



UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31ST MARCH 2015

1. STATEMENT OF FINANCIAL POSITION

| | 31-Mar-14 Unaudited Ksh'000' | 31-Dec-14 Audited Ksh'000' | 31-Mar-15 Unaudited Ksh'000' |
|---|------------------------------------|----------------------------------|------------------------------------|
| A ASSETS | | | |
| 1 Cash balances (both local & foreign) | 1,004,153 | 1,117,328 | 1,079,494 |
| 2 Balances due from Central Bank of Kenya | 941,447 | 2,358,441 | 1,112,260 |
| 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: | | | |
| i. Kenya Government securities | - | - | - |
| i. Other securities | - | - | - |
| a) Available for sale: | | | |
| i. Kenya Government securities | - | - | - |
| i. Other securities | - | - | - |
| 6 Deposits and balances due from local banking institutions | 1,038,563 | 56,824 | 1,284,216 |
| 7 Deposits and balances due from banking institutions abroad | 988,969 | 506,975 | 305,830 |
| 8 Tax recoverable | - | 75,184 | - |
| 9 Financing Activities (net) | 7,460,360 | 9,765,509 | 10,119,184 |
| 10 Balances due from Banking institution in the group | - | - | - |
| 11 Investments in associates | - | - | - |
| 12 Investments in subsidiaries | 94,400 | 94,400 | 94,400 |
| 13 Investment in joint ventures | - | - | - |
| 14 Investment properties | - | - | - |
| 15 Property and equipment | 179,372 | 243,977 | 243,511 |
| 16 Prepaid operating rental leases | 25,488 | 22,079 | 21,057 |
| 17 Intangible assets | 26,886 | 49,802 | 47,966 |
| 18 Deferred tax asset | 124,342 | 140,498 | 140,498 |
| 19 Retirement benefit asset | - | - | - |
| 20 Other assets | 619,976 | 847,008 | 673,543 |
| 21 TOTAL ASSETS | 12,503,956 | 15,278,026 | 15,121,959 |
| B LIABILITIES | | | |
| 22 Balances due to Central Bank of Kenya | - | - | - |
| 23 Customer deposits | 10,873,660 | 13,338,591 | 13,332,484 |
| 24 Deposits and balances due to local banking institutions | 215,000 | - | - |
| 25 Deposits and balances due to foreign banking institutions | - | - | - |
| 26 Other money market deposits | - | - | - |
| 27 Borrowed funds | - | - | - |
| 28 Balances due to Banking institution in the group | - | - | - |
| 29 Tax payable | 107,184 | 75,569 | 34,257 |
| 30 Dividends payable | - | - | - |
| 31 Deferred tax liability | - | - | - |
| 32 Retirement benefit liability | - | - | - |
| 33 Other liabilities | 82,424 | 346,144 | 93,838 |
| 34 TOTAL LIABILITIES | 11,278,268 | 13,760,304 | 13,460,579 |
| C SHAREHOLDERS' EQUITY | | | |
| 35 Paid up/Assigned capital | 300,000 | 364,300 | 390,800 |
| 36 Share premium | 900,000 | 1,092,901 | 1,172,401 |
| 37 Revaluation reserves | - | - | - |
| 38 Retained earnings/ Accumulated losses | 25,689 | 60,520 | 98,179 |
| 39 Statutory financing loss reserve | - | - | - |
| 40 Other Reserves | - | - | - |
| 41 Proposed dividends | - | - | - |
| 42 Capital grants | - | - | - |
| 43 TOTAL SHAREHOLDERS' FUNDS | 1,225,689 | 1,517,722 | 1,661,381 |
| 44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS | 12,503,956 | 15,278,026 | 15,121,959 |

2. STATEMENT OF COMPREHENSIVE INCOME

| | 31-Mar-14 Unaudited Ksh'000' | 31-Dec-14 Audited Ksh'000' | 31-Mar-15 Unaudited Ksh'000' |
|--|------------------------------------|----------------------------------|------------------------------------|
| 1 OPERATING INCOME | | | |
| 1.1 Financing Activities (Deals) | 210,623 | 973,432 | 284,411 |
| 1.2 Government securities | - | - | - |
| 1.3 Deposits and placements with banking institutions | 17,258 | 59,572 | 13,650 |
| 1.4 Other related income | - | - | - |
| 1.5 Total Operating Income | 227,881 | 1,033,005 | 298,061 |
| 2 EXPENSES ON DEPOSITS | | | |
| 2.1 Customer deposits | 39,052 | 126,265 | 40,767 |
| 2.2 Deposits and placements from banking institutions | - | - | - |
| 2.3 Other related expenses | - | - | - |
| 2.4 Total Expenses on Deposits | 39,052 | 126,265 | 40,767 |
| 3 NET OPERATING INCOME | 188,829 | 906,739 | 257,295 |
| 4 NON-OPERATING INCOME | | | |
| 4.1 Fees and commissions on financing activities | 5,501 | 44,717 | 10,495 |
| 4.2 Other fees and Commissions income | 49,057 | 239,131 | 61,847 |
| 4.3 Foreign exchange income | 25,268 | 86,028 | 10,995 |
| 4.4 Dividend Income | - | - | - |
| 4.5 Other income | 5,525 | 31,401 | 7,789 |
| 4.6 Total Non Operating Income | 85,352 | 401,276 | 91,125 |
| 5 TOTAL INCOME | 274,180 | 1,308,015 | 348,420 |
| 6 OPERATING EXPENSES | | | |
| 6.1 Financing loss provision | 19,185 | 103,794 | 12,577 |
| 6.2 Staff costs | 105,193 | 526,151 | 133,639 |
| 6.3 Directors' emoluments | 2,987 | 5,387 | - |
| 6.4 Rental charges | 11,240 | 49,754 | 14,071 |
| 6.5 Depreciation on property and equipment | 19,702 | 54,773 | 21,301 |
| 6.6 Amortization charges | 1,002 | 28,580 | 5,508 |
| 6.7 Other operating expenses | 92,579 | 437,247 | 94,477 |
| 6.8 Total Other Operating Expenses | 251,887 | 1,205,686 | 281,573 |
| 7 Profit/(loss) before tax and exceptional items | 22,293 | 102,329 | 66,847 |
| 8 Exceptional items | - | - | - |
| 9 Profit/(loss) before tax | 22,293 | 102,329 | 66,847 |
| 10 Current tax | (6,688) | (51,892) | (29,188) |
| 11 Deferred tax asset | - | - | - |
| 12 Profit / (loss) after tax & exceptional items | 15,605 | 50,437 | 37,659 |
| 13 Other Comprehensive Income | | | |
| 13.1 Gains/Losses from Translating the F/S of Foreign Operations | - | - | - |
| 13.2 Fair Value changes in Available for sale Financial assets | - | - | - |
| 13.3 Revaluation surplus on property, plant & equipment | - | - | - |
| 13.4 Share of other comprehensive income of associates | - | - | - |
| 13.5 Income tax relating to components of other comprehensive income | - | - | - |
| Other comprehensive income for the year net of tax | - | - | - |
| 14 Total Comprehensive Income for the year | 15,605 | 50,437 | 37,659 |

