

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31 DECEMBER 2017

STATE		31-Dec-2016 AUDITED	31-Dec-2017 AUDITED
A Assets 1 Cash (both local and foreign) 2 Balances due from Central Bank of Kenya 3 Kenya Government and other securities held for dealing purposes 4 Financial Assets at fair value through profit and loss 5 Investment Securities: a) Held to Maturity: a. Kenya Government securities b. Other securities b) Available for sale: a. Kenya Government securities b. Other securities		SHS '000	SHS '000
		67,627	87,665
2	Balances due from Central Bank of Kenya	1,271,638	1,660,897
¥	Financial Assets at fair value through profit and loss	-	-
j		2,084,701	1,429,704
	a. Kenya Government securities	1,971,466	1,316,967
	b. Other securities	113,235	112,737
		1,273,543 1,022,138 251,405	1,619,958 1,269,728 350,230
5	Deposits and balances due from local banking institutions	658,346	909,801
7 3	Deposits and balances due from banking institutions abroad Tax recoverable	1,053,632 -	632,351 -
) 10	Loans and advances to customers (Net) Balances due from banking institutions in the group	15,292,829	18,870,101
1	Investments in associates	284,031	297,064
12 13	Investments in subsidiary companies Investments in joint ventures	-	
L4 L5	Investment properties Property and equipment	- 192.350	- 174,508
l6	Prepaid lease rentals	-	-
L7 L8	Intangible assets Deferred tax asset	26,104 13,734	26,186 15,435
9	Retirement benefit asset	-	-
20 21	Other assets Total assets	184,946 22,403,481	261,490 25,985,160
3	Liabilities		
22 23	Balances due to Central Bank of Kenya Customer deposits	- 15,695,947	- 18,677,388
24	Deposits and balances due to local banking institutions	-	-
25 26	Deposits and balances due to foreign banking institutions Other money market deposits		208,812
27	Borrowed funds	1,519,870	1,382,370
28 29	Balances due to banking institutions in the group Tax payable	- 7,152	6,721
30 31	Dividends payable Deferred tax liability		-
32	Retirement benefit liability	-	-
33 34	Other liabilities Total liabilities	120,475 17,343,444	97,976 20,373,267
	Shareholders' Funds		
35 36	Paid up / Assigned share capital Share premium / (discount)	829,162 1,271,743	838,494 1,321,289
37	Revaluation reserves	137,000	137,000
38 39	Retained earnings/Accumulated losses Statutory loan loss reserve	2,747,906 105,000	3,203,346 120,000
40 41	Other Reserves Proposed dividends	(30,774)	(8,236)
¥2	Capital grants		-
43 Fotal	Total shareholders' funds liabilities and total shareholders' funds	5,060,037 22,403,481	5,611,893 25,985,160
TATE	MENT OF COMPREHENSIVE INCOME Interest income		
1.0			
1.0 1.1	Loans and advances	2,024,589	2,180,414
1.0 1.1 1.2 1.3	Government securities Deposits and placements with banking institutions	355,834 36,292	319,034 43,387
1.0 1.1 1.2 1.3 1.4	Government securities Deposits and placements with banking institutions Other interest income	355,834 36,292 34,096	319,034 43,387 15,840
1.0 1.1 1.2 1.3 1.4 1.5 2.0	Government securities Deposits and placements with banking institutions Other interest income Total interest income Interest expense	355,834 36,292 34,096 2,450,811	319,034 43,387 15,840 2,558,675
1.0 1.1 1.2 1.3 1.4	Government securities Deposits and placements with banking institutions Other interest income Total interest income	355,834 36,292 34,096	319,034 43,387 15,840
1.0 1.1 1.2 1.3 1.4 1.5 2.0 2.1 2.2	Government securities Deposits and placements with banking institutions Other interest income Total interest income Interest expense Customer deposits Deposits and placements from banking institutions Other interest expense	355,834 36,292 34,096 2,450,811 1,193,949 7,382 101,534	319,034 43,387 15,840 2,558,675 1,174,689 3 99,671
1.0 1.1 1.2 1.3 1.4 1.5 2.0 2.1 2.2 2.3 2.4	Government securities Deposits and placements with banking institutions Other interest income Total interest income Interest expense Customer deposits Deposits and placements from banking institutions Other interest expense Total interest expense Net interest income/(loss)	355,834 36,292 34,096 2,450,811 1,193,949 7,382	319,034 43,387 15,840 2,558,675 1,174,689
