

**AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 31ST DECEMBER 2013**

I BALANCE SHEET		December 2012 Shs 000 (Audited)	December 2013 Shs 000 (Audited)	II PROFIT AND LOSS ACCOUNT		December 2012 Shs 000 (Audited)	December 2013 Shs 000 (Audited)	III OTHER DISCLOSURES		December 2012 Shs 000 (Audited)	December 2013 Shs 000 (Audited)
<b>A ASSETS</b>				<b>1.0 INTEREST INCOME</b>				<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>			
1	Cash (both Local & Foreign)	27,632	37,307	1.1	Loans and advances	94,153	98,719	(a)	Gross Non-performing loans and advances	53,617	15,633
2	Balances due from Central Bank of Kenya	60,644	120,690	1.2	Government securities	117,155	106,070	(b)	Less Interest in Suspense	11,983	3,104
3	Kenya Government and other securities held for dealing purposes			1.3	Deposits and placements with banking institutions	44,862	51,552	<b>(c) Total Non-Performing Loans and Advances (a-b)</b>		<b>41,634</b>	<b>12,529</b>
4	Financial Assets at fair value through profit and loss			1.4	Other Interest Income			(d)	Less Loan Loss Provision	39,201	11,809
5	Investment Securities:			1.5	<b>Total Interest Income</b>	<b>256,170</b>	<b>256,342</b>	<b>(e) Net Non-Performing Loans and Advances (c-d)</b>		<b>2,433</b>	<b>721</b>
a)	Held to Maturity:	<b>1,498,081</b>	<b>1,465,203</b>	<b>2.0 INTEREST EXPENSE</b>				(f)	Discounted Value of Securities		
a.	Kenya Government securities	1,498,081	1,465,203	2.1	Customer deposits	82,778	96,654	<b>(g) Net NPLs Exposure (e-f)</b>		<b>2,433</b>	<b>721</b>
b.	Other securities			2.2	Deposits and placement from banking institutions	75,284	37,650	<b>2.0 INSIDER LOANS AND ADVANCES</b>			
b)	Available for sale:	-	-	2.3	Other interest expenses	76,065	446	(a)	Directors, Shareholders and Associates		46,897
a.	Kenya Government securities			2.4	<b>Total interest expenses</b>	<b>234,128</b>	<b>134,749</b>	(b)	Employees	3,858	11,919
b.	Other securities			3.0	<b>NET INTEREST INCOME/(LOSS)</b>	<b>22,042</b>	<b>121,593</b>	<b>(c) Total Insider Loans and Advances and other facilities</b>		<b>3,858</b>	<b>58,816</b>
6	Deposits and balances due from local banking institutions	101	131,220	<b>4.0 NON-INTEREST INCOME</b>				<b>3 OFF-BALANCE SHEET ITEMS</b>			
7	Deposits and balances due from banking institutions abroad	210,289	730,183	4.1	Fees and commissions on loans and advances	38,371	45,534	(a)	Letters of credit, guarantees, acceptances	607,437	300,904
8	Tax recoverable	3,898	3,898	4.2	Other fees and commissions	15,672	49,972	(b)	Forwards, swaps and options		
9	Loans and advances to customers (net)	439,993	789,933	4.3	Foreign exchange trading income/(loss)	53,519	8,393	(c)	Other contingent liabilities		
10	Balances due from banking institutions in the group	240		4.4	Dividend Income			<b>(d) Total Contingent Liabilities</b>		<b>607,437</b>	<b>300,904</b>
11	Investments in associates			4.5	Other income	16,022	20,873	<b>4.0 CAPITAL STRENGTH</b>			
12	Investments in subsidiary companies			4.6	<b>Total Non-Interest Income</b>	<b>123,585</b>	<b>124,772</b>	(a)	<b>Core capital</b>	<b>1,215,357</b>	<b>1,059,034</b>
13	Investments in joint ventures			5.0	<b>TOTAL OPERATING INCOME</b>	<b>145,627</b>	<b>246,364</b>	(b)	Minimum Statutory Capital	1,000,000	1,000,000
14	Investment properties			<b>6.0 OTHER OPERATING EXPENSES</b>				(c)	Excess (a-b)	<b>215,357</b>	<b>59,034</b>
15	Property and equipment	117,888	77,584	6.1	Loan loss provision	36,097	24,127	(d)	Supplementary Capital	3,500	-
16	Prepaid lease rentals			6.2	Staff costs	260,293	252,109	<b>(e) Total Capital (a+d)</b>		<b>1,218,857</b>	<b>1,059,034</b>
17	Intangible assets	7,930	6,349	6.3	Directors' emoluments	43,027	54,477	(f)	Total risk weighted assets	<b>1,677,552</b>	<b>2,258,460</b>
18	Deferred tax asset	229,582	235,218	6.4	Rental charges	47,747	40,120	<b>(g) Core Capital/Total deposits Liabilities</b>		<b>90.5%</b>	<b>42.6%</b>
