

UNAUDITED FINANCIAL STATEMENTS AND DISCLOSURES AS AT 31ST MARCH 2009

I BALANCE SHEET

A. ASSETS

	31st Mar 2009 Shs. '000' (Unaudited)	31st Dec 2008 Shs. '000' (Audited)	31st Mar 2008 Shs. '000' (Unaudited)
1. Cash (both local & foreign)	233,391	214,332	267,895
2. Balances due from Central Bank of Kenya	707,095	1,102,781	344,270
3. Kenya Government securities	1,455,327	1,340,230	905,198
4. Foreign Currency Treasury bills and bonds	-	-	-
5. Deposits and balances due from local banking institutions	656,666	832,003	57,750
6. Deposits and balances due from banking institutions abroad	725,326	262,986	226,270
7. Government and other securities held for dealing purposes	-	-	-
8. Tax recoverable	-	-	-
9. Loans and advances to customers (net)	5,373,331	5,139,219	3,827,234
10. Investment securities	78,669	95,757	1,143
11. Balance due from group companies	-	-	-
12. Investment in associates	-	-	-
13. Investment in subsidiary companies	-	-	-
14. Investment in joint ventures	-	-	-
15. Investment properties	-	-	-
16. Property and equipment	285,770	242,601	179,247
17. Prepaid lease rentals	-	-	-
18. Intangible assets	8,428	5,796	3,589
19. Deferred tax asset	-	-	1,109
20. Retirement benefit asset	-	-	-
21. Other assets	470,595	1,064,690	609,572
22. TOTAL ASSETS	9,994,598	10,300,395	6,423,277

B. LIABILITIES

23. Balances due to Central Bank of Kenya	-	-	-
24. Customer deposits	7,540,142	7,146,814	4,715,417
25. Deposits and balances due to local banking institutions	1,112,533	1,870,816	767,661
26. Deposits and balances due to foreign banking institutions	311,065	203,453	76,321
27. Other money market deposits	-	-	-
28. Borrowed funds	-	-	-
29. Balance due to group companies	-	-	-
30. Tax payable	31,243	12,887	38,063
31. Dividends payable	-	-	-
32. Deferred tax liability	4,444	4,444	-
33. Retirement benefit liability	-	-	-
34. Other liabilities	109,390	216,631	129,325
35. TOTAL LIABILITIES	9,108,817	9,455,045	5,726,787

C. SHAREHOLDERS' EQUITY

36. Paid up/ Assigned capital	600,000	600,000	600,000
37. Share premium/(discount)	-	-	-
38. Revaluation reserves	(5,293)	(5,293)	6,337
39. Retained earnings/(Accumulated losses)	203,547	163,116	66,243
40. Statutory Loan Loss Reserve	87,527	87,527	23,910
41. Proposed dividends	-	-	-
42. Shareholders' loans/ capital grants	-	-	-
43. TOTAL SHAREHOLDERS' EQUITY	885,781	845,350	696,490
44. TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	9,994,598	10,300,395	6,423,277

II PROFIT AND LOSS ACCOUNT

1. INTEREST INCOME

1.1 Loans and advances	222,755	772,024	142,751
1.2 Government securities	24,971	97,330	19,986
1.3 Deposits and placements from banking institutions	70	7,359	2,280
1.4 Other interest income	-	-	-
1.5 Total Interest Income	247,796	876,713	165,017

2. INTEREST EXPENSES

2.1 Customer deposits	104,564	293,614	53,636
2.2 Deposits and placements from banking institutions	15,690	54,914	10,881
2.3 Other interest expense	-	-	-
2.4 Total Interest Expenses	120,254	348,528	64,517

3. NET INTEREST INCOME

3. NET INTEREST INCOME	127,542	528,185	100,500
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4. OTHER OPERATING INCOME

4.1 Fees and commission on loans and advances	26,937	155,055	14,409
4.2 Other fees and commission income	25,267	-	10,379
4.3 Foreign exchange trading income	19,678	80,821	23,106
4.4 Dividend income	-	-	-
4.5 Other income	(131)	(284)	146
4.6 Total Non-Interest Income	71,751	235,592	48,040
5. TOTAL OPERATING INCOME	199,293	763,777	148,540

6. OPERATING EXPENSES

6.1 Loan loss provisions	4,857	35,861	13,970
6.2 Staff costs	81,108	205,841	47,535
6.3 Directors' emoluments	375	34,740	375
6.4 Rental charges	9,058	24,633	4,458
6.5 Depreciation charge on property and equipment	10,633	33,652	6,927
6.6 Amortisation charges	560	2,502	550
6.7 Other operating expenses	34,944	179,154	26,687
6.8 Total operating expenses	141,535	516,383	100,502
7. Profit/(loss) before tax	57,758	247,394	48,038
8. Exceptional items	-	-	-
9. Profit/(loss) before tax	57,758	247,394	48,038
10. Current tax	17,328	72,657	14,412
11. Deferred tax charge	-	5,552	-
12. Profit/(loss) after tax	40,431	169,185	33,626

III OTHER DISCLOSURES

1 NON-PERFORMING LOANS AND ADVANCES

a) Gross Non-Performing Loans and Advances	517,725	360,828	254,602
Less:	-	-	-
b) Interest in suspense	83,244	76,476	56,241
c) Total Non-Performing Loans and Advances (a-b)	434,481	284,352	198,361
d) Loan loss provisions	88,789	99,715	86,226
e) Net Non-Performing Loans (c-d)	345,692	184,637	112,135
f) Realizable Value of Securities	345,692	184,637	112,135
g) Net Non-Performing Loans Exposure (e-f)	-	-	-

2 INSIDER LOANS AND ADVANCES

a) Directors, shareholders and associates	297,586	296,164	272,734
b) Employees	125,727	117,305	74,778
c) Total Insider Loans and Advances	423,313	413,469	347,512

3 OFF-BALANCE SHEET ITEMS

a) Letters of credit, guarantees, acceptances	1,375,537	1,304,640	581,870
b) Other contingent liabilities	8,429	68,082	522,619
c) Total Contingent Liabilities	1,383,966	1,372,722	1,104,489

4) CAPITAL STRENGTH

a) Core capital	783,331	763,116	649,430
b) Minimum statutory capital	250,000	250,000	250,000
c) Excess/(Deficiency)	533,331	513,116	399,430
d) Supplementary capital	82,234	87,527	23,910
e) Total capital (a+d)	865,565	850,643	673,340
f) Total risk weighted assets	7,200,759	6,741,737	5,154,217
g) Core capital/ total deposit liabilities	8.7%	8.3%	12.6%
h) Minimum Statutory Ratio	8.0%	8.0%	8.0%
i) Excess/(Deficiency)	0.7%	0.3%	4.6%
j) Core capital/ total risk weighted assets	10.9%	11.3%	12.6%
k) Minimum Statutory Ratio	8.0%	8.0%	8.0%
l) Excess/(Deficiency)(j-k)	2.9%	3.3%	4.6%
m) Total capital/ total risk weighted assets	12.0%	12.6%	13.1%
n) Minimum Statutory Ratio	12.0%	12.0%	12.0%
o) Excess/(Deficiency)	0.0%	0.6%	1.1%

5) LIQUIDITY

a) Liquidity Ratio	28.0%	22.0%	20.4%
b) Minimum Statutory Ratio	20.0%	20.0%	20.0%
c) Excess/(Deficiency)	8.0%	2.0%	0.4%

The above quarterly financial statements and disclosures are extracts of financial records of the Bank and have been approved and signed on behalf of the Board by:

Z. Khan - Managing Director

D. Kabui - Deputy Managing Director