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

I STATEMENT OF FINANCIAL POSITION	December 2017	December 2016	II STATEMENT OF COMPREHENSIVE INCOME	December 2017	December 2016	III OTHER DISCLOSURES	December 2017	December 2016
	Shs 000 (Audited)	Shs 000 (Audited)		Shs 000 (Audited)	Shs 000 (Audited)		Shs 000 (Audited)	Shs 000 (Audited)
A ASSETS			1.0 INTEREST INCOME			1.0 NON-PERFORMING LOANS AND ADVANCES		
1 Cash (both Local & Foreign)	46,213	76,653	1.1 Loans and advances	377,333	307,369	(a) Gross Non-performing loans and advances	151,811	68,743
2 Balances due from Central Bank of Kenya	430,471	128,624	1.2 Government securities	156,310	122,060	(b) Less Interest in Suspense	9,330	11,992
3 Kenya Government and other securities held for dealing purposes	-	-	1.3 Deposits and placements with banking institutions	32,447	94,466	(c) Total Non-Performing Loans and Advances (a-b)	142,481	56,752
4 Financial Assets at fair value through profit and loss	-	-	1.4 Other Interest Income	-	-	(d) Less Loan Loss Provision	29,669	56,505
5 Investment Securities:			1.5 Total interest income	566,090	523,895	(e) Net Non-Performing Loans and Advances(c-d)	112,812	246
a) Held to Maturity:	2,013,501	1,697,549	2.0 INTEREST EXPENSE			(f) Discounted Value of Securities	112,812	-
a. Kenya Government securities	2,002,958	1,697,549	2.1 Customer deposits	180,463	159,610	(g) Net NPLs Exposure (e-f)	-	246
b. Other securities	10,543	-	2.2 Deposits and placement from banking institutions	66,161	126,097	2.0 INSIDER LOANS AND ADVANCES		
b) Available for sale:			2.3 Other interest expenses	4,043	17,513	(a) Directors, Shareholders and Associates	237,438	124,207
a. Kenya Government securities	-	-	2.4 Total interest expenses	250,667	303,220	(b) Employees	158,128	103,130
b. Other securities	-	-	3.0 NET INTEREST INCOME/(LOSS)	315,423	220,676	(c) Total Insider Loans and Advances and other facilities	395,566	227,337
6 Deposits and balances due from local banking institutions	10,149	95,393	4.0 NON-INTEREST INCOME			3.0 OFF-BALANCE SHEET ITEMS		
7 Deposits and balances due from banking institutions abroad	221,631	48,549	4.1 Fees and commissions on loans and advances	53,502	57,926	(a) Letters of credit, guarantees, acceptances	517,500	1,008,254
8 Tax recoverable	3,898	3,898	4.2 Other fees and commissions	29,847	23,340	(b) Forwards, swaps and options	-	-
9 Loans and advances to customers (net)	3,270,289	3,058,201	4.3 Foreign exchange trading income/(loss)	59,797	81,422	(c) Other contingent liabilities	-	-
10 Balances due from banking institutions in the group	-	-	4.4 Dividend Income	-	-	(d) Total Contingent Liabilities	517,500	1,008,254
11 Investments in associates	-	-	4.5 Other income	144,330	205,624	4.0 CAPITAL STRENGTH		
12 Investments in subsidiary companies	-	-	4.6 Total Non-interest income	287,476	368,312	(a) Core capital	2,161,995	2,131,109
13 Investments in joint ventures	-	-	5.0 TOTAL OPERATING INCOME	602,899	588,988	(b) Minimum Statutory Capital	1,000,000	1,000,000
14 Investment properties	-	-	6.0 OTHER OPERATING EXPENSES			(c) Excess (a-b)	1,161,995	1,131,109
15 Property and equipment	54,397	51,722	6.1 Loan loss provision	27,259	8,600	(d) Supplementary Capital	-	12,278
16 Prepaid lease rentals	-	-	6.2 Staff costs	263,931	260,080	(e) Total Capital (a+d)	2,161,995	2,143,386
17 Intangible assets	11,500	14,027	6.3 Directors' emoluments	32,696	28,007	(f) Total risk weighted assets	5,575,218	5,540,811