1.0 1.1 1.2 1.3 1.4 1.5 2.0 2.1 2.2 2.3 2.4	Government securities Deposits and placements with banking institutions Other interest income Total interest income Interest expense Customer deposits Deposits and placements from banking institutions Other interest expense Total interest expense	355,834 36,292 34,096 2,450,811 1,193,949 7,382 101,534 1,302,865	319,034 43,387 15,840 2,558,675 1,174,689 3 99,671 1,274,363
1.0 1.1 1.2 1.3 1.4 1.5 2.0 2.1 2.2 2.2 2.3 3.0 4.1 4.1	Government securities Deposits and placements with banking institutions Other interest income Total interest income Interest expense Customer deposits Deposits and placements from banking institutions Other interest expense Total interest expense Net interest income/(loss) Non interest Income Fees and commissions on loans and advances Other fees and commissions	355,834 36,292 34,096 2,450,811 1,193,949 7,382 101,534 1,302,865 1,147,946 90,192 106,936	319,034 43,387 15,840 2,558,675 1,174,689 3 99,671 1,274,363 1,284,312 153,016 118,441
1.10 1.11 1.2 1.3 1.4 1.5 2.0 2.1 2.2 2.2 3.0 4.1 4.1 4.2 4.4 4.4	Government securities Deposits and placements with banking institutions Other interest income Total interest income Interest expense Customer deposits Deposits and placements from banking institutions Other interest expense Total interest expense Net interest expense Net interest income/(loss) Non interest Income Fees and commissions on loans and advances Other fees and commissions Foreign exchange trading income/(loss) Dividend income	355,834 36,292 34,096 2,450,811 1,193,949 7,382 101,534 1,302,865 1,147,946 90,192 106,936 26,246 7,500	319,034 43,387 15,840 2,558,675 1,174,689 3 99,671 1,274,363 1,284,312 153,016 118,441 29,587
1.10 1.11 1.12 1.13 1.14 1.15 2.0 2.1 2.2.2 2.3 3.0 4.0 4.1 4.1 4.4 4.5	Government securities Deposits and placements with banking institutions Other interest income Interest expense Customer deposits Deposits and placements from banking institutions Other interest expense Total interest expense Total interest expense Net interest income/(loss) Non interest income Fees and commissions on loans and advances Other fees and commissions Foreign exchange trading income/(loss) Dividend income Other income Other income	355,834 36,292 34,096 2,450,811 1,193,949 7,382 101,534 1,302,865 1,147,946 90,192 106,936 26,246 7,500 37,196	319,034 43,387 15,840 2,558,675 1,174,689 3 99,671 1,274,363 1,284,512 153,016 118,441 29,587
1.10 1.11 1.12 1.13 1.14 1.15 1.15 1.2.0 1.15 1.2.1 1.2.1 1.3 1.4.4 1.5 1.4.4 1.5 1.4.4 1.5 1.4.4 1.5 1.4.4 1.5 1.4.4 1.5 1.6 1.6 1.6 1.6 1.6 1.6 1.6 1.6 1.6 1.6	Government securities Deposits and placements with banking institutions Other interest income Interest expense Customer deposits Deposits and placements from banking institutions Other interest expense Total interest expense Net interest expense Net interest income/(loss) Non interest income/(loss) Some interest income Fees and commissions on loans and advances Other fees and commissions Foreign exchange trading income/(loss) Dividend income Other income Total non interest income Total non interest income Total operating income	355,834 36,292 34,096 2,450,811 1,193,949 7,382 101,534 1,302,865 1,147,946 90,192 106,936 26,246 7,500	319,034 43,387 15,840 2,558,675 1,174,689 3 99,671 1,274,363 1,284,312 153,016 118,441 29,587
1.10 1.11 1.12 1.13 1.14 1.15 1.15 1.20 1.22 1.22 1.22 1.23 1.33 1.44 1.45 1.45 1.46 1.46 1.46 1.46 1.46 1.46 1.46 1.46	Government securities Deposits and placements with banking institutions Other interest income Total interest income Interest expense Customer deposits Deposits and placements from banking institutions Other interest expense Total interest expense Net interest expense Net interest income/(loss) Non interest Income Fees and commissions on loans and advances Other fees and commissions Foreign exchange trading income/(loss) Dividend income Other income Total non interest income Total operating income Other operating expenses	355,834 36,292 34,096 2,450,811 1,193,949 7,382 101,534 1,302,865 1,147,946 90,192 106,936 26,246 7,500 37,196 268,070 1,416,016	319,034 43,387 15,840 2,558,675 1,174,689 3 99,671 1,274,363 1,284,312 153,016 118,441 29,587 57,669 358,713 1,643,025
