

UNAUDITED FINANCIAL STATEMENTS & OTHER DISCLOSURES AS AT 31st MARCH 2008

PROFIT & LOSS ACCOUNT

	31-Mar-08 Shs. 000	31-Dec-07 Shs. 000	31-Mar-07 Shs. 000
INTEREST INCOME			
1.1 Loans and advances	834,939	2,512,419	471,660
1.2 Government securities	432,477	545,508	51,933
1.3 Deposits and placements with banking institutions	71,227	196,711	28,148
1.4 Other	-	-	-
1.5 Total Interest income	1,338,643	3,254,638	551,741
INTEREST EXPENSES			
2.1 Customer deposits	88,165	244,580	43,128
2.2 Deposits and placements from banking institutions	910	2,630	192
2.3 Other interest expense	131,242	247,314	11,046
2.4 Total interest Expenses	220,316	494,525	54,366
NET INTEREST INCOME	1,118,327	2,760,113	497,375
OTHER OPERATING INCOME			
4.1 Fees and commissions income on loans & advances	340,995	883,253	122,561
4.2 Other Fees and commissions income	504,977	1,948,878	479,551
4.3 Foreign exchange trading income	245,904	147,376	1,575
4.4 Dividend Income	-	-	-
4.5 Other income	8,137	82,981	69,798
4.6 Total Non-Interest Income	1,100,013	3,062,488	673,484
TOTAL OPERATING INCOME	2,218,340	5,822,601	1,170,859
OPERATING EXPENSES			
6.1 Loan Loss Provision	132,347	(25,341)	42,400
6.2 Staff costs	487,662	1,453,471	256,614
6.3 Directors' emoluments	3,150	16,094	3,300
6.4 Rental charges	73,701	181,867	30,888
6.5 Depreciation on property and equipment	126,384	357,508	74,522
6.6 Ammortisation charges	20,493	65,673	15,239
6.7 Other operating expenses	465,794	1,409,511	244,482
6.8 Total Operating Expenses	1,309,532	3,458,783	667,445
Profit/(loss) before tax and exceptional items	908,808	2,363,818	503,414
Exceptional items	-	14,702	-
Profit/(loss) after exceptional items	908,808	2,378,520	503,414
Current tax	(181,762)	(454,278)	(100,683)
Deferred tax	-	(33,959)	-
Profit / (loss) after tax and exceptional items	727,046	1,890,283	402,731

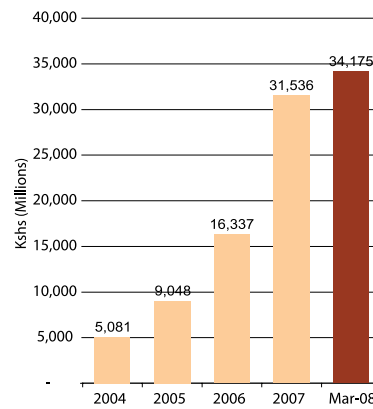
BALANCE SHEET

A. ASSETS			
1. Cash (both Local & foreign)	2,457,438	3,015,005	1,363,072
2. Balances due from central Bank of Kenya	2,347,058	2,138,352	1,775,799
3. Kenya Government securities	19,215,480	13,542,935	2,343,000
4. Foreign Currency Treasury Bills and Bonds	-	-	-
5. Deposits and balances due from banking institutions	2,779,820	4,105,148	1,943,962
6. Deposits and balances due from banking institutions abroad	37,378	2,786,245	906,159
7. Government and other securities held for dealing purposes	-	-	-
8. Tax recoverable	-	-	-
9. Loans and advances to customers (net)	24,341,696	21,836,435	13,231,752
10. Investment securities	-	-	-
11. Balances due from group companies	-	-	-
12. Investments in associates	441,830	441,830	-
13. Investments in subsidiary companies	-	-	-
14. Investments in joint ventures	-	-	-
15. Investment properties	11,269	11,269	11,269
16. Property and equipment	2,772,626	2,602,876	1,709,172
17. Prepaid lease rentals	4,136	4,153	4,136
18. Intangible assets	258,917	224,342	174,837
19. Deferred tax asset	-	-	-
20. Retirement benefit asset	-	-	-
21. Other assets	2,355,335	2,420,657	1,286,460
22.TOTAL ASSETS	57,022,983	53,129,246	24,749,618
B. LIABILITIES			
23. Balances due to Central Bank of Kenya	-	-	-
24. Customer deposits	34,175,403	31,535,515	20,218,848
25. Deposits and balances due to Local banking institutions	269,275	-	-
26. Deposits and balances due to Foreign banking institutions	48,943	53,321	-
27. Other money market deposits	-	-	-
28. Borrowed funds	4,517,114	4,521,390	481,250
29. Balances due to group companies	-	-	-
30. Tax payable	408,996	209,036	247,657
31. Dividends payable	-	-	181,129
32. Deferred tax liability	26,557	44,876	10,917
33. Retirement benefit liability	-	-	-
34. Other liabilities	1,928,732	1,848,440	1,187,221
35. TOTAL LIABILITIES	41,375,019	38,212,578	22,327,023
C. SHAREHOLDERS' FUNDS			
36. Paid up/Assigned capital	1,811,050	1,811,050	1,358,468
37. Share premium/ (discount)	10,543,037	10,543,037	-
38. Revaluation reserve	16,521	12,216	1,204
39. Retained earnings/ Accumulated losses	2,473,409	1,754,072	1,062,923
40. Statutory Loan Loss reserve	260,559	252,906	-
41. Proposed dividends	543,387	543,387	-
42. Capital grants	-	-	-
43. TOTAL SHAREHOLDERS' FUNDS	15,647,963	14,916,668	2,422,595
44.TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	57,022,983	53,129,246	24,749,618

