

“GEARING TOWARDS EXCELLENCE”

Report of the condition of the Bank Pursuant to Section 32 (3) of the Banking and Financial Institution Act, 2006.

BALANCE SHEET AS AT 30TH SEPTEMBER 2014 (AMOUNT IN MILLION SHILLINGS)

	COMPANY CURRENT QUARTER 30 TH SEP 2014	GROUP CURRENT QUARTER 30 TH SEP 2014	COMPANY PREVIOUS QUARTER 30 TH JUN 2014	GROUP PREVIOUS QUARTER 30 TH JUN 2014
A ASSETS				
1 Cash	17,803	20,167	20,547	22,402
2 Balances with Central Banks	91,411	112,906	94,201	114,403
3 Investment in Government Securities	215,966	215,966	212,770	212,770
4 Balances with Other Banks and financial institutions	7,834	29,556	14,576	22,066
5 Cheques and Items for Clearing	1,931	2,599	1,952	3,657
6 Interbranch float items	-	-	-	-
7 Bills Negotiated	12	12	12	12
8 Customers' liabilities for acceptances	-	-	-	-
9 Interbank Loan Receivables	90,638	90,638	74,793	74,793
10 Investments in Other securities	688	688	780	780
11 Loans, Advances and Overdrafts (Net of allowances for Probable losses)	527,858	566,617	513,047	558,439
12 Other Assets	29,095	30,587	30,569	32,320
13 Equity Investments	109,693	101,161	100,503	91,804
14 Underwriting accounts	-	-	-	-
15 Property, Plant and Equipment	18,679	21,564	18,940	21,998
16 TOTAL ASSETS	1,111,607	1,192,461	1,082,690	1,155,443
B LIABILITIES				
17 Deposits from other banks and financial institutions	108,767	124,500	104,307	112,041
18 Customer Deposits	724,313	785,264	716,098	776,025
19 Cash letters of credit	6,374	6,374	5,285	5,285
20 Special Deposits	-	-	-	-
21 Payments orders / transfers payable	414	414	416	416
22 Bankers' cheques and drafts issued	1,425	1,576	1,782	1,927
23 Accrued taxes and expenses payable	2,011	2,011	1,670	1,670
24 Acceptances outstanding	-	-	-	-
25 Interbranch float items	104	104	501	501
26 Unearned income and other deferred charges	2,342	2,342	2,034	2,034
27 Other Liabilities	12,923	13,364	10,730	11,488
28 Borrowings	42,903	45,692	42,778	45,705
29 TOTAL LIABILITIES	901,576	981,641	885,601	957,092
30 NET ASSETS/(LIABILITIES)(16 MINUS 29)	210,031	210,821	197,089	198,351
C SHAREHOLDERS' FUNDS				
31 Paid up Share Capital	12,900	12,900	12,900	12,900
32 Capital Reserves	103,131	104,508	93,940	95,407
33 Retained Earnings	78,518	77,854	78,518	78,237
34 Profit (Loss) Account	15,483	15,558	11,731	11,808
35 Other Capital Accounts/Capital Advance	-	-	-	-
36 Minority Interest	-	-	-	-
37 TOTAL SHAREHOLDERS' FUNDS	210,031	210,821	197,089	198,351
38 Contingent Liabilities	141,763	141,763	118,523	118,543
39 Gross non-performing Loans and Advances	54,477	63,232	47,379	55,759
40 Allowances for Probable Losses	13,669	16,540	11,623	14,066
41 Other Non-Performing assets	4,022	4,022	3,885	3,885
D PERFORMANCE INDICATORS				
Shareholders Funds to Total Assets	18.89%	17.68%	18.20%	17.17%
Gross non-performing loans to Total Gross Loans	9.67%	10.80%	8.69%	9.70%
Gross Loans and Advances to Total Deposits	65.00%	64.10%	63.95%	64.47%
Loans and Advances to Total Assets	48.72%	48.90%	48.46%	49.55%
Earning Assets to Total Assets	85.70%	84.25%	84.65%	83.14%
Deposits Growth	1.55%	2.44%	2.97%	2.97%
Assets Growth	2.67%	3.20%	5.71%	5.29%

INCOME STATEMENT FOR THE QUARTER ENDED 30TH SEPTEMBER 2014 (AMOUNT IN MILLION SHILLINGS)