1.0 1.1 1.2 1.3 1.4 1.5 2.0 2.1 2.2 2.2 2.3 4.4 4.5 4.4 4.5 5.0 5.1 5.2	Government securities Deposits and placements with banking institutions Other interest income Interest expense Customer deposits Deposits and placements from banking institutions Other interest expense Total interest expense Net interest income/(loss) Non interest income/(loss) Non interest income/(loss) Non interest income/(loss) Dividend income Other fees and commissions on loans and advances Other fees and commissions Foreign exchange trading income/(loss) Dividend income Other income Total non interest income Total ono interest income Total operating expenses Loan loss provisions Staff costs	355,834 36,292 34,096 2,450,811 1,193,949 7,382 101,534 1,302,865 1,147,946 90,192 106,936 26,246 7,500 37,196 268,070 1,416,016 12,032 258,374	319,034 43,387 15,840 2,558,675 1,174,689 3 99,671 1,274,363 1,284,312 153,016 118,441 29,587 57,669 358,713 1,643,025
11.0 11.1 11.2 11.3 11.4 11.5 12.0 12.1 12.2 13.4 14.5 14.1 14.2 14.3 14.4 14.5 14.6 15.0 16.0	Government securities Deposits and placements with banking institutions Other interest income Interest expense Customer deposits Deposits and placements from banking institutions Other interest expense Total interest expense Total interest expense Net interest income/(loss) Non interest income/(loss) Non interest income Fees and commissions on loans and advances Other fees and commissions Foreign exchange trading income/(loss) Dividend income Other income Total non interest income Total non interest income Total operating income Other operating expenses Loan loss provisions	355,834 36,292 34,096 2,450,811 1,193,949 7,382 101,534 1,302,865 1,147,946 90,192 106,936 26,246 7,500 37,196 268,070 1,416,016	319,034 43,387 15,840 2,558,675 1,174,689 3 99,671 1,274,363 1,284,312 153,016 118,441 29,587 - 57,669 358,713 1,643,025
1.10 11.11 11.21 11.31 11.45 1	Government securities Deposits and placements with banking institutions Other interest income Interest expense Customer deposits Deposits and placements from banking institutions Other interest expense Total interest expense Total interest expense Net interest income/(loss) Non interest income/(loss) Non interest income Fees and commissions on loans and advances Other fees and commissions Foreign exchange trading income/(loss) Dividend income Other income Total non interest income Total non interest income Total non interest income Total operating expenses Loan loss provisions Staff costs Directors' emoluments Rental charges Depreciation charge on property and equipment	355,834 36,292 34,096 2,450,811 1,193,949 7,382 101,534 1,302,865 1,147,946 90,192 106,936 26,246 7,500 37,196 268,070 1,416,016 12,032 258,374 84,635 24,345 35,662	319,034 43,337 15,840 2,558,675 1,174,689 3 99,671 1,274,363 1,284,312 153,016 118,441 29,587 57,669 358,713 1,643,025 35,321 349,096 101,495 22,984 34,972
1.10 1.11 1.12 1.3 1.4 1.5 1.4 1.5 2.2 1.2 2.2 3.0 4.1 4.1 4.4 4.2 4.3 4.4 4.4 5.5 6.6 6.5 6.5 6.5 6.5 6.5 6.5 6.5 6.5	Government securities Deposits and placements with banking institutions Other interest income Interest expense Customer deposits Deposits and placements from banking institutions Other interest expense Total interest expense Total interest expense Net interest income/(loss) Non interest income/(loss) Non interest income Fees and commissions on loans and advances Other fees and commissions Foreign exchange trading income/(loss) Dividend income Total non interest income Total non interest income Total non interest income Total non interest income Total coperating expenses Loan loss provisions Staff costs Directors' emoluments Rental charges Depreciation charges on property and equipment Amortization charges Other operating expenses	355,834 36,292 34,096 2,450,811 1,193,949 7,382 101,534 1,302,865 1,147,946 90,192 106,936 26,246 7,500 37,196 268,070 1,416,016 12,032 258,374 84,635 24,345 35,662 24,370 180,185	319,034 43,387 15,840 2,558,675 1,174,689 3 99,671 1,274,363 1,284,512 153,016 118,441 29,587 57,669 358,713 1,643,025 35,321 349,096 101,495 22,984 34,972 8,088 241,870
