

UN-AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31ST MARCH 2011

STATEMENT OF FINANCIAL POSITION

	GROUP			BANK		
	31st March 2010 Shs '000 (Un-Audited)	31st Dec 2010 Shs '000 (Audited)	31st March 2011 Shs '000 (Un-Audited)	31st March 2010 Shs '000 (Un-Audited)	31st Dec 2010 Shs '000 (Audited)	31st March 2011 Shs '000 (Un-Audited)
A. ASSETS						
1 Cash (both local and foreign)	465,827	1,071,603	828,639	248,915	235,700	209,240
2 Balances due from Central Bank of Kenya	488,457	662,829	572,618	488,457	662,829	572,618
3 Cash and balance with Banque Nationale du Rwanda	884,263	181,013	1,223,384	-	-	-
4 Kenya Government securities	4,556,083	5,053,169	5,515,106	4,556,083	5,053,168	5,515,106
5 Foreign Currency Treasury Bills and Bonds	295,877	1,589,713	1,225,810	-	-	-
6 Deposits and balances due from local banking institutions	87,940	57,504	288,186	87,940	57,504	288,186
7 Deposits and balances due from banking institutions abroad	1,835,213	795,209	871,483	522,684	333,536	333,794
8 Kenya Government and other securities held for dealing purposes	-	-	-	-	-	-
9 Tax recoverable	2,388	-	-	2,388	-	-
10 Loans and advances to customers (net)	9,351,347	10,165,285	10,082,806	6,127,855	6,718,235	6,412,563
11 Investment securities	390,378	335,239	322,378	390,378	335,239	322,378
12 Balances due from group companies	-	-	-	2,923	9,112	1,845
13 Investments in associates	-	-	-	31,123	31,123	31,123
14 Investments in subsidiary companies	-	-	-	164,039	164,039	164,039
15 Investments in Joint Ventures	-	-	-	-	-	-
16 Investment properties	-	-	-	-	-	-
17 Property and equipment	551,903	578,500	599,650	230,602	219,281	215,767
18 Prepaid lease rentals	-	-	-	-	-	-
19 Intangible assets	73,302	49,642	44,286	3,201	11,170	10,043
20 Deferred tax asset	53,555	6,257	5,876	-	4,436	3,991
21 Retirement benefit asset	-	-	-	-	-	-
22 Other assets	672,279	397,971	896,391	418,402	276,993	565,621
23 TOTAL ASSETS	19,708,811	20,943,933	22,476,614	13,274,991	14,112,365	14,646,315
B. LIABILITIES						
24 Balances due to Central Bank of Kenya	305,862	-	-	305,862	-	-
25 Customer deposits	15,472,639	16,888,926	18,465,162	10,665,093	11,590,423	12,380,552
26 Deposits and balances due to local banking institutions	357,089	350,592	159,391	357,089	350,592	159,391
27 Deposits and balances due to banking institutions abroad	1,029,302	940,800	484,136	222,848	274,338	189,170
28 Other money market deposits	-	-	-	-	-	-
29 Borrowed funds	300,449	422,156	380,903	300,449	422,156	380,903
30 Balances due to group companies	-	-	-	-	-	-
31 Tax payable	-	20,147	41,596	-	13,222	36,387
32 Dividends Payable	-	-	-	-	-	-
33 Deferred tax liability	20,522	-	-	20,522	-	-
34 Retirement benefit liability	-	-	-	-	-	-
35 Other liabilities	257,507	297,334	844,508	121,504	125,511	127,606
36 TOTAL LIABILITIES	17,743,369	18,919,955	20,375,696	11,993,366	12,776,242	13,274,008
C. SHAREHOLDERS' EQUITY						
37 Paid up/Assigned capital	528,308	528,308	528,308	528,308	528,308	528,308
38 Share premium/(discount)	154,922	154,922	154,922	154,922	154,922	154,922
39 Revaluation reserves/Translation Reserve	58,828	36,134	35,724	44,937	14,781	(3,087)
40 Retained earnings/Accumulated Losses	680,631	885,152	962,875	506,582	633,325	692,164
41 Statutory Loan Loss Reserve	70,742	30,162	25,375	46,876	4,787	-
42 Proposed dividends	-	-	-	-	-	-
43 Non controlling Interest	472,011	389,300	407,322	-	-	-
44 Capital grants	-	-	-	-	-	-
45 TOTAL SHAREHOLDERS' FUNDS	1,965,442	2,023,978	2,114,527	1,281,625	1,336,123	1,372,306
46 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	19,708,811	20,943,933	22,490,223	13,274,991	14,112,365	14,646,315