3. OTHER DISCLOSURES

| | 31-Mar-14 Unaudited Ksh'000' | 31-Dec-14 Audited Ksh'000' | 31-Mar-15 Unaudited Ksh'000' |
|---|------------------------------------|----------------------------------|------------------------------------|
| 1 NON PERFORMING FACILITIES | | | |
| a) Gross Non-Performing Facilities | 1,281,762 | 1,517,821 | 1,587,181 |
| b) Less suspended Income | 47,407 | 47,347 | 86,297 |
| c) Total Non Performing Facilities (a-b) | 1,234,355 | 1,470,474 | 1,500,884 |
| d) Less financing loss provisions | 92,881 | 177,192 | 178,392 |
| e) Net NPLs (c-d) | 1,141,474 | 1,293,281 | 1,322,492 |
| f) Discounted value of securities | 1,141,474 | 1,293,281 | 1,322,492 |
| g) Net NPLs exposure (e-f) | - | - | - |
| 2 INSIDER FACILITIES | | | |
| a) Directors, shareholders and associates | 147,432 | 282,319 | 315,016 |
| b) Employees | 240,166 | 516,379 | 503,426 |
| c) Total Insider Facilities | 387,598 | 798,699 | 818,442 |
| 3 OFF BALANCE SHEET ITEMS | | | |
| a) Letter of Credit, guarantees, acceptances | 1,366,771 | 2,311,710 | 2,946,262 |
| b) Forward swaps & Options | - | - | - |
| c) Other contingent Liabilities | - | - | - |
| d) Total Contingent Liabilities | 1,366,771 | 2,311,710 | 2,946,262 |
| 4 CAPITAL STRENGTH | | | |
| a) Core Capital | 1,131,289 | 1,423,322 | 1,548,151 |
| b) Minimum statutory capital | 1,000,000 | 1,000,000 | 1,000,000 |
| c) Excess/ deficiency (a-b) | 131,289 | 423,322 | 548,151 |
| d) Supplementary capital | - | - | - |
| e) Total Capital (a+d) | 1,131,289 | 1,423,322 | 1,548,151 |
| f) Total Risk Weighted Assets | 8,162,332 | 12,652,344 | 10,491,448 |
| g) Core Capital/ Total Deposit Liabilities | 10.4% | 10.7% | 11.6% |
| h) Minimum Statutory ratio | 8.0% | 8.0% | 8% |
| i) Excess/deficiency (g-h) | 2.4% | 2.7% | 3.6% |
| j) Core Capital/ Total Risk Weighted Assets | 10.3% | 11.2% | 11.6% |
| k) Minimum statutory ratio | 8.0% | 8.0% | 10.5% |
| l) Excess/deficiency (j-k) | 2.3% | 3.2% | 1.1% |
| m) Total Capital/ Total Risk Weighted assets | 10.3% | 11.2% | 11.6% |
| n) Minimum statutory ratio | 12.0% | 12.0% | 14.5% |
| o) Excess/deficiency (m-n) | -1.7% | -0.8% | -2.9% |
| 5 LIQUIDITY | | | |
| a) Liquidity ratio | 33.8% | 29.6% | 26.0% |
| b) Minimum statutory ratio | 20.0% | 20.0% | 20.0% |
| c) Excess/deficiency (a-b) | 13.8% | 9.6% | 6.0% |

MESSAGE FROM DIRECTORS

The above Statement of Financial Position and Statement of Comprehensive Income are extracts from the Bank's Unaudited Financial Statements as for the period ended 31st March 2015. The complete set of the audited Statements, Statutory and qualitative disclosures can be accessed on the institution's website www.firstcommunitybank.co.ke or at our Headoffice located at Prudential assurance building 1st floor, wabera street.

Hassan Varvani : Chairman
Omar Sheikh : General Manager
Carolyn Njoroge : Company Secretary