1.0 1.1 1.2 1.3 1.4 1.5 2.0 2.1 2.2 2.2 2.3 4.4 4.5 5.6 6.1 5.5 6.5 6.5 6.5 7	Government securities Deposits and placements with banking institutions Other interest income Interest expense Customer deposits Deposits and placements from banking institutions Other interest expense Total interest expense Net interest income/(loss) Non interest income/(loss) Non interest income/(loss) Non interest income/(loss) Dividend income Total non interest income Other fies and commissions on loans and advances Other fies and commissions Foreign exchange trading income/(loss) Dividend income Other income Total non interest income Total non interest income Total operating income Other operating expenses Loan loss provisions Staff costs Directors' emoluments Rental charges Depreciation charge on property and equipment Amortization charges Other operating expenses Total other operating expenses	355,834 36,292 34,096 2,450,811 1,193,949 7,382 101,534 1,302,865 1,147,946 90,192 106,936 26,246 7,500 37,196 268,070 1,416,016 12,032 288,374 84,635 24,345 35,662 24,370	319,034 43,387 15,840 2,558,675 1,174,689 3 99,671 1,274,363 1,284,312 153,016 118,441 29,587 57,669 358,713 1,643,025 35,321 349,096 101,495 22,984 34,972 8,088 241,870 793,826
1.0 1.1 1.1 1.2 1.3 1.4 1.5 2.0 2.1 2.2 2.1 2.2 2.3 4.4 4.5 5.0 6.0 5.1 5.5 6.5 6.5 6.5 6.5 7.0	Government securities Deposits and placements with banking institutions Other interest income Interest expense Customer deposits Deposits and placements from banking institutions Other interest expense Total interest expense Total interest expense Net interest income/(loss) Non interest income/(loss) Non interest income Fees and commissions on loans and advances Other fees and commissions Foreign exchange trading income/(loss) Dividend income Total non interest income Other operating expenses Dan loss provisions Staff costs Directors' emoluments Rental charges Depreciation charge on property and equipment Amortization charges Other operating expenses Total other operating expenses Total other operating expenses Profit/(loss) before tax and exceptional items Exceptional items	355,834 36,292 34,096 2,450,811 1,193,949 7,382 101,534 1,302,865 1,147,946 90,192 106,936 26,246 7,500 37,196 268,070 1,416,016 12,032 258,374 84,635 24,345 35,662 24,370 180,185 619,603	319,034 43,337 15,840 2,558,675 1,174,689 3 99,671 1,274,363 1,284,312 153,016 118,441 29,587 57,669 358,713 1,643,025 35,321 349,096 101,495 22,984 34,972 8,088 241,870 793,826
1.0 1.1 1.1 1.2 1.3 1.4 1.5 2.0 2.1 2.2 2.1 2.2 2.3 4.4 4.5 5.0 6.0 5.1 5.5 6.5 6.5 6.5 6.5 7.0	Government securities Deposits and placements with banking institutions Other interest income Interest expense Customer deposits Deposits and placements from banking institutions Other interest expense Total interest expense Net interest expense Net interest expense Net interest income/(loss) Non interest income Fees and commissions on loans and advances Other fees and commissions Foreign exchange trading income/(loss) Dividend income Other income Total operating income Total operating income Other operating expenses Loan loss provisions Staff costs Directors' emoluments Rental charges Depreciation charge on property and equipment Amortization charges Other operating expenses Total other operating expenses Total other operating expenses	355,834 36,292 34,096 2,450,811 1,193,949 7,382 101,534 1,302,865 1,147,946 90,192 106,936 26,246 7,500 37,196 268,070 1,416,016 12,032 258,374 84,635 24,345 35,662 24,370 180,185 619,603	319,034 43,387 15,840 2,558,675 1,174,689 3 99,671 1,274,363 1,284,312 153,016 118,441 29,587 57,669 358,713 1,643,025 35,321 349,096 101,495 22,984 34,972 8,088 241,870 793,826
