	12%
(o) Excess/(Deficiency) (m-n)	1%	1%	1%	1%
(p) Adjusted Core Capital/ Total Deposit Liabilities	17%	19%	17%	19%
(q) Adjusted Core Capital/Total Risk Weighted Assets	15%	17%	15%	17%
(r) Adjusted Total Capital/ Total Risk Weighted Assets	15%	17%	15%	17%
<b>5 LIQUIDITY</b>				
(a) Liquidity Ratio	26%	27%	26%	27%
(b) Minimum Statutory Ratio	20%	20%	20%	20%
(c) Excess/(Deficiency) (a-b)	6%	7%	6%	7%

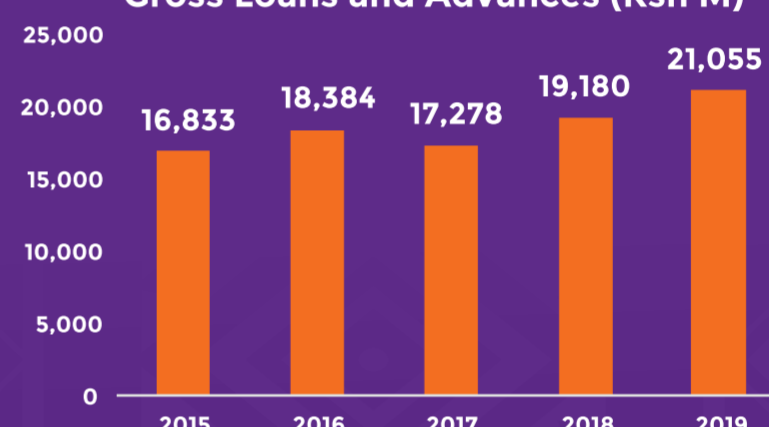
## PERFORMANCE TRENDS: 2015 - 2019

Profitability (Ksh M)



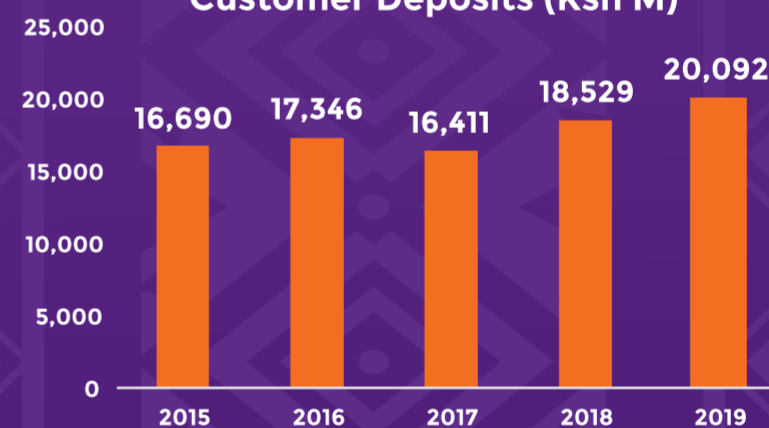
Grew by 68% from Kshs. 287Mn in 2018 to Kshs. 482Mn in 2019

Gross Loans and Advances (Ksh M)



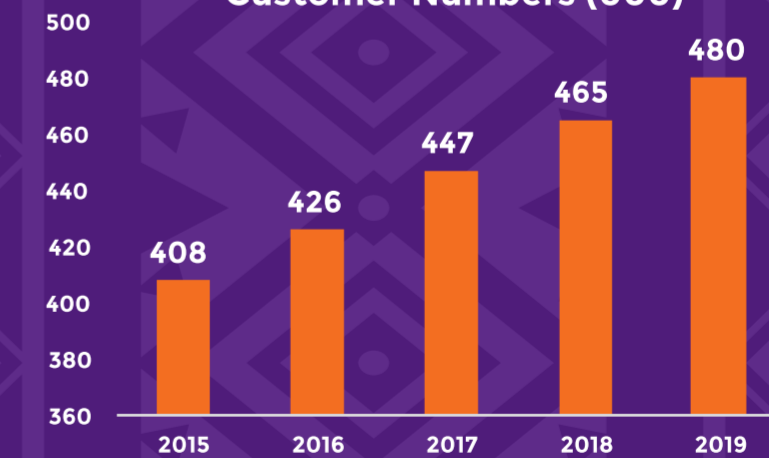
Increased by 10% to Kshs. 21.1Bn in 2019 from 19.2Bn in 2018

Customer Deposits (Ksh M)



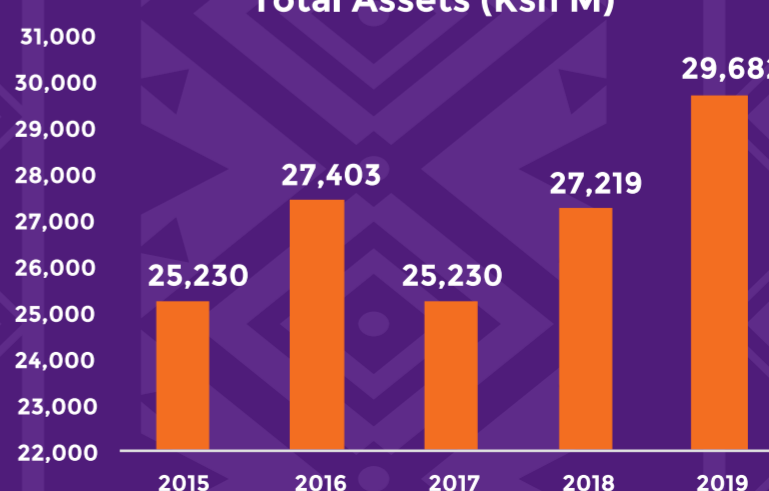
Increased by 8% from Kshs. 18.5Bn in 2018 to 20.1Bn in 2019

Customer Numbers (000)



Customer numbers grew by 3% from 465,000 in 2018 to 480,000 in 2019

Total Assets (Ksh M)



Grew by 9% from Kshs. 27.2Bn in 2018 to Kshs. 29.7Bn in 2019.

### MESSAGE FROM THE DIRECTORS

The above statement of comprehensive income, statement of financial position and other disclosures are extracts from the books of the institution as at 31st December 2019, which were audited by Deloitte & Touche and received an unqualified opinion. They were approved by the Board on 4th March 2020 and signed on its behalf by:

**Dr. Peter Wanyaga Muthoka** EBS, MBS, FKIB, FKIM - Chairman

**Joshua S. Muiru** - Chairman Audit Committee

**Apollo N. Njoroge** - Managing Director