	COMPANY CURRENT QUARTER 30 TH SEP 2014	GROUP CURRENT QUARTER 30 TH SEP 2014	COMPANY COMPARATIVE QUARTERLY (PREVIOUS YEAR) 30 TH SEP 2013	GROUP COMPARATIVE QUARTERLY (PREVIOUS YEAR) 30 TH SEP 2013	COMPANY CURRENT YEAR CUMULATIVE 30 TH SEP 2014	GROUP CURRENT YEAR CUMULATIVE 30 TH SEP 2014	COMPANY COMPARATIVE YEAR CUMULATIVE 30 TH SEP 2013	GROUP COMPARATIVE YEAR CUMULATIVE 30 TH SEP 2013
1 Interest Income	22,982	24,045	21,955	23,048	69,195	72,380	63,028	65,643
2 Interest Expense	(9,601)	(9,801)	(10,900)	(11,108)	(30,865)	(31,435)	(32,772)	(33,393)
3 Net Interest Income (1 Minus 2)	13,381	14,244	11,055	11,940	38,330	40,946	30,256	32,250
4 Bad debts written off	-	-	(515)	(515)	(187)	(178)	(883)	(883)
5 Impairment Losses on Loans and Advances/Recovery	(1,360)	(1,360)	(201)	(429)	(4,009)	(4,009)	176	(438)
6 Non-Interest Income	7,725	8,968	6,984	8,063	26,576	29,420	19,249	22,222
6.1 Foreign exchange profit/(loss)	1,937	2,343	1,599	2,000	6,464	7,259	4,169	5,172
6.2 Fees and Commissions	5,030	5,702	2,738	3,323	14,032	15,672	7,212	8,967
6.3 Dividend Income	2	2	78	78	4,004	4,004	1,485	1,485
6.4 Other Operating Income	756	921	2,569	2,662	2,077	2,485	6,383	6,598
7 Non-Interest Expense	(14,386)	(16,449)	(12,573)	(14,092)	(39,434)	(44,827)	(34,266)	(38,525)
7.1 Salaries and Benefits	(6,046)	(7,016)	(5,458)	(6,041)	(15,990)	(18,514)	(14,744)	(16,518)
7.2 Fees and Commission	-	(141)	(85)	(135)	-	(336)	(176)	(325)
7.3 Other Operating Expenses	(8,340)	(9,292)	(7,030)	(7,916)	(23,444)	(25,976)	(19,347)	(21,682)
8 Operating Income/(Loss) before tax	5,360	5,403	4,750	4,968	21,276	21,352	14,530	14,625
9 Income Tax Provision	(1,608)	(1,608)	(1,425)	(1,383)	(5,794)	(5,794)	(4,153)	(4,153)
10 Net income (loss) after income tax	3,752	3,795	3,325	3,585	15,483	15,558	10,378	10,472
11 Number of Employees	734	822	652	715	734	822	652	715
12 Basic Earning Per Share	291	294	804	812	1,200	1,206	804	812
13 Diluted Earning Per Share	291	294	804	812	1,200	1,206	804	812
14 Number of Branches	27	32	26	29	27	32	26	30
PERFORMANCE INDICATORS								
(I) Return on average total assets	0.34%	0.32%	1.33%	1.30%	1.47%	1.32%	1.48%	1.39%
(II) Return on Average shareholders' funds	1.85%	1.80%	10.95%	10.85%	8.70%	8.31%	11.87%	11.64%
(III) Non interest expense to gross income	46.85%	40.80%	43.45%	45.40%	41.18%	44.03%	41.65%	43.85%
(IV) Net Interest margin to average earning assets	1.44%	1.44%	5.40%	5.58%	4.13%	4.15%	5.40%	5.58%

CASH FLOW FOR THE QUARTER ENDED 30TH SEPT 2014 (AMOUNT IN MILLION SHILLINGS)

	COMPANY CURRENT QUARTER 30 TH SEPT 2014	GROUP CURRENT QUARTER 30 TH SEPT 2014	COMPANY PREVIOUS QUARTER 30 TH JUN 2014	GROUP PREVIOUS QUARTER 30 TH JUN 2014
I Cash flow from operating activities:				
Net income(Loss)	5,360	5,403	9,555	9,599
Adjustment for :				
-Impairment/Amortization	898	1,065	772	1,013
-Net change in loans and advances	(14,811)	(8,179)	(15,310)	(16,216)
-Gain/Loss on sale of assets	-	-	-	-
-Net change in Deposits	12,675	21,698	23,669	22,634
-Net change in Short term negotiable securities	-	-	-	-
-Net change in Other Liabilities	2,832	1,780	2,089	2,167
-Net change in Other Assets	1,294	1,314	(15,299)	(15,849)
-Tax paid	(1,268)	(1,268)	(1,268)	(1,268)
-Others (Specify)	-	-	-	-
Net cash provided (used) by operating activities	6,980	21,814	4,206	2,079
II Cash flow from investing activities:				
Dividend Received	-	-	2,037	2,037
Purchase of fixed assets	(635)	(709)	(1,697)	(1,975)
Proceeds from sale of fixed assets	-	-	-	-
Purchase of non-dealing securities	(15,833)	(15,833)	21,561	21,561
Proceeds from sale of non-dealing securities	-	-	-	-
Others	-	-	-	-
Net cash provided (used) by investing activities	(16,468)	(16,542)	21,901	21,624
III Cash flow from financing activities:				
Repayment of long-term debt	-	-	(4,925)	(5,392)
Proceeds from issuance of long term debt	-	-	-	-
Proceeds from issuance of share capital	-	-	-	-
Payment of cash dividends	-	-	-	(2,091)
Net change in other borrowings	125	125	(743)	(743)
Others -Long term financing	-	-	-	-
Net cash provided (used) by financing activities	125	125	(5,668)	(8,225)
IV Cash and Cash Equivalents:				
Net increase/(decrease) in cash and cash equivalents	(9,363)	5,397	20,440	15,478
Cash and cash equivalents at the beginning of the quarter	158,884	184,909	138,445	169,432
Cash and cash equivalents at the end of the quarter	149,522	190,306	158,884	184,909

NAME AND TITLE

Dinesh Arora
CHIEF EXECUTIVE OFFICER

Date: 10TH NOVEMBER 2014

Issa Hamisi
SENIOR FINANCE MANAGER

Date: 10TH NOVEMBER 2014

George Binde
CHIEF INTERNAL AUDITOR

Date: 10TH NOVEMBER 2014

We, the under-named non-executive members of the board of directors, attest to the correctness of the above statements. We declare that the statements have been examined by us, and to the best of our knowledge and belief, have been prepared in conformance with the instructions and are true and correct.

NAME AND TITLE

Yogesh Manek
CHAIRMAN

Date: 10TH NOVEMBER 2014

Hanif Jaffer
DIRECTOR

Date: 10TH NOVEMBER 2014

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