1.0 1.1 1.1 1.1 1.2 1.3 1.4 1.5 2.0 2.1 2.2 2.2 3.0 4.4 1.5 5.0 5.5 5.5 6.6 2.5 5.5 6.6 7.0 8 7.0 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	Government securities Deposits and placements with banking institutions Other interest income Interest expense Customer deposits Deposits and placements from banking institutions Other interest expense Total interest expense Total interest expense Net interest income/(loss) Non interest income Fees and commissions on loans and advances Other fees and commissions Foreign exchange trading income/(loss) Dividend income Total non interest income Total non interest income Total non interest income Total operating expenses Loan loss provisions Staff costs Directors' emoluments Rental charges Depreciation charges on property and equipment Amortization charges Other operating expenses Total other operating expenses Profit/(loss) before tax and exceptional items Exceptional items Profit/(loss) after exceptional items	355,834 36,292 34,096 2,450,811 1,193,949 7,382 101,534 1,302,865 1,147,946 90,192 106,936 26,246 7,500 37,196 268,070 1,416,016 12,032 258,374 84,635 24,345 35,662 24,370 180,185 619,603 796,413 - 796,413 (208,056)	319,034 43,387 15,840 2,558,675 1,174,689 3 99,671 1,274,363 1,284,312 153,016 118,441 29,587 57,669 358,713 1,643,025 35,321 349,096 101,495 22,984 34,972 8,088 241,870 793,826 849,199 (243,382)
1.0 1.1 1.1.2 1.1.3 1.4 1.5 2.0 1.2 2.2 2.3 4.1 2.2 2.3 4.4 2.3 4.4 4.5 5.5 6.5 5.5 5.5 5.5 6.5 7.0 10 11 11 11 11 11 11 11 11 11 11 11 11	Government securities Deposits and placements with banking institutions Other interest income Interest expense Customer deposits Deposits and placements from banking institutions Other interest expense Total interest expense Net interest income/(loss) Non interest income/(loss) Non interest income/(loss) Non interest income/(loss) Non interest income/(loss) Dividend income Other fees and commissions on loans and advances Other fees and commissions Foreign exchange trading income/(loss) Dividend income Other income Total non interest income Total non interest income Total on interest income Other operating expenses Loan loss provisions Staff costs Directors' emoluments Rental charges Other operating expenses Total other operating expenses Total other operating expenses Total other operating expenses Total other operating expenses Fofit/(loss) before tax and exceptional items Exceptional items Profit/(loss) after exceptional items	355,834 36,292 34,096 2,450,811 1,193,949 7,382 101,534 1,302,865 1,147,946 90,192 106,936 26,246 7,500 37,196 268,070 1,416,016 12,032 258,374 84,635 24,345 35,662 24,370 180,185 619,603 796,413	319,034 43,387 15,840 2,558,675 1,174,689 3 99,671 1,274,363 1,284,312 153,016 118,441 29,587 57,669 358,713 1,643,025 35,321 349,096 101,495 22,984 34,972 8,088 241,870 793,826 849,199 849,199
1.0 1.1 1.1 1.2 1.3 1.4 1.5 2.0 2.1 2.2 2.3 4.4 4.1 4.2 2.3 4.4 4.4 4.5 5.5 5.6 5.6 5.6 7.0 6 6 6 7.0 6 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0 7.0	Government securities Deposits and placements with banking institutions Other interest income Interest expense Customer deposits Deposits and placements from banking institutions Other interest expense Total interest expense Total interest expense Net interest income/(loss) Non interest income Fees and commissions on loans and advances Other fees and commissions Foreign exchange trading income/(loss) Dividend income Total non interest income Total non interest income Total non interest income Total operating expenses Loan loss provisions Staff costs Directors' emoluments Rental