

BALANCE SHEET

	AUDITED DECEMBER 2006 (KSHS'000)	AUDITED DECEMBER 2007 (KSHS'000)
A ASSETS		
1 Cash (both local and foreign)	204,693	146,078
2 Balances due from Central Bank of Kenya	1,145,780	1,553,161
3 Kenya Government securities	3,898,221	5,084,172
4 Foreign Currency Treasury bills and Bonds	-	-
5 Deposits and Balances due from Local banking Institutions	312,267	121,910
6 Deposits and Balances due from banking Institutions abroad	565,792	684,767
7 Government and other securities held for dealing purposes	-	-
8 Tax recoverable	-	-
9 Loans and advances to customers (net)	14,702,497	19,214,789
10 Investment Securities	-	211,134
11 Balances 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	1,005,906	1,091,662
17 Prepaid lease rentals	110,696	109,388
18 Intangible assets	10,747	19,433
19 Deferred tax asset	72,918	110,619
20 Retirement benefit asset	-	-
21 Other assets	318,728	1,072,986
22 TOTAL ASSETS	22,348,245	29,420,098
B LIABILITIES		
23 Balances due to Central Bank of Kenya	-	-
24 Customer deposits	18,220,103	23,625,870
25 Deposits and balances due to local banking institutions	143,436	107,371
26 Deposits and balances due to foreign banking institutions	37,745	138,770
27 Other money market deposits	320,172	632,999
28 Borrowed funds	364,611	238,713
29 Balances due to Group Companies	-	-
30 Tax payable	116,595	115,147
31 Dividends Payable	-	-
32 Deferred tax liability	-	-
33 Retirement benefit liability	-	-
34 Other Liabilities	350,435	694,275
35 TOTAL LIABILITIES	19,553,097	25,553,145
C SHAREHOLDERS' EQUITY		
36 Paid up/ Assigned share capital	1,740,000	2,174,000
37 Share premium/ (discount)	-	104,954
38 Revaluation reserves	-	-
39 Retained earnings/(Accumulated losses)	697,130	1,486,159
40 Statutory Loan Loss Reserves	8,018	8,321
41 Proposed dividends	350,000	93,520
42 Capital Grants	-	-
43 TOTAL SHAREHOLDERS' EQUITY	2,795,148	3,866,953
44 TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	22,348,245	29,420,098

INCOME STATEMENT

	AUDITED DECEMBER 2006 (KSHS'000)	AUDITED DECEMBER 2007 (KSHS'000)
1 INTEREST INCOME		
1.1 Loans and advances	1,722,410	2,208,574
1.2 Government securities	312,257	464,583
1.3 Deposits and placements with banking institutions	71,242	74,478
1.4 Other interest income	-	18,234
1.5 Total interest income	2,105,909	2,765,869
2 INTEREST EXPENSE		
2.1 Customer deposits	816,465	1,010,181
2.2 Deposits and placements from banking institutions	16,157	23,164
2.3 Other interest expenses	31,514	23,833
2.4 Total interest expense	864,136	1,057,178
3 NET INTEREST INCOME/ (LOSS)	1,241,773	1,708,691
4 NON - OPERATING INCOME		
4.1 Fees and commissions on loans and advances	98,761	143,880
4.2 Other fees and commissions	234,357	275,915
4.3 Foreign exchange trading income (Loss)	93,557	138,006
4.4 Dividend income	-	-
4.5 Other income	56,266	90,502
4.6 Total non-interest income	482,941	648,303
5 TOTAL OPERATING INCOME	1,724,714	2,356,994
6 OTHER OPERATING EXPENSES		
6.1 Loan loss provisions	77,133	125,547
6.2 Staff costs	344,767	453,581
6.3 Directors' emoluments	8,750	12,380
6.4 Rentals charges	35,164	37,322
6.5 Depreciation charge on property and equipment	69,405	88,827
6.6 Amortisation charges	1,309	-
6.7 Other operating expenses	251,780	345,174
6.8 Total other Operating Expenses	788,308	1,062,830
7 PROFIT / (LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS	936,406	1,294,164
8 EXCEPTIONAL ITEMS	-	-
9 PROFIT / (LOSS) BEFORE TAX AND AFTER EXCEPTIONAL ITEMS	936,406	1,294,164
10 CURRENT TAX	(303,450)	(449,013)
11 DEFERRED TAX	15,942	37,701
12 PROFIT/(LOSS) AFTER TAX AND EXCEPTIONAL ITEMS	648,898	882,852

OTHER DISCLOSURES

	AUDITED DECEMBER 2006 (KSHS'000)	AUDITED DECEMBER 2007 (KSHS'000)
1 NON - PERFORMING LOANS AND ADVANCES		
a) Gross Non- performing Loans and advances	357,918	418,889
Less		
b) Interest in suspense	83,390	102,978
c) Total Non- performing loans and advances (a-b)	274,528	315,911
Less		
d) Loan loss provisions	66,797	70,595
e) Net Non Performing Loans(c-d)	207,731	245,316
f) Discounted value of securities	207,731	245,316
g) Net NPLs exposure (e-f)	0	0
2 INSIDER LOANS AND ADVANCES		
a) Directors, shareholders and associates	61,648	57,429
b) Employees	78,207	112,140
c) Total Insider Loans and Advances	139,855	169,569
3 OFF- BALANCE SHEET ITEMS		
a) Letters of Credit, Guarantees, Acceptances	5,244,155	7,197,471
b) Other contingent items	2,538,436	1,758,367
c) Total contingent liabilities	7,782,591	8,955,838
4 CAPITAL STRENGTH		
a) Core capital	2,424,097	3,749,842
b) Minimum Statutory Capital	250,000	250,000
c) Excess/ (deficiency)	2,174,097	3,499,842
d) Supplementary capital	8,018	8,321
e) Total capital (a+d)	2,432,115	3,758,163
f) Total risk weighted assets	18,911,412	26,033,144
g) Core capital/total deposit liabilities	13.20%	15.80%
h) Minimum statutory ratio	8.00%	8.00%
i) Excess /(Deficiency)	5.20%	7.80%
j) Core capital/total risk weighted assets	12.82%	14.40%
k) Minimum statutory ratio	8.00%	8.00%
l) Excess /(Deficiency) (j-k)	4.82%	6.40%
m) Total capital/total risk weighted assets	12.86%	14.44%
n) Minimum statutory ratio	12.00%	12.00%
o) Excess /(Deficiency) (m-n)	0.86%	2.44%
5 LIQUIDITY		
a) Liquidity ratio	31.38%	29.79%
b) Minimum Statutory ratio	20.00%	20.00%
c) Excess /(Deficiency) (a-b)	11.38%	9.79%

MESSAGE FROM THE DIRECTORS

The above are extracts of the financial statements and records of the institution.

Signed:

S.B.R Shah : Chairman

Sarit S Raja Shah : Executive Director

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