

Microfinance Expansion Programme (MEP)
Strengthening the Operations of 15 Kenyan Saccos

Programme Progress Report #3
Period 1 October 1998 - 31 March 1999

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List of Abbreviations

AGM	Annual General Meeting
DBS	Decentralised Business Solutions
EU	European Union
FMDAP	Free Market Development Advisor Programme
KNFC	Kenya National Federation of Co-operatives
KUSCCO	Kenya Union of Savings and Credit Co-operatives Limited
ILP	Instant Loan Programme
MCD	Ministry of Co-operative Development
M E P	Microfinance Expansion Programme
MESP	Micro-enterprise Support Programme
P D	Programme Director
PLP	Preferred Loan Programme
TSO	Technical Services Officer
USAID	United States Agency for International Development
WOCCU	World Council of Credit Unions
SACCO	Savings and Credit Co-operative

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Microfinance Expansion Programme (M E P)
Progress report #4 1 April - 30 Sep 1999

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I Executive Summary

The World Council of Credit Unions (WOCCU) has been *fully* implementing the Microfinance Expansion Programme (M E P) for less than one year. Since the initial programme workshops were concluded in November 1998, WOCCU has accepted 10 Saccos into the M E P and has identified key issues within each of the Saccos that require strengthening. Individual Sacco technical assistance and training has been delivered and committee (board) members have been made to understand the main challenges that they now face.

The emphasis now is on taking corrective action in the identified areas. As such, WOCCU has been concentrating on the following:

- Improving key accounting areas so that financial statements reflect the true conditions of Saccos with a special emphasis on the proper reporting of institutional capital
- Reducing delinquency in non—employee-based Saccos by implementing a new incentive-based lending system and putting in place a proven recovery programme
- Facilitating the introduction of a proven, state-of-the-art computer software programme to help reduce costs, improve accuracy and productivity, and foster sound internal controls
- Expanding member services with “front office” (withdrawable savings) products
- Communicating sound governance systems which permit effective decision making and a constructive separation of duties
- Providing new, innovative approaches to increasing loan yields in Saccos through the introduction of new loan programmes
- Adopting the WOCCU-developed model by-laws which permit a more effective legal framework
- Moving existing Sacco loan underwriting programmes from an “entitlement” scheme to one of character-based lending
- Educating Sacco leaders on the need to price products on a full recovery basis and to move forward quickly in order to achieve desired results

While results realized to date have been slower than expected, there is a clear trend of moving in the right direction. Sacco participants are increasing loan rates, expanding their common bonds, introducing withdrawable savings services, monitoring loan delinquency and implementing loan recovery systems, adopting WOCCU’s model by-laws, improving basic accounting techniques, and generally, embracing a stronger business approach to running their Saccos.

For the most part, performance-based programmes are foreign to Kenyan Saccos. As such, it requires patience and persistence to move Sacco leaders in the right direction. The process is continual and will get easier as levels of understanding improve. The financial results are not where WOCCU would like to see them at this point but the direction is clear. The "numbers" are the outputs and will reflect the quality of the "inputs". Those inputs are being put in place now and are progressing well.

II Activities During Reporting Period

The following is a brief description of the activities that have taken place during the reporting period (1 April - 30 September 1999). It also includes some actions that have taken place in October 1999.

- ◆ *Technical Assistance* - Numerous technical assistance visits have taken place at all M E P participant Saccos. The focus of the visits has principally been on accounting, the new model by-laws, debt recovery in Traders Saccos, governance issues and marketing. The following is a summary of the issues that are facing each of the Saccos involved in the programme.

Sacco	Technical Assistance Focus	Current Status
Bandari	Accounting records updating & balancing, preparing for change in computer software, introducing front office (withdrawable savings) service, revising by-laws to expand common bond marketing to the existing field of membership	The Sacco is resistant to incurring any extra costs for relocating its office in order to offer front office services to members. WOCCU is continuing to work with Bandari to find a solution. All other issues are progressing. The Sacco is well managed and is financially sound.
Kilifi Teachers	Accounting records updating & balancing, preparing for change in computer software, raising loan interest rates	The Sacco has been slow to act and has not met the action steps in its work plan. WOCCU has scheduled a full committee (board) meeting in November to outline its concerns.

Sacco	Technical Assistance Focus	Current Status
Masaku Traders	Moving office to new & expanded quarters, introducing front office operations, reducing delinquency, growing membership, revising by-laws to expand field of membership converting to computer	Masaku Traders will move to a new office in October and introduce front office services shortly thereafter. It is near adopting the WOCCU model by-laws and it will expand its field of membership to allow it to reach to a new and larger group of microentrepreneurs. It will add a staff marketing person shortly to help grow the Sacco and computerise as soon as it can be scheduled. A new pricing system utilizing "on-time" repayment incentives has been introduced to the Sacco by WOCCU and is expected to be adopted shortly.
Limuru Traders	Raising loan interest rates, reducing delinquency, updating accounting records and balancing, improving governance	The Sacco has been slow to respond to adopting WOCCU model credit union concepts. Due to a recent in-depth meeting with the committee and the Sacco attending a 4-day workshop, WOCCU expects it to improve the maintenance of its accounting records and reducing its delinquency. WOCCU has been influential in two committee members resigning their posts due to serious delinquency conditions. "Development grant" funds are being withheld until the Sacco makes progress in these areas. The Sacco has raised its effective loan rate from 12% to 23%.
Mungania Tea	Reducing delinquency, preparing for computerisation, improving staff communication and training, marketing to potential members	Mungania Tea Growers is preparing for computerisation and is holding regular staff meetings. WOCCU will provide "customer care" training shortly to front line personnel. The Sacco is following a market pricing approach.
Egerton University	Bringing accounting records current, raising loan interest rates, expanding the common bond, preparing for computerisation, increasing office space to allow for front office services	Accounting records have been brought to date and the Sacco is preparing for computerisation. Final changes have been made to its by-laws. Front office services will be expanded slowly until new or expanded offices can be found. Computerisation will take place as soon as it can be scheduled. The need to increase loan interest rates has been stalled because of WOCCU's inability to find an external lending source.

Sacco	Technical Assistance Focus	Current Status
Rachuonyo Traders	Reconstructing accounting records, reducing delinquency improving internal controls, preparing for computerisation, increasing profitability	<p>The Sacco has been making progress in reconstructing its accounting records and has now recruited competent staff to carry out the task. WOCCU technicians will assist the Sacco in this area in November. Delinquency rates are coming down due to an aggressive recovery system put in place by the Sacco. After accounting is up to date, the Sacco will computerise.</p> <p>A new pricing system utilizing "on-time" repayment incentives has been introduced to the Sacco by WOCCU and is expected to be adopted shortly.</p>
Kipsigis Teachers	Increasing loan interest rates, preparing for conversion to new computer software	<p>The need to increase loan interest rates has been stalled because of WOCCU's inability to find an external lending source. Computerisation efforts are continuing.</p> <p>Kipsigis is near adopting WOCCU's model by-laws with some minor revisions.</p>
Nassefu	Relocating to new office space in order to offer front office services, increasing loan interest rates, bringing accounting records up to date, preparing for computerisation, reversing the member exodus trend and grow Sacco	<p>The Sacco is close to identifying new office facilities that will allow for front office services. It is bringing its accounting records up to date with WOCCU's assistance and will convert to computer as soon as it can be scheduled.</p> <p>An intensified communications and marketing programme has been put in place.</p>
Kisumu Teachers	Increasing loan interest rates, computerising operations, bringing accounting records current, improving governance	<p>The need to increase loan interest rates has been stalled because of WOCCU's inability to find an external lending source. Computerisation efforts are continuing but WOCCU will withhold any development grant assistance until the Sacco has brought all accounting records into balance.</p>

- ◆ *The Instant Loan Programme (ILP)* - The ILP is an indirect method designed by WOCCU to help increase loan interest rates to members and its resulting yield to Saccos. It is particularly applicable to employee-based Saccos. A description of the ILP is contained in appendix C. The ILP, although well conceived, relies on temporary external funding until a Sacco is able to mobilise sufficient savings to meet its loan demand. Finding that source has been difficult so far. KUSCCO is unable to assist because of its lack of liquidity. The Co-operative Bank has been unwilling to participate for

unknown reasons. Numerous meetings have been held with the Bank, including at the Managing Director level, but to date, it has not responded to WOCCU's requests. WOCCU will continue to work with the Bank for a short while but will seek out other commercial sources if it does not respond soon.

- ◆ *U S Peace Corp Assistance* - On an informal basis, WOCCU has recruited the assistance of a U S Peace Corp worker in Oyugis town to help assist Rachuonyo Traders Sacco in formalising its SASA (withdrawable savings) service to members. The Peace Corps worker was trained in WOCCU's offices from Sep 20 through Sep 23. She is expected to continue working with Rachuonyo for about one year. WOCCU is also exploring the possibility of using the services of another Peace Corp worker with Masaku Traders in Machakos town.
- ◆ *Computerisation* - The P D has been extensively involved in researching different software vendors and promoting computerisation to the M E P Sacco participants. Research efforts have included visiting two software providers in South Africa in May, holding several meetings with the senior executives of Decentralised Business Solutions (DBS) and Solace Software, and hosting a DBS marketing officer in September for a multi-day visit to a few M E P Saccos. In addition, the P D has had several meetings with DBS's local Kenyan partner, Legend Technologies, to discuss hardware procurement, software support, implementation issues, etc.

Computerisation of the M E P 's Saccos remains a high priority. As such, WOCCU will host another DBS technician during the week of October 24 at which time (1) 11 different Saccos will be visited and assessed for the appropriate type of software to be used, (2) software demonstrations will be given, and (3) conversion steps will be reviewed and technical questions answered. The goal of this visit is to schedule the first group of M E P Saccos to be converted to the DBS system shortly after the first of the year.

- ◆ *New Sacco Participant Diagnostics* - To date, 27 Saccos have been examined to determine their potential eligibility in the M E P. Two new Saccos have been diagnosed in this reporting period. One has been denied entry, and the other is still pending. See Appendix B for a current status report. Although WOCCU intends to add 5 additional Saccos to the Programme, the emphasis in recent months has been on supporting the needs of the existing 10 Saccos. The Sacco pending entry to the Programme has been given qualification preconditions and is expected to be admitted within the next month. One other Sacco will be evaluated in November for potential entry to the M E P.

- ◆ *WOCCU Staffing* - The WOCCU office is fully staffed and mostly trained. The former Financial Technical Services Officer's employment was terminated in June and a replacement was hired in mid-August. The FMDAP intern began her 10-month assignment with WOCCU on Sep 9. Both are extensively involved in accounting technical assistance, financial management monitoring & training and computerisation preparation.
- ◆ *Technical Release Series* - WOCCU has formalised some of its tools into a "technical release" series of short documents intended to introduce key subjects to the M E P 's participants. While many of the scheduled releases still need to be prepared, WOCCU will make this a continuing effort throughout the Programme. One entitled, "Credit granting to non-salaried members" is included in Appendix D. It mostly deals with granting credit to microentrepreneurs and discusses how rewards and penalties can be used in loan programme design to encourage the timely repayment of loans. These tools are carried by WOCCU's technicians when visiting Saccos and thoroughly explained to Sacco officials. Copies are also sent to the Ministry of Co-operative Development (MCD), KUSCCO and the Co-operative Bank.
- ◆ *Model By-laws* - The model by-laws were finalised in May and distributed to all M E P Saccos. All Saccos are now in the process of reviewing the document, revising some of the articles, meeting with WOCCU to discuss proposed changes, and setting up special membership meetings to formally adopt the document. Copies of the final draft of the by-laws were sent to KUSCCO, the Co-operative Bank and the MCD. Other Cooperative organisations are now in the process of drafting their own set of Sacco by-laws, including KUSCCO and the Kenya National Federation of Co-operatives (KNFC). It is also believed that the newly formed Federation for rural Saccos is also creating by-laws for rural-based co-operatives.
- ◆ *Office Relocation* - The WOCCU office was relocated in July to a larger, secure compound in Nairobi. All stakeholders in the M E P were notified of the move.
- ◆ *Sacco Work Plans* - All Saccos were provided work plans in recent months, and WOCCU staff visited each Sacco to explain the action steps contained in the plan and target completion dates. Each work plan is being monitored by a member of WOCCU staff. New work plans will be developed in November for each of the Sacco participants.

- ◆ *TSO Training* - Two of WOCCU's local technical services officers were in the U S from July 30 through August 30 for training. The marketing and credit administration technicians were trained by WOCCU, the Credit Union National Association, CUNA Mutual Insurance Co., the Pennsylvania Credit Union League and several credit unions in Wisconsin and Pennsylvania.
- ◆ *Traders Sacco Workshop* - A four-day Traders Sacco workshop was held from Oct 12 through Oct 15 in Nakuru for the three Traders Saccos in the Programme. Subjects covered during the workshop included (1) designing loan programmes which encourage timely repayment, (2) the model Traders Sacco, (3) effective governance, (4) credit granting, (5) loan recovery, (6) pricing, (7) key financial ratios, (8) marketing communications, and (9) member service standards. An agenda is included in Appendix E. Representatives from the MCD, USAID, KUSCCO and the Co-operative Bank took part in the workshop.
- ◆ *Programme Support* - Brian Branch, WOCCU's Director of Technical Services, made programme support visits the week of June 7 and on October 9. Programme strategy and implementation steps were reviewed.
- ◆ *Sacco Development Grants* - WOCCU has begun to disburse development grants to two Traders Saccos. Rachuonyo Traders received financial assistance to develop marketing posters while Masaku Traders received support on its relocation to a new office, the hiring of a marketing specialist for one year, and the development of marketing material.

Most development grants in the future will be used for helping with the computerisation of Saccos, a process which is scheduled to begin in early 2000.

- ◆ *Miscellaneous Activities*
 - ▶ The P D presented a "State of the Sacco Movement and its Implications on KUSCCO's Operations" address to KUSCCO's board.
 - ▶ A three-day strategic planning session was conducted for Egerton University Sacco.
 - ▶ The P D addressed Egerton University's AGM in April.
 - ▶ Meetings have been held with the Nairobi-based MESP Programme funded by the E U to discuss possible collaboration and possible on-lending to Traders Saccos.

III Accomplishments

The following is an update of the goals established in previous Programme reports and the status of each

Expected Accomplishment	Result	Comments
Financial and non-financial standards will have been recommended to KUSCCO and the MCD	In process	"Key" financial standards have been formulated and presented to some Saccos to test reactions They will be formalised in November and presented to all M E P participants
Training materials drafted	In process	Training materials have been completed in the areas of marketing communications, quality member care, pricing, key financial ratios, effective loan Programme design, credit granting and loan recovery Training material for governance is in development
Accountability plan for Sacco development grants	Completed	Accountability plans are included in individual Sacco contractual arrangements with WOCCU
Business plans will have been completed for 5 Saccos	Delayed	Less formalised plans are in place for each Sacco participant in the form of a work plan Long-term strategic plans will be developed later in the Programme
Produce new and improved tools for Saccos (e g microenterprise loan application, delinquency report, services brochure, loan register, guarantors' schedule, etc)	On-going	Most tools have been completed but the process will continue throughout the Programme
At least 5 Saccos will have received membership approval to adopt the WOCCU-developed model by-laws and will have registered them with the Registrar of the MCD	Not complete	All Saccos are in the process of reviewing the document and are in different stages of adopting it WOCCU is monitoring the ratification process
A Sacco computerisation strategy will have been finalised and put into place	Complete	Saccos will begin conversion to the DBS system in early 2000 Most Saccos, if not all, are expected to participate

Expected Accomplishment	Result	Comments
A new loan product will have been designed that will meet the needs of microentrepreneurs and other members that will contain a market rate of interest At least two Saccos will offer the product	Partially complete	<p>1 The "Instant" Loan Programme's design has been completed, but WOCCU has been unable to find the source of credit needed to introduce the new product It will continue its search for a provider</p> <p>2 The "Preferred Loan Programme" (PLP) was recently introduced to traders Saccos It is expected that all three traders Saccos will participate in the Programme</p>
Two new withdrawable savings products will be formalised and offered to Saccos At least two Saccos will offer the product	Partially complete	Design is continuing on time deposits and special-purpose savings accounts
At least 10 Saccos will have reconciled their members individual ledgers to their respective general ledger accounts and will have made appropriate accounting entries In addition, 10 Saccos will have established an "allowance for loan loss" account	Partially complete	<p>At least 4 Saccos have reconciled their individual ledgers and made the appropriate accounting entry The other 6 are in the process</p> <p>None of the 10 has set up an allowance for loan loss account</p>
Financial management training will be delivered to at least 5 Sacco management committees and senior staff members	Partially complete	Financial management training has been delivered to 3 Saccos
Work plans will be in place for all Sacco participants	Complete	This is an on-going process New work plans will be developed in November
The tools still undergoing development will have been completed	On-going	New tools are developed as the need materializes
At least two additional Saccos will be accepted into the Programme	Not complete	No new Saccos have been admitted to the Programme One is expected to be invited in November
Non-payroll-based Saccos will experience at least a 40% decrease in their contractual delinquency rates	Partially complete	While delinquency rates in traders and agricultural Saccos have decreased slightly, the solutions needed to ensure success have not been implemented until recently

Expected Accomplishment	Result	Comments
The draft of financial and non-financial standards will have been completed and communicated to the entire Sacco movement	Not complete	"Key" financial ratios have been identified and have been introduced to a small group of Saccos to test reaction

IV Future Programme Strategy

The following are seen to be Programme priorities and, as such, resources will be invested in these areas. Many of these priorities were named in the previous Programme report so only a brief summary will be supplied for each item

- ◆ **By-law revisions** - This process, which began in May, has progressed to the point that final adjustments are being made to individual Saccos' by-laws to better fit their concerns. Progress is being closely monitored by WOCCU to ensure that membership and the registrar's approvals are obtained
- ◆ **Accounting adjustments** - For the most part, institutional capital levels are being reported incorrectly because fundamental accounting issues have not yet been dealt with by Saccos. WOCCU has been actively pursuing the improvement of certain accounting-related items such as setting up an allowance for loan losses, reconciling subsidiary records with their respective controls accounts, etc. to better reflect the financial condition of each Sacco. This remains a high priority
- ◆ **New Sacco programme participants** - WOCCU is searching for additional Saccos to be brought into the programme but the primary focus still remains with developing existing participants. A schedule of Saccos to be visited and diagnosed as potential entrants has informally been prepared by WOCCU staff
- ◆ **Instant loan product** - Although the development of this product has stalled due to the unavailability of external funds, WOCCU sees this as a "key" component for increasing loan interest rates in employee-based Saccos. WOCCU will continue to search for a reliable source of funds
- ◆ **Computerisation** - It is expected that software conversions to DBS's eMerge software will begin early in 2000 and continue throughout the year. It is anticipated that most, if not all, of the M E P participants will convert to the new software

- ◆ **Preferred loan programme (PLP)** - The newly developed PLP is seen to be essential in reducing delinquency rates in non— employee-based Saccos, as well as helping increase their yields. WOCCU will concentrate on helping its traders Saccos implement the PLP.
- ◆ **Training** - Group training sessions, such as the one recently completed for the Programme's three traders Saccos, will be accelerated. Now that key areas for each Sacco have been identified and individual training and technical assistance has been delivered, WOCCU will use more group forums in the future. Important training areas include financial management, marketing to the Sacco's potential, new products, effective governance and character-based lending systems.
- ◆ **Traders Saccos** - Because Traders Saccos' business is 100% microenterprise related and the potential for impact is high, WOCCU will concentrate more of its resources among the three Traders Saccos in the programme. Areas of focus will include membership growth, computerisation, front office services, internal controls, proper pricing, character-based lending, member service and new products.

V Challenges

There are numerous challenges in Kenya that make it difficult to effectively implement the M E P , the two most important challenges are the deficient infrastructure of the country and the lack of funds available to formalise the "instant loan programme "

The infrastructure, which is an uncontrollable barrier, continues to plague the speed at which WOCCU is able to carry out its duties. Although road repairs have improved in the country, making travel safer and more feasible, power outages have become much more common and telephone systems continue to decline. Frequently, the Programme is unable to use e-mail systems and telephone communication for periods of two weeks or longer.

The need for external funds for employee-based Saccos remains. The strategy for the WOCCU-developed "instant loan programme" (ILP) requires that a commercial lending organisation provide funds to Saccos wishing to add an additional loan programme to their existing service offerings. If successful in accessing the funds, Saccos would be able to increase their loan rates and eventually, roll over their entire portfolios to gain a higher yield. Without an external lender, it is likely that most employee-based Saccos *will not* be able to increase loan rates, at least in the short term. Considering that

repricing loans is critical to a Sacco's ability to move forward, this challenge is vitally important to this Programme

VI Expected Accomplishments - Next Period

The following are seen to be Programme priorities for the next reporting period (1 Oct 1999 - 31 March 2000)

- 1 **Sacco by-law revisions** - At least 8 Saccos will have adopted WOCCU's model by-laws and have them registered with the Registrar for Co-operatives
- 2 **Computerisation** - A minimum of three Saccos will have converted to the DBS eMerge software
- 3 **Preferred loan program** - All three traders Saccos in the Programme will have adopted the incentive-based PLP to help reduce delinquency rates and increase loan yields
- 4 **Accounting issues** - Ten Saccos will have reconciled their members individual ledgers, established an allowance for loan losses, set up a capital reserve to prevent a Sacco from disbursing more than its earnings for the period, and other items needed to accurately reflect the proper institutional capital
- 5 **Additional Sacco participants** - At least 3 new Saccos will be admitted into the Programme
- 6 **Delinquency control** - All traders Saccos will have experienced a reduction of at least 50% in their delinquency rates
- 7 **Front office operations** - A minimum of two Saccos will have begun front office services which will include withdrawable savings services
- 8 **Instant loan Programme (ILP)** - A commercial source for external funds will have been found to help support the ILP. If one is not found, an alternative strategy for increasing loan rates will have been formulated
- 9 **WOCCU Monitoring System** - A new, improved PEARLS monitoring system will have been put in place early next year

Appendix A Program Goal and Purpose¹

The goal of the grant is to convert a group of existing, already sustainable credit unions into highly effective providers of microfinance services to an expanded group of microentrepreneurs

The purpose is to strengthen the management and administration, and improve the quality and variety of financial services offered by a group of 15 Kenyan credit unions using WOCCU's "model" credit union development methodology. Management and institutional development will target changes in operating policies (e.g. loan and deposit interest rates, provisioning and delinquency control, and the variety of savings and loan services, etc.), improvement in MIS and reporting systems, and actions to expand credit union markets by field of membership or common bond expansions. Financial development will emphasize the delivery of credit and other financial services to the micro- and small-scale businesses that populate Kenya today.

¹ Attachment 2B, "Program Description" to USAID grant agreement #PCE-A-00-00050-00

**Appendix B· Status Report of
SACCO Diagnostics
as of 28 September 1999**

Sacco Name / WOCCU Decision		
Diagnostics Completed		
No	Yes	Pending
Womens Trust	Kite	Comoco
Gusii Mwalimu	Egerton	
Ndetika	Limuru Traders	
Wakarimu	Masaku Traders	
South Imenti	Rachuonyo Traders	
Mwea Rice	Bandari	
Mombasa Port	Kilifi Teachers	
Kwale Teachers	Kipsigis Teachers	
Mt Kenya Investors	Mungania Tea	
Research Tea	Nassefu	
Aberdare Farmers		
Ebony Traders		
Mombasa Teachers		
Sukari		
Pabco		
Nafaka		
16	10	1

Appendix C World Council of Credit Unions Technical Release #L199907

Subject Instant Loan Programme - (A New Loan Product for Kenyan Saccos)

Date July 1999

The following are operational considerations for implementing a new type of member service - instant loans. With the instant loan programme, members will be able to access loans for any purpose without waiting in a queue. At the same time, the Sacco will be able to increase its yield on its loan portfolio to further support expansion of member services.

- I **History** - World Council of Credit Unions, Inc (WOCCU) has been operating in Kenya for about 1½ years. During this time, it has conducted several market surveys dealing with members' needs. In general, the findings of the surveys were the following:
 - ▶ The demand for credit exceeds the supply
 - ▶ A queue for accessing loans exists at most Saccos, with waiting periods ranging from 1 month to almost 1 year
 - ▶ Members are willing to pay higher interest rates in order to access loans quickly
 - ▶ Members are willing to pay higher interest rates for larger loans
 - ▶ Particularly with microentrepreneurs, short-term loans (1 week - 4 months) are in great demand

 - II **Loan Yield Constraints** - Most Saccos in Kenya charge 12% per annum on loans to members, even though interest rates have been deregulated in Kenya for several years. This rate is not consistent with the market and frequently is inadequate to sustain the Sacco (build institutional capital). The low rate further helps to constrain the Sacco's ability to move forward with new member services, computerisation and maintaining a staff of quality personnel, because of low margins.

 - III **Solution** - WOCCU has developed a new loan product for Kenyan Saccos that is designed to:
 - ▶ Provide members with immediate access to loans
 - ▶ Increase the interest rate yield to the Sacco to bring it closer to the market rate yield
-

- ▶ Support higher margins for the Sacco so that it may expand and introduce new services to its members
- ▶ Gradually change the method by which credit is granted to members, so that loans are channeled to those members who are most creditworthy
- ▶ Support the needs of microentrepreneurs (small business owners)
- ▶ Give members another choice in satisfying their credit needs

IV *Instant Loan. General Description* - The instant loan product is a regular loan which can be accessed by members within a few days after applying and contains the following provisions

- ▶ The repayment term may be from 1 week to 24 months
- ▶ The interest rate charged to members is market-based and will reflect the Sacco's cost of raising the funds, as well as its operational costs and provisions
- ▶ Security used may be guarantors or real collateral (log books, title deeds, etc) or any combination thereof
- ▶ The maximum loan amount is based on the applicant's income (singly or jointly with his/her spouse)
- ▶ The Sacco may set a maximum loan amount which may or may not be related to the member's share balance
- ▶ The loan can be used for any purpose

V *Methodology* - With the instant loan programme, interested members apply using special loan application forms and agreements. Once properly completed, the member submits the form to the appropriate staff member for processing. The staff member completes the pre-processing before it is passed to the credit committee or other approving authority. The approving authority then acts on the application and authorises payment if approved. The loan is then disbursed. The time from the application until the member receives his / her check should not exceed one week and, ideally, should be within 3 to 5 days.

This methodology infers that several operational issues have been put in place *before* the programme is formally offered. First, the methodology and routing systems of the paperwork need to be worked out in detail. Second, staff needs to be trained. Third, the approving authority (e.g. credit committee) must be made available so as to turn around loan requests quickly.

VI *Funding the Instant Loan Product* - The instant loan may be funded through members' savings and external credit, but it is expected that in the early stages of the programme, there will be greater dependence on external credit.

The strategic approach, however, should be that an aggressive savings mobilisation should, as early as possible, be put in place to reduce or eliminate the need for external credit. In Phase I of the programme, it is expected that the Sacco will have to establish a line of credit with its corporate bank. It is recommended that the line be equal to 25% of the Sacco's total assets. Through this arrangement, the Sacco in most cases would be able to meet the loan demand from its members for the new instant loan product. In Phase II, an aggressive savings mobilisation programme would be put into place. If the Sacco already has front office operations, new savings products could be introduced, and a strategic marketing plan could be developed and implemented. WOCCU could assist in the savings mobilisation effort by conducting member surveys, working with Sacco staff to develop new products, forming a marketing strategy, creating brochures and other promotional material, etc.

VII External Loan Funding - The best type of loan to help fund the instant loan product is a revolving line of credit or overdraft protection. Through this arrangement, the Sacco will know its limits and will be able to access credit quickly. Most of the time, the credit provider will "float" the interest rate, that is, it will not be fixed for a period of time but will follow market interest rates and adjust from time to time. This fluctuating rate scenario suggests that the Sacco *should not* make long-term loans to members nor fix the interest rate. It also implies that the Sacco *must* charge an interest rate on its instant loans to members that will cover its cost of funds (bank line of credit), operational costs, loan losses and a contribution to the surplus. Repayment frequency should replicate the Sacco's cash flow. If the Sacco has a monthly check-off system, then monthly repayments should be made to the bank. If the Sacco receives most of its cash flow based on members harvesting their crops, the frequency of repaying the bank loan should mirror payments and deposits from members.

VIII Pricing the Instant Loan Product - The rate charged to members accessing instant loans should (1) cover all of the costs of providing the credit as specified above, (2) be easy for the Sacco staff to administer (compute), and (3) be simple for members to understand. An example follows. As of July 1999, many bank overdraft rates were about 24% per annum. In addition, there will be some loan losses. Let's estimate that the annual rate is about 1%. Operational costs (staff salaries, supplies, etc.) will vary from Sacco to Sacco but again, let's estimate the cost to be about 8%. Finally, we need to contribute to our reserves for sustainability - another 2%. If we add up the costs, the rate to be charged to members will be 35% per annum (24% + 1% + 8% + 2%). To easily administer it, it would be better to round up the rate to 36% per annum, or 3% per month. *It is*

critical that the Sacco considering the instant loan product cover all of its costs This is not a 12% per annum nor a subsidy programme It is a way of channeling credit to members who choose to borrow without waiting in a queue

- IX *Repayment Term*** - Repayment terms on the instant loan to members should be kept short to promote turnover of cash and to meet members' demand for this new product The maximum repayment term that should be considered is 24 months In cases where members' needs are for shorter-term loans, repayment schedules should be reduced accordingly Because of this set up, members will only borrow to take advantage of particular opportunities or fund projects where the cash flow is high
- X *Security (Collateral)*** - Security for instant loans can be the traditional security taken by the Sacco, or the Sacco may choose to expand the types of collateral considered If guarantors are used, it is highly recommended that they only be able to guarantee amounts for all borrowers signed for equal to their individual share balances To monitor this, a guarantor's register needs to be maintained Contact WOCCU for a sample form and technical assistance on how to use it If other forms of collateral are to be considered, the Sacco would need to identify those items that it will consider as security and find out how to perfect its security interest
- XI *Accounting Considerations*** - It is recommended that separate general ledger accounts be set up for "instant loans" (an asset account) and "interest on instant loans" (an income account) That way, yields can be calculated quickly and accurately, growth can be assessed and other monitoring functions can measure the effectiveness of the new member service If set up properly, the segregation of these two accounts will extend into the cash books, with separate accounting columns needed, and to the source documents (e g receipts, collection sheets, etc)
- XII *Cash Flow Management*** - To maximize earnings, the Sacco should borrow as little as possible for the instant loan programme and, if it does need to borrow, should pay it back as quickly as feasible External credit is more expensive than savings mobilised from members Because of this, the net surplus is reduced by the difference in the cost of funds That is why a revolving fund is more attractive than a fixed loan programme With a fixed loan programme, the Sacco applies and receives a lump sum While it is faced with disbursing the money to members in a fair and expedient manner, interest costs are mounting With an overdraft or line of credit loan, the Sacco only borrows what it needs, when it needs it The

overall interest cost is reduced in this type of borrowing assuming that rates are fairly equal

XIII Forms - There are several new forms that may be needed to implement the instant loan programme. They include the following and may be obtained from WOCCU. In some cases, WOCCU may provide technical assistance to your Sacco to help develop the forms needed

- ▶ An instant loan application and agreement
- ▶ A transaction source document for receipting and disbursing
- ▶ A cash book with appropriate accounting columns
- ▶ Two distinct general ledger pages - one for assets, the other for an income account
- ▶ Members' payment slips when members are paying through the front office
- ▶ A teller's tally sheet
- ▶ Field officers' collection sheets
- ▶ A revised or new member's ledger record
- ▶ Other forms, depending on the needs of the Sacco

XIV. Committee Policies - The Committee needs to formalise the loan programme by adopting certain policies to aid staff in the implementation and to communicate the rules to members. Policies that may need to be created include, but are not limited to, the following

- ▶ Maximum loan amount
- ▶ Maximum repayment term
- ▶ Collateral considered
- ▶ Minimum waiting time before a member may become eligible for loan
- ▶ Interest rate policy (e.g. margin required over the cost of funds)
- ▶ Amount of loan origination fees, if any
- ▶ Fees for late payments
- ▶ Controlling guarantors' liabilities
- ▶ Frequency of credit committee / loan officers meetings
- ▶ Underwriting procedures (personal reference checking, documenting history of savings habits, income verification, certifying the credit record, computing debt ratios, inspecting collateral, verifying home / business location, etc.)
- ▶ Who is authorised to act on loan requests from staff, credit committee and CMC?
- ▶ If a member's loan is rejected, what appeal process is available?
- ▶ Maximum number of loans a member may have at any one time with the Sacco
- ▶ Refinance policy

- ▶ Non-preferential treatment for Committee and staff
- ▶ Other areas as needed

XV Marketing Considerations - Once all parts of the programme have been put in place, it is time to tell your members about this new and exciting loan product. To do this, the Sacco should first determine which members or potential members are to be targeted. A likely group is one which is waiting in the queue for another type of loan programme offered by the Sacco. You may reach this group or your general membership through

- ▶ “Instant Loan” brochures which outline the benefits of the programme and how to obtain one
- ▶ Posters placed within the Sacco office or strategically located on the sponsor premises or in an area in which the targeted group may congregate
- ▶ Newsletter articles highlighting the new service
- ▶ Banners located within and outside of the Sacco office
- ▶ Hats, tee shirts or buttons worn by staff announcing the new service
- ▶ Member educational sessions
- ▶ AGM or special meeting announcements
- ▶ Presentations at civic group meetings in the area

XVI Problem Resolution - The following issues related to the instant loan service are raised now so that potential solutions can be worked out before they arise. The problem is listed first with the proposed solution following.

