

The Board of Directors are pleased to announce the Un-audited results of the Group and the Bank for the Period ended 30 June 2017



I	STATEMENT OF FINANCIAL POSITION	GROUP				BANK			
		30-Jun-17 KSHS.'000 (Un-audited)	31-Mar-17 KSHS.'000 (Un-audited)	31-Dec-16 KSHS.'000 Audited	30-Jun-16 KSHS.'000 (Un-audited)	30-Jun-17 KSHS.'000 (Un-audited)	31-Mar-17 KSHS.'000 (Un-audited)	31-Dec-16 KSHS.'000 Audited	30-Jun-16 KSHS.'000 (Un-audited)
A	ASSETS								
1	Cash (local and foreign)	8,174,243	7,467,860	8,432,988	7,581,964	7,775,593	7,232,448	8,119,618	7,239,780
2	Balances due from Central Bank Of Kenya	13,620,350	23,252,709	17,249,716	22,989,169	12,471,077	22,027,930	16,338,102	21,456,656
3	Kenya Government and other securities held for dealing purposes	-	-	-	-	-	-	-	-
4	Financial Assets at fair value through profit and loss	149	32	147	148	149	32	147	148
5.a.a	Investment Securities: Held to Maturity- Kenya Government Securities	47,617,600	39,280,826	37,158,762	41,674,100	47,584,800	39,098,214	37,003,530	41,674,100
5.a.b	Investment Securities: Held to Maturity- Other Securities	-	-	-	191,762	-	-	-	-
5.b.a	Investment Securities: Available for Sale- Kenya Government Securities	22,899,779	21,257,278	20,675,540	34,891,696	22,899,779	21,257,278	20,675,540	34,891,696
5.b.b	Investment Securities: Available for Sale- Other Securities	3,682,426	3,831,113	4,082,606	4,560,868	3,682,426	3,831,113	3,949,256	4,560,868
6	Deposits and balances due from local banking institutions	1,361,661	4,010,253	703,530	591,791	822,104	3,603,715	703,530	444,850
7	Deposits and balances due from banking institutions abroad	9,924,564	9,152,658	4,313,773	3,942,115	9,742,677	9,152,658	4,656,363	3,942,115
8	Tax recoverable	491,755	-	27,674	10,378	478,620	-	-	-
9	Loans and advances to customers (net)	252,612,566	245,858,224	236,935,564	221,288,801	251,722,643	245,288,658	236,398,405	220,425,621
10	Balances due from banking institutions in the group	-	-	-	-	-	-	352,068	-
11	Investments in associates	2,440,272	2,420,849	2,409,297	2,211,403	755,118	755,118	755,118	755,118
12	Investments in subsidiary companies	-	-	-	-	2,542,929	2,542,929	2,512,920	2,512,920
13	Investment in joint ventures	-	-	-	-	-	-	-	-
14	Investment in properties	-	-	-	-	-	-	-	-
15	Property, plant and equipment	8,305,024	8,267,979	8,308,698	7,779,437	7,981,132	8,091,269	7,817,715	7,524,688
16	Prepaid lease rentals	36,964	36,964	36,352	36,964	36,964	36,964	36,352	36,964
17	Intangible assets	1,167,426	1,278,308	1,713,117	1,290,817	1,138,858	1,249,429	1,410,156	1,260,499
18	Deferred tax asset	1,067,507	1,068,879	1,067,507	887,472	1,051,197	1,051,197	1,051,197	876,614
19	Retirement benefit asset	-	-	-	-	-	-	-	-
