



## UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 30TH JUNE 2014

### I. STATEMENT OF FINANCIAL POSITION

	30-Jun-13 Unaudited Ksh'000'	31-Dec-13 Audited Ksh'000'	31-Mar-14 Unaudited Ksh'000'	30-Jun-14 Unaudited Ksh'000'
<b>A ASSETS</b>				
1 Cash balances ( both local & foreign)	621,729	705,724	1,004,153	720,042
2 Balances due from Central Bank of Kenya	463,041	620,675	941,447	1,112,853
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	978,898	637,581	1,038,563	538,597
7 Deposits and balances due from banking institutions abroad	592,577	1,230,056	988,969	466,375
8 Tax recoverable	-	-	-	-
9 Financing Activities (net)	6,404,581	7,211,504	7,460,360	8,658,287
10 Balances due from Banking institution in the group	-	-	-	-
11 Investments in associates	-	-	-	-
12 Investments in subsidiary companies	70,000	70,000	94,400	94,400
13 Investment in joint ventures	-	-	-	-
14 Investment properties	-	-	-	-
15 Property and equipment	154,013	198,366	179,372	198,122
16 Prepaid operating rental leases	24,543	24,543	25,488	25,488
17 Intangible assets	12,521	15,534	26,886	29,684
18 Deferred tax asset	98,267	124,342	124,342	124,342
19 Retirement benefit asset	-	-	-	-
20 Other assets	409,368	467,074	619,976	728,479
<b>21 TOTAL ASSETS</b>	<b>9,829,537</b>	<b>11,305,399</b>	<b>12,503,956</b>	<b>12,696,667</b>
<b>B LIABILITIES</b>				
22 Balances due to Central Bank of Kenya	-	-	-	-
23 Customer deposits	8,591,413	9,932,242	10,873,660	11,385,156
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	44,793	98,120	107,184	25,833
30 Dividends payable	-	-	-	-
31 Deferred tax liability	-	-	-	-
32 Retirement benefit liability	-	-	-	-
33 Other liabilities	48,063	64,941	82,424	39,764
<b>34 TOTAL LIABILITIES</b>	<b>8,684,269</b>	<b>10,095,303</b>	<b>11,278,268</b>	<b>11,450,753</b>
<b>C SHAREHOLDERS' EQUITY</b>				
35 Paid up/Assigned capital	300,000	300,000	300,000	300,000
36 Share premium	900,000	900,000	900,000	900,000
37 Revaluation reserves	-	-	-	-
38 Retained earnings/ Accumulated losses	(54,731)	10,095	25,689	45,914
39 Statutory financing loss reserve	-	-	-	-
40 Other Reserves	-	-	-	-
41 Proposed dividends	-	-	-	-
42 Capital grants	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>1,145,269</b>	<b>1,210,095</b>	<b>1,225,689</b>	<b>1,245,914</b>
<b>44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>9,829,537</b>	<b>11,305,398</b>	<b>12,503,956</b>	<b>12,696,667</b>

### 2. STATEMENT OF COMPREHENSIVE INCOME

	Ksh'000'	Ksh'000'	Ksh'000'	Ksh'000'
<b>1 OPERATING INCOME</b>				
1.1 Financing Activities (Deals)	441,874	908,767	210,623	438,993
1.2 Government securities,	-	-	-	-
1.3 Deposits and placements with banking institutions	48,176	93,746	17,258	36,225
1.4 Other related income	-	-	-	-
1.5 Total Operating income	490,049	1,002,513	227,881	475,218
<b>2 EXPENSES ON DEPOSITS</b>				
2.1 Customer deposits	71,495	152,114	39,052	78,382
2.2 Deposits and placements from banking institutions	-	-	-	-
2.3 Other related expenses	71,495	152,114	39,052	78,382
<b>3 NET OPERATING INCOME</b>	<b>418,554</b>	<b>850,398</b>	<b>188,829</b>	<b>396,836</b>
<b>4 NON- OPERATING INCOME</b>				
4.1 Fees and commissions on financing activities	14,570	29,335	5,501	21,947
4.2 Other fees and Commissions income	74,060	164,394	49,057	94,134
4.3 Foreign exchange income	18,261	38,093	25,268	49,989
4.4 Dividend Income	-	-	-	-
4.5 Other income.	12,821	29,699	5,525	19,930
4.6 Total Non Operating Income	119,712	261,522	85,352	186,001
<b>5 TOTAL INCOME</b>	<b>538,267</b>	<b>1,111,920</b>	<b>274,180</b>	<b>582,837</b>
<b>6 OPERATING EXPENSES</b>				
6.1 Financing loss provision	16,630	42,137	19,185	31,860
6.2 Staff costs	159,440	339,353	105,193	235,466
6.3 Directors' emoluments	7,638	14,910	2,987	5,387
6.4 Rental charges	19,827	40,831	11,240	22,859
6.5 Depreciation on property and equipment	49,581	76,026	19,702	38,120
6.6 Amortization charges	18,683	13,560	1,002	4,453
6.7 Other operating expenses	170,255	384,632	92,579	193,507
6.8 Total Other Operating Expenses	442,055	911,448	251,887	531,651
<b>7 Profit/(loss) before tax and exceptional items</b>	<b>96,212</b>	<b>200,472</b>	<b>22,293</b>	<b>51,186</b>
7 Exceptional items	-	-	-	-
<b>8 Profit/(loss) before tax</b>	<b>96,212</b>	<b>200,472</b>	<b>22,293</b>	<b>51,186</b>
8 Current tax	-	-	-	-
8 Deferred tax asset	(28,864)	(68,270)	(6,688)	(15,356)
<b>9 Profit / (loss) after tax &amp; exceptional items</b>	<b>67,349</b>	<b>132,202</b>	<b>15,605</b>	<b>35,830</b>
<b>10 Other Comprehensive Income</b>				
10.1 Gains/Losses from Translating the F/S of Foreign Operations	-	-	-	-
10.2 Fair Value changes in Available for sale Financial assets	-	-	-	-
10.3 Revaluation surplus on property, plant & equipment	-	-	-	-
10.4 Share of other comprehensive income of associates	-	-	-	-
10.5 Income tax relating to components of other comprehensive income	-	-	-	-
10.6 Other comprehensive Income for the year net of tax	-	-	-	-
<b>14 TOTAL Comprehensive Income for the year</b>	<b>67,349</b>	<b>132,202</b>	<b>15,605</b>	<b>35,830</b>