Problem *Although we have arranged for a line of credit or overdraft facility from the bank, the demand still exceeds the supply of funds*

Solution In most cases, this can be alleviated by negotiating a high credit line with the bank at the outset. If this amount is still inadequate, the Sacco should look for other sources of funds such as offering fixed-deposit accounts to members at an interest rate that is high but less than the bank overdraft rate. An aggressive savings mobilisation programme should be put into place shortly after the instant loan programme has been introduced.

Problem *Members are complaining about the high interest rate charged on instant loans*

Solution There are two answers to this complaint. First, it is understandable that the rate charged to members is higher - the Sacco's costs are higher. Borrowing from the bank is expensive, and the Sacco needs to recoup its expenses from the

service it offers. Second, this new loan programme does not take anything away from members. On the contrary, it adds another choice for them. If a member does not want to borrow using the instant loan programme, he / she can join the queue for the other loan programmes and pay the lower rate charged on those loans.

Problem Members are complaining that members of the CMC and staff are receiving their instant loans first.

Solution While not required, it is a good idea for the official family (i.e. CMC, staff, supervisory committee) to not borrow under this loan programme for at least three months after it has been introduced. This action would help alleviate criticism and demonstrate to members that it was introduced to serve their needs and not the needs of the official family.

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Instant Loans Product: A draft design matrix

	New Loan Product	Existing Loan Products		
<i>Characteristic</i>	<i>Instant loan</i>	<i>Development loan</i>	<i>Emergency loan</i>	<i>School fees loan</i>
Maximum repayment term in months	12 - 24	36	12	10
Maximum loan amount	Based on 2/3 rule & collateral	2X - 3X shares	Specific amount	Based on 2/3 rule
Collateral	Full collateral - shares, guarantors & other collateral	Full collateral - shares & guarantors	shares & guarantors	shares & guarantors
Loan application	New - with more character information	Standard	Standard	Standard
Loan agreement	New	Standard	Standard	Standard
Interest rate	Bank O/D rate + required margin	Standard rate	Standard rate	Standard rate
Interest computation method	Standard - declining balance or flat methods	Standard - declining balance	Standard - declining balance	Standard - declining balance
Waiting period	None	Queue	normally none	one month s notice
Initial qualification period	6 months	6 months	6 months	6 months
Repayment rule	2/3 rule based on family income if both parties sign	2/3 rule based on member only	2/3 rule as a guideline - some exceptions allowed	2/3 rule based on member only

	New Loan Product	Existing Loan Products		
Characteristic	Instant loan	Development loan	Emergency loan	School fees loan
Signers to loan	Spouse optional if family income is to be considered	Member only	Member only	Member only
Purpose of loan	Any - possible M/E loan	Any - possible M/E loan	Death, illness, court fees	tuition, uniforms books

Strategy for shifting to higher yielding loan products

- 1 Negotiate credit line with local bank Amount should be large enough to meet demand
- 2 Design new loan products Concentrate on how new products fit into the Saccos' current range of offerings They should be set up in a manner which encourages members to choose the new products A loan product matrix should be created to ensure that the new products complement current offerings The matrix should include the name of the loan product, effective annual interest rate, maximum loan amount, maximum repayment term, collateral required, etc
- 3 Work out the technical issues Determine how interest is to be charged and posted to the members' account records If different loan processing is needed, work out the details Create new forms, if required
- 4 Train staff Inform them about all of the features and workings of the new product(s) Make sure that they have a thorough understanding so that they are able to fully explain the products to members
- 5 Develop a brochure outlining the new product offerings In it, explain to members the workings of the account, the conditions, and the benefits
- 6 Complete a marketing plan that may include the following (1) creation of posters to be used in the Sacco office and at sponsor locations, (2) hanging a prominent banner outside the Sacco introducing the new product(s), (3) holding educational sessions for members, (4) Sacco newsletter articles, (5) cross-selling by reception and loan personnel, (6) newspaper advertising, and/or (7) direct member contact by field agents
- 7 Introduce new loan product(s) to the public
- 8 Create new savings products such as school fees, holiday, medicare, SASA, time deposits, etc
- 9 Work out the technical issues related to the new savings product(s)
- 10 Train staff
- 11 Hold educational sessions with members on the benefits of saving
- 12 Develop brochure for savings products
- 13 Complete savings marketing plan
- 14 Introduce new savings products to members

Appendix D Technical Release Series

Technical Release #L199909

Subject Credit granting to non-salaried members

Date September 1999

I *General*

Granting credit to members who do not deposit into savings / share accounts or do not repay loans through payroll deduction, are special challenges and present new considerations for the Sacco. In general, Saccos which are not employee-based experience higher delinquency (defaulter's) rates than those which are and thus have the benefit of payroll deduction (check-off) systems. In Kenya, WOCCU has seen delinquency rates as high as 80% for these Saccos.

The reasons for these high rates are numerous, and many will not be discussed here because they are beyond the scope of this paper. Generally, high delinquency rates can be due to such things as, (1) a poor economy, (2) natural disasters, (3) a lack of an institutional delinquency identification system, (4) poor loan underwriting, (5) the absence of an effective delinquency follow-up system, (6) inadequate credit & collection policies, etc. This release will touch on a few of these issues. It will address proposed solutions for these problems, concentrating on rewards and penalties for the timely repayment of loans, namely "carrots & sticks".

II *Approach*

Setting up a loan programme must be well thought out. What policies and practices have been incorporated into the system to help ensure timely repayment? In fact, a Sacco needs to ask an even more basic question, such as "Why do people repay loans?" As fundamental as the question is, it is one of immense importance. Of course, there are many reasons why people repay debt, including a sense of a moral obligation, religious convictions, social responsibility, etc. But research has shown that the one, overriding reason that people repay their loans is to obtain *future value*. Future value means that one can derive a benefit sometime in the future from an action taken today.

III *Current Sacco loan programmes*

Most credit granting and recovery systems in place today in Kenya have not addressed the issue of future value. As such, they have been structurally set up without incorporating useful policies and pricing. In most Saccos in Kenya today, there is little or no incentive for members to repay their loans on time. *If* the Sacco charges the same rate on all of its loans, *if* it lends the maximum amount tied to a multiple of the member's share account, and *if* the Sacco will lend to the member on the same terms and conditions on a new loan regardless of how the member repaid his/her existing loan, *then* there is no incentive for the member to repay the existing loan on time. The future value is the same whether or not he/she has repaid the loan early, on time or late. In essence, the Sacco system has said to the member "there is *no benefit* to repay the loan as originally agreed to. Pay when you want to - it won't affect your ability to obtain future loans, nor the cost."

IV *The remedy*

The answer to this dilemma is to structure a lending programme with certain characteristics present, to encourage the type of behavior sought. The two groups that are most motivating are categorized as "carrots" and "sticks." "Carrots" are incentives or rewards put into the lending system to encourage members to act in a certain manner. In this case, it is to pay their loans on time. "Sticks" are penalties for not repaying on time - consequences to certain actions or non-actions. Sometimes, it is difficult to distinguish between a carrot and a stick, but the result of either approach encourages some type of favorable behavior modification. When combined in an integrated policy, carrots and sticks provide a powerful means to get members to act in a certain way.

V *"Carrots" - The rewards*

The incentives referred to above can take on many looks, however, when determining what types of carrots should be put into a credit-granting system, the Sacco should find out what members value most. Likely, members would like it if they would be able to (1) get their loans quickly, (2) get loans in the amounts they want, and (3) obtain loans at the lowest interest rates possible. When structuring the rules or policies of lending, the committee needs to take these values into account. Some examples of carrots follow.

Interest rate carrots

- ◆ Have a preferential or base lending rate. If the member pays the existing loan on time, he/she may borrow again at the preferential rate.
- ◆ If the member repays his/her loan late, the interest rate is increased for the next loan. In this way, there is a significant benefit to the member if he/she pays on time.
- ◆ If the member still repays his/her loan late with the new loan, the interest rate is increased again for the next loan.

Loan amount carrots

- ◆ Establish a share multiple that is considered preferential and for on-time payers only.
- ◆ If a member fails to pay his/her loan on time, the next loan may be given on the basis of a lower share multiple.

Loan availability carrots

- ◆ If a member repays his/her loan on time, he/she may skip ahead of those members who did not repay on time and move to the front of the queue for his/her next loan. Delinquent payers remain in the queue and move ahead only when on-time payers have been served.
- ◆ If the Sacco has serious doubts about the recovery of a future loan or believes that loan recovery would be difficult or too costly to administer, then the Sacco may deny a new loan request at any time.

Recognition carrots

- ◆ On-time payers would be recognised at the Sacco's AGM or another meeting, and their names would be posted on the notice board at the Sacco. The Sacco would need to respect confidentiality and should check with the member first before implementing this idea.

VI “Sticks” - The penalties

If carrots don't work, there are always the sticks. These are the consequences to the member for not repaying the loan on the terms originally agreed upon. The Sacco should always remember that a loan agreement is a mutual promise. The Sacco agrees to lend the money stipulated in the loan contract. The member agrees to repay it according to the terms outlined in the agreement. Once the Sacco lives up to its promise, the member *should be expected* to do the same. As such, Sacco management should not feel ashamed nor timid in asking the member to live up to his/her promise. After all, other members are waiting for loans, and the non-payment or late payment by one member adversely affects waiting members, because they are unable to get their loans as quickly or in the amounts they would like.

Sticks are powerful incentives to repay on time *if they are routinely enforced*. Those members that do not respond to carrots need to know that there are consequences to their actions. The consequences are the sticks outlined below. If the Sacco implements the sticks on a regular and disciplined basis and without exception, members will quickly understand that the Sacco is insistent on the timely repayment of loans. They will learn that repaying loans on time is not an option, but mandatory.

Examples of Sticks

- ◆ *Late charges* - Charges levied on members for late payments can be assessed after the loan payment is a specific number of days past due. The charge is typically a percentage of the monthly payment amount or loan balance (e.g. 1% per month on the unpaid loan balance).
- ◆ *Repossession* - The actual repossession or even the threat of some of stock, inventory, equipment, and other goods needed to run one's business is a powerful motivator to pay. Before implementing this type of collection activity, the Sacco should check with its solicitor to ensure that this is a legal practice and that it is properly following laws relating to repossession. *Note* It may be necessary to alter loan forms in order to put this practice into place.
- ◆ *Guarantors* - Guarantors can help the Sacco recover its delinquent loans by informing them that they are responsible for the debt on which they co-signed. Through peer pressure, delinquent borrowers are often encouraged to repay. Guarantors should continually be kept abreast of the status of the loan(s) they have guaranteed, to enlist their help in recovering past-due.

amounts. At the same time, the Sacco should inform the guarantor that non-payment by the borrower may mean that the guarantor's shares will be confiscated and applied to the delinquent loan balance. If any balance remains, he/she is legally obligated to pay the debt.

To help mitigate the risk of guarantors overextending themselves, the Sacco should keep a guarantor's register and limit the extent to which they can guarantee, so that it does not exceed the value of their share accounts.

- ◆ *Public embarrassment* - This "stick" is one that has been used effectively, but each Sacco should judge its appropriateness given its circumstances. Public embarrassment may mean posting the names of delinquent borrowers on the notice board within or outside of the Sacco office, announcing their names at the AGM or other meeting, etc. If the Sacco elects to use this method, it needs to decide at what point it is going to publicly reveal the names of its debtors. It may adopt a policy that a member must be 90 days or more past due before doing so.
- ◆ *Solicitor* - The services of a solicitor may be sought to help in recovering past due amounts through written or verbal demands, but the service is usually costly. This type of recovery system should be used only when the Sacco has exhausted less costly, more effective methods of collection.
- ◆ *Court Action* - Court action is usually used as a final method of recovery. In general, it is a slow and expensive process and normally does not benefit the Sacco. If the Sacco is considering court action, it needs to do a cost/benefit analysis. Will the benefit derived from this course of action exceed the costs paid to recover the debt?
- ◆ *Loss of Membership Privileges* - While less threatening, some members may pay off their loans if they know that they will lose their voting rights or the privilege of serving on the Committee or staff of the Sacco. These rights, which are basic to the cooperative model, may be a positive motivator for on-time loan repayment for some members. The WOCCU model by-laws addresses this issue and only retains members' rights for only those considered in "good standing."

VII *A Sample Loan Programme*

Having discussed carrots and sticks above, the following is an example of a comprehensive loan recovery programme and one that should be considered by community-based Saccos

- ◆ *First-time borrowers* - New borrowers would obtain their first loan at an annual flat rate of 20% equal to 2x shares with a normal waiting time in the queue. If the member repays this loan on time, he/she advances to the Preferential Loan Programme. If the member does not pay on time, the member may be given another loan at a flat annual rate of 25% equal to 2x shares with the normal waiting time in the loan queue. In this example, the rate goes up while the multiple of shares remains the same.
- ◆ *Subsequent loans (late repayment)* - If the second loan is repaid late, the Sacco has the option of rejecting the new loan request entirely or granting another loan at a flat annual rate of 30% equal to 1.5x shares with the normal waiting time in the loan queue. In this example, the rate goes up again and the loan multiple goes down, so that the member is restricted from borrowing the maximum allowed an on-time payer.
- ◆ *Preferential loan programme (PLP)* - Each member would be able to qualify for the preferential loan programme after he/she has repaid his/her first or subsequent loan back without being past due 30 days or more on any payment throughout the course of the loan. In the PLP, the member would be able to borrow up to 2x his/her share account, jump to the front of the queue (if one exists), and receive the PLP annual flat interest rate of 15%. Loan rates for the PLP would be reviewed on a regular basis by the CMC and adjusted to fit market conditions and the costs connected with delivering the credit.
- ◆ *Right of refusal* - Under this programme, the Sacco is entitled to deny a member's loan request if (1) the borrowing member grossly abuses the borrowing privilege by consistently repaying late and making the Sacco expend considerable human and financial resources in order to recover the loan, or (2) due to the nature of the borrower's circumstances, the Sacco is put at extraordinary risk by granting the credit.

The design of this sample loan programme attempts to use the incentive and penalty components listed here. If a member pays on time, he/she will (1) receive a larger loan, (2) get the loan quicker (by jumping the queue), and (3) receive it at

a better rate than other borrowers. By repaying on time, he/she will also not have to deal with the penalties listed here.

A sample flowchart is attached to this release to illustrate how the PLP works.

VIII *Committee / Staff Education*

To ensure the full benefits of the PLP, the Committee and staff of the Sacco should be fully knowledgeable of the workings of the programme. This needs to happen *before* it is introduced, so that members of the official family can answer all questions from members.

IX *Member Education*

While the components of the PLP are sound, members need to be told about the policies of the Sacco and educated on how they can benefit by repaying their loans on time. To implement an effective loan recovery system but not educate members on its benefits is like owning a business having a great product to sell but not telling your customers about it. The result it will fail. Member education can come in many ways but, at a minimum, members must be told about the PLP and its workings *before* they receive their loan. The goal with the PLP is behavior modification. This can only take place if members fully understand the benefits afforded them.

Member education can take place on an individual or group basis. On an individual basis, members can be instructed by loan officers how the PLP works. If a Sacco normally disburses loans on a monthly basis, group meetings may be more appropriate. In addition, announcements should be posted on notice boards where members are expected to congregate. Copies of loan policies dealing with the PLP should be given to both each new and borrowing member.

X *Disclosure of Loan Terms*

To help members understand their obligations, a loan disclosure document should be given to each member receiving a loan. On it, the following minimum information should be contained and fully explained to the borrowing member.

- ◆ Date of loan

- ◆ Date when first payment is due
- ◆ Day of month when subsequent payments are due
- ◆ Amount of monthly (weekly) payment
- ◆ Security for loan, if any
- ◆ Consequences for not repaying on time

XI *Advantages of the PLP*

There are several distinct advantages for Saccos adopting a PLP approach to lending. They include the following:

- ◆ *Loan yields will increase* - With the system as outlined, the “preferred” rate is the one now given to all borrowers in the Sacco’s existing lending programme. By raising the rate to late payers, the effective yield to the Sacco increases.
- ◆ *Delinquency rates will decrease* - Because members will see that there are valuable and tangible benefits for repaying loans on time, delinquency rates will fall.
- ◆ *Collection costs will decrease* - With more members repaying on time, costs of collection will be reduced. Staff follow-up, repossession and legal costs will decrease over time.
- ◆ *Lower loan losses* - With the PLP approach, the Sacco’s lending programme will sustain lower losses and change “entitlement” lending to a more character-based approach by denying loan requests from members that will be too costly to administer or where the probability of collection is low. A shift to lending to more quality members takes place.

XII *Summary*

When a Sacco does not enjoy the convenience and safety of a payroll check-off system, it needs to be more creative in structuring its policies and rules relating to its loan programmes. This includes determining what motivates members to repay their loans and to design the Sacco’s products to encourage the prompt return of its loans to members. The sample PLP as outlined in this technical release will accomplish several objectives. First, it helps reduce delinquency rates. Second, it encourages the rapid turnover of cash so that more members are better served.

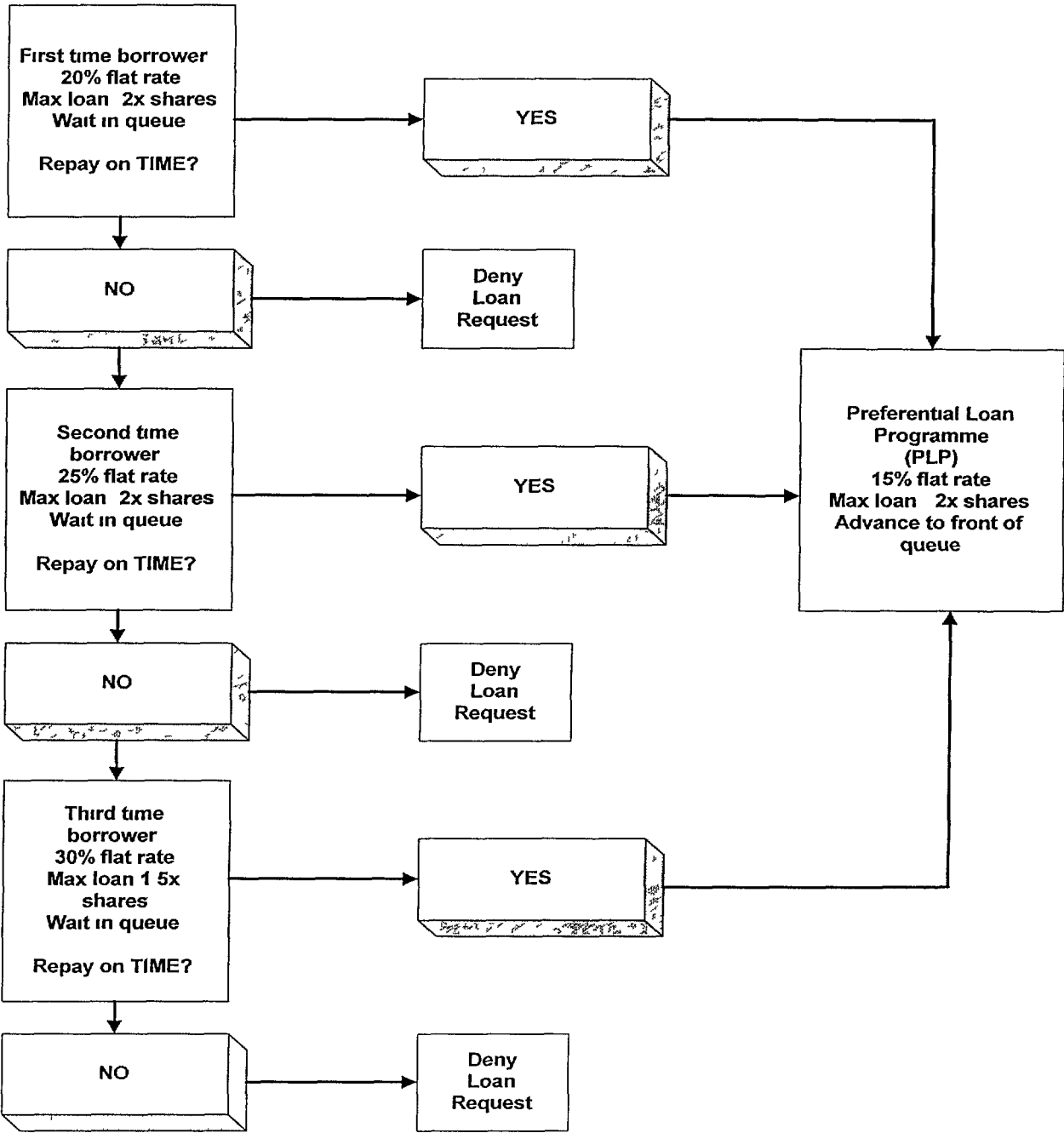
with loans. Third, it decreases costs of collection and provisioning for doubtful loans. Finally, it increases the Sacco's loan yield so that it is able to build institutional capital better.

The sample PLP presented in this release can be changed to fit a Sacco's particular needs, but Sacco leaders need to determine in advance what the likely reaction will be from their members. Members will always act in their own best interests. This needs to be taken into account in designing a PLP. Also, it is important that the PLP be a well thought out, integrated programme. "Carrots" & "sticks" need to work hand in hand and not against each other.

The technical release series is a group of technical papers drafted by the World Council of Credit Unions/Kenya on various topics relating to Kenyan Saccos. The intended use of these releases is to inform and educate Saccos on ways of improving their operations to better serve members. Any use or reproduction of this release by parties other than the World Council requires the written permission of the World Council of Credit Unions / Kenya.

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PREFERENTIAL LOAN PROGRAMME (PLP)



**Appendix E World Council of Credit Unions
TRADERS WORKSHOP
Tue, Oct 12 through Fri Oct 15
Midland Hotel, Nakuru**

Day Tue Oct 12 - Time 5 00 p m - 7 00 p m

Welcome, Opening Prayer, Introductions

Presentations (each presentation to last a *maximum* of 20 minutes)

- ◆ S M Oletotona, Ministry of Co-operative Development
- The MCD's view on Traders SACCOs and how the new law affects them
- ◆ Zachary Ratemo, USAID
- Microfinance Its importance to the Kenyan economy and how SACCOs can play a part
- ◆ Esther Mutai, KUSCCO
- The state of SACCOs in Kenya today
- ◆ M D's representative, The Co-operative Bank of Kenya
- The Bank's view on Traders SACCOs and how it will support them
- ◆ Robert F Lestina, WOCCU
- The challenges of running a Traders SACCO today

Day Wed Oct 13 - Time 8 00 a m - 10 00 a m

Individual SACCO presentations (each presentation to last a *maximum* of 30 minutes)

- ◆ Limuru Traders
- ◆ Masaku Traders
- ◆ Rachuonyo Traders

Content

- ▶ The SACCO's background
- ▶ Member services offered
- ▶ The general mode of operating - how members are served (e.g. do members come to the SACCO to make payments or does the SACCO have field officers who make collections?)
- ▶ The main challenges facing the SACCO
- ▶ How the SACCO is overcoming the challenges
- ▶ Your vision for the SACCO
- ▶ The steps you are taking towards realizing this vision

Time 10 00 a m - 10 30 a m Tea

Time 10 30 a m - 1 00 p m

The model Traders SACCO - R Lestina, WOCCU

- ◆ The model Trader's Sacco - what does it look like?
- ◆ Challenge Timely repayment of loans
- ◆ Challenge Effective Governance (The roles of stakeholders)
- ◆ Challenge Accounting and financial management
- ◆ Challenge Savings mobilisation

Time 1 00 p m - 2 00 p m Lunch

Time 2 00 p m - 4 30 p m

Credit granting - B Mugo, WOCCU

- ◆ Lending Challenges
- ◆ The Loan application
- ◆ Loan appraisal and granting process

Time 4 30 p m - 5 00 p m Tea

Time 5 00 p m - 7 00 p m

The Model by-laws - R Lestina, WOCCU

- ◆ Major governance changes - empowering CMCs
- ◆ Full Disclosure
- ◆ Members' rights & obligations

Day Thurs Oct 14

Time 8 00 a m - 10 00 a m

Loan recovery - B Mugo, WOCCU

- ◆ Preamble
- ◆ Why borrowers repay their loans
- ◆ Identifying quality borrowers and delinquent loans
- ◆ Setting up effective delinquency control system
- ◆ Methods of loan recovery

Time 10 00 a m - 10 30 a m Tea

Time 10 30 a m - 1 00 p m

Financial management - J Njiraini & E Cala, WOCCU

- ◆ What is pricing for SACCOs?
- ◆ What products do SACCOs have to price?
- ◆ Why a SACCO has to price its products correctly
- ◆ Factors to consider when setting prices
- ◆ Types and methods of pricing
- ◆ What is a ratio and why it is important?
- ◆ The most important ratios for a SACCO
- ◆ Determining / computing / using the ratios
- ◆ The ratios to achieve the best results

Time 1 00 p m - 2 00 p m Lunch

Time 2 00 p m - 5 00 p m

Financial management (Continued) - J Njiraini & E Cala, WOCCU

Time 5 00 p m - 7 30 p m

Effective Governance - R Lestina, WOCCU

Day Fri Oct 15

Time 8 00 a m - 10 00 a m

Communication skills - K Mundia, WOCCU

- ◆ Why communicate?
- ◆ The communication process
- ◆ Patterns of communication
- ◆ Barriers to communication
- ◆ Overcoming barriers

Time 10 00 a m - 10 30 a m Tea

Time 10 30 a m - 12 30 p m

Customer service - K Mundia, WOCCU

- ◆ Why it is important?
- ◆ Member focus
- ◆ Elements of customer service
- ◆ Telephone tips
- ◆ Handling irate members

Time 12 30 p m - 1 00 p m

Closing remarks - R Lestina, WOCCU

Time 1 00 p m Lunch and departure

Appendix F Sacco Financial Reports

Individual Sacco Reports

- 1 Bandari
- 2 Egerton University
- 3 Kilifi Teachers
- 4 Kipsigis Teachers
- 5 Kisumu Teachers
- 6 Limuru Traders
- 7 Masaku Traders
- 8 Mungania Tea Growers
- 9 Nassefu
- 10 Rachuonyo Traders

Consolidated Report

Table 1A - Financial Services - Simplified Activity and Financial Statement in Local Currency and US\$

Note to Reader

The PEARLS summaries contained in this report reflect the financial condition of the M E P Saccos as of 30 June 1999. Because most Saccos *do not* accrue income and expenses (mostly expenses), the results are skewed. In most cases, the following areas are affected:

- Net income is overstated because the cost of dividends has not been accrued
- The cost of funds is understated
- Institutional capital is overstated because net income is inflated due to the non-accrual of dividends. The corresponding capital ratio is also overstated

Bandari Sacco

ANNUAL
GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
Number of Credit Unions Represented in this report	1	1	1	1	1	0	
NUMBER OF MEMBERS & USERS							
Men (Members)	0	0	0	0	3,177	0	0.00%
Women (Members)	0	0	0	0	407	0	0.00%
Gender Not Reported (Members)	3,920	3,987	3,882	3,689	0	0	0.00%
TOTAL NUMBER OF MEMBERS	3,920	3,987	3,882	3,689	3,584	0	0.00%
Youth	0	0	0	0	0	0	0.00%
Third Parties/Groups	0	0	0	0	0	0	0.00%
TOTAL NUMBER OF USERS	3,920	3,987	3,882	3,689	3,584	0	0.00%

BALANCE SHEET							
I EARNING ASSETS							
<i>A Loans to Members</i>							
Short Term Loans (<= 1 Year)	0	0	0	0	0	0	0.00%
Medium Term Loans (> 1 <= 3 Years)	87,085,454	87,612,203	129,822,044	153,700,406	186,532,600	0	0.00%
Long Term Loans (> 3 Years)	0	0	0	0	0	0	0.00%
Other Special Loans	321,156	621,632	1,363,965	1,701,303	1,826,819	0	0.00%
Allowance for Loan Losses	0	0	0	0	0	0	0.00%
Total Net Loans	87,406,610	88,233,835	131,186,009	155,401,709	188,359,419	0	0.00%
<i>B Liquid Investments</i>							
Liquidity Reserves CFF	0	0	0	0	0	0	0.00%
Deposits CFF	0	0	0	0	0	0	0.00%
Savings Deposits Banks etc	1,556,988	1,340,979	1,783,786	1,965,979	1,323,997	0	0.00%
Securities & Investments	0	0	0	0	0	0	0.00%
Other Miscellaneous Investments	0	0	7,688,028	12,298,885	0	0	0.00%
Total Liquid Investments	1,556,988	1,340,979	9,471,814	14,264,864	1,323,997	0	0.00%
<i>C Financial Investments</i>							
Shares KUSCCO	61,000	321,000	77,000	77,000	87,000	0	0.00%
Central Finance Programme	0	0	541,000	860,872	989,625	0	0.00%
Savings Deposits Banks etc	0	0	0	0	13,298,885	0	0.00%
Securities & Investments	89,448	89,449	89,449	89,449	89,449	0	0.00%
Other Miscellaneous Investments	1,688,100	1,888,109	1,888,100	1,888,100	1,888,100	0	0.00%
Total Financial Investments	1,838,548	2,298,558	2,595,549	2,915,421	16,353,059	0	0.00%
<i>D Non Financial Investments</i>							
Various	0	0	0	0	0	0	0.00%
Allowances for Non financial Investments	0	0	0	0	0	0	0.00%
Various	0	0	0	0	0	0	0.00%
TOTAL EARNING ASSETS	90,802,146	91,873,372	143,253,372	172,581,994	206,036,475	0	0.00%

ADDITIONAL LOAN PORTFOLIO INFORMATION

I DELINQUENCY CALCULATION METHOD	NA	NA	BALANCE	BALANCE	BALANCE	NA	NA
II DELINQUENCY							
<i>Delinquency not Classified</i>	87,406,610	88,233,835	131,186,009	0	0	0	0.00%
<i>1 Day to 1 Month</i>	0	0	0	0	0	0	0.00%
<i>1 to 3 Months</i>	0	0	0	0	303,000	0	0.00%
<i>4 to 6 Months</i>	0	0	0	0	23,627	0	0.00%
<i>7 to 12 Months</i>	0	0	0	0	126,880	0	0.00%
<i>More Than 12 Months</i>	0	0	0	0	80,070	0	0.00%
TOTAL DELINQUENCY	87,406,610	88,233,835	131,186,009	0	533,577	0	0.00%
III LOAN PORTFOLIO	87,406,610	88,233,835	131,186,009	155,401,709	188,359,419	0	0.00%
IV ACCUMULATED CHARGE-OFFS	0	0	0	0	0	0	0.00%
V RECOVERY OF CHARGE-OFFS	0	0	0	0	0	0	0.00%