charges Depreciation charges on property and equipment Amortization charges Other operating expenses Total other operating expenses Profit/(loss) before tax and exceptional items Exceptional items Profit/(loss) after tax and exceptional items Other Comprehensive Income	355,834 36,292 34,096 2,450,811 1,193,949 7,382 101,534 1,302,865 1,147,946 90,192 106,936 26,246 7,500 37,196 268,070 1,416,016 12,032 258,374 84,635 24,345 35,662 24,370 180,185 619,603 796,413 (208,056) 4,038	319,034 43,387 15,840 2,558,675 1,174,689 3 99,671 1,274,363 1,284,312 153,016 118,441 29,587 57,669 358,713 1,643,025 35,321 349,096 101,495 22,984 34,972 8,088 241,870 793,826 849,199 (243,382) 11,360
1.0 1.1 1.2 1.3 1.4 1.5 1.4 1.5 2.1 2.2 2.2 4.3 4.4 4.5 5.0 5.1 5.5 5.5 5.5 7.0 11. 12. 13. 13. 14. 15. 16. 16. 16. 16. 16. 16. 16. 16. 16. 16	Government securities Deposits and placements with banking institutions Other interest income Interest expense Customer deposits Deposits and placements from banking institutions Other interest expense Total interest expense Net interest income/(loss) Non interest income/(loss) Non interest income/(loss) Non interest income/(loss) Non interest income Tees and commissions on loans and advances Other fees and commissions on loans and advances Other fees and commissions Foreign exchange trading income/(loss) Dividend income Other income Total non interest income Total non interest income Total operating expenses Loan loss provisions Staff costs Directors' emoluments Rental charges Depreciation charge on property and equipment Amortization charges Other operating expenses Total other operating expenses Total other operating expenses Total other operating expenses Profit/(loss) before tax and exceptional items Exceptional items Profit/(loss) after tax and exceptional items Other Comprehensive Income Gains/(Losses) from translating the financial statements of foreign operations	355,834 36,292 34,096 2,450,811 1,193,949 7,382 101,534 1,302,865 1,147,946 90,192 106,936 26,246 7,500 37,196 268,070 1,416,016 12,032 258,374 84,635 24,345 35,662 24,370 180,185 619,603 796,413 (208,056) 4,038 592,395	319,034 43,387 15,840 2,558,675 1,174,689 3 99,671 1,274,363 1,284,312 153,016 118,441 29,587 57,669 358,713 1,643,025 35,321 349,096 101,495 22,984 34,972 8,088 241,870 793,826 849,199 (243,382) 11,360 617,177
1.0 1.1 1.1 1.2 1.3 1.4 1.5 2.1 2.2 2.3 4.0 4.1 4.2 2.3 4.4 4.3 4.4 4.5 5.5 6.5 5.5 6.6 7.0 9.0 11.1 11.2 11.3 11.4 11.5 11.4 11.5 11.4 11.5 11.6 11.6 11.6 11.6 11.6 11.6 11.6	Government securities Deposits and placements with banking institutions Other interest income Interest expense Customer deposits Deposits and placements from banking institutions Other interest expense Total interest expense Total interest expense Net interest income/(loss) Non interest income/(loss) Non interest income Fees and commissions on loans and advances Other fees and commissions Foreign exchange trading income/(loss) Dividend income Other income Total non interest income Total non interest income Total non interest income Total non seppenses Loan loss provisions Staff costs Directors' emoluments Rental charges Depreciation charge on property and equipment Amortization charges Other operating expenses Total other operating expenses Total other operating expenses Total other operating expenses Profit/(loss) before tax and exceptional items Exceptional items Profit/(loss) after exceptional items Other Comprehensive Income Gains/(Losses) from translating the financial	355,834 36,292 34,096 2,450,811 1,193,949 7,382 101,534 1,302,865 1,147,946 90,192 106,936 26,246 7,500 37,196 268,070 1,416,016 12,032 258,374 84,635 24,345 35,662 24,370 180,185 619,603 796,413 (208,056) 4,038	319,034 43,387 15,840 2,558,675 1,174,689 3 99,671 1,274,363 1,284,312 153,016 118,441 29,587 57,669 358,713 1,643,025 35,321 349,096 101,495 22,984 34,972 8,088 241,870 793,826 849,199 (243,382) 11,360
