

Un-audited financial results of the Bank for the quarter ended 31st March, 2012

STATEMENT OF FINANCIAL POSITION	31st March, 2011 Un-audited Shs'000	31st Dec, 2011 Audited Shs'000	31st March, 2012 Un-audited Shs'000	TOTAL OPERATING EXPENSES	153,462	673,122	200,648
				Profit before tax and exceptional items	25,482	71,182	(187,004)
				Exceptional items	-	8,299	(47)
				PROFIT AFTER EXCEPTIONAL ITEMS	25,482	79,480	(187,051)
ASSETS				Current tax	-	-	-
Cash (both Local & Foreign)	105,977	161,337	134,396	Deferred tax	(7,645)	(7,139)	56,113
Balances due from Central Bank of Kenya	880,238	820,098	463,012	PROFIT AFTER TAX AND EXCEPTIONAL ITEMS	17,838	72,341	(130,938)
Kenya Government securities	3,391,350	3,630,868	3,610,578				
Foreign Currency Treasury Bills & Bonds	-	-	-				
Deposits and balances due from local banking institutions	131,640	92,199	82,176				
Deposits and balances due from banking institutions abroad	674,056	61,351	133,536	EARNINGS PER SHARE - BASIC & DILUTED	0.06	0.23	(0.38)
Kenya Government and other securities held for dealing purposes	416,384	-	-	DIVIDEND PER SHARE - DECLARED	0.00	0.00	0.00
Tax recoverable	-	-	-				
Loans and advances to customers (net)	4,828,690	6,635,194	6,928,888	OTHER DISCLOSURES	31st March, 2011	31st Dec, 2011	31st March, 2012
Investment securities	345,673	-	-		Un-audited	Audited	Un-audited
Balances due from group companies	422,970	498,462	508,627		Shs'000	Shs'000	Shs'000
Investments in associates	128,101	191,378	191,378	1. NON-PERFORMING LOANS AND ADVANCES			
Investments in subsidiary companies	-	-	-	(a) Gross Non-performing loans and advances	1,150,533	589,038	771,013
Investments in joint ventures	-	-	-	(b) Less Interest in Suspense	110,800	113,233	147,514
Investment properties	-	-	-	(c) TOTAL NON-PERFORMING LOANS AND ADVANCES (a-b)	1,039,733	475,805	623,500
Property and equipment	166,047	274,280	308,085	(d) Less Loan Loss Provision	344,210	247,685	207,387
Prepaid lease rentals	-	-	-	(e) NET NON-PERFORMING LOANS AND ADVANCES (c-d)	695,523	228,120	416,113
Intangible assets	15,413	13,712	13,712	(f) Discounted Value of Securities	695,523	228,120	416,113
Deferred tax asset	422,694	423,200	479,313	(g) NET NPLS EXPOSURE (e-f)	-	0.00	-
Retirement benefit asset	-	-	-				
Other assets	91,363	124,823	210,897	2. INSIDER LOANS AND ADVANCES			
TOTAL ASSETS	12,020,597	12,926,902	13,064,600	(a) Directors, Shareholders and Associates	50,962	41,608	52,653
				(b) Employees	44,451	72,714	89,422
LIABILITIES				(c) TOTAL INSIDER LOANS AND ADVANCES AND OTHER FACILITIES	95,413	114,322	142,075
Balances due to Central Bank of Kenya	-	-	-				
Customer deposits	9,091,716	9,833,985	10,576,010	3. OFF-BALANCE SHEET ITEMS			
Deposits and balances due to local banking institutions	1,892,248	1,586,232	1,064,697	(a) Letters of credit, guarantees, acceptances	824,028	681,091	235,255
Deposits and balances due to foreign banking institutions	-	-	-	(b) Other contingent liabilities	90,376	216,520	148,354
Other money market deposits	-	-	-	(c) TOTAL CONTINGENT LIABILITIES	914,404	897,611	383,609
Borrowed funds	-	200,415	200,415				
Balances due to group companies	-	-	-	4. CAPITAL STRENGTH			
Tax payable	-	-	-	(a) Core capital	811,461	1,051,095	921,275
Dividends payable	1,731	1,731	1,730	(b) Minimum Statutory Capital	500,000	700,000	700,000
Deferred tax liability	-	-	-	(c) Excess (a-b)	311,461	351,095	221,275
Retirement benefit liability	-	-	-	(d) Supplementary Capital	80,285	100,920	104,605
Other liabilities	125,768	100,285	112,594	(e) TOTAL CAPITAL (a+d)	891,746	1,152,015	1,025,881
TOTAL LIABILITIES	11,111,463	11,722,648	11,955,446	(f) TOTAL RISK WEIGHTED ASSETS	6,422,821	8,073,636	8,368,438
				(g) Core Capital/Total deposits liabilities	8.93%	10.69%	8.71%