Bandari Sacco

ANNUAL
GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
II NON EARNING ASSETS							
<i>A. Liquid Assets</i>							
Cash & Equivalents	408	9,332	0	13,780	40,210	0	0.00%
Current (Checking) Accounts	(7,343,218)	18,336,768	(13,024,666)	15,462,019	(14,061)	0	0.00%
Imprest Cash	0	0	36,525	0	0	0	0.00%
Liquidity Reserves	0	0	0	0	0	0	0.00%
Other	0	0	0	0	0	0	0.00%
Total Liquid Assets	(7,342,810)	18,346,100	(12,988,141)	15,475,799	26,149	0	0.00%
<i>B. Accounts Receivable</i>							
Debtors	706,521	706,521	832,548	702,668	0	0	0.00%
Interest Receivable	8,244	8,244	0	0	0	0	0.00%
Notes Receivable	0	0	0	0	0	0	0.00%
Payroll Deductions Receivable	5,789,090	1,032,856	12,608,761	0	17,543,240	0	0.00%
Other Accounts Receivable	776,444	979,324	1,068,818	908,851	0	0	0.00%
Allowance for Receivable Losses	0	0	0	0	0	0	0.00%
Total Accounts Receivable	7,280,299	2,726,945	14,510,127	1,611,519	17,543,240	0	0.00%
<i>C. Fixed Assets</i>							
Land	0	0	0	0	0	0	0.00%
Buildings (Cost)	0	0	0	0	0	0	0.00%
Leasehold Improvements (Cost)	0	0	0	0	0	0	0.00%
Furniture & Equipment (Cost)	473,855	400,308	415,052	973,599	973,599	0	0.00%
Accumulated Depreciation	0	0	0	0	0	0	0.00%
Net Fixed Assets	473,855	400,308	415,052	973,599	973,599	0	0.00%
<i>D. Other Assets</i>							
Assets in Liquidation	0	0	0	0	0	0	0.00%
Advances	0	0	0	0	2,394	0	0.00%
Prepaid Expenses	0	0	0	15,000	0	0	0.00%
Other Assets	0	0	0	0	0	0	0.00%
Accumulated Amortization	0	0	0	0	0	0	0.00%
Total Other Assets	0	0	0	15,000	2,394	0	0.00%
<i>E. Problem Assets</i>							
Doubtful Assets	0	0	0	0	700,169	0	0.00%
Accounting Discrepancy Assets	0	0	0	0	0	0	0.00%
Other	0	0	0	0	0	0	0.00%
Total Problem Assets	0	0	0	0	700,169	0	0.00%
TOTAL NON EARNING ASSETS	411,344	21,473,353	1,937,038	18,075,917	19,245,551	0	0.00%
TOTAL ASSETS	91,213,490	113,346,725	145,190,410	190,657,911	225,282,026	0	0.00%

Bandari Sacco

ANNUAL
GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Compl
III. INTEREST BEARING LIABILITIES							
A. Savings Deposits							
Regular Savings Deposits	0	0	0	0	0	0	0.00%
Fixed Savings Deposits	0	0	0	0	0	0	0.00%
Youth Savings Deposits	0	0	0	0	0	0	0.00%
Special Savings Deposits	0	0	0	0	0	0	0.00%
Pledged Savings Deposits	0	0	0	0	0	0	0.00%
Total Savings Deposits	0	0	0	0	0	0	0.00%
B. External Credit							
Short Term Loans CFF <=1 yr	0	0	0	0	0	0	0.00%
Long Term Loans CFF >1 yr	0	0	0	0	0	0	0.00%
Loans Banks	0	0	0	0	14,393,902	0	0.00%
Loans Other External Institutions	0	0	0	441,663	0	0	0.00%
Total External Credit	0	0	0	441,663	14,393,902	0	0.00%
TOTAL INTEREST BEARING LIABILITIES	0	0	0	441,663	14,393,902	0	0.00%
IV. NON INTEREST BEARING LIABILITIES							
A Short Term Accounts Payable (<=30 Days)	403,254	411,993	2,037,145	503,228	0	0	0.00%
B Provisions (e.g. Wages/Benefits)	0	624,260	0	836,045	465,605	0	0.00%
C Other Liabilities	5,477,396	5,106,094	7,609,956	8,563,367	2,988,636	0	0.00%
D Liability Discrepancy	0	0	0	0	2	0	0.00%
TOTAL NON INTEREST BEARING LIABILITIES	5,880,650	6,142,347	9,647,101	9,902,640	3,454,242	0	0.00%
TOTAL LIABILITIES	5,880,650	6,142,347	9,647,101	10,344,303	17,848,145	0	0.00%
V. CAPITAL							
A. Member Share Capital							
Mandatory Shares	83,289,881	105,246,142	132,554,190	171,267,345	190,397,051	0	0.00%
Voluntary Shares	0	0	0	0	0	0	0.00%
Total Member Share Capital	83,289,881	105,246,142	132,554,190	171,267,345	190,397,051	0	0.00%
B. Transitory Capital							
Asset Appreciation Over Cost	0	0	0	0	0	0	0.00%
Education & Social Reserves	0	0	0	0	0	0	0.00%
Monetary Reserves	0	0	0	0	0	0	0.00%
Other Reserves	0	0	0	908,851	0	0	0.00%
Undistributed Net Income	0	0	0	0	0	0	0.00%
Capital Discrepancy	0	0	0	0	0	0	0.00%
Total Transitory Capital	0	0	0	908,851	0	0	0.00%
C. Institutional Capital							
Statutory & Legal Reserves	938,480	948,084	1,225,162	1,747,237	2,175,406	0	0.00%
Retained Earnings	921,426	826,502	1,579,808	6,165,525	8,109,282	0	0.00%
Special Asset Reserves	163,805	163,805	163,805	163,805	183,805	0	0.00%
Donations / Other Reserves	19,248	19,845	20,345	60,845	83,945	0	0.00%
Undistributed Losses	0	0	0	0	0	0	0.00%
YTD Net Income (Loss) Transfers	0	0	0	0	6,484,393	0	0.00%
Total Institutional Capital	2,042,959	1,958,236	2,989,120	8,137,412	17,036,830	0	0.00%
TOTAL CAPITAL	85,332,840	107,204,378	135,543,310	180,313,608	207,433,881	0	0.00%
TOTAL LIABILITIES AND CAPITAL	91,213,490	113,346,725	145,190,411	190,657,911	225,282,026	0	0.00%

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Bandari Sacco

ANNUAL
GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
INCOME STATEMENT							
I INCOME							
<i>A Income - Loans</i>							
1 <i>Interest Income Loans</i>	7,278,340	8,052,393	11,985,633	18,101,404	11,858,356	0	0 00%
2 <i>Penalty Interest Income Loans</i>	0	0	0	0	0	0	0 00%
3 <i>Commissions / Fees Loans</i>	0	0	0	0	0	0	0 00%
4 <i>(Less) Interest Rebate Loans</i>	0	0	0	137,115	0	0	0 00%
<i>Net Income - Loans</i>	7,278,340	8,052,393	11,985,633	18,238,519	11,858,356	0	0 00%
<i>B Income - Liquid Investments</i>	187,488	216,353	66,306	250,831	0	0	0 00%
<i>C Income - Financial Investments</i>	188,160	0	192,515	79,872	10,987	0	0 00%
<i>D Income - Non financial Investments</i>	0	0	0	0	0	0	0 00%
<i>E Income - Other</i>	0	90,173	147,723	206,867	156,008	0	0 00%
<i>F Income From Donations</i>	0	0	0	0	0	0	0 00%
GROSS INCOME	7,653,988	8,358,919	12,392,177	18,776,088	12,025,351	0	0 00%
II FINANCIAL COSTS							
<i>A Interest Expense Savings Deposits</i>	0	0	0	0	0	0	0 00%
<i>B Insurance Premiums Savings Deposits</i>	0	0	0	0	0	0	0 00%
<i>Financial Costs - Savings Deposits</i>	0	0	0	0	0	0	0 00%
<i>C Financial Costs External Credit</i>	781,044	1,091,490	805,455	1,184,256	1,615,516	0	0 00%
<i>D Dividend Expense Shares</i>	2,915,146	2,894,269	4,970,783	8,563,367	0	0	0 00%
<i>E Insurance Premiums Shares</i>	0	0	0	0	0	0	0 00%
<i>Financial Costs - Shares</i>	2,915,146	2,894,269	4,970,783	8,563,367	0	0	0 00%
<i>F Financial Costs Other</i>	580,962	0	0	224,793	0	0	0 00%
TOTAL FINANCIAL COSTS	4,277,152	3,985,759	5,776,238	9,972,416	1,615,516	0	0 00%
III Net Interest Margin	3,376,836	4,373,160	6,615,939	8,803,672	10,409,835	0	0 00%
EXPENSES							
IV OPERATING EXPENSES							
Personnel	2,202,876	2,910,442	3,820,421	5,053,115	2,443,400	0	0 00%
Governance	206,703	319,940	519,902	715,649	662,982	0	0 00%
Marketing	106,422	113,674	140,298	232,654	25,000	0	0 00%
Depreciation	51,347	73,535	71,554	148,280	0	0	0 00%
Administration	750,423	996,972	1,308,624	1,209,739	794,060	0	0 00%
TOTAL OPERATING EXPENSES	3,317,771	4,414,563	5,860,799	7,359,437	3,925,442	0	0 00%
V PROVISIONS RISK ASSETS	0	0	0	0	0	0	0 00%
VI NET INCOME FROM OPERATIONS	59,065	(41,403)	755,140	1,444,235	6,484,393	0	0 00%
VII OTHER INCOME / EXPENSES							
Extraordinary Items (Net)	0	0	(1,835)	3,142,483	0	0	0 00%
Previous Period Adjustments (Net)	0	(53,523)	0	(1,000)	0	0	0 00%
VIII NET INCOME / LOSS	59,065	(94,926)	753,305	4,585,719	6,484,393	0	0 00%

Bandari Sacco

ANNUAL
GOAL

			12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	✓ Complete
Number of Credit Unions Represented in this report			1	1	1	1	1	0	
P-E-A-R-L-S RATIOS			GOALS						
P	PROTECTION								
1	Allowance for Loan Losses / Delinq >12 Mo	100%	NA	NA	NA	0 00%	0 00%	NA	NA
2a	Net Allowance for Loan Losses / Delinq 7 12 Mo	50%	ERR	NA	NA	0 00%	0 00%	NA	NA
2b	Net Allowance for Loan Losses / Delinq 4 6 Mo	30%	ERR	NA	NA	0 00%	0 00%	NA	NA
2c	Net Allowance for Loan Losses / Delinq 1 3 Mo	10%	ERR	NA	NA	0 00%	0 00%	NA	NA
3	Complete Loan Charge Off of Delinquency > 12 Mo	Y No	Yes	NA	NA	NA	No	NA	0 00%
4	Annual Loan Charge-offs / Average Loan Portfolio	Minimized	ERR	0 00%	0 00%	0 00%	0 00%	NA	NA
5	Accum Charge-Offs Recovered/ Accum Charge Offs	100%	0 00%	0 00%	0 00%	0 00%	0 00%	NA	NA
E	EFFECTIVE FINANCIAL STRUCTURE								
1	Net Loans / Total Assets	Between 70 80%	95 83%	77 84%	90 35%	81 51%	83 61%	NA	NA
2	Liquid Investments / Total Assets	Max 20%	1 71%	1 18%	6 52%	7 48%	0 59%	NA	NA
3	Financial Investments / Total Assets	Max 10%	2 02%	2 03%	1 79%	1 53%	7 26%	NA	NA
4	Non Financial Investments / Total Assets	0%	0 00%	0 00%	0 00%	0 00%	0 00%	NA	NA
5	Savings Deposits / Total Assets	Between 70 80%	0 00%	0 00%	0 00%	0 00%	0 00%	NA	NA
6	External Credit / Total Assets	0%	0 00%	0 00%	0 00%	0 23%	6 39%	NA	NA
7	Member Share Capital / Total Assets	Max 20%	91 31%	92 85%	91 30%	89 83%	84 51%	NA	NA
8	Institutional Capital / Total Assets	Min 10%	2 24%	1 73%	2 06%	4 27%	7 56%	NA	NA
A	ASSET QUALITY								
1	Total Delinquency / Total Loan Portfolio	Less Than or Equal to 5%	0 00%	0 00%	0 00%	0 00%	0 11%	NA	NA
2	Non Earning Assets / Total Assets	Less Than or Equal to 5%	0 45%	18 94%	1 33%	9 48%	8 54%	NA	NA
3	Zero Cost Funds / Non earning Assets	Greater Than or Equal to 100%	1926 27%	37 72%	652 35%	104 83%	106 47%	NA	NA
R	RATES OF RETURN AND COSTS								
1	Net Loan Income / Average Net Loan Portfolio	Entrepreneurial R t	8 33%	9 17%	10 92%	12 73%	13 91%	NA	NA
2	Liquid Inv Income / Avg Liquid Investments	Market Rate	12 04%	14 93%	1 23%	2 11%	0 00%	NA	NA
3	Fin Investment Income / Avg Fin Investments	Market Rates	10 23%	0 00%	7 87%	2 90%	0 23%	NA	NA
4	Non Fin Inv Income / Avg Non Fin Investments	Greater Than or Equal to R1	NA	NA	NA	NA	NA	NA	NA
5	Fin Costs Savings Deposits / Avg Savings Deposits	Market Rate	NA	NA	NA	NA	NA	NA	NA
6	Fin Costs External Credit / Avg External Credit	Less Than or Equal to R5	NA	NA	NA	536 27%	43 92%	NA	NA
7	Fin Costs Member Shares / Avg Member Shares	Greater Than or Equal to R5	3 50%	3 07%	4 18%	5 64%	0 00%	NA	NA
8	Gross Margin / Average Assets	Amount Needed to Cover R3 R10 Increase Capital	3 70%	4 28%	5 12%	5 24%	10 09%	NA	NA
9	Operating Expenses / Average Assets	3% 10%	3 64%	4 32%	4 53%	4 38%	3 81%	NA	NA
10	Provisions for Risk Assets / Average Assets	Sufficient to cover Estimated Loss	0 00%	0 00%	0 00%	0 00%	0 00%	NA	NA
11	Other Income or Expense / Average Assets	Amount Needed	0 00%	0 05%	0 00%	1 87%	0 00%	NA	NA
12	Net Income / Average Assets	Enough to reach goal for E8	0 06%	0 09%	0 58%	2 73%	6 29%	NA	NA
L	LIQUIDITY								
1	Liquid Assets ST Payables / Total Deposits	Minimum 15%	NA	NA	NA	NA	NA	NA	NA
2	Liquidity Reserves / Total Savings Deposits	10%	NA	NA	NA	NA	NA	NA	NA
3	Non Earning Liquid Assets / Total Assets	Less Than 1%	8 05%	16 19%	8 95%	8 12%	0 01%	NA	NA
4	Deposits in CFF / Total Available Liquidity	Maximum Amount	0 00%	0 00%	0 00%	0 00%	0 00%	NA	NA
S	SIGNS OF GROWTH (Annual Growth Rates)								
1	Total Assets	More than Inflation	ERR	24 27%	28 09%	31 32%	36 62%	NA	NA
2	Loans	Sufficient to achieve goal in E1	ERR	0 95%	48 68%	18 46%	42 77%	NA	NA
3	Savings Deposits	Sufficient to achieve goal in E5	ERR	NA	NA	NA	NA	NA	NA
4	External Credit	Minimum to achieve goal in E5	ERR	NA	NA	100 00%	6370 41%	NA	NA
5	Share Capital	Sufficient to achieve goal in E7	NA	26 36%	25 95%	29 21%	22 52%	NA	NA
6	Institutional Capital	Sufficient to achieve goal in E8	ERR	-4 15%	52 64%	172 23%	220 54%	NA	NA
7	Membership	Min 5%	ERR	1 71%	2 63%	-4 97%	5 74%	NA	NA
INFLATION			6 90%	9 10%	11 20%	10 60%	12 55%		

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Egerton University Sacco

ANNUAL
GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
Number of Credit Unions Represented in this report	1	1	1	1	1	0	
NUMBER OF MEMBERS & USERS							
Men (Members)	1,208	2,030	2,108	2,186	2,141	0	0.00%
Women (Members)	250	1,595	1,656	831	845	0	0.00%
Gender Not Reported (Members)	0	0	0	0	0	0	0.00%
TOTAL NUMBER OF MEMBERS	1,458	3,625	3,764	3,017	2,986	0	0.00%
Youth	0	0	0	0	0	0	0.00%
Third Parties/Groups	0	0	0	0	0	0	0.00%
TOTAL NUMBER OF USERS	1,458	3,625	3,764	3,017	2,986	0	0.00%

BALANCE SHEET

I EARNING ASSETS							
A Loans to Members							
Short Term Loans (<=1 Year)	0	0	0	0	0	0	0.00%
Medium Term Loans (> 1 <= 3 Years)	63,862,377	78,599,120	97,657,580	138,904,965	145,887,398	0	0.00%
Long Term Loans (>3 Years)	0	0	0	0	0	0	0.00%
Other Special Loans	0	0	0	0	0	0	0.00%
Allowance for Loan Losses	(201,414)	0	0	0	0	0	0.00%
Total Net Loans	63,660,963	78,599,120	97,657,580	138,904,965	145,887,398	0	0.00%
B Liquid Investments							
Liquidity Reserves CFF	0	0	0	0	0	0	0.00%
Deposits CFF	0	0	0	0	0	0	0.00%
Savings Deposits Banks etc	1,496,459	628,111	779,707	1,387,960	270,380	0	0.00%
Securities & Investments	1,000,000	0	1,905,550	0	0	0	0.00%
Other Miscellaneous Investments	0	0	1,015,158	100,000	0	0	0.00%
Total Liquid Investments	2,496,459	628,111	3,700,415	1,487,960	270,380	0	0.00%
C Financial Investments							
Shares KUSCCO	0	2,400	2,400	22,400	172,400	0	0.00%
Central Finance Programme	4,183,297	4,365,531	5,520,017	6,091,033	6,280,745	0	0.00%
Savings Deposits Banks etc	0	0	0	0	0	0	0.00%
Securities & Investments	0	17,000	17,000	17,000	17,000	0	0.00%
Other Miscellaneous Investments	0	382,800	382,800	382,800	382,800	0	0.00%
Total Financial Investments	4,183,297	4,767,731	5,922,217	6,513,233	6,852,945	0	0.00%
D Non Financial Investments							
Various	0	0	0	0	0	0	0.00%
Allowances for Non financial Investments	0	0	0	0	0	0	0.00%
Various	0	0	0	0	0	0	0.00%
TOTAL EARNING ASSETS	70,340,719	83,994,962	107,280,212	146,906,158	153,010,724	0	0.00%

ADDITIONAL LOAN PORTFOLIO INFORMATION

I DELINQUENCY CALCULATION METHOD	NA	NA	NA	BALANCE	BALANCE	NA	NA
II DELINQUENCY							
Delinquency not Classified	0	0	0	0	0	0	0.00%
1 Day to 1 Month	0	0	0	0	0	0	0.00%
1 to 3 Months	0	0	0	350,621	125,202	0	0.00%
4 to 6 Months	0	0	0	316,218	381,545	0	0.00%
7 to 12 Months	0	0	0	0	306,516	0	0.00%
More Than 12 Months	0	0	0	0	127,500	0	0.00%
TOTAL DELINQUENCY	0	0	0	666,839	940,763	0	0.00%
III LOAN PORTFOLIO	63,862,377	78,599,120	97,657,580	138,904,965	145,887,398	0	0.00%
IV ACCUMULATED CHARGE-OFFS	0	0	0	0	0	0	0.00%
V RECOVERY OF CHARGE-OFFS	0	0	0	0	0	0	0.00%

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Egerton University Sacco

ANNUAL GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complet
II NON EARNING ASSETS							
<i>A. Liquid Assets</i>							
Cash & Equivalents	0	0	1 897	0	187	0	0 00%
Current (Checking) Accounts	2 920 642	2,043 683	1 574 084	(1 411 100)	14 689 678	0	0 00%
Imprest Cash	0	0	0	0	0	0	0 00%
Liquidity Reserves	0	0	0	0	0	0	0 00%
Other	0	0	0	0	0	0	0 00%
Total Liquid Assets	2 920 642	2 043 683	1 575 981	(1 411 100)	14 689 865	0	0 00%
<i>B. Accounts Receivable</i>							
Debtors	0	0	0	0	114,380	0	0 00%
Interest Receivable	0	0	0	0	0	0	0 00%
Notes Receivable	0	0	0	0	0	0	0 00%
Payroll Deductions Receivable	5 701 616	7 208 480	8 805 479	12 353 735	0	0	0 00%
Other Accounts Receivable	739 078	691 101	179 400	445 527	0	0	0 00%
Allowance for Receivable Losses	0	0	0	0	0	0	0 00%
Total Accounts Receivable	6 440 694	7 899 581	8 984 879	12 799 262	114 380	0	0 00%
<i>C. Fixed Assets</i>							
Land	0	0	0	0	0	0	0 00%
Buildings (Cost)	0	0	0	0	0	0	0 00%
Leasehold Improvements (Cost)	0	0	0	0	0	0	0 00%
Furniture & Equipment (Cost)	418 253	477 179	542 874	559 867	559 867	0	0 00%
Accumulated Depreciation	0	0	0	0	0	0	0 00%
Net Fixed Assets	418 253	477 179	542 874	559 867	559 867	0	0 00%
<i>D. Other Assets</i>							
Assets in Liquidation	0	0	0	0	0	0	0 00%
Advances	29 042	33 903	28 500	0	0	0	0 00%
Prepaid Expenses	2 665	2 665	2 665	0	0	0	0 00%
Other Assets	0	0	0	0	2,665	0	0 00%
Accumulated Amortization	0	0	0	0	0	0	0 00%
Total Other Assets	31,707	36,568	31,165	0	2 665	0	0 00%
<i>E. Problem Assets</i>							
Doubtful Assets	0	602,154	991,165	669,334	940,763	0	0 00%
Accounting Discrepancy Assets	0	0	0	0	0	0	0 00%
Other	0	0	0	0	0	0	0 00%
Total Problem Assets	0	602,154	991,165	669,334	940,763	0	0 00%
TOTAL NON EARNING ASSETS	9 811,296	11 059 165	12 126 064	12 617,363	16,307 539	0	0 00%
TOTAL ASSETS	80,152,015	95,054 127	119,406,276	159,523 521	169,318,263	0	0 00%

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Egerton University Sacco

ANNUAL GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
III. INTEREST BEARING LIABILITIES							
<i>A. Savings Deposits</i>							
Regular Savings Deposits	0	0	0	0	0	0	0.00%
Fixed Savings Deposits	0	0	0	0	0	0	0.00%
Youth Savings Deposits	0	0	0	0	0	0	0.00%
Special Savings Deposits	0	0	0	0	0	0	0.00%
Pledged Savings Deposits	0	0	0	0	0	0	0.00%
Total Savings Deposits	0	0	0	0	0	0	0.00%
<i>B. External Credit</i>							
Short Term Loans CFF <= 1 yr	0	0	0	0	0	0	0.00%
Long Term Loans CFF > 1 yr	3 000 000	0	0	3,763,481	0	0	0.00%
Loans Banks	0	0	0	0	0	0	0.00%
Loans Other External Institutions	0	0	0	0	0	0	0.00%
Total External Credit	3,000,000	0	0	3,763,481	0	0	0.00%
TOTAL INTEREST BEARING LIABILITIES	3 000 000	0	0	3,763 481	0	0	0.00%
IV. NON INTEREST BEARING LIABILITIES							
<i>A. Short Term Accounts Payable (<=30 Days)</i>	589 338	591 449	43,705	374 817	0	0	0.00%
<i>B. Provisions (e.g. Wages/Benefits)</i>	0	0	0	0	1,016 210	0	0.00%
<i>C. Other Liabilities</i>	3 300 000	4 727 632	6 383 104	9,443 606	1 272 320	0	0.00%
<i>D. Liability Discrepancy</i>	0	0	0	0	0	0	0.00%
TOTAL NON INTEREST BEARING LIABILITIES	3 889,338	5,319 081	6 426 809	9 818 423	2,288 531	0	0.00%
TOTAL LIABILITIES	6,889,338	5,319,081	6,426,809	13,581,904	2,288,531	0	0.00%
V. CAPITAL							
<i>A. Member Share Capital</i>							
Mandatory Shares	68 068 468	84 414 917	107 749 313	135 545 555	151 246 343	0	0.00%
Voluntary Shares	0	0	0	0	0	0	0.00%
Total Member Share Capital	68,068,468	84,414,917	107,749,313	135,545,555	151,246,343	0	0.00%
<i>B. Transitory Capital</i>							
Asset Appreciation Over Cost	0	0	0	0	0	0	0.00%
Education & Social Reserves	0	0	0	0	0	0	0.00%
Monetary Reserves	0	0	0	0	0	0	0.00%
Other Reserves	0	0	0	3 992 893	0	0	0.00%
Undistributed Net Income	0	0	0	0	0	0	0.00%
Capital Discrepancy	0	0	0	0	0	0	0.00%
Total Transitory Capital	0	0	0	3 992 893	0	0	0.00%
<i>C. Institutional Capital</i>							
Statutory & Legal Reserves	2,228,825	2,279,074	2,352,516	2,754,391	2,754,391	0	0.00%
Retained Earnings	2,942 799	2 989 970	2 787,953	3 542 113	208 150	0	0.00%
Special Asset Reserves	0	0	0	0	0	0	0.00%
Donations / Other Reserves	22 585	51,085	89 685	106 665	7 411 059	0	0.00%
Undistributed Losses	0	0	0	0	0	0	0.00%
YTD Net Income (Loss) Transfers	0	0	0	0	5,409,790	0	0.00%
Total Institutional Capital	5 194 209	5 320,129	5 230,154	6 403 169	15 783 389	0	0.00%
TOTAL CAPITAL	73,262 677	89 735 046	112 979 467	145 941 617	167,029 732	0	0.00%
TOTAL LIABILITIES AND CAPITAL	80,152,015	95,054,127	119,406,276	159,523,521	169,318,263	0	0.00%

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Egerton University Sacco

ANNUAL
GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
INCOME STATEMENT							
I INCOME							
<i>A Income Loans</i>							
1 Interest Income Loans	5 845 103	7 501 393	9 313 245	14 553 609	8 197 434	0	0 00%
2 Penalty Interest Income Loans	0	0	0	0	0	0	0 00%
3 Commissions / Fees Loans	0	0	0	0	0	0	0 00%
4 (Less) Interest Rebate Loans	0	0	0	0	0	0	0 00%
<i>Net Income - Loans</i>	<i>5,845,103</i>	<i>7,501,393</i>	<i>9,313,245</i>	<i>14,553,609</i>	<i>8,197,434</i>	<i>0</i>	<i>0 00%</i>
<i>B Income - Liquid Investments</i>	<i>181,588</i>	<i>120,130</i>	<i>56,163</i>	<i>780,392</i>	<i>0</i>	<i>0</i>	<i>0 00%</i>
<i>C Income - Financial Investments</i>	<i>278,496</i>	<i>334,525</i>	<i>34,416</i>	<i>22,205</i>	<i>76,637</i>	<i>0</i>	<i>0 00%</i>
<i>D Income - Non-financial Investments</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>66,945</i>	<i>0</i>	<i>0</i>	<i>0 00%</i>
<i>E Income - Other</i>	<i>0</i>	<i>736</i>	<i>1,517</i>	<i>0</i>	<i>20,300</i>	<i>0</i>	<i>0 00%</i>
<i>F Income From Donations</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0 00%</i>
GROSS INCOME	6,305 187	7 956 784	9,405 341	15 423,151	8 294 371	0	0 00%
II FINANCIAL COSTS							
<i>A Interest Expense Savings Deposits</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0 00%</i>
<i>B Insurance Premiums Savings Deposits</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0 00%</i>
<i>Financial Costs - Savings Deposits</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0 00%</i>
<i>C Financial Costs External Credit</i>	<i>308,348</i>	<i>327,256</i>	<i>0</i>	<i>548,966</i>	<i>177,283</i>	<i>0</i>	<i>0 00%</i>
<i>D Dividend Expense Shares</i>	<i>3 300 000</i>	<i>4,428 176</i>	<i>5 432 874</i>	<i>8 662 395</i>	<i>0</i>	<i>0</i>	<i>0 00%</i>
<i>E Insurance Premiums Shares</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0 00%</i>
<i>Financial Costs - Shares</i>	<i>3,300,000</i>	<i>4,428,176</i>	<i>5,432,874</i>	<i>8,662,395</i>	<i>0</i>	<i>0</i>	<i>0 00%</i>
<i>F Financial Costs Other</i>	<i>100,560</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0 00%</i>
TOTAL FINANCIAL COSTS	3 708,908	4 755,432	5 432 874	9 211 361	177,283	0	0 00%
III Net Interest Margin	2 596 279	3 201 352	3 972 467	6 211 790	8 117,087	0	0 00%
EXPENSES							
IV OPERATING EXPENSES							
Personnel	998 108	1 148 610	1 554 600	2 205 492	1 075 666	0	0 00%
Governance	632 168	834 665	967 495	1 385 525	1 040 327	0	0 00%
Marketing	0	0	0	157,021	19,408	0	0 00%
Depreciation	46,473	53,020	60,319	62,207	0	0	0 00%
Administration	700,076	1,117,886	1,580,221	1,647,385	571,896	0	0 00%
TOTAL OPERATING EXPENSES	2 376 825	3,154 181	4 162 635	5 457,630	2 707,297	0	0 00%
V PROVISIONS RISK ASSETS	0	0	0	0	0	0	0 00%
VI NET INCOME FROM OPERATIONS	219,454	47,171	(190,168)	754,160	5,409,790	0	0 00%
VII OTHER INCOME / EXPENSES							
Extraordinary Items (Net)	0	0	0	0	0	0	0 00%
Previous Period Adjustments (Net)	0	0	(11,849)	0	0	0	0 00%
VIII NET INCOME / LOSS	219,454	47,171	(202,017)	754,160	5,409,790	0	0 00%