	GROUP 31st March 2010 Shs '000 (Un-Audited)	31st Dec 2010 Shs '000 (Audited)	31st March 2011 Shs '000 (Un-Audited)	BANK 31st March 2010 Shs '000 (Un-Audited)	31st Dec 2010 Shs '000 (Audited)	31st March 2011 Shs '000 (Un-Audited)
1.0 INTEREST INCOME						
1.1 Loans and advances	363,152	1,525,369	366,617	219,424	938,427	230,353
1.2 Government securities	106,831	488,877	109,915	106,326	424,711	101,396
1.3 Deposits and placements with banking institutions	21,963	46,077	20,835	7,709	24,277	2,477
1.4 Other Interest Income	7,980	40,329	13,618	7,980	40,329	13,618
1.5 Total Interest Income	499,926	2,100,652	510,985	341,439	1,427,745	347,844
2.0 INTEREST EXPENSES						
2.1 Customer deposits	226,015	847,820	196,999	166,913	637,742	143,080
2.2 Deposits and placements from banking institutions	15,806	74,009	16,200	3,525	18,771	3,131
2.3 Other Interest Expenses	8,722	27,050	6,508	8,722	25,146	6,508
2.4 Total Interest Expenses	250,542	948,880	219,707	179,160	681,659	152,719
3.0 NET INTEREST INCOME	249,384	1,151,772	291,279	162,280	746,085	195,125
4.0 OTHER OPERATING INCOME						
4.1 Fees and commissions on loans and advances	23,857	91,076	31,881	11,224	47,777	11,404
4.2 Other Fees and Commissions	65,081	222,980	84,390	42,330	190,088	39,594
4.3 Foreign exchange trading income	43,119	141,677	43,990	11,491	52,145	14,692
4.4 Dividend Income	-	-	-	-	-	-
4.5 Other income	55,133	456,470	85,608	36,807	202,409	38,300
4.6 Total Non-Interest Income	187,191	912,204	245,868	101,852	492,419	103,719
5.0 TOTAL OPERATING INCOME	436,575	2,063,976	537,147	264,132	1,238,504	298,844
6.0 OPERATING EXPENSES						
6.1 Loan Loss Provision	43,984	431,865	75,838	27,619	373,412	26,433
6.2 Staff costs	168,591	704,636	201,238	91,685	372,311	110,203
6.3 Directors' emoluments	8,768	35,570	12,109	6,190	25,618	7,932
6.4 Rentals Charges	14,613	59,654	15,591	10,429	42,481	10,577
6.5 Depreciation charge on property and equipment	14,080	62,651	17,549	7,357	30,694	8,117
6.6 Amortization Charges	6,463	27,544	6,894	340	1,777	1,226
6.7 Other operating expenses	97,967	515,588	116,162	51,496	240,899	57,240
6.8 Share of Loss/(Profit) of Associate	-	-	-	-	-	-
6.9 Total Other Operating Expenses	354,465	1,837,509	445,381	195,116	1,087,192	221,628
7.0 Profit/(Loss) before tax and exceptional items	82,110	226,467	91,767	69,015	151,313	77,217
8.0 Exceptional items	-	-	-	-	-	-
9.0 Profit/(Loss) after exceptional items	82,110	226,467	91,767	69,015	151,313	77,217
10.0 Current tax	25,649	106,003	28,258	20,150	31,402	23,165
11.0 Deferred tax	-	(13,609)	-	-	(13,609)	-
12.0 Profit/(Loss) after tax and exceptional items	56,460	134,073	63,509	48,866	133,520	54,052
Attributable to:						
Minority Interest	3,358	245	4,182	-	-	-
Equity Holders of the Parent	53,102	133,829	59,327	-	-	-

OTHER DISCLOSURES

	31st March 2010 Shs '000 (Un-Audited)	31st Dec 2010 Shs '000 (Audited)	31st Mar 2011 Shs '000 (Un-Audited)	
1) NON-PERFORMING LOANS AND ADVANCES				
a) Gross non-performing loans and advances	923,012	1,072,386	996,732	
Less:				
b) Interest in Suspense	102,754	129,927	127,697	
c) Total Non-Performing Loans and Advances (a-b)	820,258	942,460	869,035	
Less:				
d) Loan Loss Provisions	482,135	445,574	429,237	
e) Net Non-Performing Loans (c-d)	338,123	496,885	439,798	
f) Discounted Value of Securities	284,800	360,385	390,784	
g) Net NPLs Exposure (e-f)	53,323	136,500	49,014	
2) Insider Loans and Advances				
a) Directors, shareholders and associates	85,386	96,674	90,050	
b) Employees	87,626	85,018	69,512	
c) Total Insider Loans and Advances and Other Facilities	173,012	181,692	159,762	
3) Off-Balance Sheet Items				
a) Letters of credit, guarantees, acceptances	920,530	1,118,330	1,119,642	
b) Other contingent liabilities	1,153,263	965,977	1,717,142	
c) Total Contingent Liabilities	2,073,793	2,084,307	2,836,783	
4) Capital Strength				
a) Core capital	970,217	1,121,394	1,153,205	
b) Minimum Statutory Capital	350,000	500,000	500,000	
c) Excess/(Deficiency)	620,217	621,394	653,205	
d) Supplementary Capital	46,876	199,587	194,800	
e) Total capital (a+d)	1,017,093	1,320,980	1,348,005	
f) Total risk weighted assets	7,483,327	7,743,021	7,565,622	
g) Core capital/total deposit liabilities	9%	10%	9%	
h) Minimum Statutory Ratio	8%	8%	8%	
i) Excess/(Deficiency)	1%	2%	1%	
j) Core capital/ total risk weighted assets	13%	14%	15%	
k) Minimum Statutory Ratio	8%	8%	8%	
l) Excess/(Deficiency) (j-k)	5%	6%	7%	
m) Total capital/ total risk weighted assets	14%	17%	18%	
n) Minimum Statutory Ratio	12%	12%	12%	
o) Excess/(Deficiency) (m-n)	2%	5%	6%	
5) Liquidity				
a) Liquidity Ratio	45%	48%	52%	
b) Minimum Statutory Ratio	20%	20%	20%	
c) Excess/(Deficiency) (a-b)	25%	28%	32%	
The financial statements are extracts from the books of the Institution				
			N.N. SHAH DIRECTOR	H. CHANDARIA EXECUTIVE DIRECTOR