1.0 1.1 1.1.2 1.2.3 1.4 1.5 1.4 1.5 1.2 2.2 2.3 2.3 2.3 2.3 3.4 4.4 5.5 6.5 5.5 6.5 5.5 6.5 5.5 6.5 6.5 7.0 11.1 12.1 13.1 14.1 15.5 16.5 16.5 16.5 16.5 16.5 16.5 16	Government securities Deposits and placements with banking institutions Other interest income Interest expense Customer deposits Deposits and placements from banking institutions Other interest expense Total interest expense Net interest income/(loss) Non interest income Tees and commissions on loans and advances Other fees and commissions Foreign exchange trading income/(loss) Dividend income Other income Total non interest income Total non interest income Total operating expenses Loan loss provisions Staff costs Directors' emoluments Rental charges Depreciation charge on property and equipment Amortization charges Other operating expenses Total other operating expenses Total other operating expenses Fofit/(loss) before tax and exceptional items Exceptional items Profit/(loss) after exceptional items Current tax Deferred tax Profit/(loss) after tax and exceptional items Other Comprehensive Income Gains/(Losses) from translating the financial statements of foreign operations Fair value changes in available for sale financial assets Revaluation surplus on Property, plant and equipment Share of other comprehensive income of associates	355,834 36,292 34,096 2,450,811 1,193,949 7,382 101,534 1,302,865 1,147,946 90,192 106,936 26,246 7,500 37,196 268,070 1,416,016 12,032 258,374 84,635 24,345 35,662 24,370 180,185 619,603 796,413 (208,056) 4,038 592,395	319,034 43,387 15,840 2,558,675 1,174,689 3 99,671 1,274,363 1,284,312 153,016 118,441 29,587 57,669 358,713 1,643,025 35,321 349,096 101,495 22,984 34,972 8,088 241,870 793,826 849,199 (243,382) 11,360 617,177
1.0 1.1 1.1 1.2 1.3 1.4 1.5 1.2 2.0 1.1 1.5 1.2 2.1 2.2 3.0 4.1 4.2 3.4 4.4 4.5 5.5 6.6 5.5 6.6 7.0 10 11 11 11 11 11 11 11 11 11 11 11 11	Government securities Deposits and placements with banking institutions Other interest income Interest expense Customer deposits Deposits and placements from banking institutions Other interest expense Total interest expense Total interest expense Net interest expense Net interest income/(loss) Non interest income/(loss) Non interest income Fees and commissions on loans and advances Other fees and commissions Foreign exchange trading income/(loss) Dividend income Other income Total non interest income Total non interest income Total non interest income Total noperating expenses Loan loss provisions Staff costs Directors' emoluments Rental charges Depreciation charge on property and equipment Amortization charges Other operating expenses Total other operating expenses Total other operating expenses Total other operating expenses Total other operating expenses Profit/(loss) before tax and exceptional items Exceptional items Profit/(loss) after exceptional items Other Comprehensive Income Gains/(Losses) from translating the financial statements of foreign operations Fair value changes in available for sale financial assets Revaluation surplus on Property, plant and equipment Share of other comprehensive income of associates Income tax relating to components of other comprehensive income	355,834 36,292 34,096 2,450,811 1,193,949 7,382 101,534 1,302,865 1,147,946 90,192 106,936 26,246 7,500 37,196 268,070 1,416,016 12,032 258,374 84,635 24,345 35,662 24,370 180,185 619,603 796,413 796,413 (208,056) 4,038 592,395	319,034 43,387 15,840 2,558,675 1,174,689 3 99,671 1,274,363 1,284,312 153,016 118,441 29,587 57,669 358,713 1,643,025 35,321 349,096 101,495 22,984 34,972 8,088 241,870 793,826 849,199 (243,382) 11,360 617,177