Egerton University Sacco

ANNUAL GOAL

		12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
Number of Credit Unions Represented in this report		1	1	1	1	1	0	
P-E-A-R-L-S RATIOS		GOALS						
P	PROTECTION							
1	Allowance for Loan Losses / Delinq >12 Mo	100%	100 00%	0 00%	0 00%	0 00%	0 00%	NA NA
2a	Net Allowance for Loan Losses / Delinq 7 12 Mo	50%	ERR	0 00%	0 00%	0 00%	0 00%	NA NA
2b	Net Allowance for Loan Losses / Delinq 4 6 Mo	30%	ERR	0 00%	0 00%	0 00%	0 00%	NA NA
2c	Net Allowance for Loan Losses / Delinq 1 3 Mo	10%	ERR	0 00%	0 00%	0 00%	0 00%	NA NA
3	Complete Loan Charge Off of Delinquency > 12 Mo	Y or No	Yes	Yes	Yes	Yes	No	NA 0 00%
4	Annual Loan Charge-offs / Average Loan Portfolio	Minimized	ERR	0 00%	0 00%	0 00%	0 00%	NA NA
5	Accum Charge Offs Recovered/ Accum Charge Offs	100%	0 00%	0 00%	0 00%	0 00%	0 00%	NA NA
E	EFFECTIVE FINANCIAL STRUCTURE							
1	Net Loans / Total Assets	Between 70 80%	79 43%	82 69%	81 79%	87 07%	86 16%	NA NA
2	Liquid Investments / Total Assets	Max 20%	3 11%	0 66%	3 10%	0 93%	0 16%	NA NA
3	Financial Investments / Total Assets	Max 10%	5 22%	5 02%	4 96%	4 08%	4 05%	NA NA
4	Non Financial Investments / Total Assets	0%	0 00%	0 00%	0 00%	0 00%	0 00%	NA NA
5	Savings Deposits / Total Assets	Between 70 80%	0 00%	0 00%	0 00%	0 00%	0 00%	NA NA
6	External Credit / Total Assets	0%	3 74%	0 00%	0 00%	0 00%	0 00%	NA NA
7	Member Share Capital / Total Assets	Max 20%	84 92%	88 81%	90 24%	84 97%	89 33%	NA NA
8	Institutional Capital / Total Assets	Min 10%	6 48%	5 60%	4 38%	4 01%	9 32%	NA NA
A	ASSET QUALITY							
1	Total Delinquency / Total Loan Portfolio	Less Than or Equal to 5%	0 00%	0 00%	0 00%	0 00%	0 30%	NA NA
2	Non Earning Assets / Total Assets	Less Than or Equal to 5%	12 24%	11 63%	10 16%	7 91%	9 63%	NA NA
3	Zero Cost Funds / Non earning Assets	Greater Than or Equal to 100%	92 58%	96 20%	96 13%	160 21%	110 82%	NA NA
R	RATES OF RETURN AND COSTS							
1	Net Loan Income / Average Net Loan Portfolio	Entrepreneurial Rate	9 18%	10 55%	10 57%	12 30%	11 61%	NA NA
2	Liquid Inv Income / Avg Liquid Investments	Market Rates	7 27%	7 69%	2 60%	30 08%	0 00%	NA NA
3	Fin Investment Income / Avg Fin Investments	Market Rate	6 66%	7 47%	0 64%	0 36%	2 31%	NA NA
4	Non Fin Inv Income / Avg Non Fin Investments	Greater Than or Equal to R1	NA	NA	NA	NA	NA	NA NA
5	Fin Costs Savings Deposits / Avg Savings Deposits	Market Rates	NA	NA	NA	NA	NA	NA NA
6	Fin Costs External Credit / Avg External Credit	Less Than or Equal to R5	10 28%	NA	NA	29 17%	NA	NA NA
7	Fin Costs Member Shares / Avg Member Shares	Greater Than or Equal to R5	4 85%	5 81%	5 65%	7 12%	0 00%	NA NA
8	Gross Margin / Average Assets	Amount Need 4 to Cover R9 R10 Increase Capital	3 24%	3 65%	3 70%	4 45%	9 96%	NA NA
9	Operating Expenses / Average Assets	3% 10%	2 97%	3 60%	3 88%	3 91%	3 32%	NA NA
10	Provisions for Risk Assets / Average Assets	Sufficient for Estimated Losses	0 00%	0 00%	0 00%	0 00%	0 00%	NA NA
11	Other Income or Expense / Average Assets	Amount Needed	0 00%	0 00%	0 01%	0 00%	0 00%	NA NA
12	Net Income / Average Assets	Enough to reach the goal for E8	0 27%	0 05%	0 19%	0 54%	6 63%	NA NA
L	LIQUIDITY							
1	Liquid Assets ST Payables / Total Deposits	Minimum 15%	NA	NA	NA	NA	NA	NA NA
2	Liquidity Reserves / Total Savings Deposits	10%	NA	NA	NA	NA	NA	NA NA
3	Non Earning Liquid Assets / Total Assets	Less Than 1%	3 64%	2 15%	1 32%	0 88%	8 68%	NA NA
4	Deposits in CFF / Total Available Liquidity	Maximum Amount	0 00%	0 00%	0 00%	0 00%	0 00%	NA NA
S	SIGNS OF GROWTH (Annual Growth Rates)							
1	Total Assets	More than Inflation	ERR	18 59%	25 62%	33 60%	12 38%	NA NA
2	Loans	Sufficient to achieve goal in E1	ERR	23 08%	24 25%	42 24%	10 14%	NA NA
3	Savings Deposits	Sufficient to achieve goal in E5	ERR	NA	NA	NA	NA	NA NA
4	External Credit	Minimum to achieve goal in E5	ERR	0 00%	NA	100 00%	201 66%	NA NA
5	Share Capital	Sufficient to achieve goal in E7	NA	24 01%	27 64%	25 80%	23 36%	NA NA
6	Institutional Capital	Sufficient to achieve goal in E8	ERR	2 42%	1 69%	22 43%	295 41%	NA NA
7	Membership	Min 5%	ERR	148 63%	3 83%	19 85%	2 07%	NA NA
INFLATION			6 90%	9 10%	11 20%	10 60%	12 55%	

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ANNUAL GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complet
Number of Credit Unions Represented in this report	1	1	1	1	1	0	
NUMBER OF MEMBERS & USERS							
Men (Members)	3,800	3,800	3,945	4,143	4,204	0	0 00%
Women (Members)	774	1,201	1,316	1,381	1,401	0	0 00%
Gender Not Reported (Members)	0	0	0	0	0	0	0 00%
TOTAL NUMBER OF MEMBERS	4,574	5,001	5,261	5,524	5,605	0	0 00%
Youth	0	0	0	0	0	0	0 00%
Thrd Parties/Groups	0	0	0	0	0	0	0 00%
TOTAL NUMBER OF USERS	4,574	5,001	5,261	5,524	5,605	0	0 00%

BALANCE SHEET							
I EARNING ASSETS							
A. Loans to Members							
Short Term Loans (<=1 Year)	0	0	0	0	0	0	0 00%
Mednum Term Loans (> 1 <= 3 Years)	64,528,371	80,852,902	93,782,237	106,222,186	117,297,816	0	0 00%
Long Term Loans (>3 Years)	0	0	0	0	0	0	0 00%
Other Special Loans	0	0	0	0	0	0	0 00%
Allowance for Loan Losses	0	0	0	0	0	0	0 00%
Total Net Loans	64,528,371	80,852,902	93,782,237	106,222,186	117,297,816	0	0 00%
B. Liquid Investments							
Liquidity Reserves CFF	0	0	0	0	0	0	0 00%
Deposits CFF	0	0	0	0	0	0	0 00%
Savings Deposits Banks etc	537,329	1,493,245	2,282,637	1,295,177	3,628,266	0	0 00%
Securities & Investments	0	0	0	0	0	0	0 00%
Other Miscellaneous Investments	954,262	0	97,364	0	0	0	0 00%
Total Liquid Investments	1,491,591	1,493,245	2,380,001	1,295,177	3,628,266	0	0 00%
C. Financial Investments							
Shares KUSCCO	226,050	300,050	300,050	300,050	450,050	0	0 00%
Central Finance Programme	2,161,300	2,618,626	2,937,426	3,441,544	4,950,933	0	0 00%
Savings Deposits Banks etc	0	0	0	0	0	0	0 00%
Securities & Investments	120,000	120,000	120,000	120,000	120,000	0	0 00%
Other Miscellaneous Investments	2,860,300	3,343,000	4,427,700	4,427,700	4,427,700	0	0 00%
Total Financial Investments	5,367,650	6,381,676	7,785,176	8,289,294	9,948,683	0	0 00%
D Non Financial Investments							
Various	0	0	0	0	0	0	0 00%
Allowances for Non financial Investments	0	0	0	0	0	0	0 00%
Various	0	0	0	0	0	0	0 00%
TOTAL EARNING ASSETS	71,387,612	88,727,823	103,947,414	115,806,657	130,874,765	0	0 00%

ADDITIONAL LOAN PORTFOLIO INFORMATION

I DELINQUENCY CALCULATION METHOD	NA	NA	NA	BALANCE	NA	NA	NA
II DELINQUENCY							
Delinquency not Classified	64,528,371	80,852,902	93,782,237	0	0	0	0 00%
1 Day to 1 Month	0	0	0	0	0	0	0 00%
1 to 3 Months	0	0	0	0	0	0	0 00%
4 to 6 Months	0	0	0	403,353	0	0	0 00%
7 to 12 Months	0	0	0	118,307	0	0	0 00%
More Than 12 Months	0	0	0	0	0	0	0 00%
TOTAL DELINQUENCY	64,528,371	80,852,902	93,782,237	521,660	0	0	0 00%
III LOAN PORTFOLIO	64,528,371	80,852,902	93,782,237	106,222,186	117,297,816	0	0 00%
IV ACCUMULATED CHARGE-OFFS	0	0	0	0	0	0	0 00%
V RECOVERY OF CHARGE-OFFS	0	0	0	0	0	0	0 00%

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ANNUAL GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
II. NON EARNING ASSETS							
<i>A. Liquid Assets</i>							
Cash & Equivalents	49,589	(169,999)	11,982	273,424	1,236,422	0	0.00%
Current (Checking) Accounts	1,734,167	2,562,494	3,500,928	(884,792)	2,129,722	0	0.00%
Imprest Cash	0	0	0	0	13,598	0	0.00%
Liquidity Reserves	0	0	0	0	0	0	0.00%
Other	0	0	10,301	300,607	0	0	0.00%
Total Liquid Assets	1,783,756	2,392,495	3,523,211	(310,761)	3,379,743	0	0.00%
<i>B. Accounts Receivable</i>							
Debtors	0	0	0	0	507,723	0	0.00%
Interest Receivable	0	0	790,366	883,994	879,595	0	0.00%
Notes Receivable	0	0	0	0	0	0	0.00%
Payroll Deductions Receivable	4,369,482	5,309,336	6,413,036	19,157,735	17,504,719	0	0.00%
Other Accounts Receivable	416,074	0	0	178,401	0	0	0.00%
Allowance for Receivable Losses	0	0	0	0	0	0	0.00%
Total Accounts Receivable	4,785,556	5,309,336	7,203,402	20,220,130	18,892,036	0	0.00%
<i>C. Fixed Assets</i>							
Land	131,200	148,200	148,200	148,200	148,200	0	0.00%
Buildings (Cost)	0	3,316,720	18,531,753	29,646,873	36,666,346	0	0.00%
Leasehold Improvements (Cost)	0	0	0	0	0	0	0.00%
Furniture & Equipment (Cost)	215,821	272,789	661,618	1,695,836	2,482,710	0	0.00%
Accumulated Depreciation	0	0	0	0	0	0	0.00%
Net Fixed Assets	347,021	3,737,709	19,341,571	31,490,909	39,297,256	0	0.00%
<i>D. Other Assets</i>							
Assets in Liquidation	0	0	0	0	0	0	0.00%
Advances	0	0	0	0	164,021	0	0.00%
Prepaid Expenses	0	0	0	121,331	0	0	0.00%
Other Assets	0	234,582	113,377	0	0	0	0.00%
Accumulated Amortization	0	0	0	0	0	0	0.00%
Total Other Assets	0	234,582	113,377	121,331	164,021	0	0.00%
<i>E. Problem Assets</i>							
Doubtful Assets	144,352	144,352	0	0	0	0	0.00%
Accounting Discrepancy Assets	0	0	0	0	0	0	0.00%
Other	0	0	0	0	0	0	0.00%
Total Problem Assets	144,352	144,352	0	0	0	0	0.00%
TOTAL NON EARNING ASSETS	7,060,685	11,818,474	30,181,561	51,521,609	61,733,057	0	0.00%
TOTAL ASSETS	78,448,297	100,546,297	134,128,975	167,328,266	192,607,821	0	0.00%

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ANNUAL GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
III. INTEREST BEARING LIABILITIES							
A. Savings Deposits							
Regular Savings Deposits	0	0	85,550	1,903,092	5,737,007	0	0.00%
Fixed Savings Deposits	0	0	0	0	0	0	0.00%
Youth Savings Deposits	0	0	0	0	0	0	0.00%
Special Savings Deposits	0	0	0	0	0	0	0.00%
Pledged Savings Deposits	0	0	0	0	0	0	0.00%
Total Savings Deposits	0	0	85,550	1,903,092	5,737,007	0	0.00%
B. External Credit							
Short Term Loans CFF <=1 yr	0	0	4,400,000	0	0	0	0.00%
Long Term Loans CFF >1 yr	0	0	0	0	0	0	0.00%
Loans Banks	0	0	0	0	0	0	0.00%
Loans Other External Institutions	0	0	0	0	0	0	0.00%
Total External Credit	0	0	4,400,000	0	0	0	0.00%
TOTAL INTEREST BEARING LIABILITIES	0	0	4,485,550	1,903,092	5,737,007	0	0.00%
IV. NON INTEREST BEARING LIABILITIES							
A. Short Term Accounts Payable (<=30 Days)	76,362	197,718	389,492	213,880	0	0	0.00%
B. Provisions (e.g. Wages/Benefits)	0	0	0	405,714	8,994,928	0	0.00%
C. Other Liabilities	3,872,584	4,163,102	6,700,148	9,009,944	418,727	0	0.00%
D. Liability Discrepancy	0	0	0	0	0	0	0.00%
TOTAL NON INTEREST BEARING LIABILITIES	3,948,946	4,360,820	7,089,640	9,629,538	9,413,655	0	0.00%
TOTAL LIABILITIES	3,948,946	4,360,820	11,575,190	11,532,630	15,150,663	0	0.00%
V. CAPITAL							
A. Member Share Capital							
Mandatory Shares	70,157,459	89,283,770	111,672,220	138,634,679	152,888,178	0	0.00%
Voluntary Shares	748,749	2,267,194	4,747,850	11,280,159	15,124,719	0	0.00%
Total Member Share Capital	70,906,208	91,550,964	116,420,070	149,914,838	168,012,897	0	0.00%
B. Transitory Capital							
Asset Appreciation Over Cost	0	0	0	0	0	0	0.00%
Education & Social Reserves	0	0	0	0	0	0	0.00%
Monetary Reserves	0	0	0	0	0	0	0.00%
Other Reserves	0	0	0	0	0	0	0.00%
Undistributed Net Income	0	0	0	0	0	0	0.00%
Capital Discrepancy	0	0	0	0	0	0	0.00%
Total Transitory Capital	0	0	0	0	0	0	0.00%
C. Institutional Capital							
Statutory & Legal Reserves	890,986	920,864	979,348	994,505	994,505	0	0.00%
Retained Earnings	2,190,363	2,402,665	2,509,617	2,155,089	2,155,089	0	0.00%
Special Asset Reserves	475,809	1,271,559	2,579,925	2,644,679	3,063,963	0	0.00%
Donations / Other Reserves	35,985	39,425	64,825	86,525	92,825	0	0.00%
Undistributed Losses	0	0	0	0	0	0	0.00%
YTD Net Income (Loss) Transfers	0	0	0	0	3,137,880	0	0.00%
Total Institutional Capital	3,593,143	4,634,513	6,133,715	5,880,798	9,444,262	0	0.00%
TOTAL CAPITAL	74,499,351	96,185,477	122,553,785	155,795,636	177,457,159	0	0.00%
TOTAL LIABILITIES AND CAPITAL	78,448,297	100,546,297	134,128,975	167,328,266	192,607,821	0	0.00%

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	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
INCOME STATEMENT							
I INCOME							
<i>A Income - Loans</i>							
1 <i>Interest Income Loans</i>	5,994,341	7,832,720	9,615,155	13,664,652	7,963,138	0	0 00%
2 <i>Penalty Interest Income Loans</i>	0	0	0	0	0	0	0 00%
3 <i>Commissions / Fees Loans</i>	0	0	0	0	0	0	0 00%
4 <i>(Less) Interest Rebate Loans</i>	0	0	0	0	0	0	0 00%
Net Income - Loans	5,994,341	7,832,720	9,615,155	13,664,652	7,963,138	0	0 00%
<i>B. Income - Liquid Investments</i>	76,248	451,466	218,476	230,237	0	0	0 00%
<i>C. Income - Financial Investments</i>	243,873	0	476,214	357,642	0	0	0 00%
<i>D Income - Non-financial Investments</i>	0	0	31,214	151,102	0	0	0 00%
<i>E. Income - Other</i>	24,668	32,813	3,000	0	597,523	0	0 00%
<i>F Income From Donations</i>	0	0	0	0	0	0	0 00%
GROSS INCOME	6,339,130	8,316,999	10,344,059	14,403,633	8,560,661	0	0 00%
II FINANCIAL COSTS							
<i>A Interest Expense Savings Deposits</i>	0	0	0	0	0	0	0 00%
<i>B Insurance Premiums Savings Deposits</i>	0	0	0	0	0	0	0 00%
Financial Costs - Savings Deposits	0	0	0	0	0	0	0 00%
<i>C Financial Costs External Credit</i>	7,463	112,046	220,800	607,200	350,646	0	0 00%
<i>D Dividend Expense Shares</i>	3,200,000	3,857,100	5,695,200	7,400,000	0	0	0 00%
<i>E Insurance Premiums Shares</i>	0	0	0	0	0	0	0 00%
Financial Costs - Shares	3,200,000	3,857,100	5,695,200	7,400,000	0	0	0 00%
<i>F Financial Costs Other</i>	0	0	0	0	0	0	0 00%
TOTAL FINANCIAL COSTS	3,207,463	3,969,146	5,916,000	8,007,200	350,646	0	0 00%
III Net Interest Margin	3,131,667	4,347,853	4,428,059	6,396,433	8,210,015	0	0 00%
EXPENSES							
IV OPERATING EXPENSES							
Personnel	1,255,374	1,586,428	1,447,393	2,351,544	1,662,692	0	0 00%
Governance	714,900	1,172,200	1,048,131	1,852,123	1,855,612	0	0 00%
Marketing	154,537	91,615	126,139	476,007	180,184	0	0 00%
Depreciation	30,831	38,969	70,841	82,707	0	0	0 00%
Administration	930,082	1,369,016	1,560,102	1,988,585	1,373,647	0	0 00%
TOTAL OPERATING EXPENSES	3,085,724	4,258,228	4,252,606	6,750,966	5,072,135	0	0 00%
V PROVISIONS RISK ASSETS	0	208,992	68,500	0	0	0	0 00%
VI NET INCOME FROM OPERATIONS	45,943	(119,367)	106,953	(354,533)	3,137,880	0	0 00%
VII OTHER INCOME / EXPENSES							
Extraordinary Items (Net)	0	0	0	0	0	0	0 00%
Previous Period Adjustments (Net)	0	331,669	0	0	0	0	0 00%
VIII NET INCOME / LOSS	45,943	212,302	106,953	(354,533)	3,137,880	0	0 00%

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ANNUAL GOAL

		12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	31/01/00	% Complete
Number of Credit Unions Represented in this report		1	1	1	1	1	0	
P-E-A-R-L-S RATIOS		GOALS						
P	PROTECTION							
1	Allowance for Loan Losses / Delinq >12 Mo	100%	NA	NA	NA	0 00%	0 00%	NA NA
2a	Net Allowance for Loan Losses / Delinq 7-12 Mo	50%	ERR	NA	NA	0 00%	0 00%	NA NA
2b	Net Allowance for Loan Losses / Delinq 4-6 Mo	50%	ERR	NA	NA	0 00%	0 00%	NA NA
2c	Net Allowance for Loan Losses / Delinq 1-3 Mo	10%	ERR	NA	NA	0 00%	0 00%	NA NA
3	Complete Loan Charge-Off of Delinquency > 12 Mo	Yes or No	Yes	NA	NA	NA	Yes	NA 0 00%
4	Annual Loan Charge-offs / Average Loan Portfolio	Minimized	ERR	0 00%	0 00%	0 00%	0 00%	NA NA
5	Accum. Charge-Offs Recovered/ Accum Charge-Offs	100%	0 00%	0 00%	0 00%	0 00%	0 00%	NA NA
E	EFFECTIVE FINANCIAL STRUCTURE							
1	Net Loans / Total Assets	Between 70-80%	82 26%	80 41%	69 92%	63 48%	60 90%	NA NA
2	Liquid Investments / Total Assets	Max 20%	1 90%	1 49%	1 77%	0 77%	1 88%	NA NA
3	Financial Investments / Total Assets	Max 10%	6 84%	6 35%	5 80%	4 95%	5 17%	NA NA
4	Non Financial Investments / Total Assets	0%	0 00%	0 00%	0 00%	0 00%	0 00%	NA NA
5	Savings Deposits / Total Assets	Between 70-80%	0 00%	0 00%	0 06%	1 14%	2 98%	NA NA
6	External Credit / Total Assets	0%	0 00%	0 00%	3 28%	0 00%	0 00%	NA NA
7	Member Share Capital / Total Assets	Max 20%	90 39%	91 05%	86 80%	89 59%	87 23%	NA NA
8	Institutional Capital / Total Assets	Min 10%	4 58%	4 61%	4 57%	3 51%	4 90%	NA NA
A	ASSET QUALITY							
1	Total Delinquency / Total Loan Portfolio	Less Than or Equal to 5%	0 00%	0 00%	0 00%	0 11%	0 00%	NA NA
2	Non Earning Assets / Total Assets	Less Than or Equal to 5%	9 00%	11 75%	22 50%	30 79%	32 05%	NA NA
3	Zero Cost Funds / Non earning Assets	Greater Than or Equal to 10%	106 82%	76 11%	43 81%	30 10%	30 55%	NA NA
R	RATES OF RETURN AND COSTS							
1	Net Loan Income / Average Net Loan Portfolio	Entrepreneurial Rate	9 29%	10 78%	11 01%	13 66%	14 37%	NA NA
2	Liquid Inv Income / Avg. Liquid Investments	Market Rates	5 11%	30 25%	11 28%	12 53%	0 00%	NA NA
3	Fin. Investment Income / Avg. Fin Investments	Market Rates	4 54%	0 00%	6 72%	4 45%	0 00%	NA NA
4	Non Fin. Inv Income / Avg. Non Fin. Investments	Greater Than or Equal to R1	NA	NA	NA	NA	NA	NA NA
5	Fin Costs Savings Deposits / Avg. Savings Deposits	Market Rates	NA	NA	0 00%	0 00%	0 00%	NA NA
6	Fin Costs External Credit / Avg. External Credit	Less Than or Equal to R5	NA	NA	10 04%	NA	NA	NA NA
7	Fin Costs Member Shares / Avg Member Shares	Greater Than or Equal to R5	4 51%	4 75%	5 48%	5 56%	0 00%	NA NA
8	Gross Margin / Average Assets	Amount Needed to Cover R9-R10 Increase Capital	3 99%	4 86%	3 77%	4 24%	9 20%	NA NA
9	Operating Expenses / Average Assets	5% - 10%	3 93%	4 76%	3 62%	4 48%	5 68%	NA NA
10	Provisions for Risk Assets / Average Assets	Sufficient for Estimated Loss	0 00%	0 23%	0 06%	0 00%	0 00%	NA NA
11	Other Income or Expense / Average Assets	Amount Needed	0 00%	-0 37%	0 00%	0 00%	0 00%	NA NA
12	Net Income / Average Assets	Enough to reach the goal for E8	0 06%	0 24%	0 09%	-0 24%	3 52%	NA NA
L	LIQUIDITY							
1	Liquid Assets ST Payables / Total Deposits	Minimum 15%	NA	NA	6445 03%	40 49%	122 15%	NA NA
2	Liquidity Reserves / Total Savings Deposits	10%	NA	NA	0 00%	0 00%	0 00%	NA NA
3	Non Earning Liquid Assets / Total Assets	Less Than 1%	2 27%	2 38%	2 63%	0 19%	1 75%	NA NA
4	Deposits in CFF / Total Available Liquidity	Minimum Amount	0 00%	0 00%	0 00%	0 00%	0 00%	NA NA
S	SIGNS OF GROWTH (Annual Growth Rates)							
1	Total Assets	More than Inflation	ERR	28 17%	33 40%	24 75%	30 47%	NA NA
2	Loans	Sufficient to achieve goal in E1	ERR	25 30%	15 99%	13 26%	21 03%	NA NA
3	Savings Deposits	Sufficient to achieve goal in E5	ERR	NA	NA	2124 54%	406 25%	NA NA
4	External Credit	Minimum to achieve goal in E5	ERR	NA	100 00%	100 00%	NA	NA NA
5	Share Capital	Sufficient to achieve goal in E7	NA	29 12%	27 16%	28 77%	24 34%	NA NA
6	Institutional Capital	Sufficient to achieve goal in E8	ERR	28 98%	32 35%	-4 12%	122 19%	NA NA
7	Membership	Min 5%	ERR	9 34%	5 20%	5 00%	2 96%	NA NA
INFLATION			6 90%	9 10%	11 20%	10 60%	NA	

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	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
Number of Credit Unions Represented in this report	1	1	1	1	1	1	0
NUMBER OF MEMBERS & USERS							
Men (Members)	0	0	0	7,699	7,030	0	0.00%
Women (Members)	0	0	0	3,854	4,856	0	0.00%
Gender Not Reported (Members)	9,347	9,869	10,200	0	0	0	0.00%
TOTAL NUMBER OF MEMBERS	9,347	9,869	10,200	11,553	11,886	0	0.00%
Youth	0	0	0	0	0	0	0.00%
Thurd Parties/Groups	0	0	0	0	0	0	0.00%
TOTAL NUMBER OF USERS	9,347	9,869	10,200	11,553	11,886	0	0.00%

BALANCE SHEET							
I EARNING ASSETS							
<i>A. Loans to Members</i>							
Short Term Loans (<=1 Year)	0	0	0	0	0	0	0.00%
Medium-Term Loans (> 1 <= 3 Years)	232,909,130	280,280,121	337,780,787	429,069,826	508,836,174	0	0.00%
Long Term Loans (>3 Years)	0	0	0	0	0	0	0.00%
Other Special Loans	0	0	0	0	0	0	0.00%
Allowance for Loan Losses	0	0	0	0	0	0	0.00%
Total Net Loans	232,909,130	280,280,121	337,780,787	429,069,826	508,836,174	0	0.00%
<i>B. Liquid Investments</i>							
Liquidity Reserves CFF	0	0	0	0	0	0	0.00%
Deposits CFF	0	0	0	0	0	0	0.00%
Savings Deposits Banks etc	26,002,998	10,976,538	22,077,520	19,929,769	6,858,871	0	0.00%
Securities & Investments	0	0	0	0	0	0	0.00%
Other Miscellaneous Investments	0	0	0	0	0	0	0.00%
Total Liquid Investments	26,002,998	10,976,538	22,077,520	19,929,769	6,858,871	0	0.00%
<i>C. Financial Investments</i>							
Shares KUSCCO	37,000	38,000	40,000	100,000	600,000	0	0.00%
Central Finance Programme	3,735,968	5,148,379	6,050,319	6,584,490	6,644,490	0	0.00%
Savings Deposits Banks etc	0	0	0	0	11,439,230	0	0.00%
Securities & Investments	85,640	85,640	300,000	300,000	300,000	0	0.00%
Other Miscellaneous Investments	8,225,638	10,818,728	11,609,728	5,261,500	5,261,500	0	0.00%
Total Financial Investments	12,084,247	16,090,748	18,000,047	12,245,990	24,245,220	0	0.00%
<i>D Non Financial Investments</i>							
Various	0	0	0	0	0	0	0.00%
Allowances for Non financial Investments	0	0	0	0	0	0	0.00%
Various	0	0	0	0	0	0	0.00%
TOTAL EARNING ASSETS	270,996,375	307,347,407	377,858,355	461,245,585	539,940,265	0	0.00%

ADDITIONAL LOAN PORTFOLIO INFORMATION

I DELINQUENCY CALCULATION METHOD	NA	NA	NA	BALANCE	NA	NA	NA
II DELINQUENCY							
<i>Delinquency not Classified</i>	0	0	0	0	0	0	0.00%
<i>1 Day to 1 Month</i>	0	0	0	0	0	0	0.00%
<i>1 to 3 Months</i>	0	0	0	3,158,000	0	0	0.00%
<i>4 to 6 Months</i>	0	0	0	1,443,060	0	0	0.00%
<i>7 to 12 Months</i>	0	0	0	675,400	0	0	0.00%
<i>More Than 12 Months</i>	0	0	0	117,200	0	0	0.00%
TOTAL DELINQUENCY	0	0	0	5,393,660	0	0	0.00%
III LOAN PORTFOLIO	232,909,130	280,280,121	337,780,787	429,069,826	508,836,174	0	0.00%
IV ACCUMULATED CHARGE-OFFS	0	0	0	0	0	0	0.00%
V RECOVERY OF CHARGE-OFFS	0	0	0	0	0	0	0.00%

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ANNUAL GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
II. NON EARNING ASSETS							
A. Liquid Assets							
Cash & Equivalents	2,592	4,605	3,588	0	(14,862,817)	0	0.00%
Current (Checking) Accounts	(14,077,177)	(4,084,246)	15,260,237	(21,042,209)	776,692	0	0.00%
Imprest Cash	0	0	0	3,676	0	0	0.00%
Liquidity Reserves	0	0	0	0	0	0	0.00%
Other	0	0	0	0	8,021	0	0.00%
Total Liquid Assets	(14,074,585)	(4,079,641)	15,263,824	(21,038,533)	(14,078,104)	0	0.00%
B. Accounts Receivable							
Debtors	0	0	0	0	0	0	0.00%
Interest Receivable	0	0	0	0	0	0	0.00%
Notes Receivable	0	0	0	0	0	0	0.00%
Payroll Deductions Receivable	31,920,409	31,346,612	33,693,890	34,919,637	38,501,437	0	0.00%
Other Accounts Receivable	57,800	0	0	0	0	0	0.00%
Allowance for Receivable Losses	(328,092)	(401,243)	0	0	0	0	0.00%
Total Accounts Receivable	31,650,117	30,945,369	33,693,890	34,919,637	38,501,437	0	0.00%
C. Fixed Assets							
Land	982,638	1,087,460	518,598	520,218	520,218	0	0.00%
Buildings (Cost)	0	0	10,477,994	13,002,514	13,229,861	0	0.00%
Leasehold Improvements (Cost)	0	0	0	0	0	0	0.00%
Furniture & Equipment (Cost)	1,310,580	1,263,722	2,653,183	8,138,954	8,342,539	0	0.00%
Accumulated Depreciation	0	0	0	0	0	0	0.00%
Net Fixed Assets	2,293,217	2,351,182	13,649,775	21,661,686	22,092,618	0	0.00%
D. Other Assets							
Assets in Liquidation	0	0	0	0	0	0	0.00%
Advances	0	0	0	0	94,490	0	0.00%
Prepaid Expenses	0	0	98,013	0	0	0	0.00%
Other Assets	255,649	229,338	299,110	338,897	135,397	0	0.00%
Accumulated Amortization	0	0	0	0	0	0	0.00%
Total Other Assets	255,649	229,338	397,123	338,897	229,887	0	0.00%
E. Problem Assets							
Doubtful Assets	328,092	401,243	0	0	0	0	0.00%
Accounting Discrepancy Assets	0	0	0	0	264,441	0	0.00%
Other	0	0	0	0	0	0	0.00%
Total Problem Assets	328,092	401,243	0	0	264,441	0	0.00%
TOTAL NON EARNING ASSETS	20,452,490	29,847,490	63,004,612	35,881,687	47,010,278	0	0.00%
TOTAL ASSETS	291,448,865	337,194,897	440,862,967	497,127,272	586,950,543	0	0.00%