18 Deferred tax asset	305,067	300,327	6.4 Rental charges	48,565	45,792	(g) Core Capital/Total deposits Liabilities	72.2%	109.4%
19 Retirement benefit asset	-	-	6.5 Depreciation charge on property and equipment	17,023	13,039	(h) Minimum statutory Ratio	10.50%	10.50%
20 Other assets	137,616	126,339	6.6 Amortisation charges	5,240	5,341	(i) Excess/(Deficiency)	61.7%	98.9%
21 TOTAL ASSETS	6,504,732	5,601,281	6.7 Other operating expenses	194,316	178,288	(j) Core Capital / total risk weighted assets	38.8%	38.5%
B LIABILITIES			6.8 Total Other Operating Expenses	589,030	539,147	(k) Minimum Statutory Ratio	10.50%	10.50%
22 Balances due to Central Bank of Kenya	-	-	7.0 Profit/(Loss) before tax and exceptional items	13,869	49,841	(l) Excess (Deficiency) (j-k)	28.3%	28.0%
23 Customer deposits	2,993,365	1,947,361	8.0 Exceptional items	-	-	(m) Total Capital/total risk weighted assets	38.8%	38.7%
24 Deposits and balances due to local banking institutions	300,226	143,701	9.0 Profit/(Loss) after exceptional items	13,869	49,841	(n) Minimum statutory Ratio	14.5%	14.5%
25 Deposits and balances due to foreign banking institutions	900,419	1,234,123	10.0 Current tax	-	-	(o) Excess/ (Deficiency) (m-n)	24.3%	24.2%
26 Other money market deposits	-	-	11.0 Deferred tax	(4,740)	25,543	5.0 LIQUIDITY		
27 Borrowed funds	-	-	12.0 Profit/(Loss) after tax and exceptional items	18,609	24,298	(a) Liquidity Ratio	56.5%	34.4%
28 Balances due to banking institutions in the group	-	-	13.0 Minority Interest	18,609	24,298	(b) Minimum Statutory Ratio	20.0%	20.0%
29 Tax payable	-	-	14.0 Profit/(Loss) after tax, exceptional items and Minority Interest	18,609	24,298	(c) Excess/ (Deficiency) (a-b)	36.5%	14.4%
30 Dividends payable	-	-	15.0 Other Comprehensive Income	-	-			
31 Deferred tax liability	-	-	15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-			
32 Retirement benefit liability	-	-	15.2 Fair value changes in available for sale financial assets	-	-			
33 Other liabilities	148,727	132,711	15.3 Revaluation surplus on Property, plant and equipment	-	-			
34 TOTAL LIABILITIES	4,342,737	3,457,895	15.4 Share of other comprehensive income of associates	-	-			
C SHAREHOLDERS' FUNDS			15.5 Income tax relating to components of other comprehensive income	-	-			
35 Paid up /Assigned capital	1,261,713	1,261,713	16.0 Other Comprehensive Income for the year net of tax	18,609	24,298			
36 Share premium/(discount)	2,384,754	2,384,754	17.0 Total comprehensive income for the year	18,609	24,298			
37 Revaluation reserves	-	-	EARNINGS PER SHARE- BASIC & DILUTED					
38 Retained earnings/Accumulated losses	(1,484,472)	(1,515,359)						
39 Statutory loan loss reserves	-	12,278						
40 Other Reserves	-	-						
41 Proposed dividends	-	-						
42 Capital grants	-	-						
43 TOTAL SHAREHOLDERS' FUNDS	2,161,995	2,143,386						
44 Minority Interest	-	-						
45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	6,504,732	5,601,281						

The above statement of financial position, statements of comprehensive income and other disclosures are extracts from the books of the institution that were audited by PricewaterhouseCoopers and received an unqualified opinion.

These financial statements and other disclosures can be accessed on the institution's website <http://ubagroup.com/countries/ke/>. They may also be accessed at the institution's head office located at 1st floor, Apollo Centre, Ring Road, Woodvale Close, Westlands.

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MANAGING DIRECTOR/C.E.O.

JAMES OLUBAYI
CHAIRMAN