

AUDITED FINANCIAL STATEMENTS AND DISCLOSURES FOR YEAR ENDED 31ST DECEMBER 2008

I BALANCE SHEET

A. ASSETS

1. Cash (both local & foreign)	
2. Balances due from Central Bank of Kenya	
3. Kenya Government securities	
4. Foreign Currency Treasury bills and bonds	
5. Deposits and balances due from local banking institutions	
6. Deposits and balances due from banking institutions abroad	
7. Government and other securities held for dealing purposes	
8. Tax recoverable	
9. Loans and advances to customers (net)	
10. Investment securities	
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	
17. Prepaid lease rentals	
18. Intangible assets	
19. Deferred tax asset	
20. Retirement benefit asset	
21. Other assets	
22. TOTAL ASSETS	

31st Dec 2008
Shs. '000'
(Audited)

31st Dec 2007
Shs. '000'
(Audited)

214,332	105,788
1,102,781	235,489
1,340,230	1,043,632
-	-
832,003	43,622
262,986	476,068
-	-
-	-
5,139,219	3,273,516
95,757	1,143
-	-
-	-
-	-
-	-
-	-
-	-
242,601	139,084
-	-
5,796	3,318
-	1,109
-	-
1,064,690	453,573
10,300,395	5,776,343

B. LIABILITIES

23. Balances due to Central Bank of Kenya	
24. Customer deposits	
25. Deposits and balances due to local banking institutions	
26. Deposits and balances due to foreign banking institutions	
27. Other money market deposits	
28. Borrowed funds	
29. Balance due to group companies	
30. Tax payable	
31. Dividends payable	
32. Deferred tax liability	
33. Retirement benefit liability	
34. Other liabilities	
35. TOTAL LIABILITIES	

-	-
7,146,814	4,275,585
1,870,816	622,758
203,453	6,731
-	-
-	-
-	-
12,887	22,593
-	-
4,444	-
-	-
216,631	130,882
9,455,045	5,058,548

C. SHAREHOLDERS' EQUITY

36. Paid up/ Assigned capital	
37. Share premium/(discount)	
38. Revaluation reserves	
39. Retained earnings/(Accumulated losses)	
40. Statutory Loan Loss Reserve	
41. Proposed dividends	
42. Shareholders' loans/ capital grants	
43. TOTAL SHAREHOLDERS' EQUITY	
44. TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	

600,000	600,000
-	-
(5,293)	6,337
163,116	65,325
87,527	46,133
-	-
-	-
845,350	717,795
10,300,395	5,776,343

II PROFIT AND LOSS ACCOUNT

1. INTEREST INCOME

1.1 Loans and advances	
1.2 Government securities	
1.3 Deposits and placements from banking institutions	
1.4 Other interest income	
1.5 Total Interest Income	

31st Dec 2008
Shs. '000'
(Audited)

31st Dec 2007
Shs. '000'
(Audited)

772,024	430,458
97,330	70,436
7,359	13,519
-	-
876,713	514,413

2. INTEREST EXPENSES

2.1 Customer deposits	
2.2 Deposits and placements from banking institutions	
2.3 Other interest expense	
2.4 Total Interest Expenses	

293,614	191,929
54,914	21,004
-	-
348,528	212,933

3. NET INTEREST INCOME

528,185

301,480

4. OTHER OPERATING INCOME

4.1 Fees and commission on loans and advances	
4.2 Other fees and commission income	
4.3 Foreign exchange trading income	
4.4 Dividend income	
4.5 Other income	
4.6 Total Non-Interest Income	
5. TOTAL OPERATING INCOME	

155,055	51,092
-	46,416
80,821	74,569
-	-
(284)	18,517
235,592	190,594
763,777	492,074

6. OPERATING EXPENSES

6.1 Loan loss provisions	
6.2 Staff costs	
6.3 Directors' emoluments	
6.4 Rental charges	
6.5 Depreciation charge on property and equipment	
6.6 Amortisation charges	
6.7 Other operating expenses	
6.8 Total operating expenses	
7. Profit/(loss) before tax	
8. Exceptional items	
9. Profit/(loss) before tax	
10. Current tax	
11. Deferred tax charge	
12. Profit/(loss) after tax	

35,861	36,766
205,841	150,409
34,740	1,465
24,633	8,542
33,652	12,431
2,502	2,461
179,154	100,493
516,383	312,567
247,394	179,507
-	-
247,394	179,507
72,657	54,336
5,552	(1,051)
169,185	126,222

III OTHER DISCLOSURES

1 NON-PERFORMING LOANS AND ADVANCES

a) Gross Non-Performing Loans and Advances	
Less:	
b) Interest in suspense	
c) Total Non-Performing Loans and Advances (a-b)	
d) Loan loss provisions	
e) Net Non-Performing Loans (c-d)	
f) Realizable Value of Securities	
g) Net Non-Performing Loans Exposure (e-f)	

31st Dec 2008
Shs. '000'
(Audited)

31st Dec 2007
Shs. '000'
(Audited)

360,828	245,118
76,476	49,349
284,352	195,769
99,715	86,077
184,637	109,692
184,637	109,692
-	-

2 INSIDER LOANS AND ADVANCES

a) Directors, shareholders and associates	
b) Employees	
c) Total Insider Loans and Advances	

296,164	242,905
117,305	44,417
413,469	287,322

3 OFF-BALANCE SHEET ITEMS

a) Letters of credit, guarantees, acceptances	
b) Other contingent liabilities	
c) Total Contingent Liabilities	

1,304,640	622,722
68,082	17,558
1,372,722	640,280

4) CAPITAL STRENGTH

a) Core capital	
b) Minimum statutory capital	
c) Excess/(Deficiency)	
d) Supplementary capital	
e) Total capital (a+d)	
f) Total risk weighted assets	
g) Core capital/ total deposit liabilities	
h) Minimum Statutory Ratio	
i) Excess/(Deficiency)	
j) Core capital/ total risk weighted assets	
k) Minimum Statutory Ratio	
l) Excess/(Deficiency)(j-k)	
m) Total capital/ total risk weighted assets	
n) Minimum Statutory Ratio	
o) Excess/(Deficiency)	

763,116	665,325
250,000	250,000
513,116	415,325
87,527	46,133
850,643	711,458
6,741,737	4,245,248
8.3%	15.4%
8.0%	8.0%
0.3%	7.4%
11.3%	15.7%
8.0%	8.0%
3.3%	7.7%
12.6%	16.8%
12.0%	12.0%
0.6%	4.8%

5) LIQUIDITY

a) Liquidity Ratio	
b) Minimum Statutory Ratio	
c) Excess/(Deficiency)	

22.0%	24.0%
20.0%	20.0%
2.0%	4.0%

The above audited 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

O. Murgian - Chairman