20	Other assets	9,924,008	11,278,494	8,740,981	13,079,779	9,400,792	10,799,249	8,217,742	12,438,829
21	<b>TOTAL ASSETS</b>	<b>383,326,294</b>	<b>378,462,425</b>	<b>351,856,250</b>	<b>363,008,665</b>	<b>380,086,859</b>	<b>376,018,201</b>	<b>349,997,760</b>	<b>360,041,467</b>
B	LIABILITIES								
22	Balances due to Central Bank Of Kenya	-	-	-	-	-	-	-	-
23	Customer deposits	285,753,364	279,846,932	260,153,437	278,252,423	284,076,973	278,719,052	259,471,749	276,615,244
24	Deposits and balances due to local banking institutions	1,098,386	1,744,393	3,411,977	1,299,587	1,098,386	1,744,393	3,402,893	1,299,587
25	Deposits and balances due to banking institutions abroad	309,211	25,461	-	15,421	309,211	25,461	-	15,421
26	Other money market deposits	-	-	-	-	-	-	-	-
27	Borrowed funds	24,341,096	24,276,912	19,813,260	14,788,908	24,341,096	24,276,912	19,813,260	14,788,908
28	Balances due to banking institutions in the group	-	-	-	-	-	-	-	-
29	Tax payable	16,157	2,530,612	1,248,698	959,123	-	2,486,240	1,248,698	959,423
30	Dividends payable	-	-	-	-	-	-	-	-
31	Deferred tax liability	-	-	-	-	-	-	-	-
32	Retirement benefit liability	-	-	-	-	-	-	-	-
33	Other liabilities	7,527,055	6,426,199	6,109,913	10,130,539	6,858,687	5,693,378	6,015,329	9,245,937
34	<b>TOTAL LIABILITIES</b>	<b>319,045,270</b>	<b>314,850,509</b>	<b>290,737,285</b>	<b>305,446,000</b>	<b>316,684,354</b>	<b>312,945,437</b>	<b>289,951,928</b>	<b>302,924,520</b>
C	SHAREHOLDERS' FUNDS								
35	Paid up/Assigned capital	5,867,180	4,889,317	4,889,317	4,889,317	5,867,180	4,889,317	4,889,317	4,889,317
36	Share premium/(discount)	1,911,925	2,889,789	2,889,789	2,889,789	1,911,925	2,889,789	2,889,789	2,889,789
37	Revaluation reserve	1,256,443	1,256,443	1,338,103	397,057	1,256,443	1,256,443	1,256,443	397,057
38	Retained earnings/ Accumulated losses	55,805,547	52,428,182	48,208,633	47,014,672	53,343,267	50,131,044	46,970,978	45,027,217
39	Statutory Loan Loss Reserve	717,844	717,844	736,418	717,844	717,844	717,844	717,844	717,844
40	Other Reserves	(1,570,997)	(2,759,798)	(1,158,031)	1,519,915	(183,757)	(1,217,348)	(1,088,833)	2,687,644
41	Proposed dividends	-	3,911,453	3,911,453	-	-	3,911,453	3,911,453	-
42	Capital grants	489,603	494,222	498,841	508,079	489,603	494,222	498,841	508,079
43	<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>64,477,546</b>	<b>63,827,452</b>	<b>61,314,523</b>	<b>57,936,673</b>	<b>63,402,505</b>	<b>63,072,764</b>	<b>60,045,832</b>	<b>57,116,947</b>
43.1	Non-Controlling Interest	(196,522)	(215,536)	(195,558)	(374,007)	-	-	-	-
44	<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' FUNDS</b>	<b>383,326,294</b>	<b>378,462,425</b>	<b>351,856,250</b>	<b>363,008,665</b>	<b>380,086,859</b>	<b>376,018,201</b>	<b>349,997,760</b>	<b>360,041,467</b>