1.0 1.1 1.1 1.2 1.3 1.4 1.5 1.2 2.0 2.1 2.2 4.3 3.0 4.0 4.1 4.1 4.5 5.5 6.5 6.5 7.0 10.0 11.1 13.1 13.1 13.3 13.3 13.4	Government securities Deposits and placements with banking institutions Other interest income Interest expense Customer deposits Deposits and placements from banking institutions Other interest expense Total interest expense Total interest expense Net interest income Fees and commissions on loans and advances Other fees and commissions Foreign exchange trading income/(loss) Dividend income Other income Total non interest income Total non interest income Total non interest income Total non interest income Total coperating expenses Loan loss provisions Staff costs Directors' emoluments Rental charges Depreciation charge on property and equipment Amortization charges on property and equipment Amortization charges Other operating expenses Total other operating expenses Total other operating expenses Profit/(loss) before tax and exceptional items Exceptional items Profit/(loss) after exceptional items Other Comprehensive Income Gains/(Losses) from translating the financial statements of foreign operations Fair value changes in available for sale financial assets Revaluation surplus on Property, plant and equipment Share of other comprehensive income of associates Income tax relating to components of other	355,834 36,292 34,096 2,450,811 1,193,949 7,382 101,534 1,302,865 1,147,946 90,192 106,936 26,246 7,500 37,196 268,070 1,416,016 12,032 258,374 84,635 24,345 35,662 24,370 180,185 619,603 796,413 (208,056) 4,038 592,395	319,034 43,387 15,840 2,558,675 1,174,689 3 99,671 1,274,363 1,284,312 153,016 118,441 29,587 57,669 358,713 1,643,025 35,321 349,096 101,495 22,984 34,972 8,088 241,870 793,826 849,199 (243,382) 11,360 617,177

		31-Dec-2016 AUDITED	31-Dec-2017 AUDITED
OTHER DISCLOSURES		SHS '000	SHS '000
1.0	Non-performing loans and advances		
	a) Gross non-performing loans and advances	-	16,855
	b) Less: Interest in suspense	-	1,696
	c) Total non-performing loans and advances (a - b)	-	15,159
	d) Less: Loan loss provisions	-	15,159
	e) Net non-performing loans and advances (c - d)	-	-
	f) Less: Discounted value of securities	-	
	g) Net non-performing loans exposure (e - f)	•	
2.0	Insider loans and advances		
	a) Directors, shareholders and associates	150,965	181,051
	b) Employees	92,213	117,602
	c) Total insider loans, advances and other facilities	243,178	298,653
3.0	Off-balance sheet items		
	a) Letters of credit , guarantees , acceptances	2,203,095	2,756,914
	b) Forwards, swaps and options	26,765	34,712
	c) Other contingent liabilities	118,704	54,081
	d) Total contingent liabilities	2,348,564	2,845,707
4.0	Capital strength		
	a) Core capital	4,848,811	5,363,129
	b) Minimum Statutory Capital	1,000,000	1,000,000
	c) Excess (a-b)	3,848,811	4,363,129
	d) Supplementary capital	139,250	154,250
	e) Total capital (a + d)	4,988,061	5,517,379
	f) Total risk weighted assets	19,598,582	24,264,522
	g) Core capital / total deposit liabilities	30.90%	28.70%
	h) Minimum Statutory Ratio	8.00%	8.00%
	i) Excess (g- h)	22.90%	20.70%
	j) Core capital / total risk weighted assets	24.70%	22.10%
	k) Minimum Statutory Ratio	10.50%	10.50%
	l) Excess (j-k)	14.20%	11.60%
	m) Total capital / total risk weighted assets	25.50%	22.70%
	n) Minimum Statutory Ratio	14.50%	14.50%
	o) Excess (m -n)	11.00%	8.20%
5.0	Liquidity		
	a) Liquidity Ratio	31.40%	28.60%
	b) Minimum Statutory Ratio	20.00%	20.00%
	c) Excess (a-b)	11.40%	8.60%

MESSAGE FROM THE DIRECTORS

The above Statement of Financial Position and Statement of Comprehensive income are extracts from the Bank's financial statements as audited by PricewaterhouseCoopers and have received unqualified opinion.

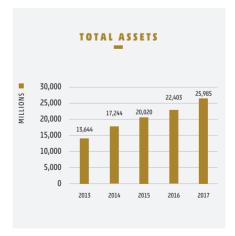
The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the Institution's website **www.victoriabank.co.ke**. They may also be accessed at the Institution's head office located at Victoria Towers, Mezzanine Floor, Kilimanjaro Avenue, Upper hill, Nairobi Kenya.

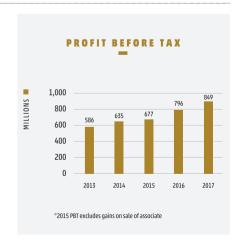
The financial statement were approved by the Board of Directors on Thursday, 01 March 2018.

SIGNED

Kanji D Pattni CHAIRMAN

Yogesh K Pattni Ph.D
CHIEF EXECUTIVE OFFICER





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