SHAREHOLDERS' FUNDS				(h) Minimum statutory ratio	8.00%	8.00%	8.00%
Paid up/Assigned capital	1,503,238	1,723,238	1,723,238	(i) Excess (g-h)	0.93%	2.69%	0.71%
Share premium	-	-	-				
Revaluation reserves	-	-	-	(j) Core Capital/Total risk weighted assets	12.63%	13.02%	11.01%
Retained earnings	(682,858)	(672,143)	(801,962)	(k) Minimum statutory ratio	8.00%	8.00%	8.00%
Statutory loan reserves	88,755	153,159	187,879	(l) Excess (j-k)	4.63%	5.02%	3.01%
Proposed dividends	-	-	-				
Capital grants	-	-	-	(m) Total Capital/Total risk weighted assets	13.88%	14.27%	12.26%
TOTAL SHAREHOLDERS' FUNDS	909,134	1,204,254	1,109,154	(n) Minimum statutory ratio	12.00%	12.00%	12.00%
				(o) Excess (m-n)	1.88%	2.27%	0.26%
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	12,020,597	12,926,902	13,064,600	5. LIQUIDITY			
				(a) Liquidity Ratio	40.78%	32.33%	31.76%
				(b) Minimum statutory ratio	20.00%	20.00%	20.00%
				(c) Excess (a-b)	20.78%	12.33%	11.76%
STATEMENT OF FINANCIAL POSITION	31st March, 2011	31st Dec, 2011	31st March, 2012				
	Un-audited	Audited	Un-audited	MESSAGE FROM THE DIRECTORS			
	Shs'000	Shs'000	Shs'000				
INTEREST INCOME				The Bank recorded a quarter on quarter growth of 8% on total assets and 7.6% on total liabilities in the first quarter of 2012. This growth was underpinned by the steady build up of advances as well as deposits resulting in an 8% growth in the Bank's Balance Sheet. The financial performance in the first quarter was however impacted by the negative movement of interest rates and dynamics of the interbank market. Soaring interbank rates saw the first quarter record a 332% increase in interest expense compared to the same period last year despite the 164% growth in total interest income over the same period.			
Loans and advances	174,288	804,769	320,517	The unfavourable market conditions are likely to continue late into the year. This notwithstanding, management and the Board continue to employ prudent cost management to mitigate the situation, and ensure minimal impact for our stakeholders. Several steps, including capital injection, are also underway, and we are confident that despite the prevailing conditions, the Bank will return to profit in the second half of the year.			
Government securities	51,281	246,007	64,910	We thank our Customers, Staff, Directors and Shareholders for their continued confidence and support, and we remain committed to realizing our potential. The above results are extracts from the financial statements and records of the bank.			
Deposits and placements with banking institutions	162	1,713	1,956				
Other Interest Income	10,128	23,552	-				
TOTAL INTEREST INCOME	235,859	1,076,040	387,383				
INTEREST EXPENSE							
Customer deposits	101,503	535,107	337,394				
Deposits and placement from banking institutions	11,760	142,938	84,330				
Other interest expenses	-	6,391	5,996				
TOTAL INTEREST EXPENSE	113,263	684,436	427,720				
NET INTEREST INCOME	122,596	391,604	(40,337)				
OTHER OPERATING INCOME							
Fees and commissions on loans and advances	15,939	23,754	15,939				
Other fees and commissions	13,802	96,261	6,739				
Foreign exchange trading income	16,872	95,379	26,328				
Dividend Income	-	2,343	-				
Other income	9,735	134,962	4,974				
TOTAL NON-INTEREST INCOME	56,348	352,700	53,981				
TOTAL OPERATING INCOME	178,944	744,304	13,644				
OPERATING EXPENSES							
Loan loss provision	18,054	192	16,040				
Staff costs	66,989	289,145	83,475				
Directors' emoluments	4,126	17,487	4,434				
Rental charges	23,778	124,646	33,108				
Depreciation charge on property and equipment	6,467	29,905	13,045				
Amortisation charges	2,567	4,513	-				
Other operating expenses	31,481	207,235	50,546				