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Daily Treasury Bulletin

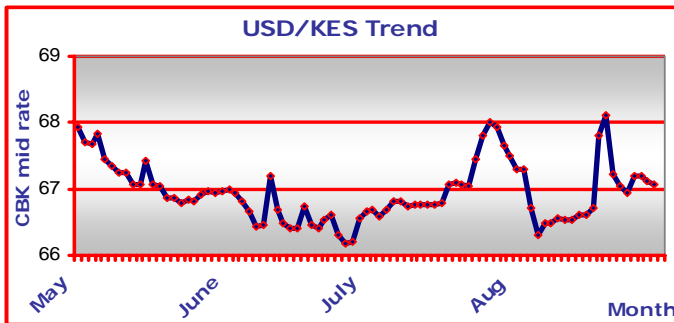
29th Aug 2007

The following are indicative inter-bank buying and selling rates as at **10.45 a.m.** Kindly note these rates are subject to change at the time of booking with us due to high market volatility. Please contact Fina Bank Treasury Team for firm rates on 249573, 316370, or email: treasury@finabank.com

| Currency | USD/KES | EUR/KES | GBP/KES | AUD/KES | ZAR/KES | INR/KES | USD/RWF | | INT. RATES |
|-----------|----------|----------|-----------|----------|---------|-----------|-----------|---|------------|
| Rate | 66.85/05 | 90.85/15 | 133.90/30 | 54.30/50 | 9.22/32 | 1.6200/70 | 549.00 | USD  | 5.25% |
| FCY Pairs | USD/JPY | EUR/USD | GBP/USD | AUD/USD | USD/ZAR | USD/INR | NSE INDEX | GBP  | 5.75% |
| Spot | 114.45 | 1.3595 | 2.0030 | 0.8120 | 7.25 | 41.25 | 5290.38 | EUR  | 4.00% |

Kenya/Forex

The shilling once again traded in a steady range against the dollar within levels of 66.90-00 and 67.05-15. Market activity was once again dominated by inter-bank activity and corporate demand continued to be subdued. Trading bias for the shilling continued to be on an upward trend as the levels of 67.20 supported the shilling well. We expect trading to continue within a range of 66.80 and 67.20 during the day with a bias towards a stronger shilling.



Kenya/Money Markets

| MM Results | CBK Repo | Results | 91-day T-bills | 182-day T-bills |
|------------------------|----------------------------|--------------|------------------|------------------|
| Amt Borrowed (KES bln) | Amt Advertised (KES bln) | Av. Rate | Auction 27/08/07 | Auction 27/08/07 |
| 6.39 | 6.00 | 7.60% | 7.384% | 7.924% |
| Av. Rate Lending | Amt Accepted (KES billion) | Tenor (Days) | Auction 20/08/07 | Auction 20/08/07 |
| 7.46% | 3.6 | 3-14 | 7.370% | 7.990% |

International/Forex

The Euro was initially under pressure after German Business sentiment came out to be positive but not as good as in the previous months. Business climate index was at 105.80 in Aug vs 106.4 in July. This was one of the first major measures of business sentiment in Germany since the start of the financial market turmoil. Germany has taken the beating in Europe as problems stemming from US sub-prime home loans have led to two of its banks to almost collapse. Markets have pared back expectation of a rate hike by the ECB in September after Trichet stressed that the last comments on monetary policy where he used the phrase 'strong vigilance' was before market volatility was seen in the market. This phrase was signaling a rate hike but the turmoil in the markets has altered traders view.

As markets were starting to relax a little, fresh problems from the US sub-prime mortgage sector forced market quiver on Tuesday. Central banks round the globe stated their interest rate intentions had been put into doubt and ECB, BoJ and Bank of Canada said the market developments could affect their monetary policy decisions. US consumer confidence fell in August to its lowest level in a year due to softening of the labor market as well as the market turmoil that has hit the market in the last one month.

The sterling, Euro and Aussie look bearish with possibility to target levels of 1.9930, 1.3500 and 0.8000 respectively. Major date due today includes German GFK consumer confidence and US mortgage index.

International/Commodities

Oil prices eased yesterday as worries about US and global economic health resumed. This outweighed refinery problems being faced in the US. US crude traded at \$71.73 a barrel and London Brent settled at \$70.55 per barrel.

Gold futures fell once again amidst a stronger dollar and a fall in the equity markets. Though high-demand season is approaching, market is cautious into entering into large long positions. Gold for December delivery settled at @ 673.50 an ounce after trading within a band of \$671 and \$677 per ounce.