II	STATEMENT OF COMPREHENSIVE INCOME	GROUP				BANK			
		30-Jun-17 KSHS,'000 (Un-audited)	31-Mar-17 KSHS,'000 (Un-audited)	31-Dec-16 KSHS,'000	30-Jun-16 KSHS,'000	30-Jun-17 KSHS,'000 (Un-audited)	31-Mar-17 KSHS,'000 (Un-audited)	31-Dec-16 KSHS,'000	30-Jun-16 KSHS,'000 (Un-audited)
1.0	INTEREST INCOME								
1.1	Loans and advances	15,264,759	7,672,772	33,378,181	16,776,762	15,198,983	7,647,370	33,261,095	16,725,478
1.2	Government securities	3,872,374	1,760,027	8,495,221	4,410,288	3,850,481	1,750,907	8,478,549	4,380,233
1.3	Deposits and placements with banking Institutions	120,698	82,103	391,319	285,045	120,698	82,103	356,476	285,045
1.1	Other Interest Income	-	2,695	-	-	-	-	-	-
1.5	Total Interest Income	19,257,831	9,517,597	42,264,721	21,472,095	19,170,161	9,480,380	42,096,119	21,390,756
2.0	INTEREST EXPENSE								
2.1	Customer deposits	5,215,888	2,499,393	11,658,414	6,488,666	5,201,030	2,499,391	11,617,358	6,469,313
2.2	Deposits and placements from banking institutions	21,060	12,456	117,980	15,567	21,060	12,456	117,980	15,567
2.3	Other Interest Expenses	602,674	319,457	991,905	505,169	602,674	311,080	991,905	505,169
2.4	Total Interest Expenses	5,839,621	2,831,307	12,768,300	7,009,402	5,824,763	2,822,928	12,727,244	6,990,049
3	NET INTEREST INCOME/(LOSS)	13,418,210	6,686,290	29,496,421	14,462,694	13,345,398	6,657,452	29,368,876	14,400,708
4	NON-INTEREST INCOME								
4.1	Fees and commissions on loans and advances	1,370,040	676,386	2,330,859	1,199,012	1,370,040	676,386	2,330,859	1,199,012
4.2	Other Fees and commissions	3,892,773	1,894,736	7,456,650	3,762,607	3,370,321	1,641,237	6,487,220	3,266,447
4.3	Foreign exchange trading income/(loss)	1,243,602	560,271	1,804,344	969,353	1,137,761	529,497	1,603,807	891,390
4.4	Dividend income	72,876	-	73,001	73,001	72,876	-	73,001	73,001
4.5	Other income	526,854	257,204	1,109,655	845,447	521,748	254,093	1,147,434	834,672
4.6	Total Non-interest income	7,106,144	3,388,598	12,774,510	6,849,420	6,472,745	3,101,214	11,642,323	6,264,523
5.0	TOTAL OPERATING INCOME	20,524,354	10,074,888	42,270,931	21,312,114	19,818,143	9,758,666	41,011,198	20,665,231
6.0	OTHER OPERATING EXPENSES								
6.1	Loan loss provision	1,509,311	750,000	2,599,671	1,310,000	1,500,000	750,000	2,594,567	1,310,000
6.2	Staff costs	4,728,822	2,332,091	9,399,704	4,349,769	4,518,515	2,239,856	8,941,049	4,132,682
6.3	Directors' emoluments	86,938	17,832	163,742	75,318	65,262	7,120	115,861	55,784
6.4	Rentals charges	720,467	356,685	1,462,440	711,997	669,662	330,643	1,363,794	667,443
6.5	Depreciation charge on property and equipment	894,320	444,943	1,936,699	942,876	887,478	441,644	1,834,722	928,287
6.6	Armortisation charges	248,044	121,978	486,117	216,085	240,170	119,166	447,983	208,238
6.7	Other operating expenses	3,159,331	1,552,820	8,592,834	3,357,614	3,010,378	1,471,444	7,689,080	3,176,480
6.8	Total other operating expenses	11,347,233	5,576,350	24,641,207	10,963,659	10,891,465	5,359,873	22,987,056	10,478,915
7	Profit/(Loss) before tax and exceptional items	9,177,121	4,498,538	17,629,724	10,348,456	8,926,677	4,398,793	18,024,143	10,186,316
8	Exceptional items-Early Retirement Costs	-	-	(3,738)	-	-	-	(3,738)	-
8	Exceptional items-Share of profit of associate	92,299	11,552	97,546	97,477	-	-	-	-
9	Profit/(Loss) before tax	9,269,421	4,510,091	17,723,532	10,445,933	8,926,677	4,398,793	18,020,405	10,186,316
10	Current tax	2,632,009	1,282,237	5,595,665	3,035,849	2,554,389	1,238,727	5,511,732	2,989,965
11	Deferred tax	-	-	(548,342)	-	-	-	(542,891)	-
12	Profit/(loss) after tax and exceptional items	6,637,412	3,227,854	12,676,210	7,410,084	6,372,288	3,160,066	13,051,564	7,196,350
13.0	OTHER COMPREHENSIVE INCOME:								
13.1	Gains/(Losses) from translating the financial statements of foreign operations	-	-	1,859,238	-	-	-	-	-
13.2	Fair value changes in available-for-sale financial assets	(416,166)	(131,715)	708,015	3,390,755	905,076	(128,515)	754,035	4,530,512
13.3	Revaluation Surplus on property, Plant and Equipment	-	-	1,227,694	-	-	-	1,227,694	-
13.4	Share of other comprehensive income of associates	-	-	7,776	-	-	-	-	-
13.5	Income tax relating to components of other comprehensive income	-	-	(368,308)	-	-	-	(368,308)	-
14	OTHER COMPREHENSIVE INCOME NET OF TAX	(416,166)	(131,715)	3,434,415	3,390,755	905,076	(128,515)	1,613,421	4,530,512
15	TOTAL COMPREHENSIVE INCOME	6,221,246	3,096,140	16,110,625	10,800,840	7,277,364	3,031,551	14,664,986	11,726,863
	Basic Earnings per share	1.13	0.66	2.64	1.52	1.09	0.65	2.67	1.47
	Diluted Earnings per share	1.13	0.66	2.20	1.52	1.09	0.65	2.22	1.47
	Dividend per share	-	-	0.80	-	-	-	0.80	-