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ANNUAL GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
III INTEREST BEARING LIABILITIES							
<i>A. Savings Deposits</i>							
Regular Savings Deposits	0	0	0	0	0	0	0 00%
Fixed Savings Deposits	0	0	0	0	0	0	0 00%
Youth Savings Deposits	0	0	0	0	0	0	0 00%
Special Savings Deposits	0	0	0	0	0	0	0 00%
Pledged Savings Deposits	0	0	0	0	0	0	0 00%
Total Savings Deposits	0	0	0	0	0	0	0 00%
<i>B External Credit</i>							
Short Term Loans CFF <=1 yr	0	0	0	0	0	0	0 00%
Long Term Loans CFF >1 yr	2,973,259	3,724,000	12,228,282	0	0	0	0 00%
Loans Banks	0	0	0	0	7,000,000	0	0 00%
Loans Other External Institutions	0	0	23,000,000	0	13,000,000	0	0 00%
Total External Credit	2,973,259	3,724,000	35,228,282	0	20,000,000	0	0 00%
TOTAL INTEREST BEARING LIABILITIES	2,973,259	3,724,000	35,228,282	0	20,000,000	0	0 00%
IV NON INTEREST BEARING LIABILITIES							
<i>A Short Term Accounts Payable (<=30 Days)</i>	53,300	73,332	54,000	0	(12,325)	0	0 00%
<i>B Provisions (e.g. Wages/Benefits)</i>	19,090,730	23,009,686	31,263,392	34,674,224	37,257,259	0	0 00%
<i>C Other Liabilities</i>	978,366	1,563,352	3,016,651	2,630,693	2,007,379	0	0 00%
<i>D Liability Discrepancy</i>	0	0	0	0	0	0	0 00%
TOTAL NON INTEREST BEARING LIABILITIES	20,122,396	24,646,370	34,334,043	37,304,917	39,252,313	0	0 00%
TOTAL LIABILITIES	23,095,655	28,370,370	69,562,325	37,304,917	59,252,313	0	0 00%
V CAPITAL							
<i>A. Member Share Capital</i>							
Mandatory Shares	322,080	393,880	460,880	439,779,559	488,698,619	0	0 00%
Voluntary Shares	259,745,277	299,770,581	362,418,013	10,589,094	13,258,677	0	0 00%
Total Member Share Capital	260,067,357	300,164,461	362,878,893	450,368,653	501,957,295	0	0 00%
<i>B Transitory Capital</i>							
Asset Appreciation Over Cost	0	0	0	0	0	0	0 00%
Education & Social Reserves	0	0	0	0	0	0	0 00%
Monetary Reserves	0	0	0	0	0	0	0 00%
Other Reserves	0	0	0	0	0	0	0 00%
Undistributed Net Income	0	0	0	0	0	0	0 00%
Capital Discrepancy	0	0	0	0	0	0	0 00%
Total Transitory Capital	0	0	0	0	0	0	0 00%
<i>C Institutional Capital</i>							
Statutory & Legal Reserves	4,856,782	5,229,670	5,248,816	5,758,133	5,758,133	0	0 00%
Retained Earnings	0	1,326	19,146	3,405	5,492	0	0 00%
Special Asset Reserves	3,429,071	3,429,071	3,153,787	3,153,786	3,153,787	0	0 00%
Donations / Other Reserves	0	0	0	538,380	776,020	0	0 00%
Undistributed Losses	0	0	0	0	0	0	0 00%
YTD Net Income (Loss) Transfers	0	0	0	0	16,047,503	0	0 00%
Total Institutional Capital	8,285,853	8,660,066	8,421,749	9,453,704	25,740,935	0	0 00%
TOTAL CAPITAL	268,353,210	308,824,527	371,300,642	459,822,357	527,698,230	0	0 00%
TOTAL LIABILITIES AND CAPITAL	291,448,865	337,194,897	440,862,967	497,127,274	586,950,543	0	0 00%

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GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
INCOME STATEMENT							
I INCOME							
<i>A Income Loans</i>							
1 <i>Interest Income Loans</i>	24,474,736	30,316,148	40,004,164	49,092,271	25,558,781	0	0.00%
2 <i>Penalty Interest Income Loans</i>	0	0	0	0	0	0	0.00%
3 <i>Commissions / Fees Loans</i>	0	0	0	0	0	0	0.00%
4 <i>(Less) Interest Rebate Loans</i>	0	0	0	0	(9,152)	0	0.00%
<i>Net Income - Loans</i>	<u>24,474,736</u>	<u>30,316,148</u>	<u>40,004,164</u>	<u>49,092,271</u>	<u>25,549,629</u>	0	0.00%
<i>B Income - Liquid Investments</i>	64,631	65,439	184,089	193,161	0	0	0.00%
<i>C Income - Financial Investments</i>	0	0	0	0	(12,581)	0	0.00%
<i>D Income - Non financial Investments</i>	0	0	0	0	0	0	0.00%
<i>E Income - Other</i>	0	0	0	900	232,481	0	0.00%
<i>F Income From Donations</i>	0	0	0	0	0	0	0.00%
GROSS INCOME	24,539,367	30,381,586	40,188,253	49,286,332	25,769,529	0	0.00%
II FINANCIAL COSTS							
<i>A Interest Expense Savings Deposits</i>	0	0	0	0	0	0	0.00%
<i>B Insurance Premiums Savings Deposits</i>	0	0	0	0	0	0	0.00%
<i>Financial Costs - Savings Deposits</i>	0	0	0	0	0	0	0.00%
<i>C Financial Costs External Credit</i>	138,752	804,641	315,610	1,961,178	2,601,425	0	0.00%
<i>D Dividend Expense Shares</i>	18,943,239	22,304,191	31,729,237	34,303,381	0	0	0.00%
<i>E Insurance Premiums Shares</i>	0	0	0	0	0	0	0.00%
<i>Financial Costs - Shares</i>	<u>18,943,239</u>	<u>22,304,191</u>	<u>31,729,237</u>	<u>34,303,381</u>	0	0	0.00%
<i>F Financial Costs Other</i>	554,296	676,778	587,757	251,292	0	0	0.00%
TOTAL FINANCIAL COSTS	19,636,287	23,785,610	32,632,604	36,515,851	2,601,425	0	0.00%
III Net Interest Margin	4,903,079	6,595,977	7,555,649	12,770,481	23,168,105	0	0.00%
EXPENSES							
IV OPERATING EXPENSES							
Personnel	2,297,561	3,310,295	3,746,438	5,777,473	2,997,024	0	0.00%
Governance	1,031,091	1,391,130	1,448,102	2,740,106	1,948,508	0	0.00%
Marketing	80,982	84,663	131,007	263,506	9,000	0	0.00%
Depreciation	187,226	180,532	583,558	1,581,464	0	0	0.00%
Administration	1,183,115	1,226,789	1,623,933	2,423,674	2,166,069	0	0.00%
TOTAL OPERATING EXPENSES	4,779,974	6,193,408	7,533,038	12,786,223	7,120,601	0	0.00%
V PROVISIONS RISK ASSETS	328,092	401,243	0	0	0	0	0.00%
VI NET INCOME FROM OPERATIONS	(204,987)	1,326	22,611	(15,742)	16,047,503	0	0.00%
VII OTHER INCOME / EXPENSES							
Extraordinary Items (Net)	0	0	0	0	0	0	0.00%
Previous Period Adjustments (Net)	800	0	(4,790)	0	0	0	0.00%
VIII NET INCOME / LOSS	(204,187)	1,326	17,821	(15,742)	16,047,503	0	0.00%

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ANNUAL GOAL

Number of Credit Unions Represented in this report		12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	Complete	
P-E-A-R-L-S RATIOS		1	1	1	1	1	0		
PROTECTION		GOALS							
1	Allowance for Loan Losses / Delinq >12 Mo	100%	0 00%	0 00%	0 00%	0 00%	0 00%	NA	NA
2a	Net Allowance for Loan Losses / Delinq 7-12 Mo	50%	ERR	0 00%	0 00%	0 00%	0 00%	NA	NA
2b	Net Allowance for Loan Losses / Delinq 4-6 Mo	30%	ERR	0 00%	0 00%	0 00%	0 00%	NA	NA
2c	Net Allowance for Loan Losses / Delinq 1-3 Mo	10%	ERR	0 00%	0 00%	0 00%	0 00%	NA	NA
3	Complete Loan Charge-Off of Delinquency > 12 Mo	Yes or No	Yes	Yes	Yes	No	Yes	NA	NA
4	Annual Loan Charge offs / Average Loan Portfolio	Minimized	ERR	0 00%	0 00%	0 00%	0 00%	NA	0 00%
5	Accum Charge Offs Recovered/ Accum Charge Offs	100%	0 00%	0 00%	0 00%	0 00%	0 00%	NA	NA
EFFECTIVE FINANCIAL STRUCTURE									
1	Net Loans / Total Assets	Between 70-80%	79 91%	83 12%	76 62%	86 31%	86 69%	NA	NA
2	Liquid Investments / Total Assets	Max 20%	8 92%	3 26%	5 01%	4 01%	1 17%	NA	NA
3	Financial Investments / Total Assets	Max 10%	4 15%	4 77%	4 08%	2 46%	4 13%	NA	NA
4	Non Financial Investments / Total Assets	0%	0 00%	0 00%	0 00%	0 00%	0 00%	NA	NA
5	Savings Deposits / Total Assets	Between 70-80%	0 00%	0 00%	0 00%	0 00%	0 00%	NA	NA
6	External Credit / Total Assets	0%	1 02%	1 10%	7 99%	0 00%	3 41%	NA	NA
7	Member Share Capital / Total Assets	Max 20%	89 23%	89 02%	82 31%	90 59%	85 52%	NA	NA
8	Institutional Capital / Total Assets	Min 10%	2 84%	2 57%	1 91%	1 90%	4 39%	NA	NA
ASSET QUALITY									
1	Total Delinquency / Total Loan Portfolio	Less Than or Equal to 5%	0 00%	0 00%	0 00%	0 18%	0 00%	NA	NA
2	Non Earning Assets / Total Assets	Less Than or Equal to 5%	7 02%	8 85%	14 29%	7 22%	8 01%	NA	NA
3	Zero Cost Funds / Non earning Assets	Greater Than or Equal to 100%	138 90%	111 59%	67 86%	130 31%	138 25%	NA	NA
RATES OF RETURN AND COSTS									
1	Net Loan Income / Average Net Loan Portfolio	Entrepreneurial Rate	10 51%	11 81%	12 95%	12 80%	10 99%	NA	NA
2	Liquid Inv Income / Avg Liquid Investments	Market Rates	0 25%	0 35%	1 11%	0 92%	0 00%	NA	NA
3	Fin Investment Income / Avg Fin Investments	Market Rates	0 00%	0 00%	0 00%	0 00%	0 14%	NA	NA
4	Non Fin Inv Income / Avg Non Fin Investments	Greater Than or Equal to R1	NA	NA	NA	NA	NA	NA	NA
5	Fin Costs Savings Deposits / Avg Savings Deposits	Market Rates	NA	NA	NA	NA	NA	NA	NA
6	Fin Costs External Credit / Avg External Credit	Less Than or Equal to R5	4 67%	24 03%	1 62%	NA	52 46%	NA	NA
7	Fin Costs Member Shares / Avg Member Shares	Greater Than or Equal to R5	7 28%	7 96%	9 57%	8 44%	0 00%	NA	NA
8	Gross Margin / Average Assets	Amount Not to Exceed R9 R10 Increase Capital	1 68%	2 10%	1 94%	2 72%	8 62%	NA	NA
9	Operating Expenses / Average Assets	3% 10%	1 64%	1 97%	1 94%	2 73%	2 65%	NA	NA
10	Provisions for Risk Assets / Average Assets	Sufficient for Estimated Losses	0 11%	0 13%	0 00%	0 00%	0 00%	NA	NA
11	Other Income or Expense / Average Assets	Amount Not to Exceed	-0 00%	0 00%	0 00%	0 00%	0 00%	NA	NA
12	Net Income / Average Assets	Enough to reach the goal for RE	-0 07%	0 00%	0 00%	0 00%	5 97%	NA	NA
LIQUIDITY									
1	Liquid Assets ST Payables / Total Deposits	Minimum 15%	NA	NA	NA	NA	NA	NA	NA
2	Liquidity Reserves / Total Savings Deposits	10%	NA	NA	NA	NA	NA	NA	NA
3	Non Earning Liquid Assets / Total Assets	Less Than 1%	-4 83%	1 21%	3 46%	4 23%	2 40%	NA	NA
4	Deposits in CFF / Total Available Liquidity	Maximum Amount	0 00%	0 00%	0 00%	0 00%	0 00%	NA	NA
SIGNS OF GROWTH (Annual Growth Rates)									
1	Total Assets	More than Inflation	ERR	15 70%	30 74%	12 76%	36 44%	NA	NA
2	Loans	Sufficient to hit the goal in E1	ERR	20 34%	20 52%	27 03%	37 49%	NA	NA
3	Savings Deposits	Sufficient to achieve goal in E5	ERR	NA	NA	NA	NA	NA	NA
4	External Credit	Minimum to achieve goal in E5	ERR	0 00%	845 98%	100 00%	100 00%	NA	NA
5	Share Capital	Sufficient to achieve goal in E7	ERR	15 42%	20 89%	24 11%	23 10%	NA	NA
6	Institutional Capital	Sufficient to achieve goal in E8	ERR	4 52%	2 75%	12 25%	347 42%	NA	NA
7	Membership	Min 5%	ERR	5 58%	3 35%	13 26%	5 81%	NA	NA
INFLATION			6 90%	9 10%	11 20%	10 60%	12 55%		

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ANNUAL GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% C mplet
Number of Credit Unions Represented in this report	1	1	1	1	1	0	
NUMBER OF MEMBERS & USERS							
Men (Members)	2,460	2,505	2,704	3,078	4,872	0	0.00%
Women (Members)	2,363	2,406	2,598	2,957	1,710	0	0.00%
Gender Not Reported (Members)	0	0	0	0	0	0	0.00%
TOTAL NUMBER OF MEMBERS	4,823	4,911	5,302	6,035	6,582	0	0.00%
Youth	0	0	0	0	0	0	0.00%
Third Parties/Groups	0	0	0	0	0	0	0.00%
TOTAL NUMBER OF USERS	4,823	4,911	5,302	6,035	6,582	0	0.00%

BALANCE SHEET							
I EARNING ASSETS							
<i>A. Loans to Members</i>							
Short Term Loans (<=1 Year)	0	0	0	0	0	0	0.00%
Medium Term Loans (> 1 <= 3 Years)	84,701,797	102,534,092	119,253,260	148,202,209	167,238,825	0	0.00%
Long Term Loans (>3 Years)	0	0	0	0	0	0	0.00%
Other Special Loans	0	0	0	0	0	0	0.00%
Allowance for Loan Losses	0	0	0	0	0	0	0.00%
Total Net Loans	84,701,797	102,534,092	119,253,260	148,202,209	167,238,825	0	0.00%
<i>B Liquid Investments</i>							
Liquidity Reserves CFF	0	0	0	0	0	0	0.00%
Deposits CFF	0	0	0	0	0	0	0.00%
Savings Deposits Banks etc	9,643	9,644	312,556	210,261	58,291	0	0.00%
Securities & Investments	0	0	0	0	0	0	0.00%
Other Miscellaneous Investments	0	0	0	0	0	0	0.00%
Total Liquid Investments	9,643	9,644	312,556	210,261	58,291	0	0.00%
<i>C. Financial Investments</i>							
Shares KUSCCO	21,000	21,000	21,000	21,000	41,000	0	0.00%
Central Finance Programme	3,297,148	4,177,956	118,479	238,480	358,480	0	0.00%
Savings Deposits Banks etc	112,666	112,666	135,869	0	151,970	0	0.00%
Securities & Investments	0	0	0	0	0	0	0.00%
Other Miscellaneous Investments	1,067,183	4,075,585	6,771,285	3,520,300	3,520,300	0	0.00%
Total Financial Investments	4,497,997	8,387,207	7,046,633	3,779,780	4,071,750	0	0.00%
<i>D Non Financial Investments</i>							
Various	0	0	0	0	0	0	0.00%
Allowances for Non financial Investments	0	0	0	0	0	0	0.00%
Various	0	0	0	0	0	0	0.00%
TOTAL EARNING ASSETS	89,209,437	110,930,943	126,612,449	152,192,250	171,368,867	0	0.00%

ADDITIONAL LOAN PORTFOLIO INFORMATION

I DELINQUENCY CALCULATION METHOD							
II DELINQUENCY							
	NA	NA	NA	BALANCE	BALANCE	NA	NA
<i>Delinquency not Classified</i>							
1 Day to 1 Month	0	0	0	0	3,817,285	0	0.00%
1 to 3 Months	0	0	0	801,530	0	0	0.00%
4 to 6 Months	0	0	0	521,485	0	0	0.00%
7 to 12 Months	0	0	0	424,714	0	0	0.00%
More Than 12 Months	0	0	0	412,423	0	0	0.00%
TOTAL DELINQUENCY	0	0	0	2,160,152	3,817,285	0	0.00%
III LOAN PORTFOLIO							
	84,701,797	102,534,092	119,253,260	148,202,209	167,238,825	0	0.00%
IV ACCUMULATED CHARGE-OFFS							
	0	0	0	0	0	0	0.00%
V RECOVERY OF CHARGE-OFFS							
	0	0	0	0	0	0	0.00%

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	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% C mplete
II NON EARNING ASSETS							
<i>A. Liquid Assets</i>							
Cash & Equivalents	207,821	121,056	100,828	102,076	2,570,170	0	0.00%
Current (Checking) Accounts	4,468,132	0	2,416,796	(1,211,186)	(651,393)	0	0.00%
Imprest Cash	0	0	0	806	5,178	0	0.00%
Liquidity Reserves	0	0	0	0	0	0	0.00%
Other	0	0	0	0	0	0	0.00%
Total Liquid Assets	4,675,953	121,056	2,517,624	(1,108,304)	1,923,956	0	0.00%
<i>B. Accounts Receivable</i>							
Debtors	0	322,374	35,000	1,139,727	0	0	0.00%
Interest Receivable	974,024	2,831,515	4,861,046	386,553	0	0	0.00%
Notes Receivable	0	0	0	0	0	0	0.00%
Payroll Deductions Receivable	9,551,629	10,982,921	10,682,726	20,488,113	23,180,151	0	0.00%
Other Accounts Receivable	0	0	0	0	882	0	0.00%
Allowance for Receivable Losses	0	0	0	0	0	0	0.00%
Total Accounts Receivable	10,525,653	14,136,810	15,578,772	22,014,393	23,181,033	0	0.00%
<i>C. Fixed Assets</i>							
Land	0	0	0	0	0	0	0.00%
Buildings (Cost)	0	0	0	0	3,418,586	0	0.00%
Leasehold Improvements (Cost)	0	0	0	0	0	0	0.00%
Furniture & Equipment (Cost)	473,081	433,147	417,752	3,013,756	2,822,472	0	0.00%
Accumulated Depreciation	0	0	0	0	(11,087)	0	0.00%
Net Fixed Assets	473,081	433,147	417,752	3,013,756	6,229,971	0	0.00%
<i>D. Other Assets</i>							
Assets in Liquidation	0	0	0	0	0	0	0.00%
Advances	120,105	14,550	91,112	25,639	103,083	0	0.00%
Prepaid Expenses	0	354,384	0	0	241,005	0	0.00%
Other Assets	232,165	668,753	424,863	3,912,917	1,913,094	0	0.00%
Accumulated Amortization	0	0	0	0	0	0	0.00%
Total Other Assets	352,270	1,037,687	515,975	3,938,556	2,257,183	0	0.00%
<i>E. Problem Assets</i>							
Doubtful Assets	0	0	0	0	0	0	0.00%
Accounting Discrepancy Assets	0	0	0	0	519,040	0	0.00%
Other	0	0	0	0	0	0	0.00%
Total Problem Assets	0	0	0	0	519,040	0	0.00%
TOTAL NON EARNING ASSETS	16,026,957	15,728,700	19,030,123	27,858,401	34,111,182	0	0.00%
TOTAL ASSETS	105,236,394	126,659,643	145,642,572	180,050,651	205,480,049	0	0.00%

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GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
III. INTEREST BEARING LIABILITIES							
A. Savings Deposits							
Regular Savings Deposits	1,675,000	560,960	288,758	15,358	600,383	0	0.00%
Fixed Savings Deposits	0	0	0	0	149,850	0	0.00%
Youth Savings Deposits	0	0	0	0	0	0	0.00%
Special Savings Deposits	0	0	0	0	124,900	0	0.00%
Pledged Savings Deposits	0	0	0	0	0	0	0.00%
Total Savings Deposits	1,675,000	560,960	288,758	15,358	875,133	0	0.00%
B. External Credit							
Short Term Loans CFF <= 1 yr	5,888,510	5,039,178	0	0	0	0	0.00%
Long Term Loans CFF > 1 yr	0	0	0	0	0	0	0.00%
Loans Banks	0	1,686,398	0	0	7,596,970	0	0.00%
Loans Other External Institutions	0	0	0	0	0	0	0.00%
Total External Credit	5,888,510	6,725,576	0	0	7,596,970	0	0.00%
TOTAL INTEREST BEARING LIABILITIES	7,563,510	7,286,536	288,758	15,358	8,472,103	0	0.00%
IV. NON INTEREST BEARING LIABILITIES							
A. Short Term Accounts Payable (<=30 Days)	75,666	306,354	1,648,411	510,715	0	0	0.00%
B. Provisions (e.g. Wages/Benefits)	367,370	203,190	297,521	4,335,079	6,982,220	0	0.00%
C. Other Liabilities	1,021,770	0	0	406,415	455,763	0	0.00%
D. Liability Discrepancy	0	0	0	0	2,221,960	0	0.00%
TOTAL NON INTEREST BEARING LIABILITIES	1,464,806	509,544	1,945,932	5,252,209	9,659,944	0	0.00%
TOTAL LIABILITIES	9,028,316	7,796,080	2,234,690	5,267,567	18,132,046	0	0.00%
V. CAPITAL							
A. Member Share Capital							
Mandatory Shares	87,155,869	106,689,659	127,968,044	160,558,486	175,626,003	0	0.00%
Voluntary Shares	0	0	0	329,870	296,228	0	0.00%
Total Member Share Capital	87,155,869	106,689,659	127,968,044	160,888,356	175,922,231	0	0.00%
B. Transitory Capital							
Asset Appreciation Over Cost	0	0	0	0	0	0	0.00%
Education & Social Reserves	0	0	0	0	0	0	0.00%
Monetary Reserves	0	0	0	0	0	0	0.00%
Other Reserves	0	0	0	0	0	0	0.00%
Undistributed Net Income	0	0	0	0	0	0	0.00%
Capital Discrepancy	0	0	0	0	0	0	0.00%
Total Transitory Capital	0	0	0	0	0	0	0.00%
C. Institutional Capital							
Statutory & Legal Reserves	6,135,873	7,404,041	9,117,276	10,040,585	11,128,060	0	0.00%
Retained Earnings	2,877,156	4,727,853	6,278,747	3,809,498	298,223	0	0.00%
Special Asset Reserves	0	0	0	0	0	0	0.00%
Donations / Other Reserves	39,180	42,010	43,815	44,645	44,645	0	0.00%
Undistributed Losses	0	0	0	0	0	0	0.00%
YTD Net Income (Loss) Transfers	0	0	0	0	(45,156)	0	0.00%
Total Institutional Capital	9,052,209	12,173,904	15,439,838	13,894,728	11,425,772	0	0.00%
TOTAL CAPITAL	96,208,078	118,863,563	143,407,882	174,783,084	187,348,003	0	0.00%
TOTAL LIABILITIES AND CAPITAL	105,236,394	126,659,643	145,642,572	180,050,651	205,480,049	0	0.00%

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GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
INCOME STATEMENT							
I INCOME							
<i>A Income - Loans</i>							
1 <i>Interest Income Loans</i>	9,459,677	12,496,020	12,121,192	15,016,685	5,552,786	0	0 00%
2 <i>Penalty Interest Income Loans</i>	0	0	0	0	0	0	0 00%
3 <i>Commissions / Fees Loans</i>	0	0	0	0	0	0	0 00%
4 <i>(Less) Interest Rebate Loans</i>	0	0	0	0	0	0	0 00%
<i>Net Income - Loans</i>	9,459,677	12,496,020	12,121,192	15,016,685	5,552,786	0	0 00%
<i>B Income - Liquid Investments</i>	48,297	295,423	195,897	69,558	0	0	0 00%
<i>C Income - Financial Investments</i>	76,760	0	151,672	354,600	63,851	0	0 00%
<i>D Income - Non financial Investments</i>	0	0	0	0	0	0	0 00%
<i>E Income - Other</i>	5,485	42,688	16,074	407,287	479,764	0	0 00%
<i>F Income From Donations</i>	0	0	0	0	0	0	0 00%
GROSS INCOME	9,590,219	12,834,131	12,484,835	15,848,130	6,096,401	0	0 00%
II FINANCIAL COSTS							
<i>A Interest Expense Savings Deposits</i>	0	0	0	4,335,079	79,011	0	0 00%
<i>B Insurance Premiums Savings Deposits</i>	0	0	0	0	0	0	0 00%
<i>Financial Costs - Savings Deposits</i>	0	0	0	4,335,079	79,011	0	0 00%
<i>C Financial Costs External Credit</i>	84,534	2,020,329	463,777	76,267	932,215	0	0 00%
<i>D Dividend Expense Shares</i>	2,386,377	1,795,811	4,074,550	5,356,817	0	0	0 00%
<i>E Insurance Premiums Shares</i>	0	0	0	0	0	0	0 00%
<i>Financial Costs - Shares</i>	2,386,377	1,795,811	4,074,550	5,356,817	0	0	0 00%
<i>F Financial Costs Other</i>	0	113,615	0	0	0	0	0 00%
TOTAL FINANCIAL COSTS	2,470,911	3,929,755	4,538,327	9,768,163	1,011,225	0	0 00%
III Net Interest Margin	7,119,308	8,904,376	7,946,508	6,079,967	5,085,175	0	0 00%
EXPENSES							
IV OPERATING EXPENSES							
Personnel	1,139,894	1,328,126	1,628,376	1,809,749	1,597,429	0	0 00%
Governance	1,131,038	1,504,996	1,376,380	2,381,011	1,685,370	0	0 00%
Marketing	129,710	80,645	210,065	322,630	220,990	0	0 00%
Depreciation	67,693	61,934	60,730	453,319	242,316	0	0 00%
Administration	4,761,752	4,077,977	3,605,764	3,532,507	1,384,228	0	0 00%
TOTAL OPERATING EXPENSES	7,230,087	7,053,678	6,881,315	8,499,216	5,130,332	0	0 00%
V PROVISIONS RISK ASSETS	0	0	0	0	0	0	0 00%
VI NET INCOME FROM OPERATIONS	(110,779)	1,850,698	1,065,193	(2,419,249)	(45,156)	0	0 00%
VII OTHER INCOME / EXPENSES							
<i>Extraordinary Items (Net)</i>	0	0	485,700	0	0	0	0 00%
<i>Previous Period Adjustments (Net)</i>	0	0	0	(50,000)	0	0	0 00%
VIII NET INCOME / LOSS	(110,779)	1,850,698	1,550,893	(2,469,249)	(45,156)	0	0 00%

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ANNUAL GOAL

		12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	✓ Complete
Number of Credit Unions Represented in this report		1	1	1	1	1	0	
P-E-A-R-L-S RATIOS		GOALS						
P	PROTECTION							
1	Allowance for Loan Losses / Delinq >12 Mo	100%	0 00%	0 00%	0 00%	0 00%	NA	NA
2a	Net Allowance for Loan Losses / Delinq 7-12 Mo	50%	ERR	0 00%	0 00%	0 00%	NA	NA
2b	Net Allowance for Loan Losses / Delinq 4-6 Mo	30%	ERR	0 00%	0 00%	0 00%	NA	NA
2c	Net Allowance for Loan Losses / Delinq 1-3 Mo	10%	ERR	0 00%	0 00%	0 00%	NA	NA
3	Complete Loan Charge Off of Delinquency > 12 Mo	Y N	Yes	Yes	Yes	No	Yes	NA
4	Annual Loan Charge-offs / Average Loan Portfolio	Minimized	ERR	0 00%	0 00%	0 00%	0 00%	NA
5	Accum Charge Offs Recovered/ Accum Charge-Offs	100%	0 00%	0 00%	0 00%	0 00%	0 00%	NA
E	EFFECTIVE FINANCIAL STRUCTURE							
1	Net Loans / Total Assets	Between 70-80%	80 49%	80 95%	81 88%	82 31%	81 39%	NA
2	Liquid Investments / Total Assets	Max 20%	0 01%	0 01%	0 21%	0 12%	0 03%	NA
3	Financial Investments / Total Assets	Max 10%	4 27%	6 62%	4 84%	2 10%	1 98%	NA
4	Non Financial Investments / Total Assets	0%	0 00%	0 00%	0 00%	0 00%	0 00%	NA
5	Savings Deposits / Total Assets	Between 70-80%	1 59%	0 44%	0 20%	0 01%	0 43%	NA
6	External Credit / Total Assets	0%	5 60%	5 31%	0 00%	0 00%	3 70%	NA
7	Member Share Capital / Total Assets	Max 20%	82 82%	84 23%	87 86%	89 36%	85 62%	NA
8	Institutional Capital / Total Assets	Min 10%	8 60%	9 61%	10 60%	7 72%	5 56%	NA
A	ASSET QUALITY							
1	Total Delinquency / Total Loan Portfolio	Less Than or Equal to 5%	0 00%	0 00%	0 00%	0 56%	0 00%	NA
2	Non Earning Assets / Total Assets	Less Than or Equal to 5%	15 23%	12 42%	13 07%	15 47%	16 60%	NA
3	Zero Cost Funds / Non earning Assets	Greater Than or Equal to 100%	65 62%	80 64%	91 36%	68 73%	61 81%	NA
R	RATES OF RETURN AND COSTS							
1	Net Loan Income / Average Net Loan Portfolio	Entrepreneurial Rat	11 17%	13 35%	10 93%	11 23%	7 10%	NA
2	Liquid Inv Income / Avg Liquid Investments	Market Rat	500 85%	3063 44%	121 60%	26 61%	0 00%	NA
3	Fin Investment Income / Avg Fin Investments	Market Rat	1 71%	0 00%	1 97%	6 55%	3 28%	NA
4	Non Fin Inv Income / Avg Non Fin Investments	Great r Than or Equal to R1	NA	NA	NA	NA	NA	NA
5	Fin Costs Savings Deposits / Avg Savings Deposits	Market Rates	0 00%	0 00%	0 00%	2850 94%	35 78%	NA
6	Fin Costs External Credit / Avg External Credit	Less Than or Equal to R5	1 44%	32 03%	NA	NA	49 49%	NA
7	Fin Costs Member Shares / Avg Member Shares	Great r Than r Equal to R5	2 74%	1 85%	3 47%	3 71%	0 00%	NA
8	Gross Margin / Average Assets	Ammort N d at Cover R9 R10 Increase Capital	6 77%	7 68%	5 84%	3 73%	5 32%	NA
9	Operating Expenses / Average Assets	3% 10%	6 87%	6 08%	5 05%	5 22%	5 37%	NA
10	Provisions for Risk Assets / Average Assets	Sufficient to f Yrtim ted Lc so	0 00%	0 00%	0 00%	0 00%	0 00%	NA
11	Other Income or Expense / Average Assets	Ammort N eed d	0 00%	0 00%	0 36%	0 03%	0 00%	NA
12	Net Income / Average Assets	En gh t reach the goal f ES	0 11%	1 60%	1 14%	1 52%	0 05%	NA
L	LIQUIDITY							
1	Liquid Assets - ST Payables / Total Deposits	Minimum 15%	275 22%	31 31%	409 26%	9172 80%	226 51%	NA
2	Liquidity Reserves / Total Savings Deposits	10%	0 00%	0 00%	0 00%	0 00%	0 00%	NA
3	Non Earning Liquid Assets / Total Assets	Less Than 1%	4 44%	0 10%	1 73%	0 62%	0 94%	NA
4	Deposits in CFF / Total Available Liquidity	Maximum Amount	0 00%	0 00%	0 00%	0 00%	0 00%	NA
S	SIGNS OF GROWTH (Annual Growth Rates)							
1	Total Assets	More than Infl it n	ERR	20 36%	14 99%	23 63%	28 48%	NA
2	Loans	Sufficient to achl vs g al in E1	ERR	21 05%	16 31%	24 28%	25 90%	NA
3	Savings Deposits	Sufficient to achieve goal in E5	ERR	66 51%	48 52%	94 68%	11289 23%	NA
4	External Credit	Minimum to chl o goal in E5	ERR	0 00%	100 00%	0 00%	100 00%	NA
5	Share Capital	Sufficient to achl v g al in E7	NA	22 41%	19 94%	25 73%	18 84%	NA
6	Institutional Capital	Sufficient to achieve goal in E8	ERR	34 49%	26 83%	10 01%	35 83%	NA
7	Membership	Min 5%	ERR	1 82%	7 96%	13 82%	18 28%	NA
INFLATION			6 90%	9 10%	11 20%	10 60%	12 55%	

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ANNUAL GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
Number of Credit Unions Represented in this report	1	1	1	1	1	0	
NUMBER OF MEMBERS & USERS							
Men (Members)	0	0	0	153	171	0	0.00%
Women (Members)	0	0	0	159	179	0	0.00%
Gender Not Reported (Members)	0	0	0	0	0	0	0.00%
TOTAL NUMBER OF MEMBERS	0	0	0	312	350	0	0.00%
Youth	0	0	0	0	0	0	0.00%
Third Parties/Groups	0	0	0	0	0	0	0.00%
TOTAL NUMBER OF USERS	0	0	0	312	350	0	0.00%