19	Retirement benefit asset			6.5	Depreciation charge on property and equipment	49,074	42,390	(h)	Minimum statutory Ratio	8.00%	8.00%
20	Other assets	327,532	112,045	6.6	Amortisation charges	2,964	10,135	(i)	Excess/(Deficiency)	<b>82.5%</b>	<b>34.6%</b>
21	<b>TOTAL ASSETS</b>	<b>2,923,811</b>	<b>3,709,630</b>	6.7	Other operating expenses	103,364	100,729	<b>(j) Core Capital / total risk weighted assets</b>		<b>72.4%</b>	<b>46.9%</b>
<b>B LIABILITIES</b>				6.8	<b>Total Other Operating Expenses</b>	<b>542,566</b>	<b>524,089</b>	(k)	Minimum Statutory Ratio	8.00%	8.00%
22	Balances due to Central Bank of Kenya			<b>Profit/(Loss) before tax and exceptional items</b>	<b>(396,939)</b>	<b>(277,725)</b>	(l)	Excess / (Deficiency) (j-k)	<b>64.4%</b>	<b>38.9%</b>	<b>38.9%</b>
23	Customer deposits	1,343,121	2,483,088	8.0	Exceptional items			<b>(m) Total Capital/total risk weighted assets</b>		<b>72.7%</b>	<b>46.9%</b>
24	Deposits and balances due to local banking institutions	272,413	77,700	9.0	<b>Profit/(Loss) after exceptional items</b>	<b>(396,939)</b>	<b>(277,725)</b>	(n)	Minimum statutory Ratio	12.0%	12.0%
25	Deposits and balances due to foreign banking institutions	9,358	87,172	10.0	Current tax			(a)	Excess/ (Deficiency) (m-n)	<b>60.7%</b>	<b>34.9%</b>
26	Other money market deposits			11.0	Deferred tax	(109,550)	(5,635)	<b>5.0 LIQUIDITY</b>			
27	Borrowed funds			12.0	<b>Profit / (Loss) after tax and exceptional items</b>	<b>(287,389)</b>	<b>(272,090)</b>	(a)	<b>Liquidity Ratio</b>	<b>112.8%</b>	<b>96.6%</b>
28	Balances due to banking institutions in the group			13.0	<b>Other Comprehensive Income</b>			(b)	Minimum Statutory Ratio	20.0%	20.0%
29	Tax payable			13.1	Gains/(Losses) from translating the financial statements of foreign operations			(c)	Excess/ (Deficiency) (a-b)	<b>92.8%</b>	<b>76.6</b>
30	Dividends payable			13.2	Fair value changes in available for sale financial assets			<b>The above statement of financial position, statements of comprehensive income and other disclosures are extracts from the books of the institution which have been audited by PricewaterhouseCoopers and received an Unqualified opinion.</b>			
31	Deferred tax liability			13.3	Revaluation surplus on Property, plant and equipment			<b>These financial statements and other disclosures can be accessed on the institution's website <a href="http://ubagroup.com/countries/ke/">http://ubagroup.com/countries/ke/</a> . They may also be accessed at the institution's head office located at 1st floor, Apollo Centre, Ring Road, Woodvale Close, Westlands</b>			
32	Retirement benefit liability			13.4	Share of other comprehensive income of associates			<b>TUNJI ADENIYI MANAGING DIRECTOR/C.E.O.</b>		<b>NGUGI KIUNA CHAIRMAN</b>	
33	Other liabilities	80,063	80,335	13.5	Income tax relating to components of other comprehensive income			<b>AFRICA • LONDON • NEW YORK • PARIS</b>			
34	<b>TOTAL LIABILITIES</b>	<b>1,704,954</b>	<b>2,650,595</b>	<b>14.0 Other Comprehensive Income for the year net of tax</b>		<b>(287,389)</b>	<b>(272,090)</b>				
<b>C SHAREHOLDERS' FUNDS</b>				<b>15.0 Total comprehensive income for the year</b>							
35	Paid up /Assigned capital	1,778,052	1,288,768	<b>16.0 EARNINGS PER SHARE- BASIC &amp; DILUTED</b>							
36	Share premium/(discount)	151,400	752,952	<b>17.0 DIVIDEND PER SHARE -DECLARED</b>							
37	Revaluation reserves										
38	Retained earnings/Accumulated losses	(714,094)	(982,684)								
39	Statutory loan loss reserves	3,500									
40	Other Reserves										
41	Proposed dividends										
42	Capital grants										
43	<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>1,218,857</b>	<b>1,059,034</b>								
44	<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>2,923,811</b>	<b>3,709,630</b>								