OTHER DISCLOSURES

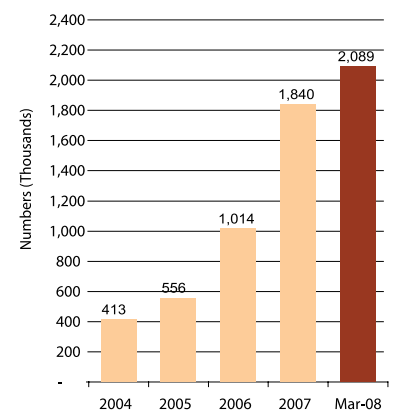
1) NON PERFORMING LOANS AND ADVANCES			
a) Gross non performing loans and advances	1,542,582	1,197,938	830,159
Less			
b) Interest in suspense	250,943	209,134	267,951
c) Total Non-Performing loans and advances (a-b)	1,291,639	988,804	562,208
Less			
d) Loan loss provision	289,942	205,758	172,436
e) Net non- performing loans(c-b)	1,001,697	783,046	389,773
f) Discounted value of securities	1,001,697	783,046	389,773
g) Net NPLs Exposure (e-f)	-	-	-
2) INSIDER LOANS AND ADVANCES			
a) Directors, shareholders and associates	183,456	147,967	107,935
b)Employees	506,591	444,375	262,917
c) Total insider Loans and Advances and other Facilities	690,047	592,342	370,852
3) OFF BALANCE SHEET ITEMS			
a) Letter of Credit, guarantees, acceptances	2,321,328	2,758,326	2,296,388
b) Other contingent Liabilities	8,517	8,517	9,741
c) Total contingent Liabilities	2,329,845	2,766,843	2,306,129
4) CAPITAL STRENGTH			
a) Core Capital	14,022,143	13,666,329	2,221,229
b) Minimum statutory capital	250,000	250,000	250,000
c) Excess/ (deficiency)	13,772,143	13,416,329	1,971,229
d) Supplementary capital	3,935,873	3,961,096	2,221,229
e) Total Capital (a+d)	17,958,016	17,627,424	2,221,229
f) Total Risk Weighted Assets	31,200,693	29,918,983	19,211,550
g) Core Capital/ Total Deposit Liabilities	41%	43%	11%
h) Minimum statutory ratio	8%	8%	8%
i) Excess / (deficiency) (g-h)	33%	35%	3%
j) Core Capital/ Total Risk Weighted Assets	45%	46%	12%
k) Minimum statutory ratio	8%	8%	8%
l) Excess / (deficiency) (j-k)	37%	38%	4%
m) Total Capital/ Total Risk Weighted assets	58%	59%	12%
n) Minimum statutory Ratio	12%	12%	12%
o) Excess / (deficiency) (m-n)	46%	47%	0%
5) LIQUIDITY			
a) Liquidity Ratio	74%	77%	35%
b) Minimum statutory Ratio	20%	20%	20%
c) Excess / (deficiency) (a-b)	54%	57%	15%