BALANCE SHEET							
I EARNING ASSETS							
A. Loans to Members							
Short Term Loans (<=1 Year)	0	0	0	0	0	0	0.00%
Medium Term Loans (> 1 <= 3 Years)	953,258	1,830,902	2,758,747	3,745,702	3,648,991	0	0.00%
Long Term Loans (>3 Years)	0	0	0	0	0	0	0.00%
Other Special Loans	0	0	0	0	0	0	0.00%
Allowance for Loan Losses	0	0	0	0	0	0	0.00%
Total Net Loans	953,258	1,830,902	2,758,747	3,745,702	3,648,991	0	0.00%
B Liquid Investments							
Liquidity Reserves CFF	0	0	0	0	0	0	0.00%
Deposits CFF	0	0	0	0	0	0	0.00%
Savings Deposits Banks etc	19,290	31,950	6,149	36,845	126,292	0	0.00%
Securities & Investments	0	0	0	0	0	0	0.00%
Other Miscellaneous Investments	0	0	0	0	0	0	0.00%
Total Liquid Investments	19,290	31,950	6,149	36,845	126,292	0	0.00%
C. Financial Investments							
Shares KUSCCO	13,200	13,200	13,200	13,200	43,200	0	0.00%
Central Finance Programme	45,000	109,951	174,701	245,363	245,363	0	0.00%
Savings Deposits Banks, etc	0	0	0	0	0	0	0.00%
Securities & Investments	0	0	0	0	0	0	0.00%
Other Miscellaneous Investments	30,000	36,000	36,000	39,600	39,600	0	0.00%
Total Financial Investments	88,200	159,151	223,901	298,163	328,163	0	0.00%
D Non Financial Investments							
Various	0	0	0	0	0	0	0.00%
Allowances for Non financial Investments	0	0	0	0	0	0	0.00%
Various	0	0	0	0	0	0	0.00%
TOTAL EARNING ASSETS	1,060,748	2,022,003	2,988,797	4,080,710	4,103,446	0	0.00%

ADDITIONAL LOAN PORTFOLIO INFORMATION

I DELINQUENCY CALCULATION METHOD	NA	NA	NA	BALANCE	BALANCE	NA	NA
II DELINQUENCY							
Delinquency not Classified	0	0	0	0	0	0	0.00%
1 Day to 1 Month	0	0	0	0	0	0	0.00%
1 to 3 Months	0	0	0	1,034,876	149,027	0	0.00%
4 to 6 Months	0	0	0	810,946	138,757	0	0.00%
7 to 12 Months	0	0	0	648,617	435,743	0	0.00%
More Than 12 Months	0	0	0	991,263	511,606	0	0.00%
TOTAL DELINQUENCY	0	0	0	3,485,702	1,235,133	0	0.00%
III LOAN PORTFOLIO	953,258	1,830,902	2,758,747	3,745,702	3,648,991	0	0.00%
IV ACCUMULATED CHARGE-OFFS	0	0	0	0	0	0	0.00%
V RECOVERY OF CHARGE-OFFS	0	0	0	0	0	0	0.00%

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ANNUAL GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Compl t
II. NON EARNING ASSETS							
<i>A. Liquid Assets</i>							
Cash & Equivalents	253	500	12,780	135,092	229,382	0	0.00%
Current (Checking) Accounts	3,897	7,246	12,129	11,384	55,390	0	0.00%
Imprest Cash	0	0	0	0	0	0	0.00%
Liquidity Reserves	0	0	0	0	0	0	0.00%
Other	0	0	0	44,797	0	0	0.00%
Total Liquid Assets	4,150	7,746	24,909	191,273	284,772	0	0.00%
<i>B. Accounts Receivable</i>							
Debtors	38,511	10,791	13,086	14,526	82,869	0	0.00%
Interest Receivable	0	0	0	0	0	0	0.00%
Notes Receivable	0	0	0	0	0	0	0.00%
Payroll Deductions Receivable	0	0	0	0	0	0	0.00%
Other Accounts Receivable	0	0	0	0	0	0	0.00%
Allowance for Receivable Losses	0	0	0	0	0	0	0.00%
Total Accounts Receivable	38,511	10,791	13,086	14,526	82,869	0	0.00%
<i>C. Fixed Assets</i>							
Land	0	0	0	0	0	0	0.00%
Buildings (Cost)	0	0	0	0	0	0	0.00%
Leasehold Improvements (Cost)	0	0	0	0	0	0	0.00%
Furniture & Equipment (Cost)	0	25,091	23,548	53,058	53,058	0	0.00%
Accumulated Depreciation	0	0	0	0	0	0	0.00%
Net Fixed Assets	0	25,091	23,548	53,058	53,058	0	0.00%
<i>D. Other Assets</i>							
Assets in Liquidation	0	0	0	0	0	0	0.00%
Advances	0	0	0	0	0	0	0.00%
Prepaid Expenses	0	0	0	0	0	0	0.00%
Other Assets	0	0	0	0	0	0	0.00%
Accumulated Amortization	0	0	0	0	0	0	0.00%
Total Other Assets	0	0	0	0	0	0	0.00%
<i>E. Problem Assets</i>							
Doubtful Assets	0	0	0	0	0	0	0.00%
Accounting Discrepancy Assets	0	0	0	0	71,616	0	0.00%
Other	0	0	0	0	0	0	0.00%
Total Problem Assets	0	0	0	0	71,616	0	0.00%
TOTAL NON EARNING ASSETS	42,661	43,628	61,543	258,857	492,318	0	0.00%
TOTAL ASSETS	1,103,409	2,065,631	3,050,340	4,339,567	4,595,761	0	0.00%

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ANNUAL GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
III INTEREST BEARING LIABILITIES							
<i>A. Savings Deposits</i>							
Regular Savings Deposits	0	0	0	0	0	0	0.00%
Fixed Savings Deposits	0	0	0	0	0	0	0.00%
Youth Savings Deposits	0	0	0	0	0	0	0.00%
Special Savings Deposits	0	0	0	0	0	0	0.00%
Pledged Savings Deposits	0	0	0	0	0	0	0.00%
Total Savings Deposits	0	0	0	0	0	0	0.00%
<i>B. External Credit</i>							
Short Term Loans CFF <= 1 yr	0	0	0	0	0	0	0.00%
Long Term Loans CFF > 1 yr	0	0	0	151,951	25,597	0	0.00%
Loans Banks	0	0	0	0	0	0	0.00%
Loans Other External Institutions	0	0	0	0	0	0	0.00%
Total External Credit	0	0	0	151,951	25,597	0	0.00%
TOTAL INTEREST BEARING LIABILITIES	0	0	0	151,951	25,597	0	0.00%
IV NON INTEREST BEARING LIABILITIES							
<i>A Short Term Accounts Payable (<=30 Days)</i>	15,500	28,600	44,200	39,973	0	0	0.00%
<i>B Provisions (e.g. Wages/Benefits)</i>	0	5,653	8,020	47,355	13,545	0	0.00%
<i>C Other Liabilities</i>	0	0	0	0	170,465	0	0.00%
<i>D Liability Discrepancy</i>	0	0	0	0	0	0	0.00%
TOTAL NON INTEREST BEARING LIABILITIES	15,500	34,253	52,220	87,328	184,010	0	0.00%
TOTAL LIABILITIES	15,500	34,253	52,220	239,279	209,607	0	0.00%
V CAPITAL							
<i>A. Member Share Capital</i>							
Mandatory Shares	1,062,435	1,960,573	2,855,219	3,646,312	4,343,714	0	0.00%
Voluntary Shares	0	0	0	0	0	0	0.00%
Total Member Share Capital	1,062,435	1,960,573	2,855,219	3,646,312	4,343,714	0	0.00%
<i>B Transitory Capital</i>							
Asset Appreciation Over Cost	0	0	0	0	0	0	0.00%
Education & Social Reserves	0	0	0	0	0	0	0.00%
Monetary Reserves	0	0	0	0	0	0	0.00%
Other Reserves	0	0	0	0	0	0	0.00%
Undistributed Net Income	0	0	0	0	0	0	0.00%
Capital Discrepancy	0	0	0	0	0	0	0.00%
Total Transitory Capital	0	0	0	0	0	0	0.00%
<i>C. Institutional Capital</i>							
Statutory & Legal Reserves	3,673	10,944	25,435	99,010	25,435	0	0.00%
Retained Earnings	(18,499)	(2,339)	38,766	167,066	(211,248)	0	0.00%
Special Asset Reserves	0	0	0	0	0	0	0.00%
Donations / Other Reserves	40,300	56,200	72,700	187,900	201,400	0	0.00%
Undistributed Losses	0	0	0	0	0	0	0.00%
YTD Net Income (Loss) Transfers	0	6,000	6,000	0	26,853	0	0.00%
Total Institutional Capital	25,474	70,805	142,901	453,976	42,440	0	0.00%
TOTAL CAPITAL	1,087,909	2,031,378	2,998,120	4,100,288	4,386,154	0	0.00%
TOTAL LIABILITIES AND CAPITAL	1,103,409	2,065,631	3,050,340	4,339,567	4,595,761	0	0.00%

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	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
INCOME STATEMENT							
I INCOME							
<i>A Income - Loans</i>							
1 <i>Interest Income Loans</i>	38,225	114,284	173,790	414,071	85,194	0	0.00%
2 <i>Penalty Interest Income Loans</i>	9,920	31,610	68,710	106,010	61,680	0	0.00%
3 <i>Commissions / Fees Loans</i>	0	0	0	0	0	0	0.00%
4 <i>(Less) Interest Rebate Loans</i>	0	0	0	0	0	0	0.00%
<i>Net Income - Loans</i>	48,145	145,894	242,500	520,081	146,874	0	0.00%
<i>B Income - Liquid Investments</i>	0	0	0	16,304	0	0	0.00%
<i>C Income - Financial Investments</i>	10,346	17,128	15,600	6,600	0	0	0.00%
<i>D Income - Non financial Investments</i>	0	0	0	0	0	0	0.00%
<i>E Income - Other</i>	16,512	57,425	56,312	54,551	37,345	0	0.00%
<i>F Income From Donations</i>	0	0	0	0	0	0	0.00%
GROSS INCOME	75,003	220,447	314,412	597,536	184,219	0	0.00%
II FINANCIAL COSTS							
<i>A Interest Expense Savings Deposits</i>	0	0	0	0	0	0	0.00%
<i>B Insurance Premiums Savings Deposits</i>	0	0	0	0	0	0	0.00%
<i>Financial Costs - Savings Deposits</i>	0	0	0	0	0	0	0.00%
<i>C Financial Costs External Credit</i>	0	0	0	46,448	18,777	0	0.00%
<i>D Dividend Expense Shares</i>	0	0	0	0	0	0	0.00%
<i>E Insurance Premiums Shares</i>	0	0	0	0	0	0	0.00%
<i>Financial Costs - Shares</i>	0	0	0	0	0	0	0.00%
<i>F Financial Costs Other</i>	0	0	0	0	0	0	0.00%
TOTAL FINANCIAL COSTS	0	0	0	46,448	18,777	0	0.00%
III Net Interest Margin	75,003	220,447	314,412	551,088	165,442	0	0.00%
EXPENSES							
IV OPERATING EXPENSES							
Personnel	0	45,770	78,000	93,045	56,309	0	0.00%
Governance	28,943	50,116	54,572	53,291	32,125	0	0.00%
Marketing	0	0	0	0	0	0	0.00%
Depreciation	0	884	3,343	7,580	0	0	0.00%
Administration	35,039	107,517	137,392	268,872	50,155	0	0.00%
TOTAL OPERATING EXPENSES	63,982	204,287	273,307	422,788	138,589	0	0.00%
V PROVISIONS RISK ASSETS	0	0	0	0	0	0	0.00%
VI NET INCOME FROM OPERATIONS	11,021	16,160	41,105	128,300	26,853	0	0.00%
VII OTHER INCOME / EXPENSES							
Extraordinary Items (Net)	0	0	0	0	0	0	0.00%
Previous Period Adjustments (Net)	0	0	0	0	0	0	0.00%
VIII NET INCOME / LOSS	11,021	16,160	41,105	128,300	26,853	0	0.00%

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ANNUAL GOAL

Number of Credit Unions Represented in this report		12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
P-E-A-R-L-S RATIOS		1	1	1	1	1	0	
P	PROTECTION	GOALS						
1	Allowance for Loan Losses / Delinq >12 Mo	100%	0 00%	0 00%	0 00%	0 00%	NA	NA
2a	Net Allowance for Loan Losses / Delinq 7 12 Mo	50%	ERR	0 00%	0 00%	0 00%	NA	NA
2b	Net Allowance for Loan Losses / Delinq 4 6 Mo	50%	ERR	0 00%	0 00%	0 00%	NA	NA
2c	Net Allowance for Loan Losses / Delinq 1 3 Mo	10%	ERR	0 00%	0 00%	0 00%	NA	NA
3	Complete Loan Charge Off of Delinquency > 12 Mo	Yes or No	Yes	Yes	Yes	No	NA	NA
4	Annual Loan Charge-offs / Average Loan Portfolio	Minimized	ERR	0 00%	0 00%	0 00%	NA	0 00%
5	Accum Charge-Offs Recovered/ Accum Charge-Offs	100%	0 00%	0 00%	0 00%	0 00%	NA	NA
E	EFFECTIVE FINANCIAL STRUCTURE							
1	Net Loans / Total Assets	Between 70 80%	86 39%	88 64%	90 44%	86 32%	79 40%	NA
2	Liquid Investments / Total Assets	Max 20%	1 75%	1 55%	0 20%	0 85%	2 75%	NA
3	Financial Investments / Total Assets	Max 10%	7 99%	7 70%	7 34%	6 87%	7 14%	NA
4	Non Financial Investments / Total Assets	0%	0 00%	0 00%	0 00%	0 00%	0 00%	NA
5	Savings Deposits / Total Assets	Between 70 80%	0 00%	0 00%	0 00%	0 00%	0 00%	NA
6	External Credit / Total Assets	0%	0 00%	0 00%	0 00%	3 50%	0 56%	NA
7	Member Share Capital / Total Assets	Max 20%	96 29%	94 91%	93 60%	84 02%	94 52%	NA
8	Institutional Capital / Total Assets	Mn 10%	2 31%	3 43%	4 68%	10 46%	0 92%	NA
A	ASSET QUALITY							
1	Total Delinquency / Total Loan Portfolio	Less Than or Equal to 5%	0 00%	0 00%	0 00%	43 78%	25 96%	NA
2	Non Earning Assets / Total Assets	Less Than or Equal to 5%	3 87%	2 11%	2 02%	5 97%	10 71%	NA
3	Zero Cost Funds / Non earning Assets	Greater Than or Equal to 100%	96 05%	240 80%	317 05%	209 11%	46 00%	NA
R	RATES OF RETURN AND COSTS							
1	Net Loan Income / Average Net Loan Portfolio	Entrepreneurial Rat	5 05%	10 48%	10 57%	15 99%	8 01%	NA
2	Liquid Inv Income / Avg. Liquid Investments	Market Rat	0 00%	0 00%	0 00%	75 84%	0 00%	NA
3	Fin Investment Income / Avg. Fin. Investments	Market Rates	11 73%	13 85%	8 15%	2 53%	0 00%	NA
4	Non Fin Inv Income / Avg. Non Fin. Investments	Greater Than or Equal to R1	NA	NA	NA	NA	NA	NA
5	Fin Costs Savings Deposits / Avg. Savings Deposits	Market Rates	NA	NA	NA	NA	NA	NA
6	Fin Costs External Credit / Avg. External Credit	Less Than or Equal to R5	NA	NA	NA	61 14%	42 65%	NA
7	Fin Costs Member Shares / Avg. Member Shares	Greater Than or Equal to R5	0 00%	0 00%	0 00%	0 00%	0 00%	NA
8	Gross Margin / Average Assets	Amount Need at C or R9 R10	6 80%	13 91%	12 29%	14 91%	7 47%	NA
9	Operating Expenses / Average Assets	Increase Capital	5 80%	12 89%	10 68%	11 44%	6 26%	NA
10	Provisions for Risk Assets / Average Assets	3% 10%	0 00%	0 00%	0 00%	0 00%	0 00%	NA
11	Other Income or Expense / Average Assets	Sufficient for Estimated Losses	0 00%	0 00%	0 00%	0 00%	0 00%	NA
12	Net Income / Average Assets	Amount Need d	0 00%	0 00%	0 00%	0 00%	0 00%	NA
		Enough to reach the goal for E8	1 00%	1 02%	1 61%	3 47%	1 21%	NA
L	LIQUIDITY							
1	Liquid Assets ST Payables / Total Deposits	Minimum 15%	NA	NA	NA	NA	NA	NA
2	Liquidity Reserves / Total Savings Deposits	10%	NA	NA	NA	NA	NA	NA
3	Non Earning Liquid Assets / Total Assets	Less Than 1%	0 38%	0 37%	0 82%	4 41%	6 20%	NA
4	Deposits in CFF / Total Available Liquidity	Maximum Amount	0 00%	0 00%	0 00%	0 00%	0 00%	NA
S	SIGNS OF GROWTH (Annual Growth Rates)							
1	Total Assets	More than Inflation	ERR	87 20%	47 67%	42 27%	11 91%	NA
2	Loans	Sufficient to achieve goal in E1	ERR	92 07%	50 68%	35 78%	5 21%	NA
3	Savings Deposits	Sufficient to achieve goal in E5	ERR	NA	NA	NA	NA	NA
4	External Credit	Minimum to achieve goal in E5	ERR	NA	NA	100 00%	167 69%	NA
5	Share Capital	Sufficient to achieve goal in E7	ERR	84 54%	45 63%	27 71%	38 57%	NA
6	Institutional Capital	Sufficient to achieve goal in E8	ERR	177 95%	101 82%	217 69%	182 81%	NA
7	Membership	Mn 5%	ERR	NA	NA	NA	24 56%	NA
INFLATION			6 90%	9 10%	11 20%	10 60%	12 55%	

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ANNUAL GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Compl to
Number of Credit Unions Represented in this report	1	1	1	1	1	0	
NUMBER OF MEMBERS & USERS							
Men (Members)	0	0	0	136	144	0	0.00%
Women (Members)	0	0	0	40	42	0	0.00%
Gender Not Reported (Members)	0	0	0	0	0	0	0.00%
TOTAL NUMBER OF MEMBERS	0	0	0	176	186	0	0.00%
Youth	0	0	0	0	0	0	0.00%
Thrd Parties/Groups	0	0	0	0	0	0	0.00%
TOTAL NUMBER OF USERS	0	0	0	176	186	0	0.00%

BALANCE SHEET							
I EARNING ASSETS							
A Loans to Members							
Short Term Loans (<=1 Year)	0	0	0	0	0	0	0.00%
Medium Term Loans (> 1 <= 3 Years)	246,176	960,491	1,748,951	3,688,276	3,986,422	0	0.00%
Long Term Loans (>3 Years)	0	0	0	0	0	0	0.00%
Other Special Loans	0	0	0	0	0	0	0.00%
Allowance for Loan Losses	0	0	0	0	0	0	0.00%
Total Net Loans	246,176	960,491	1,748,951	3,688,276	3,986,422	0	0.00%
B Liquid Investments							
Liquidity Reserves CFF	0	0	0	0	0	0	0.00%
Deposits CFF	0	0	0	0	0	0	0.00%
Savings Deposits Banks etc	45,409	52,478	320,936	136,302	115,840	0	0.00%
Securities & Investments	0	0	0	0	0	0	0.00%
Other Miscellaneous Investments	0	0	0	0	0	0	0.00%
Total Liquid Investments	45,409	52,478	320,936	136,302	115,840	0	0.00%
C Financial Investments							
Shares KUSCCO	4,000	5,000	13,000	33,000	33,000	0	0.00%
Central Finance Programme	443,842	502,223	607,339	1,137,761	1,451,899	0	0.00%
Savings Deposits Banks etc	0	0	0	547,134	0	0	0.00%
Securities & Investments	0	0	0	0	0	0	0.00%
Other Miscellaneous Investments	0	500,000	0	0	0	0	0.00%
Total Financial Investments	447,842	1,007,223	620,339	1,717,895	1,484,899	0	0.00%
D Non Financial Investments							
Various	0	0	0	0	0	0	0.00%
Allowances for Non financial Investments	0	0	0	0	0	0	0.00%
Various	0	0	0	0	0	0	0.00%
TOTAL EARNING ASSETS	739,427	2,020,192	2,690,226	5,542,473	5,587,160	0	0.00%

ADDITIONAL LOAN PORTFOLIO INFORMATION

I DELINQUENCY CALCULATION METHOD	NA	NA	NA	BALANCE	BALANCE	NA	NA
II DELINQUENCY							
Delinquency not Classified	0	0	0	0	0	0	0.00%
1 Day to 1 Month	0	0	0	0	0	0	0.00%
1 to 3 Months	0	0	0	1,512,363	877,124	0	0.00%
4 to 6 Months	0	0	0	236,005	617,469	0	0.00%
7 to 12 Months	0	0	0	50,316	50,247	0	0.00%
More Than 12 Months	0	0	0	74,024	74,024	0	0.00%
TOTAL DELINQUENCY	0	0	0	1,872,708	1,618,864	0	0.00%
III LOAN PORTFOLIO	246,176	960,491	1,748,951	3,688,276	3,986,422	0	0.00%
IV ACCUMULATED CHARGE-OFFS	0	0	0	0	0	0	0.00%
V RECOVERY OF CHARGE-OFFS	0	0	0	0	0	0	0.00%

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GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
II NON EARNING ASSETS							
<i>A. Liquid Assets</i>							
Cash & Equivalents	236	0	6,695	4,873	48,044	0	0.00%
Current (Checking) Accounts	3,249	(226,299)	11,627	(136,197)	(23,271)	0	0.00%
Imprest Cash	0	0	0	0	0	0	0.00%
Liquidity Reserves	0	0	0	0	0	0	0.00%
Other	0	0	0	0	0	0	0.00%
Total Liquid Assets	3,485	(226,299)	18,322	(131,323)	24,773	0	0.00%
<i>B. Accounts Receivable</i>							
Debtors	87,328	189,165	74,024	0	150,000	0	0.00%
Interest Receivable	0	0	0	0	0	0	0.00%
Notes Receivable	0	0	0	0	0	0	0.00%
Payroll Deductions Receivable	0	0	0	0	0	0	0.00%
Other Accounts Receivable	0	0	0	0	0	0	0.00%
Allowance for Receivable Losses	0	0	0	0	0	0	0.00%
Total Accounts Receivable	87,328	189,165	74,024	0	150,000	0	0.00%
<i>C. Fixed Assets</i>							
Land	0	0	0	0	0	0	0.00%
Buildings (Cost)	0	0	0	0	0	0	0.00%
Leasehold Improvements (Cost)	0	0	0	0	0	0	0.00%
Furniture & Equipment (Cost)	0	9,317	8,153	15,343	15,343	0	0.00%
Accumulated Depreciation	0	0	0	0	0	0	0.00%
Net Fixed Assets	0	9,317	8,153	15,343	15,343	0	0.00%
<i>D. Other Assets</i>							
Assets in Liquidation	0	0	0	0	0	0	0.00%
Advances	0	0	0	0	0	0	0.00%
Prepaid Expenses	0	0	0	0	0	0	0.00%
Other Assets	0	0	0	0	0	0	0.00%
Accumulated Amortization	0	0	0	0	0	0	0.00%
Total Other Assets	0	0	0	0	0	0	0.00%
<i>E. Problem Assets</i>							
Doubtful Assets	0	0	0	74,024	74,024	0	0.00%
Accounting Discrepancy Assets	0	0	0	0	621	0	0.00%
Other	0	0	0	0	0	0	0.00%
Total Problem Assets	0	0	0	74,024	74,645	0	0.00%
TOTAL NON EARNING ASSETS	90,813	(27,817)	100,499	(41,956)	264,761	0	0.00%
TOTAL ASSETS	830,240	1,992,375	2,790,725	5,500,517	5,851,922	0	0.00%

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	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Compl t
III. INTEREST BEARING LIABILITIES							
A. Savings Deposits							
Regular Savings Deposits	0	0	0	0	0	0	0.00%
Fixed Savings Deposits	0	0	0	0	0	0	0.00%
Youth Savings Deposits	0	0	0	0	0	0	0.00%
Special Savings Deposits	0	0	0	0	0	0	0.00%
Pledged Savings Deposits	0	0	0	0	0	0	0.00%
Total Savings Deposits	0	0	0	0	0	0	0.00%
B. External Credit							
Short Term Loans CFF <=1 yr	0	0	0	0	0	0	0.00%
Long Term Loans CFF >1 yr	71,043	0	0	0	1,074,219	0	0.00%
Loans Banks	0	0	0	0	0	0	0.00%
Loans Other External Institutions	0	838,804	263,377	1,451,219	0	0	0.00%
Total External Credit	71,043	838,804	263,377	1,451,219	1,074,219	0	0.00%
TOTAL INTEREST BEARING LIABILITIES	71,043	838,804	263,377	1,451,219	1,074,219	0	0.00%
IV. NON INTEREST BEARING LIABILITIES							
A Short Term Accounts Payable (<=30 Days)	41,602	0	0	0	0	0	0.00%
B Provisions (e.g. Wages/Benefits)	0	11,211	16,850	0	0	0	0.00%
C Other Liabilities	0	20,805	23,120	23,120	0	0	0.00%
D Liability Discrepancy	0	0	0	(10,653)	7,000	0	0.00%
TOTAL NON INTEREST BEARING LIABILITIES	41,602	32,016	39,970	12,467	7,000	0	0.00%
TOTAL LIABILITIES	112,645	870,820	303,347	1,463,686	1,081,219	0	0.00%
V. CAPITAL							
A. Member Share Capital							
Mandatory Shares	664,097	1,092,176	2,451,845	3,823,614	4,327,846	0	0.00%
Voluntary Shares	0	0	0	0	0	0	0.00%
Total Member Share Capital	664,097	1,092,176	2,451,845	3,823,614	4,327,846	0	0.00%
B. Transitory Capital							
Asset Appreciation Over Cost	0	0	0	0	0	0	0.00%
Education & Social Reserves	0	0	0	0	0	0	0.00%
Monetary Reserves	0	0	0	0	0	0	0.00%
Other Reserves	0	0	0	0	0	0	0.00%
Undistributed Net Income	0	0	0	0	0	0	0.00%
Capital Discrepancy	0	0	0	0	0	0	0.00%
Total Transitory Capital	0	0	0	0	0	0	0.00%
C. Institutional Capital							
Statutory & Legal Reserves	12,243	12,243	12,243	12,243	12,243	0	0.00%
Retained Earnings	28,050	(2,864)	(3,170)	(3,170)	168,779	0	0.00%
Special Asset Reserves	0	0	0	0	0	0	0.00%
Donations / Other Reserves	13,205	20,000	26,460	32,200	34,660	0	0.00%
Undistributed Losses	0	0	0	0	0	0	0.00%
YTD Net Income (Loss) Transfers	0	0	0	171,944	227,175	0	0.00%
Total Institutional Capital	53,498	29,379	35,533	213,217	442,857	0	0.00%
TOTAL CAPITAL	717,595	1,121,555	2,487,378	4,036,832	4,770,703	0	0.00%
TOTAL LIABILITIES AND CAPITAL	830,240	1,992,375	2,790,725	5,500,517	5,851,922	0	0.00%

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	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
INCOME STATEMENT							
I INCOME							
<i>A Income Loans</i>							
1 <i>Interest Income Loans</i>	47,583	55,458	131,383	415,229	363,326	0	0 00%
2 <i>Penalty Interest Income Loans</i>	0	0	0	0	0	0	0 00%
3 <i>Commissions / Fees Loans</i>	0	0	0	0	0	0	0 00%
4 <i>(Less) Interest Rebate Loans</i>	0	0	0	0	0	0	0 00%
<i>Net Income - Loans</i>	47,583	55,458	131,383	415,229	363,326	0	0 00%
<i>B Income - Liquid Investments</i>	2,276	133	37,482	54,381	51,550	0	0 00%
<i>C Income - Financial Investments</i>	0	0	0	46,746	15,888	0	0 00%
<i>D Income - Non-financial Investments</i>	0	0	0	0	0	0	0 00%
<i>E Income - Other</i>	0	3,050	2,550	16,396	0	0	0 00%
<i>F Income From Donations</i>	0	0	0	0	0	0	0 00%
GROSS INCOME	49,859	58,641	171,415	532,752	430,764	0	0 00%
II FINANCIAL COSTS							
<i>A Interest Expense Savings Deposits</i>	0	0	0	0	0	0	0 00%
<i>B Insurance Premiums Savings Deposits</i>	0	0	0	0	0	0	0 00%
<i>Financial Costs - Savings Deposits</i>	0	0	0	0	0	0	0 00%
<i>C Financial Costs External Credit</i>	0	17,689	32,615	140,604	104,051	0	0 00%
<i>D Dividend Expense Shares</i>	0	0	0	0	0	0	0 00%
<i>E Insurance Premiums Shares</i>	0	0	0	0	0	0	0 00%
<i>Financial Costs - Shares</i>	0	0	0	0	0	0	0 00%
<i>F Financial Costs Other</i>	0	0	0	0	0	0	0 00%
TOTAL FINANCIAL COSTS	0	17 689	32 615	140,604	104 051	0	0 00%
III Net Interest Margin	49 859	40 952	138 800	392,148	326 713	0	0 00%
EXPENSES							
IV OPERATING EXPENSES							
Personnel	0	25,000	33,150	48,450	56,890	0	0 00%
Governance	14,037	8,837	17,582	26,650	13,035	0	0 00%
Marketing	0	1,000	0	41,734	0	0	0 00%
Depreciation	0	1,331	1,164	0	0	0	0 00%
Administration	21,919	35,698	89,161	103,370	29,613	0	0 00%
TOTAL OPERATING EXPENSES	35 956	71 866	141,057	220,204	99,538	0	0 00%
V PROVISIONS RISK ASSETS	0	0	0	0	0	0	0 00%
VI NET INCOME FROM OPERATIONS	13,903	(30,914)	(2,257)	171,944	227,175	0	0 00%
VII OTHER INCOME / EXPENSES							
Extraordinary Items (Net)	0	0	0	0	0	0	0 00%
Previous Period Adjustments (Net)	0	0	1,951	0	0	0	0 00%
VIII NET INCOME / LOSS	13,903	(30,914)	(306)	171,944	227,175	0	0 00%