### 3. OTHER DISCLOSURES

	Ksh'000'	Ksh'000'	Ksh'000'	Ksh'000'
<b>1 NON PERFORMING FACILITIES</b>				
a) Gross Non-Performing Facilities	401,866	542,620	1,281,762	897,984
b) Less suspended Income	41,882	38,642	47,407	4,460
<b>c) Total Non Performing Facilities (a-b)</b>	<b>359,984</b>	<b>503,978</b>	<b>1,234,355</b>	<b>893,524</b>
d) Less financing loss provisions	88,650	80,771	92,881	114,497
<b>e) Net NPFs (c-d)</b>	<b>271,334</b>	<b>423,207</b>	<b>1,141,474</b>	<b>779,027</b>
f) Discounted value of securities	271,334	423,207	1,141,474	779,027
<b>2 NET NPFs exposure (e-f)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3 INSIDER FACILITY</b>				
a) Directors, shareholders and associates	257,301	229,518	147,432	150,833
b) Employees	164,971	197,367	240,166	232,892
<b>c) Total Insider Facility</b>	<b>422,272</b>	<b>426,885</b>	<b>387,598</b>	<b>383,725</b>
<b>4 OFF BALANCE SHEET ITEMS</b>				
a) Letter of Credit, guarantees, acceptances	1,196,200	1,130,775	1,136,671	1,522,881
b) Forward, swaps & Options	-	-	-	-
c) Other contingent Liabilities	-	-	-	-
<b>d) Total Contingent Liabilities</b>	<b>1,196,200</b>	<b>1,130,775</b>	<b>1,136,671</b>	<b>1,522,881</b>
<b>5 CAPITAL STRENGTH</b>				
a) Core Capital	1,041,581	1,140,095	1,131,289	1,133,598
b) Minimum statutory capital	1,000,000	1,000,000	1,000,000	1,000,000
<b>c) Excess/ deficiency (a-b)</b>	<b>41,581</b>	<b>140,095</b>	<b>131,289</b>	<b>133,598</b>
d) Supplementary capital	-	-	-	-
<b>e) Total Capital (a+d)</b>	<b>1,041,581</b>	<b>1,140,095</b>	<b>1,131,289</b>	<b>1,133,598</b>
f) Total Risk Weighted Assets	6,708,063	7,702,126	8,162,332	9,242,850
g) Core Capital/ Total Deposit Liabilities	12.1%	11.5%	10.4%	10.0%
h) Minimum Statutory ratio	8.0%	8.0%	8.0%	8.0%
i) Excess/deficiency (g-h)	4.1%	3.5%	2.4%	2.0%
j) Core Capital/ Total Risk Weighted Assets	15.5%	14.8%	10.3%	10.7%
k) Minimum statutory ratio	8.0%	8.0%	8.0%	8.0%
l) Excess/deficiency (j-k)	7.5%	6.8%	2.3%	2.7%
m) Total Capital/ Total Risk Weighted assets	15.5%	14.8%	10.3%	10.7%
n) Minimum statutory ratio	12.0%	12.0%	12.0%	12.0%
o) Excess/deficiency (m-n)	3.5%	2.8%	-1.7%	-1.3%
<b>5 LIQUIDITY</b>				
a) Liquidity ratio	28.7%	28.7%	33.8%	24.5%
b) Minimum statutory ratio	20.0%	20.0%	20.0%	20.0%
c) Excess/deficiency (a-b)	8.7%	8.7%	13.8%	4.5%

#### MESSAGE FROM DIRECTORS

These Financial Statements are extracts from the Books of the Bank. The complete set of Quarterly Financial Statements, Statutory and Qualitative Disclosures can be accessed on the Bank's website [www.firstcommunitybank.co.ke](http://www.firstcommunitybank.co.ke) They may also be accessed at the Bank's Head office located at Prudential Assurance Building 1st floor, Wabera Street.

**Hassan Varvani** : Chairman  
**Omar Sheik** : General Manager