III	OTHER DISCLOSURES	GROUP				BANK			
		30-Jun-17 KSHS.'000 (Un-audited)	31-Mar-17 KSHS.'000 (Un-audited)	31-Dec-16 KSHS.'000	30-Jun-16 KSHS.'000 (Un-audited)	30-Jun-17 KSHS.'000 (Un-audited)	31-Mar-17 KSHS.'000 (Un-audited)	31-Dec-16 KSHS.'000	30-Jun-16 KSHS.'000 (Un-audited)
1	<b>NON PERFORMING LOANS AND ADVANCES</b>								
a)	Gross non-performing loans and advances	12,222,665	11,234,835	11,274,174	10,253,392	12,222,665	11,234,835	11,273,048	10,253,392
	Less								
b)	Interest in suspense	971,548	946,488	1,128,934	1,215,940	971,548	946,488	1,128,934	1,215,940
c)	<b>Total Non-performing loans and advances (a-b)</b>	<b>11,251,117</b>	<b>10,288,347</b>	<b>10,145,240</b>	<b>9,037,452</b>	<b>11,251,117</b>	<b>10,288,347</b>	<b>10,144,114</b>	<b>9,037,452</b>
	Less								
d)	Loan loss provisions	4,492,687	3,527,216	3,868,538	3,780,032	4,492,687	3,527,216	3,867,412	3,780,032
e)	Net Non performing loans (c-d)	6,758,430	6,761,131	6,276,702	5,257,420	6,758,430	6,761,131	6,276,702	5,257,420
f)	Discounted Value of Securities	6,758,430	6,761,131	6,276,702	5,257,420	6,758,430	6,761,131	6,276,702	5,257,420
g)	<b>Net NPLs Exposure (e-f)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2	<b>Insider loans and advances</b>								
a)	Directors, shareholders and associates	1,762,155	2,008,981	1,320,278	728,220	1,762,155	2,008,981	1,320,278	728,220
b)	Employees	7,516,023	7,770,310	7,681,221	6,988,790	7,516,023	7,770,310	7,681,221	6,988,790
c)	<b>Total insider loans, advances and other facilities</b>	<b>9,278,178</b>	<b>9,779,291</b>	<b>9,001,499</b>	<b>7,717,010</b>	<b>9,278,178</b>	<b>9,779,291</b>	<b>9,001,499</b>	<b>7,717,010</b>
3	<b>Off-Balance Sheet Items</b>								
a)	Letters of credit, guarantees, acceptances	17,096,230	##### #	12,465,919	11,793,939	17,096,230	11,593,258	12,465,919	11,793,939
b)	Forwards, swaps and options	13,716,121	##### #	6,913,880	10,683,829	13,716,121	12,476,170	6,913,880	10,683,829
c)	Other contingent liabilities	-	-	-	-	-	-	-	-
d)	<b>Total contingent liabilities</b>	<b>30,812,351</b>	<b>##### #</b>	<b>19,379,799</b>	<b>22,477,767</b>	<b>30,812,351</b>	<b>24,069,428</b>	<b>19,379,799</b>	<b>22,477,767</b>
	<b>Capital strength</b>								
a)	Core capital	55,948,943	55,737,300	51,382,064	47,145,132	55,101,714	53,500,222	51,924,808	46,566,692
b)	Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
c)	Excess/( deficiency)	54,948,943	54,737,300	50,382,064	46,145,132	54,101,714	52,500,222	50,924,808	45,566,692
d)	Supplementary capital	24,123,051	25,308,867	20,880,527	15,606,017	24,123,051	25,308,867	20,845,215	15,606,017
e)	Total capital (a+d)	80,071,995	81,046,167	72,262,591	61,751,149	79,224,766	78,809,089	72,770,022	62,172,709
f)	Total risk weighted assets	351,116,221	327,391,376	318,532,396	310,912,926	349,271,280	328,021,814	319,614,654	309,083,963
g)	Core capital/total deposit liabilities	19.5%	19.8%	19.7%	16.86%	19.3%	19.1%	20.0%	16.8%
h)	Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
i)	Excess/( deficiency)	9.0%	9.3%	9.2%	6.36%	8.8%	8.6%	9.5%	6.3%
j)	Core capital/total risk weighted assets	15.9%	17.0%	16.1%	15.16%	15.8%	16.3%	16.2%	15.1%
k)	Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
l)	Excess/( deficiency)(j-k)	5.4%	6.5%	5.6%	4.66%	5.3%	5.8%	5.7%	4.6%
m)	Total capital/total risk weighted assets	22.8%	24.8%	22.7%	20.18%	22.7%	24.0%	22.8%	20.1%
n)	Minimum Statutory Ratio	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%	14.5%
o)	Excess/( deficiency)(m-n)	8.3%	10.3%	8.2%	5.68%	8.2%	9.5%	8.3%	5.6%
5	<b>Liquidity</b>								
a)	Liquidity Ratio	35.3%	38.2%	33.7%	41.6%	34.7%	37.6%	33.2%	41.0%
b)	Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
c)	Excess/( deficiency)(a-b)	15.3%	18.2%	13.7%	21.6%	14.7%	17.6%	13.2%	21.0%

The financial statements were approved by the Board of Directors on 16th August 2017 and signed on its behalf by

Signed: S C Muchiri, EBS  
Group Chairman

Signed:

Dr.G. Muriuki, MBS  
Group Managing Director & CEO