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GOAL

		12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete	
Number of Credit Unions Represented in this report		1	1	1	1	1	0		
P E-A R-L-S RATIOS		GOALS							
P	PROTECTION								
1	Allowance for Loan Losses / Delinq >12 Mo	100%	0 00%	0 00%	0 00%	0 00%	NA	NA	
2a	Net Allowance for Loan Losses / Delinq 7-12 Mo	50%	ERR	0 00%	0 00%	0 00%	NA	NA	
2b	Net Allowance for Loan Losses / Delinq 4-6 Mo	30%	ERR	0 00%	0 00%	0 00%	NA	NA	
2c	Net Allowance for Loan Losses / Delinq 1-3 Mo	10%	ERR	0 00%	0 00%	0 00%	NA	NA	
3	Complete Loan Charge-Off of Delinquency > 12 Mo	Yes or N	Yes	Yes	Yes	No	NA	0 00%	
4	Annual Loan Charge-offs / Average Loan Portfolio	Minimized	ERR	0 00%	0 00%	0 00%	NA	NA	
5	Accum Charge Offs Recovered/ Accum Charge Offs	100%	0 00%	0 00%	0 00%	0 00%	NA	NA	
E	EFFECTIVE FINANCIAL STRUCTURE								
1	Net Loans / Total Assets	Between 70-80%	29 65%	48 21%	62 67%	67 05%	68 12%	NA	NA
2	Liquid Investments / Total Assets	Max 20%	5 47%	2 63%	11 50%	2 48%	1 98%	NA	NA
3	Financial Investments / Total Assets	Max 10%	53 94%	50 55%	22 23%	31 23%	25 37%	NA	NA
4	Non Financial Investments / Total Assets	0%	0 00%	0 00%	0 00%	0 00%	0 00%	NA	NA
5	Savings Deposits / Total Assets	Between 70-80%	0 00%	0 00%	0 00%	0 00%	0 00%	NA	NA
6	External Credit / Total Assets	0%	8 56%	42 10%	9 44%	26 38%	18 36%	NA	NA
7	Member Share Capital / Total Assets	Max 20%	79 99%	54 82%	87 86%	69 51%	73 96%	NA	NA
8	Institutional Capital / Total Assets	MIn 10%	6 44%	1 47%	1 27%	3 88%	7 57%	NA	NA
A	ASSET QUALITY								
1	Total Delinquency / Total Loan Portfolio	Less Than or Equal to 5%	0 00%	0 00%	0 00%	3 37%	3 12%	NA	NA
2	Non Earning Assets / Total Assets	Less Than or Equal to 5%	10 94%	1 40%	3 60%	0 76%	4 52%	NA	NA
3	Zero Cost Funds / Non earning Assets	Gre. for Than or Equal to 100%	104 72%	220 71%	75 13%	537 90%	169 91%	NA	NA
R	RATES OF RETURN AND COSTS								
1	Net Loan Income / Average Net Loan Portfolio	Entrepreneurial Rate	19 33%	9 19%	9 70%	15 27%	19 09%	NA	NA
2	Liquid Inv Income / Avg Liquid Investments	Mark t Rates	5 01%	0 27%	20 08%	23 79%	82 46%	NA	NA
3	Fin Investment Income / Avg Fin Investments	Market Rates	0 00%	0 00%	0 00%	4 00%	2 00%	NA	NA
4	Non Fin Inv Income / Avg Non Fin Investments	Greater Than Equal to R1	NA	NA	NA	NA	NA	NA	NA
5	Fin Costs Savings Deposits / Avg Savings Deposits	Mark t Rates	NA	NA	NA	NA	NA	NA	NA
6	Fin Costs External Credit / Avg External Credit	Le s Than or Equal to R5	0 00%	3 89%	5 92%	16 40%	16 62%	NA	NA
7	Fin Costs Member Shares / Avg Member Shares	Great Than or Equal to R5	0 00%	0 00%	0 00%	0 00%	0 00%	NA	NA
8	Gross Margin / Average Assets	Amount N 40% to Cover R3 R10 Incr Capital	6 01%	2 90%	5 80%	9 46%	11 61%	NA	NA
9	Operating Expenses / Average Assets	3% 10%	4 33%	5 09%	5 90%	5 31%	3 54%	NA	NA
10	Provisions for Risk Assets / Average Assets	Suffici t f r Estimat d Losses	0 00%	0 00%	0 00%	0 00%	0 00%	NA	NA
11	Other Income or Expense / Average Assets	Amount N 4%	0 00%	0 00%	0 08%	0 00%	0 00%	NA	NA
12	Net Income / Average Assets	En gh f re h the goal for E8	1 67%	2 19%	0 01%	4 15%	8 07%	NA	NA
L	LIQUIDITY								
1	Liquid Assets ST Payables / Total Deposits	Minimum 15%	NA	NA	NA	NA	NA	NA	NA
2	Liquidity Reserves / Total Savings Deposits	10%	NA	NA	NA	NA	NA	NA	NA
3	Non Earning Liquid Assets / Total Assets	Le Than 1%	0 42%	11 36%	0 66%	2 39%	0 42%	NA	NA
4	Deposits in CFF / Total Available Liquidity	Maximum Amount	0 00%	0 00%	0 00%	0 00%	0 00%	NA	NA
S	SIGNS OF GROWTH (Annual Growth Rates)								
1	Total Assets	More than Inflation	ERR	139 98%	40 07%	97 10%	12 88%	NA	NA
2	Loans	Sufficient to achieve goal in E1	ERR	290 16%	82 09%	110 89%	16 30%	NA	NA
3	Savings Deposits	Sufficient to achieve goal in E5	ERR	NA	NA	NA	NA	NA	NA
4	External Credit	Minimum to achieve goal in E5	ERR	0 00%	-68 60%	451 00%	52 39%	NA	NA
5	Share Capital	Sufficient to achieve goal in E7	NA	64 46%	124 49%	55 95%	26 59%	NA	NA
6	Institutional Capital	Sufficient to achieve goal in E8	ERR	-45 08%	20 95%	500 05%	217 19%	NA	NA
7	Membership	Min 5%	ERR	NA	NA	NA	11 46%	NA	NA
INFLATION			6 90%	9 10%	11 20%	10 60%	12 55%		

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	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
Number of Credit Unions Represented in this report	1	1	1	1	1	1	0
NUMBER OF MEMBERS & USERS							
Men (Members)	0	0	0	3,210	0	0	0 00%
Women (Members)	0	0	0	807	891	0	0 00%
Gender Not Reported (Members)	1,351	0	4,084	0	0	0	0 00%
TOTAL NUMBER OF MEMBERS	1,351	0	4,084	4,017	891	0	0 00%
Youth	0	0	0	0	0	0	0 00%
Third Parties/Groups	0	0	0	0	0	0	0 00%
TOTAL NUMBER OF USERS	1,351	0	4,084	4,017	891	0	0 00%

BALANCE SHEET							
I EARNING ASSETS							
<i>A. Loans to Members</i>							
Short Term Loans (<=1 Year)	1,914,591	1,268,056	2,292,959	1,979,419	1,418	0	0 00%
Medium Term Loans (> 1 <= 3 Years)	982,669	603,571	2,202,922	1,080,778	32,168,297	0	0 00%
Long Term Loans (>3 Years)	0	0	0	0	0	0	0 00%
Other Special Loans	0	0	0	0	0	0	0 00%
Allowance for Loan Losses	0	0	0	0	0	0	0 00%
Total Net Loans	2,897,260	1,871,627	4,495,882	3,060,197	32,169,714	0	0 00%
<i>B Liquid Investments</i>							
Liquidity Reserves CFF	0	0	0	0	0	0	0 00%
Deposits CFF	0	0	0	0	0	0	0 00%
Savings Deposits Banks etc	12,195	12,195	12,195	10,529,814	18,283,461	0	0 00%
Securities & Investments	12,832	45,865	508,408	50,000	0	0	0 00%
Other Miscellaneous Investments	0	0	0	0	0	0	0 00%
Total Liquid Investments	25,027	58,060	520,603	10,579,814	18,283,461	0	0 00%
<i>C Financial Investments</i>							
Shares KUSCCO	20,000	20,000	20,000	40,000	49,000	0	0 00%
Central Finance Programme	669,709	778,045	1,083,213	2,409,840	2,439,662	0	0 00%
Savings Deposits Banks etc	3,000,000	4,500,000	4,600,000	12,397,982	0	0	0 00%
Securities & Investments	25,000	45,000	45,000	45,000	45,000	0	0 00%
Other Miscellaneous Investments	151,000	411,200	411,200	453,200	463,200	0	0 00%
Total Financial Investments	3,865,709	5,754,245	6,159,413	15,346,022	2,996,862	0	0 00%
<i>D Non Financial Investments</i>							
Various	0	0	0	0	0	0	0 00%
Allowances for Non financial Investments	0	0	0	0	0	0	0 00%
Various	0	0	0	0	0	0	0 00%
TOTAL EARNING ASSETS	6,787,996	7,683,932	11,175,898	28,986,033	53,450,037	0	0 00%

ADDITIONAL LOAN PORTFOLIO INFORMATION

I DELINQUENCY CALCULATION METHOD	NA	NA	NA	BALANCE	BALANCE	NA	NA
II DELINQUENCY							
<i>Delinquency not Classified</i>	0	0	0	0	0	0	0 00%
<i>1 Day to 1 Month</i>	0	0	0	0	0	0	0 00%
<i>1 to 3 Months</i>	0	0	0	1,138,922	1,072,804	0	0 00%
<i>4 to 6 Months</i>	0	0	0	836,581	510,314	0	0 00%
<i>7 to 12 Months</i>	0	0	0	237,306	0	0	0 00%
<i>More Than 12 Months</i>	0	0	0	237,306	0	0	0 00%
TOTAL DELINQUENCY	0	0	0	2,450,115	1,583,118	0	0 00%
III LOAN PORTFOLIO	2,897,260	1,871,627	4,495,882	3,060,197	32,169,714	0	0 00%
IV ACCUMULATED CHARGE-OFFS	0	0	0	0	0	0	0 00%
V RECOVERY OF CHARGE-OFFS	0	0	0	0	0	0	0 00%

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	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% C mpt t
II NON EARNING ASSETS							
<i>A. Liquid Assets</i>							
Cash & Equivalents	6 858	7 263	1 553 706	3 952 249	2 221 461	0	0 00%
Current (Checking) Accounts	116 078	2 715 874	2 505 561	(788 847)	0	0	0 00%
Imprest Cash	0	0	0	0	3 000	0	0 00%
Liquidity Reserves	0	0	0	0	0	0	0 00%
Other	0	0	0	0	323,376	0	0 00%
Total Liquid Assets	122 936	2 723 137	4 059 267	3 163 402	2 547 837	0	0 00%
<i>B Accounts Receivable</i>							
Debtors	0	0	776,484	2,688,901	17,545,470	0	0 00%
Interest Receivable	406,944	519 179	2 000	0	3 211,566	0	0 00%
Notes Receivable	0	0	0	0	0	0	0 00%
Payroll Deductions Receivable	0	0	0	0	0	0	0 00%
Other Accounts Receivable	0	0	0	0	0	0	0 00%
Allowance for Receivable Losses	0	0	0	0	0	0	0 00%
Total Accounts Receivable	406 944	519 179	778 484	2 688 901	20 757 036	0	0 00%
<i>C. Fixed Assets</i>							
Land	0	0	0	0	0	0	0 00%
Buildings (Cost)	0	0	4,587 958	4 866 246	4 866 246	0	0 00%
Leasehold Improvements (Cost)	0	0	0	0	0	0	0 00%
Furniture & Equipment (Cost)	61 322	72 513	1,730,655	3 257 731	3,259 391	0	0 00%
Accumulated Depreciation	0	0	0	0	(307,128)	0	0 00%
Net Fixed Assets	61 322	72 513	6 318 613	8 123 977	7 818 510	0	0 00%
<i>D Other Assets</i>							
Assets in Liquidation	0	0	0	0	0	0	0 00%
Advances	0	0	0	0	0	0	0 00%
Prepaid Expenses	0	0	157,698	122 421	194 974	0	0 00%
Other Assets	0	0	0	318,250	0	0	0 00%
Accumulated Amortization	0	0	0	0	0	0	0 00%
Total Other Assets	0	0	157,698	440,671	194,974	0	0 00%
<i>E Problem Assets</i>							
Doubtful Assets	0	0	0	0	0	0	0 00%
Accounting Discrepancy Assets	0	0	0	0	411,508	0	0 00%
Other	0	0	0	0	(903)	0	0 00%
Total Problem Assets	0	0	0	0	410,605	0	0 00%
TOTAL NON EARNING ASSETS	591,202	3,314 828	11,314 063	14 416 951	31,728 962	0	0 00%
TOTAL ASSETS	7,379,199	10,998 760	22,489,960	43,402,984	85 178,999	0	0 00%

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	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Compl te
III. INTEREST BEARING LIABILITIES							
<i>A. Savings Deposits</i>							
<i>Regular Savings Deposits</i>	0	0	0	16,284,369	10,669,039	0	0.00%
<i>Fixed Savings Deposits</i>	0	0	0	0	0	0	0.00%
<i>Youth Savings Deposits</i>	0	0	0	0	0	0	0.00%
<i>Special Savings Deposits</i>	0	0	0	0	3,201,341	0	0.00%
<i>Pledged Savings Deposits</i>	0	0	0	0	0	0	0.00%
<i>Total Savings Deposits</i>	0	0	0	16,284,369	13,870,380	0	0.00%
<i>B. External Credit</i>							
<i>Short Term Loans CFF <=1 yr</i>	0	0	0	0	0	0	0.00%
<i>Long Term Loans CFF >1 yr</i>	0	0	0	0	3,000,000	0	0.00%
<i>Loans Banks</i>	824,418	0	827,203	0	24,000,000	0	0.00%
<i>Loans Other External Institutions</i>	0	0	0	0	0	0	0.00%
<i>Total External Credit</i>	824,418	0	827,203	0	27,000,000	0	0.00%
TOTAL INTEREST BEARING LIABILITIES	824,418	0	827,203	16,284,369	40,870,380	0	0.00%
IV. NON INTEREST BEARING LIABILITIES							
<i>A. Short Term Accounts Payable (<=30 Days)</i>	61,453	8,560	146,401	59,737	0	0	0.00%
<i>B. Provisions (e.g. Wages/Benefits)</i>	192,587	278,852	212,822	0	369,452	0	0.00%
<i>C. Other Liabilities</i>	2,149	0	222,821	2,643,295	17,463,703	0	0.00%
<i>D. Liability Discrepancy</i>	0	0	0	(167,300)	134,945	0	0.00%
TOTAL NON INTEREST BEARING LIABILITIES	256,189	287,412	582,043	2,535,732	17,968,100	0	0.00%
TOTAL LIABILITIES	1,080,607	287,412	1,409,246	18,820,101	58,838,480	0	0.00%
V. CAPITAL							
<i>A. Member Share Capital</i>							
<i>Mandatory Shares</i>	6,107,417	9,715,526	15,178,633	17,354,662	17,929,782	0	0.00%
<i>Voluntary Shares</i>	0	0	4,587,959	4,866,247	5,630,074	0	0.00%
<i>Total Member Share Capital</i>	6,107,417	9,715,526	19,766,592	22,220,909	23,559,857	0	0.00%
<i>B. Transitory Capital</i>							
<i>Asset Appreciation Over Cost</i>	0	0	0	0	0	0	0.00%
<i>Education & Social Reserves</i>	0	0	0	0	0	0	0.00%
<i>Monetary Reserves</i>	0	0	0	0	0	0	0.00%
<i>Other Reserves</i>	0	0	0	0	0	0	0.00%
<i>Undistributed Net Income</i>	0	0	0	0	0	0	0.00%
<i>Capital Discrepancy</i>	0	0	0	0	0	0	0.00%
<i>Total Transitory Capital</i>	0	0	0	0	0	0	0.00%
<i>C. Institutional Capital</i>							
<i>Statutory & Legal Reserves</i>	74,669	297,397	506,656	935,874	935,875	0	0.00%
<i>Retained Earnings</i>	116,506	698,425	807,467	1,386,290	525,682	0	0.00%
<i>Special Asset Reserves</i>	0	0	0	0	0	0	0.00%
<i>Donations / Other Reserves</i>	0	0	0	39,810	42,410	0	0.00%
<i>Undistributed Losses</i>	0	0	0	0	0	0	0.00%
<i>YTD Net Income (Loss) Transfers</i>	0	0	0	0	1,276,696	0	0.00%
<i>Total Institutional Capital</i>	191,174	995,822	1,314,122	2,361,974	2,780,663	0	0.00%
TOTAL CAPITAL	6,298,591	10,711,348	21,080,714	24,582,883	26,340,519	0	0.00%
TOTAL LIABILITIES AND CAPITAL	7,379,199	10,998,760	22,489,960	43,402,984	85,178,999	0	0.00%

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	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
INCOME STATEMENT							
I INCOME							
<i>A Income Loans</i>							
1 <i>Interest Income Loans</i>	990,671	3,323,338	7,189,242	9,704,103	3,536,189	0	0.00%
2 <i>Penalty Interest Income Loans</i>	0	0	0	0	0	0	0.00%
3 <i>Commissions / Fees Loans</i>	41,887	198,310	181,350	0	275,912	0	0.00%
4 <i>(Less) Interest Rebate Loans</i>	0	0	0	0	0	0	0.00%
<i>Net Income - Loans</i>	<u>1,032,558</u>	<u>3,521,648</u>	<u>7,370,592</u>	<u>9,704,103</u>	<u>3,812,101</u>	<u>0</u>	<u>0.00%</u>
<i>B Income - Liquid Investments</i>	36,819	36,498	137,432	663,430	0	0	0.00%
<i>C Income - Financial Investments</i>	53,440	85,361	0	95,584	30,122	0	0.00%
<i>D Income - Non-financial Investments</i>	0	0	0	0	0	0	0.00%
<i>E Income - Other</i>	16,690	58,526	1,060	2,843,482	2,139,336	0	0.00%
<i>F Income From Donations</i>	0	0	0	0	0	0	0.00%
GROSS INCOME	1,139,507	3,702,034	7,509,084	13,306,599	5,981,559	0	0.00%
II FINANCIAL COSTS							
<i>A Interest Expense Savings Deposits</i>	0	0	0	151,020	389,239	0	0.00%
<i>B Insurance Premiums Savings Deposits</i>	0	0	0	0	0	0	0.00%
<i>Financial Costs - Savings Deposits</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>151,020</u>	<u>389,239</u>	<u>0</u>	<u>0.00%</u>
<i>C Financial Costs External Credit</i>	314,763	1,585,298	3,391,974	6,585,057	1,242,780	0	0.00%
<i>D Dividend Expense Shares</i>	165,735	0	11,337	0	0	0	0.00%
<i>E Insurance Premiums Shares</i>	0	0	0	0	0	0	0.00%
<i>Financial Costs - Shares</i>	<u>165,735</u>	<u>0</u>	<u>11,337</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
<i>F Financial Costs Other</i>	0	7,000	0	0	156,044	0	0.00%
TOTAL FINANCIAL COSTS	480,498	1,592,298	3,403,311	6,736,077	1,788,062	0	0.00%
III Net Interest Margin	659,009	2,109,736	4,105,773	6,570,522	4,193,497	0	0.00%
EXPENSES							
IV OPERATING EXPENSES							
Personnel	113,448	213,990	770,875	1,974,723	1,221,468	0	0.00%
Governance	96,631	132,744	341,667	704,809	334,559	0	0.00%
Marketing	86,837	303,104	425,274	160,999	35,125	0	0.00%
Depreciation	8,760	10,281	235,997	284,809	307,128	0	0.00%
Administration	238,088	867,698	1,799,333	2,285,532	1,018,520	0	0.00%
TOTAL OPERATING EXPENSES	543,763	1,527,816	3,573,146	5,410,872	2,916,800	0	0.00%
V PROVISIONS RISK ASSETS	0	0	0	0	0	0	0.00%
VI NET INCOME FROM OPERATIONS	115,246	581,920	532,627	1,159,650	1,276,696	0	0.00%
VII OTHER INCOME / EXPENSES							
Extraordinary Items (Net)	0	0	0	0	0	0	0.00%
Previous Period Adjustments (Net)	0	0	(423,585)	(580,825)	0	0	0.00%
VIII NET INCOME / LOSS	115,246	581,920	109,042	578,825	1,276,696	0	0.00%

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		12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
Number of Credit Unions Represented in this report		1	1	1	1	1	0	
P E-A-R-L-S RATIOS		GOALS						
P	PROTECTION							
1	Allowance for Loan Losses / Delinq >12 Mo	100%	0 00%	0 00%	0 00%	0 00%	0 00%	NA NA
2a	Net Allowance for Loan Losses / Delinq 7 12 Mo	50%	ERR	0 00%	0 00%	0 00%	0 00%	NA NA
2b	Net Allowance for Loan Losses / Delinq 4 6 Mo	30%	ERR	0 00%	0 00%	0 00%	0 00%	NA NA
2c	Net Allowance for Loan Losses / Delinq 1 3 Mo	10%	ERR	0 00%	0 00%	0 00%	0 00%	NA NA
3	Complete Loan Charge Off of Delinquency > 12 Mo	Yes or No	Yes	Yes	Yes	No	Yes	NA 0 00%
4	Annual Loan Charge-offs / Average Loan Portfolio	Minimized	ERR	0 00%	0 00%	0 00%	0 00%	NA NA
5	Accum Charge Offs Recovered/ Accum Charge Offs	100%	0 00%	0 00%	0 00%	0 00%	0 00%	NA NA
E	EFFECTIVE FINANCIAL STRUCTURE							
1	Net Loans / Total Assets	Between 70 80%	39 26%	17 02%	19 99%	7 05%	37 77%	NA NA
2	Liquid Investments / Total Assets	Max 20%	0 34%	0 53%	2 31%	24 38%	21 46%	NA NA
3	Financial Investments / Total Assets	Max 10%	52 39%	52 32%	27 39%	35 36%	3 52%	NA NA
4	Non Financial Investments / Total Assets	0%	0 00%	0 00%	0 00%	0 00%	0 00%	NA NA
5	Savings Deposits / Total Assets	Between 70 80%	0 00%	0 00%	0 00%	37 52%	16 28%	NA NA
6	External Credit / Total Assets	0%	11 17%	0 00%	3 68%	0 00%	31 70%	NA NA
7	Member Share Capital / Total Assets	Max 20%	82 77%	88 33%	87 89%	51 20%	27 66%	NA NA
8	Institutional Capital / Total Assets	Min 10%	2 59%	9 05%	5 84%	5 44%	3 26%	NA NA
A	ASSET QUALITY							
1	Total Delinquency / Total Loan Portfolio	Less Than or Equal to 5%	0 00%	0 00%	0 00%	15 51%	0 00%	NA NA
2	Non Earning Assets / Total Assets	Less Than or Equal to 5%	8 01%	30 14%	50 31%	33 22%	37 25%	NA NA
3	Zero Cost Funds / Non earning Assets	Greater Than or Equal to 100%	75 67%	38 71%	16 76%	33 97%	65 39%	NA NA
R	RATES OF RETURN AND COSTS							
1	Net Loan Income / Average Net Loan Portfolio	Entrepreneurial Rate	35 64%	147 69%	231 51%	256 86%	43 64%	NA NA
2	Liquid Inv Income / Avg. Liquid Investments	Market Rates	147 11%	87 86%	47 50%	11 95%	0 00%	NA NA
3	Fin Investment Income / Avg. Fin Investments	Market Rates	1 38%	1 77%	0 00%	0 89%	0 66%	NA NA
4	Non Fin Inv Income / Avg Non Fin Investments	Greater Than or Equal to R1	NA	NA	NA	NA	NA	NA NA
5	Fin Costs Savings Deposits / Avg Savings Deposits	Market Rates	NA	NA	NA	NA	5 21%	NA NA
6	Fin Costs External Credit / Avg External Credit	Less Than or Equal to R5	38 18%	NA	820 11%	NA	18 56%	NA NA
7	Fin Costs Member Shares / Avg Member Shares	Greater Than or Equal to R5	2 71%	0 00%	0 08%	0 00%	0 00%	NA NA
8	Gross Margin / Average Assets	Amount Needed to Cover R9 R10 Increase Capital	8 93%	22 96%	24 52%	19 94%	13 15%	NA NA
9	Operating Expenses / Average Assets	3% 10%	7 37%	16 63%	21 34%	16 42%	9 15%	NA NA
10	Provisions for Risk Assets / Average Assets	Sufficient for Estimated Losses	0 00%	0 00%	0 00%	0 00%	0 00%	NA NA
11	Other Income or Expense / Average Assets	Amount Needed	0 00%	0 00%	2 53%	1 76%	0 00%	NA NA
12	Net Income / Average Assets	Enough to maintain capital for R3	1 56%	6 33%	0 65%	1 76%	4 00%	NA NA
L	LIQUIDITY							
1	Liquid Assets ST Payables / Total Deposits	Minimum 15%	NA	NA	NA	84 03%	150 19%	NA NA
2	Liquidity Reserves / Total Savings Deposits	10%	NA	NA	NA	0 00%	0 00%	NA NA
3	Non Earning Liquid Assets / Total Assets	Less Than 1%	1 67%	24 76%	18 05%	7 29%	2 99%	NA NA
4	Deposits in CFF / Total Available Liquidity	Maximum Amount	0 00%	0 00%	0 00%	0 00%	0 00%	NA NA
S	SIGNS OF GROWTH (Annual Growth Rates)							
1	Total Assets	More than Inflation	ERR	49 05%	104 48%	92 99%	194 10%	NA NA
2	Loans	Sufficient to achieve goal in E1	ERR	35 40%	140 21%	31 93%	1918 23%	NA NA
3	Savings Deposits	Sufficient to achieve goal in E5	ERR	NA	NA	NA	29 89%	NA NA
4	External Credit	Minimum to achieve goal in E5	ERR	0 00%	100 00%	100 00%	100 00%	NA NA
5	Share Capital	Sufficient to achieve goal in E7	NA	59 08%	103 45%	12 42%	12 15%	NA NA
6	Institutional Capital	Sufficient to achieve goal in E8	ERR	420 90%	31 96%	79 74%	35 75%	NA NA
7	Membership	Min 5%	ERR	NA	NA	1 64%	156 93%	NA NA
INFLATION			6 90%	9 10%	11 20%	10 60%	12 55%	

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ANNUAL GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% C mplete
Number of Credit Unions Represented in this report	1	1	1	1	1	0	
NUMBER OF MEMBERS & USERS							
Men (Members)	0	0	680	680	644	0	0 00%
Women (Members)	0	0	830	426	401	0	0 00%
Gender Not Reported (Members)	0	0	0	0	0	0	0 00%
TOTAL NUMBER OF MEMBERS	0	0	1,510	1,106	1,045	0	0 00%
Youth	0	0	0	0	0	0	0 00%
Third Parties/Groups	0	0	0	0	0	0	0 00%
TOTAL NUMBER OF USERS	0	0	1,510	1,106	1,045	0	0 00%

BALANCE SHEET							
I EARNING ASSETS							
<i>A. Loans to Members</i>							
Short Term Loans (<=1 Year)	0	0	0	0	0	0	0 00%
Medium Term Loans (> 1 <= 3 Years)	21,027,933	40,220,680	58,189,033	74,487,248	82,739,206	0	0 00%
Long Term Loans (>3 Years)	0	0	0	0	0	0	0 00%
Other Special Loans	0	0	0	0	0	0	0 00%
Allowance for Loan Losses	0	0	0	0	0	0	0 00%
Total Net Loans	21,027,933	40,220,680	58,189,033	74,487,248	82,739,206	0	0 00%
<i>B Liquid Investments</i>							
Liquidity Reserves CFF	0	0	0	0	0	0	0 00%
Deposits CFF	0	0	0	0	0	0	0 00%
Savings Deposits Banks etc	211,122	42,666	0	2,063,407	2,423,078	0	0 00%
Securities & Investments	411,736	582,534	1,063,164	0	0	0	0 00%
Other Miscellaneous Investments	0	0	750,000	0	0	0	0 00%
Total Liquid Investments	622,858	625,200	1,813,164	2,063,407	2,423,078	0	0 00%
<i>C. Financial Investments</i>							
Shares KUSCCO	0	10,000	10,000	10,000	110,000	0	0 00%
Central Finance Programme	0	1,114,276	2,255,608	3,383,541	4,310,406	0	0 00%
Savings Deposits Banks etc	0	0	0	0	0	0	0 00%
Securities & Investments	0	0	0	0	0	0	0 00%
Other Miscellaneous Investments	50,000	60,000	63,000	63,000	63,000	0	0 00%
Total Financial Investments	50,000	1,184,276	2,328,608	3,456,541	4,483,406	0	0 00%
<i>D Non Financial Investments</i>							
Various	0	0	0	0	0	0	0 00%
Allowances for Non financial Investments	0	0	0	0	0	0	0 00%
Various	0	0	0	0	0	0	0 00%
TOTAL EARNING ASSETS	21,700,791	42,030,156	62,330,805	80,007,196	89,645,690	0	0 00%

ADDITIONAL LOAN PORTFOLIO INFORMATION

I DELINQUENCY CALCULATION METHOD	NA	NA	NA	BALANCE	BALANCE	NA	NA
II DELINQUENCY							
<i>Delinquency not Classified</i>	0	0	0	0	0	0	0 00%
<i>1 Day to 1 Month</i>	0	0	0	0	0	0	0 00%
<i>1 to 3 Months</i>	0	0	0	0	0	0	0 00%
<i>4 to 6 Months</i>	0	0	0	0	0	0	0 00%
<i>7 to 12 Months</i>	0	0	0	0	193,302	0	0 00%
<i>More Than 12 Months</i>	0	0	0	0	304,620	0	0 00%
TOTAL DELINQUENCY	0	0	0	0	497,922	0	0 00%
III LOAN PORTFOLIO	21,027,933	40,220,680	58,189,033	74,487,248	82,739,206	0	0 00%
IV ACCUMULATED CHARGE-OFFS	0	0	0	0	0	0	0 00%
V RECOVERY OF CHARGE-OFFS	0	0	0	0	0	0	0 00%

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ANNUAL GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
II NON EARNING ASSETS							
<i>A. Liquid Assets</i>							
Cash & Equivalents	24,791	46,168	1,615,807	108,252	16,214	0	0.00%
Current (Checking) Accounts	(582,518)	0	(6,794,008)	(2,230,364)	4,806,742	0	0.00%
Imprest Cash	0	0	0	0	0	0	0.00%
Liquidity Reserves	0	0	0	0	0	0	0.00%
Other	0	0	0	0	0	0	0.00%
Total Liquid Assets	(557,727)	46,168	(5,178,201)	(2,122,112)	4,822,957	0	0.00%
<i>B. Accounts Receivable</i>							
Debtors	28,973	47,536	524,566	211,343	325,327	0	0.00%
Interest Receivable	0	0	0	0	0	0	0.00%
Notes Receivable	0	0	0	0	0	0	0.00%
Payroll Deductions Receivable	1,286,570	2,459,043	4,844,442	0	0	0	0.00%
Other Accounts Receivable	0	0	0	0	0	0	0.00%
Allowance for Receivable Losses	0	0	0	0	0	0	0.00%
Total Accounts Receivable	1,315,543	2,506,579	5,369,008	211,343	325,327	0	0.00%
<i>C. Fixed Assets</i>							
Land	0	0	0	0	0	0	0.00%
Buildings (Cost)	0	0	0	0	0	0	0.00%
Leasehold Improvements (Cost)	0	0	0	0	0	0	0.00%
Furniture & Equipment (Cost)	60,375	101,611	109,035	121,655	423,655	0	0.00%
Accumulated Depreciation	0	0	0	0	0	0	0.00%
Net Fixed Assets	60,375	101,611	109,035	121,655	423,655	0	0.00%
<i>D. Other Assets</i>							
Assets in Liquidation	0	0	0	0	0	0	0.00%
Advances	0	0	0	0	0	0	0.00%
Prepaid Expenses	0	0	0	0	0	0	0.00%
Other Assets	0	0	0	0	0	0	0.00%
Accumulated Amortization	0	0	0	0	0	0	0.00%
Total Other Assets	0	0	0	0	0	0	0.00%
<i>E. Problem Assets</i>							
Doubtful Assets	0	0	0	0	364,240	0	0.00%
Accounting Discrepancy Assets	0	0	0	0	0	0	0.00%
Other	0	0	0	0	0	0	0.00%
Total Problem Assets	0	0	0	0	364,240	0	0.00%
TOTAL NON EARNING ASSETS	818,191	2,654,358	299,842	(1,789,114)	5,936,178	0	0.00%
TOTAL ASSETS	22,518,982	44,684,514	62,630,647	78,218,082	95,581,868	0	0.00%