Growth In Customer Deposits



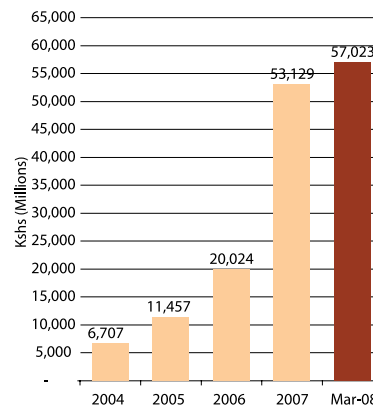
Deposits grew by 8% in the 1st quarter of the year to close at KShs34.2billion. This also represents a 69% growth in deposits compared to the same period last year

Growth in Customer Numbers



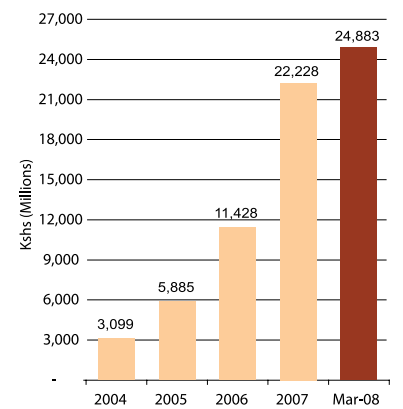
The number of accounts grew by 14% in the first quarter. This represents 42% of accounts in the banking industry.

Growth in Total Assets



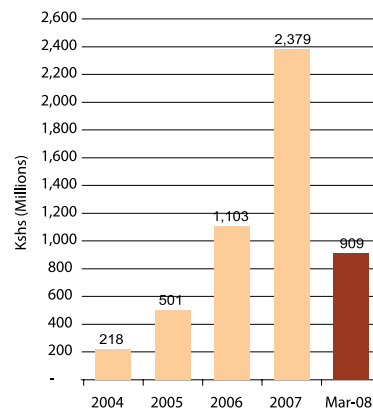
Total assets grew by 7% in the quarter to close at KShs 57 billion. This also represents a 130% growth in the bank's balance sheet, when compared with KShs24.7billion as at the end of the same period in 2007.

Growth In Gross Loan



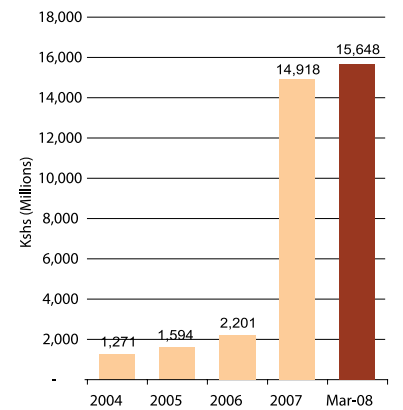
The gross loan portfolio grew by 12% in the quarter, represented by over 400,000 borrowers.

Growth in Profit Before Tax



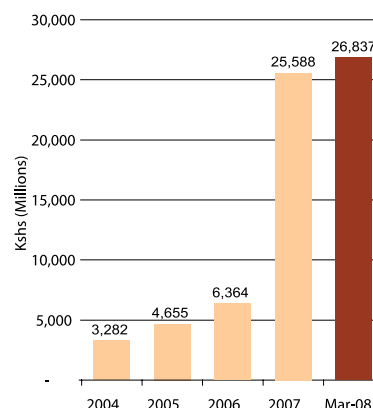
Profit before tax grew by 81% in comparison to 1st quarter of the previous year (2007).

Growth In Shareholders Funds



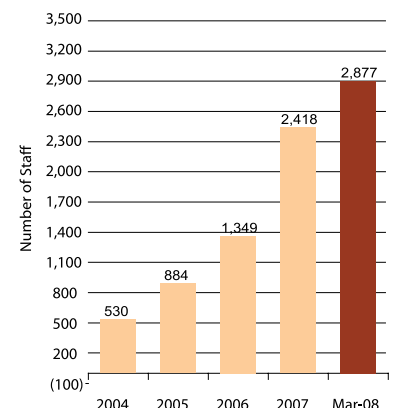
Shareholders funds grew by 5% in the first quarter to close at KShs15.6 billion. The capital strength of the bank expressed as a ratio of total capital to total risk weighted assets closed at 58% compared to a statutory minimum of 12%.

Growth in Liquid Assets



The banks liquidity (cash and cash equivalent) closed the quarter at KShs. 26.8 Billion ie 74% against statutory minimum of 20 %.

Growth in Staff Numbers



Staff numbers grew by 19% in the 1st quarter to close at 2,877.