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ANNUAL GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% C mpl to
III INTEREST BEARING LIABILITIES							
<i>A Savings Deposits</i>							
Regular Savings Deposits	0	0	0	0	0	0	0.00%
Fixed Savings Deposits	0	0	0	850,000	500,000	0	0.00%
Youth Savings Deposits	0	0	0	0	0	0	0.00%
Special Savings Deposits	0	0	0	0	0	0	0.00%
Pledged Savings Deposits	0	0	0	0	0	0	0.00%
Total Savings Deposits	0	0	0	850,000	500,000	0	0.00%
<i>B External Credit</i>							
Short Term Loans CFF <=1 yr	0	0	2,613,054	0	0	0	0.00%
Long Term Loans CFF >1 yr	0	0	0	0	4,000,000	0	0.00%
Loans Banks	0	1,471,306	0	0	1,111,996	0	0.00%
Loans Other External Institutions	0	0	0	0	0	0	0.00%
Total External Credit	0	1,471,306	2,613,054	0	5,111,996	0	0.00%
TOTAL INTEREST BEARING LIABILITIES	0	1,471,306	2,613,054	850,000	5,611,996	0	0.00%
IV NON INTEREST BEARING LIABILITIES							
<i>A Short Term Accounts Payable (<=30 Days)</i>	63,873	319,843	1,248,995	1,104,986	0	0	0.00%
<i>B Provisions (e.g. Wages/Benefits)</i>	807,375	1,191,633	1,400,000	2,218,414	2,446,897	0	0.00%
<i>C Other Liabilities</i>	23,449	23,574	23,575	0	1,479,242	0	0.00%
<i>D Liability Discrepancy</i>	0	0	0	0	0	0	0.00%
TOTAL NON INTEREST BEARING LIABILITIES	894,697	1,535,050	2,672,570	3,323,400	3,926,139	0	0.00%
TOTAL LIABILITIES	894,697	3,006,356	5,285,624	4,173,400	9,538,135	0	0.00%
V CAPITAL							
<i>A Member Share Capital</i>							
Mandatory Shares	21,440,171	41,452,892	57,043,156	73,546,596	83,821,074	0	0.00%
Voluntary Shares	0	0	0	0	0	0	0.00%
Total Member Share Capital	21,440,171	41,452,892	57,043,156	73,546,596	83,821,074	0	0.00%
<i>B Transitory Capital</i>							
Asset Appreciation Over Cost	0	0	0	0	0	0	0.00%
Education & Social Reserves	0	0	0	0	0	0	0.00%
Monetary Reserves	0	0	0	0	0	0	0.00%
Other Reserves	0	0	0	0	0	0	0.00%
Undistributed Net Income	0	0	0	0	0	0	0.00%
Capital Discrepancy	0	0	0	0	0	0	0.00%
Total Transitory Capital	0	0	0	0	0	0	0.00%
<i>C Institutional Capital</i>							
Statutory & Legal Reserves	146,783	168,701	197,612	377,341	377,341	0	0.00%
Retained Earnings	25,211	32,665	79,635	94,495	94,495	0	0.00%
Special Asset Reserves	0	0	0	0	0	0	0.00%
Donations / Other Reserves	12,120	23,900	24,620	26,250	532,504	0	0.00%
Undistributed Losses	0	0	0	0	0	0	0.00%
YTD Net Income (Loss) Transfers	0	0	0	0	1,218,320	0	0.00%
Total Institutional Capital	184,114	225,266	301,867	498,086	2,222,660	0	0.00%
TOTAL CAPITAL	21,624,285	41,678,158	57,345,023	74,044,682	86,043,733	0	0.00%
TOTAL LIABILITIES AND CAPITAL	22,518,982	44,684,514	62,630,647	78,218,082	95,581,868	0	0.00%

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ANNUAL GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
INCOME STATEMENT							
I INCOME							
A Income - Loans							
1 Interest Income Loans	1,839,173	3,582,317	5,950,672	7,824,479	3,810,991	0	0.00%
2 Penalty Interest Income Loans	0	0	0	0	0	0	0.00%
3 Commissions / Fees Loans	0	0	0	0	0	0	0.00%
4 (Less) Interest Rebate Loans	0	0	0	0	0	0	0.00%
Net Income - Loans	1,839,173	3,582,317	5,950,672	7,824,479	3,810,991	0	0.00%
B Income - Liquid Investments	24,795	97,200	608,721	243,633	33,341	0	0.00%
C Income - Financial Investments	0	0	0	336,759	0	0	0.00%
D Income - Non financial Investments	0	0	0	0	0	0	0.00%
E Income - Other	0	0	218,259	283,267	3,000	0	0.00%
F Income From Donations	0	0	0	0	0	0	0.00%
GROSS INCOME	1,863,968	3,679,517	6,777,652	8,688,138	3,847,332	0	0.00%
II FINANCIAL COSTS							
A Interest Expense Savings Deposits	750,000	1,100,000	1,400,000	2,230,435	0	0	0.00%
B Insurance Premiums Savings Deposits	0	0	0	0	0	0	0.00%
Financial Costs - Savings Deposits	750,000	1,100,000	1,400,000	2,230,435	0	0	0.00%
C Financial Costs External Credit	17,271	83,480	1,124,835	2,379,048	545,933	0	0.00%
D Dividend Expense Shares	0	0	0	0	6,728	0	0.00%
E Insurance Premiums Shares	0	0	0	0	0	0	0.00%
Financial Costs - Shares	0	0	0	0	6,728	0	0.00%
F Financial Costs Other	0	0	0	0	0	0	0.00%
TOTAL FINANCIAL COSTS	767,271	1,183,480	2,524,835	4,609,483	552,661	0	0.00%
III Net Interest Margin	1,096,697	2,496,037	4,252,817	4,078,655	3,294,670	0	0.00%
EXPENSES							
IV OPERATING EXPENSES							
Personnel	487,438	1,110,985	1,642,925	1,832,962	1,423,796	0	0.00%
Governance	331,707	334,299	817,688	1,253,617	572,392	0	0.00%
Marketing	0	0	0	18,885	19,000	0	0.00%
Depreciation	2,625	14,516	15,576	17,380	0	0	0.00%
Administration	271,272	1,030,483	1,749,895	496,623	61,163	0	0.00%
TOTAL OPERATING EXPENSES	1,093,042	2,490,283	4,226,084	3,619,467	2,076,351	0	0.00%
V PROVISIONS RISK ASSETS	0	0	0	0	0	0	0.00%
VI NET INCOME FROM OPERATIONS	3,655	5,754	26,733	459,188	1,218,320	0	0.00%
VII OTHER INCOME / EXPENSES							
Extraordinary Items (Net)	0	0	20,237	0	0	0	0.00%
Previous Period Adjustments (Net)	0	1,700	0	(444,328)	0	0	0.00%
VIII NET INCOME / LOSS	3,655	7,454	46,970	14,860	1,218,320	0	0.00%

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ANNUAL GOAL

			12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
Number of Credit Unions Represented in this report			1	1	1	1	1	0	
P-E-A-R-L-S RATIOS		GOALS							
P	PROTECTION								
1	Allowance for Loan Losses / Delinq >12 Mo	100%	0 00%	0 00%	0 00%	0 00%	0 00%	NA	NA
2a	Net Allowance for Loan Losses / Delinq 7 12 Mo	50%	ERR	0 00%	0 00%	0 00%	0 00%	NA	NA
2b	Net Allowance for Loan Losses / Delinq 4 6 Mo	30%	ERR	0 00%	0 00%	0 00%	0 00%	NA	NA
2c	Net Allowance for Loan Losses / Delinq 1 3 Mo	10%	ERR	0 00%	0 00%	0 00%	0 00%	NA	NA
3	Complete Loan Charge Off of Delinquency > 12 Mo	Yes = N	Yes	Yes	Yes	Yes	No	NA	0 00%
4	Annual Loan Charge-offs / Average Loan Portfolio	Minimized	ERR	0 00%	0 00%	0 00%	0 00%	NA	NA
5	Accum Charge Offs Recovered/ Accum Charge Offs	100%	0 00%	0 00%	0 00%	0 00%	0 00%	NA	NA
E	EFFECTIVE FINANCIAL STRUCTURE								
1	Net Loans / Total Assets	B tween 70 80%	93 38%	90 01%	92 91%	95 23%	86 56%	NA	NA
2	Liquid Investments / Total Assets	Max 20%	2 77%	1 40%	2 90%	2 64%	2 54%	NA	NA
3	Financial Investments / Total Assets	Max 10%	0 22%	2 65%	3 72%	4 42%	4 69%	NA	NA
4	Non Financial Investments / Total Assets	0%	0 00%	0 00%	0 00%	0 00%	0 00%	NA	NA
5	Savings Deposits / Total Assets	B tw n 70 80%	0 00%	0 00%	0 00%	1 09%	0 52%	NA	NA
6	External Credit / Total Assets	0%	0 00%	3 29%	4 17%	0 00%	5 35%	NA	NA
7	Member Share Capital / Total Assets	Max 20%	95 21%	92 77%	91 08%	94 03%	87 70%	NA	NA
8	Institutional Capital / Total Assets	Min 10%	0 82%	0 50%	0 48%	0 64%	2 33%	NA	NA
A	ASSET QUALITY								
1	Total Delinquency / Total Loan Portfolio	Less Than or Equal to 5%	0 00%	0 00%	0 00%	0 00%	0 60%	NA	NA
2	Non Earning Assets / Total Assets	Le s Than or Equal to 5%	3 63%	5 94%	0 48%	2 29%	6 21%	NA	NA
3	Zero Cost Funds / Non earning Assets	Greater Than or Equal to 100%	131 85%	66 32%	992 00%	213 60%	103 58%	NA	NA
R	RATES OF RETURN AND COSTS								
1	Net Loan Income / Average Net Loan Portfolio	Entrepreneurial Rat	8 75%	11 70%	12 09%	11 79%	9 78%	NA	NA
2	Liquid Inv Income / Avg Liquid Investments	Mark t R t	3 98%	15 58%	49 93%	12 57%	3 00%	NA	NA
3	Fin Investment Income / Avg Fin Investments	Mark t Rat	0 00%	0 00%	0 00%	11 64%	0 00%	NA	NA
4	Non Fin Inv Income / Avg Non Fin Investmnts	Greater Than or Equal to R1	NA	NA	NA	NA	NA	NA	NA
5	Fin Costs Savings Deposits / Avg Savings Deposits	Market R t	NA	NA	NA	NA	0 00%	NA	NA
6	Fin Costs External Credit / Avg External Credit	Le s Than or Equal to R5	NA	11 35%	55 08%	NA	43 07%	NA	NA
7	Fin Costs Member Shares / Avg Member Shares	Great r Than or Equal to R5	0 00%	0 00%	0 00%	0 00%	0 02%	NA	NA
8	Gross Margin / Average Assets	Am unt N eed to Cove R3 R10 Incras Capital	4 87%	7 43%	7 93%	5 79%	7 65%	NA	NA
9	Operating Expenses / Average Assets	3% 10%	4 85%	7 41%	7 88%	5 14%	4 82%	NA	NA
10	Provisions for Risk Assets / Average Assets	S ficient f r Acths t d L e s	0 00%	0 00%	0 00%	0 00%	0 00%	NA	NA
11	Other Income or Expense / Average Assets	Amount N eed d	0 00%	0 01%	0 04%	0 63%	0 00%	NA	NA
12	Net Income / Average Assets	En ght r n th goal f r E3	0 02%	0 02%	0 09%	0 02%	2 83%	NA	NA
L	LIQUIDITY								
1	Liquid Assets ST Payables / Total Deposits	Minimum 15%	NA	NA	NA	136 90%	1449 21%	NA	NA
2	Liquidity Reserves / Total Savings Deposits	10%	NA	NA	NA	0 00%	0 00%	NA	NA
3	Non Earning Liquid Assets / Total Assets	Le Than 1%	2 48%	0 10%	8 27%	2 71%	5 05%	NA	NA
4	Deposits in CFF / Total Available Liquidity	Maximum Amount	0 00%	0 00%	0 00%	0 00%	0 00%	NA	NA
S	SIGNS OF GROWTH (Annual Growth Rates)								
1	Total Assets	More than Inflation	ERR	98 43%	40 16%	24 89%	44 77%	NA	NA
2	Loans	Sufficient to achi ve goal in E1	ERR	91 27%	44 67%	28 01%	22 34%	NA	NA
3	Savings Deposits	S ficient to achieve g al in E5	ERR	NA	NA	NA	83 04%	NA	NA
4	External Credit	Minimum to achi ve goal in E5	ERR	100 00%	77 60%	100 00%	100 00%	NA	NA
5	Share Capital	Sufficient to achieve g al in E7	NA	93 34%	37 61%	28 93%	28 17%	NA	NA
6	Institutional Capital	S ficient to achi ve g al in E8	ERR	22 35%	34 00%	65 00%	698 22%	NA	NA
7	Membership	Min 5%	ERR	NA	NA	26 75%	11 12%	NA	NA
INFLATION			6 90%	9 10%	11 20%	10 60%	12 55%		

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ANNUAL GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% C mplet
Number of Credit Unions Represented in this report	0	0	1	1	1	0	
NUMBER OF MEMBERS & USERS							
Men (Members)	0	0	193	1,152	1,152	0	0 00%
Women (Members)	0	0	226	961	961	0	0 00%
Gender Not Reported (Members)	0	0	0	0	0	0	0 00%
TOTAL NUMBER OF MEMBERS	0	0	419	2,113	2,113	0	0 00%
Youth	0	0	0	0	0	0	0 00%
Third Parties/Groups	0	0	0	0	0	0	0 00%
TOTAL NUMBER OF USERS	0	0	419	2,113	2,113	0	0 00%

BALANCE SHEET							
I EARNING ASSETS							
<i>A. Loans to Members</i>							
Short Term Loans (<=1 Year)	0	0	736,669	5,987,815	5,987,815	0	0 00%
Medium Term Loans (> 1 <= 3 Years)	0	0	0	0	0	0	0 00%
Long Term Loans (>3 Years)	0	0	0	0	0	0	0 00%
Other Special Loans	0	0	0	0	0	0	0 00%
Allowance for Loan Losses	0	0	0	0	0	0	0 00%
Total Net Loans	0	0	736 669	5 987 815	5 987 815	0	0 00 %
<i>B Liquid Investments</i>							
Liquidity Reserves CFF	0	0	0	0	0	0	0 00%
Deposits CFF	0	0	0	0	0	0	0 00%
Savings Deposits Banks etc	0	0	0	0	0	0	0 00%
Securities & Investments	0	0	0	0	0	0	0 00%
Other Miscellaneous Investments	0	0	0	0	0	0	0 00%
Total Liquid Investments	0	0	0	0	0	0	0 00 %
<i>C. Financial Investments</i>							
Shares KUSCCO	0	0	1,000	21,000	21,000	0	0 00 %
Central Finance Programme	0	0	50 000	517,970	517,970	0	0 00%
Savings Deposits Banks etc	0	0	0	0	0	0	0 00%
Securities & Investments	0	0	0	0	0	0	0 00%
Other Miscellaneous Investments	0	0	0	0	0	0	0 00%
Total Financial Investments	0	0	51,000	538 970	538 970	0	0 00 %
<i>D Non Financial Investments</i>							
Various	0	0	0	0	0	0	0 00%
Allowances for Non financial Investments	0	0	0	0	0	0	0 00%
Various	0	0	0	0	0	0	0 00%
TOTAL EARNING ASSETS	0	0	787,669	6,526,784	6,526,785	0	0 00%

ADDITIONAL LOAN PORTFOLIO INFORMATION

I DELINQUENCY CALCULATION METHOD	NA	NA	NA	BALANCE	BALANCE	NA	NA
II DELINQUENCY							
Delinquency not Classified	0	0	0	0	0	0	0 00%
1 Day to 1 Month	0	0	0	0	0	0	0 00%
1 to 3 Months	0	0	0	2,708,021	2,708,021	0	0 00%
4 to 6 Months	0	0	0	2,072,278	2,072,278	0	0 00%
7 to 12 Months	0	0	0	600,846	600,846	0	0 00%
More Than 12 Months	0	0	0	203,710	203,710	0	0 00%
TOTAL DELINQUENCY	0	0	0	5 584 855	5 584 855	0	0 00 %
III LOAN PORTFOLIO	0	0	736,669	5,987,815	5,987,815	0	0 00%
IV ACCUMULATED CHARGE-OFFS	0	0	0	0	0	0	0 00%
V RECOVERY OF CHARGE-OFFS	0	0	0	0	0	0	0 00%

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Rachuonyo Traders Sacco

ANNUAL
GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% C mp t
II NON EARNING ASSETS							
<i>A. Liquid Assets</i>							
Cash & Equivalents	0	0	92,532	123,047	123,047	0	0.00%
Current (Checking) Accounts	0	0	60,593	205,952	205,952	0	0.00%
Imprest Cash	0	0	0	0	0	0	0.00%
Liquidity Reserves	0	0	0	0	0	0	0.00%
Other	0	0	0	0	0	0	0.00%
Total Liquid Assets	0	0	153,125	328,999	328,999	0	0.00%
<i>B. Accounts Receivable</i>							
Debtors	0	0	73,870	0	0	0	0.00%
Interest Receivable	0	0	0	520,293	520,293	0	0.00%
Notes Receivable	0	0	0	0	0	0	0.00%
Payroll Deductions Receivable	0	0	0	0	0	0	0.00%
Other Accounts Receivable	0	0	0	125,870	125,870	0	0.00%
Allowance for Receivable Losses	0	0	0	0	0	0	0.00%
Total Accounts Receivable	0	0	73,870	646,163	646,163	0	0.00%
<i>C. Fixed Assets</i>							
Land	0	0	0	0	0	0	0.00%
Buildings (Cost)	0	0	0	0	0	0	0.00%
Leasehold Improvements (Cost)	0	0	0	0	0	0	0.00%
Furniture & Equipment (Cost)	0	0	17,500	316,619	316,619	0	0.00%
Accumulated Depreciation	0	0	0	0	0	0	0.00%
Net Fixed Assets	0	0	17,500	316,619	316,619	0	0.00%
<i>D. Other Assets</i>							
Assets in Liquidation	0	0	0	0	0	0	0.00%
Advances	0	0	0	0	0	0	0.00%
Prepaid Expenses	0	0	26,000	172,686	172,686	0	0.00%
Other Assets	0	0	0	100,450	100,450	0	0.00%
Accumulated Amortization	0	0	0	0	0	0	0.00%
Total Other Assets	0	0	26,000	273,136	273,136	0	0.00%
<i>E. Problem Assets</i>							
Doubtful Assets	0	0	0	0	0	0	0.00%
Accounting Discrepancy Assets	0	0	0	0	0	0	0.00%
Other	0	0	0	0	0	0	0.00%
Total Problem Assets	0	0	0	0	0	0	0.00%
TOTAL NON EARNING ASSETS	0	0	270,495	1,564,917	1,564,917	0	0.00%
TOTAL ASSETS	0	0	1,058,164	8,091,702	8,091,702	0	0.00%

Rachuonyo Traders Sacco

ANNUAL GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
III. INTEREST BEARING LIABILITIES							
A. Savings Deposits							
Regular Savings Deposits	0	0	0	14,400	14,400	0	0.00%
Fixed Savings Deposits	0	0	0	0	0	0	0.00%
Youth Savings Deposits	0	0	0	0	0	0	0.00%
Special Savings Deposits	0	0	0	0	0	0	0.00%
Plledged Savings Deposits	0	0	0	0	0	0	0.00%
Total Savings Deposits	0	0	0	14,400	14,400	0	0.00%
B. External Credit							
Short Term Loans CFF <=1 yr	0	0	0	0	0	0	0.00%
Long Term Loans CFF >1 yr	0	0	0	0	0	0	0.00%
Loans Banks	0	0	0	0	0	0	0.00%
Loans Other External Institutions	0	0	0	0	0	0	0.00%
Total External Credit	0	0	0	0	0	0	0.00%
TOTAL INTEREST BEARING LIABILITIES	0	0	0	14,400	14,400	0	0.00%
IV. NON INTEREST BEARING LIABILITIES							
A. Short Term Accounts Payable (<=30 Days)	0	0	0	0	0	0	0.00%
B. Provisions (e.g. Wages/Benefits)	0	0	2,400	16,545	16,545	0	0.00%
C. Other Liabilities	0	0	0	0	0	0	0.00%
D. Liability Discrepancy	0	0	0	0	0	0	0.00%
TOTAL NON INTEREST BEARING LIABILITIES	0	0	2,400	16,545	16,545	0	0.00%
TOTAL LIABILITIES	0	0	2,400	30,945	30,945	0	0.00%
V. CAPITAL							
A. Member Share Capital							
Mandatory Shares	0	0	1,221,946	8,131,757	8,131,757	0	0.00%
Voluntary Shares	0	0	0	0	0	0	0.00%
Total Member Share Capital	0	0	1,221,946	8,131,757	8,131,757	0	0.00%
B. Transitory Capital							
Asset Appreciation Over Cost	0	0	0	0	0	0	0.00%
Education & Social Reserves	0	0	0	0	0	0	0.00%
Monetary Reserves	0	0	0	0	0	0	0.00%
Other Reserves	0	0	0	0	0	0	0.00%
Undistributed Net Income	0	0	0	0	0	0	0.00%
Capital Discrepancy	0	0	0	0	0	0	0.00%
Total Transitory Capital	0	0	0	0	0	0	0.00%
C. Institutional Capital							
Statutory & Legal Reserves	0	0	0	3,912	3,912	0	0.00%
Retained Earnings	0	0	0	0	(188,168)	0	0.00%
Special Asset Reserves	0	0	0	0	0	0	0.00%
Donations / Other Reserves	0	0	21,986	109,366	109,366	0	0.00%
Undistributed Losses	0	0	0	0	0	0	0.00%
YTD Net Income (Loss) Transfers	0	0	(188,168)	(184,278)	3,890	0	0.00%
Total Institutional Capital	0	0	(166,182)	(71,001)	(71,000)	0	0.00%
TOTAL CAPITAL	0	0	1,055,764	8,060,756	8,060,757	0	0.00%
TOTAL LIABILITIES AND CAPITAL	0	0	1,058,164	8,091,702	8,091,702	0	0.00%

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ANNUAL
GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
INCOME STATEMENT							
I INCOME							
<i>A Income Loans</i>							
1 <i>Interest Income Loans</i>	0	0	28 022	809 754	809,754	0	0 00%
2 <i>Penalty Interest Income Loans</i>	0	0	0	0	0	0	0 00%
3 <i>Commissions / Fees Loans</i>	0	0	0	0	0	0	0 00%
4 <i>(Less) Interest Rebate Loans</i>	0	0	0	0	0	0	0 00%
<i>Net Income - Loans</i>	0	0	28,022	809,754	809,754	0	0 00%
<i>B Income - Liquid Investments</i>	0	0	0	0	0	0	0 00%
<i>C Income - Financial Investments</i>	0	0	0	6,912	6,912	0	0 00%
<i>D Income - Non financial Investments</i>	0	0	0	24 690	24 690	0	0 00%
<i>E Income - Other</i>	0	0	1 415	24,910	24,910	0	0 00%
<i>F Income From Donations</i>	0	0	0	0	0	0	0 00%
GROSS INCOME	0	0	29,437	866,266	866,266	0	0 00%
II FINANCIAL COSTS							
<i>A Interest Expense Savings Deposits</i>	0	0	0	0	0	0	0 00%
<i>B Insurance Premiums Savings Deposits</i>	0	0	0	0	0	0	0 00%
<i>Financial Costs - Savings Deposits</i>	0	0	0	0	0	0	0 00%
<i>C Financial Costs External Credit</i>	0	0	0	0	0	0	0 00%
<i>D Dividend Expense Shares</i>	0	0	0	0	0	0	0 00%
<i>E Insurance Premiums Shares</i>	0	0	0	0	0	0	0 00%
<i>Financial Costs Shares</i>	0	0	0	0	0	0	0 00%
<i>F Financial Costs Other</i>	0	0	0	0	0	0	0 00%
TOTAL FINANCIAL COSTS	0	0	0	0	0	0	0 00%
III Net Interest Margin	0	0	29,437	866 266	866,266	0	0 00%
EXPENSES							
IV OPERATING EXPENSES							
Personnel	0	0	42 900	270,486	270,486	0	0 00%
Governance	0	0	95,572	184 073	184,073	0	0 00%
Marketing	0	0	10,095	46,422	46,422	0	0 00%
Depreciation	0	0	0	40,135	40,135	0	0 00%
Administration	0	0	69,038	321,260	321,260	0	0 00%
TOTAL OPERATING EXPENSES	0	0	217 605	862 376	862 376	0	0 00%
V PROVISIONS RISK ASSETS	0	0	0	0	0	0	0 00%
VI NET INCOME FROM OPERATIONS	0	0	(188,168)	3,890	3,890	0	0 00%
VII OTHER INCOME / EXPENSES							
Extraordinary Items (Net)	0	0	0	0	0	0	0 00%
Previous Period Adjustments (Net)	0	0	0	0	0	0	0 00%
VIII NET INCOME / LOSS	0	0	(188,168)	3,890	3,890	0	0 00%

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Rachuonyo Traders Sacco

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GOAL

Number of Credit Unions Represented in this report		12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
P E-A-R-L-S RATIOS		0	0	1	1	1	0	
GOALS								
P	PROTECTION							
1	Allowance for Loan Losses / Delinq >12 Mo	100%	NA	NA	0 00%	0 00%	0 00%	NA NA
2a	Net Allowance for Loan Losses / Delinq 7-12 Mo	50%	ERR	NA	0 00%	0 00%	0 00%	NA NA
2b	Net Allowance for Loan Losses / Delinq 4-6 Mo	30%	ERR	NA	0 00%	0 00%	0 00%	NA NA
2c	Net Allowance for Loan Losses / Delinq 1-3 Mo	10%	ERR	NA	0 00%	0 00%	0 00%	NA NA
3	Complete Loan Charge-Off of Delinquency > 12 Mo	Year No	NA	NA	Yes	No	No	NA NA
4	Annual Loan Charge-offs / Average Loan Portfolio	Minimize	ERR	0 00%	0 00%	0 00%	0 00%	0 00%
5	Accum Charge Offs Recovered/ Accum Charge Offs	100%	0 00%	0 00%	0 00%	0 00%	0 00%	NA NA
E	EFFECTIVE FINANCIAL STRUCTURE							
1	Net Loans / Total Assets	B tw 70 80%	NA	NA	69 62%	74 00%	74 00%	NA NA
2	Liquid Investments / Total Assets	Max 20%	NA	NA	0 00%	0 00%	0 00%	NA NA
3	Financial Investments / Total Assets	Max 10%	NA	NA	4 82%	6 66%	6 66%	NA NA
4	Non Financial Investments / Total Assets	0%	NA	NA	0 00%	0 00%	0 00%	NA NA
5	Savings Deposits / Total Assets	B tw on 70 80%	NA	NA	0 00%	0 18%	0 18%	NA NA
6	External Credit / Total Assets	8%	NA	NA	0 00%	0 00%	0 00%	NA NA
7	Member Share Capital / Total Assets	Max 20%	NA	NA	115 48%	100 50%	100 50%	NA NA
8	Institutional Capital / Total Assets	Min 10%	NA	NA	15 70%	0 88%	0 88%	NA NA
A	ASSET QUALITY							
1	Total Delinquency / Total Loan Portfolio	Less Than Equal to 5%	NA	NA	0 00%	13 44%	13 44%	NA NA
2	Non Earning Assets / Total Assets	Less Than or Equal to 5%	NA	NA	25 56%	19 34%	19 34%	NA NA
3	Zero Cost Funds / Non earning Assets	Greater Than or Equal to 100%	0 00%	0 00%	60 55%	3 48%	3 48%	NA NA
R	RATES OF RETURN AND COSTS							
1	Net Loan Income / Average Net Loan Portfolio	Entrepreneurial Rate	NA	NA	3 80%	24 08%	27 27%	NA NA
2	Liquid Inv Income / Avg. Liquid Investments	Market Rates	NA	NA	NA	NA	NA	NA NA
3	Fin Investment Income / Avg Fin Investments	Market Rates	NA	NA	0 00%	2 34%	2 59%	NA NA
4	Non Fin Inv Income / Avg Non Fin Investments	Greater Than or Equal to R1	NA	NA	NA	NA	NA	NA NA
5	Fin Costs Savings Deposits / Avg Savings Deposits	Market Rates	NA	NA	NA	NA	0 00%	NA NA
6	Fin Costs External Credit / Avg External Credit	Less Than or Equal to R5	NA	NA	NA	NA	NA	NA NA
7	Fin Costs Member Shares / Avg Member Shares	Greater Than or Equal to R5	NA	NA	0 00%	0 00%	0 00%	NA NA
8	Gross Margin / Average Assets	Amount Needed to Cover R9 R10 Increase Capital	NA	NA	2 78%	18 94%	21 59%	NA NA
9	Operating Expenses / Average Assets	2% 10%	NA	NA	20 56%	18 85%	21 49%	NA NA
10	Provisions for Risk Assets / Average Assets	Sufficient for Estimated Losses	NA	NA	0 00%	0 00%	0 00%	NA NA
11	Other Income or Expense / Average Assets	Amount Needed	NA	NA	0 00%	0 00%	0 00%	NA NA
12	Net Income / Average Assets	Enough to hold good R8	NA	NA	17 78%	0 09%	0 10%	NA NA
L	LIQUIDITY							
1	Liquid Assets ST Payables / Total Deposits	Minimum 15%	NA	NA	NA	2284 72%	2284 72%	NA NA
2	Liquidity Reserves / Total Savings Deposits	10%	NA	NA	NA	0 00%	0 00%	NA NA
3	Non Earning Liquid Assets / Total Assets	Less Than 1%	0 00%	NA	14 47%	4 07%	4 07%	NA NA
4	Deposits in CFF / Total Available Liquidity	Maximum Amount	0 00%	NA	0 00%	0 00%	0 00%	NA NA
S	SIGNS OF GROWTH (Annual Growth Rates)							
1	Total Assets	More than Inflation	ERR	NA	NA	664 69%	0 00%	NA NA
2	Loans	Sufficient to achieve goal in E1	ERR	NA	NA	712 82%	0 00%	NA NA
3	Savings Deposits	Sufficient to achieve goal in E5	ERR	NA	NA	NA	0 00%	NA NA
4	External Credit	Minimum to achieve goal in E5	ERR	NA	NA	0 00%	NA	NA NA
5	Share Capital	Sufficient to achieve goal in E7	NA	NA	100 00%	565 48%	0 00%	NA NA
6	Institutional Capital	Sufficient to achieve goal in E8	ERR	NA	ERR	57 28%	0 00%	NA NA
7	Membership	Min 5%	ERR	NA	NA	404 30%	0 00%	NA NA
INFLATION			NA	NA	11 20%	10 60%	12 55%	

Consolidated

**ANNUAL
GOAL**

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% C mpl t
Number of Credit Unions Represented in this report	9	9	10	10	10	0	
NUMBER OF MEMBERS & USERS							
Men (Members)	7,468	8,335	9,630	22,437	23,535	0	0.00%
Women (Members)	3,387	5,202	6,626	11,416	11,693	0	0.00%
Gender Not Reported (Members)	14,618	13,856	18,166	3,689	0	0	0.00%
TOTAL NUMBER OF MEMBERS	25,473	27,393	34,422	37,542	35,228	0	0.00%
Youth	0	0	0	0	0	0	0.00%
Third Parties/Groups	0	0	0	0	0	0	0.00%
TOTAL NUMBER OF USERS	25,473	27,393	34,422	37,542	35,228	0	0.00%

BALANCE SHEET							
I EARNING ASSETS							
A. Loans to Members							
Short Term Loans (<=1 Year)	1,914,591	1,268,056	3,029,628	7,967,234	5,989,233	0	0.00%
Medium Term Loans (> 1 <= 3 Years)	556,297,165	673,494,082	843,195,561	1,059,101,596	1,248,335,730	0	0.00%
Long Term Loans (>3 Years)	0	0	0	0	0	0	0.00%
Other Special Loans	321,156	621,632	1,363,965	1,701,303	1,826,819	0	0.00%
Allowance for Loan Losses	(201,414)	0	0	0	0	0	0.00%
Total Net Loans	558,331,498	675,383,770	847,589,155	1,068,770,133	1,256,151,781	0	0.00%
B. Liquid Investments							
Liquidity Reserves CFF	0	0	0	0	0	0	0.00%
Deposits CFF	0	0	0	0	0	0	0.00%
Savings Deposits Banks etc	29,891,433	14,587,806	27,575,486	37,555,514	33,088,476	0	0.00%
Securities & Investments	1,424,568	628,399	3,477,122	50,000	0	0	0.00%
Other Miscellaneous Investments	954,262	0	9,550,550	12,398,885	0	0	0.00%
Total Liquid Investments	32,270,263	15,216,204	40,603,158	50,004,399	33,088,476	0	0.00%
C. Financial Investments							
Shares KUSCCO	382,250	730,650	497,650	637,650	1,606,650	0	0.00%
Central Finance Programme	14,536,264	18,814,988	19,338,102	24,910,894	28,189,574	0	0.00%
Savings Deposits Banks, etc	3,112,666	4,612,666	4,735,869	12,945,116	24,890,085	0	0.00%
Securities & Investments	320,088	357,089	571,449	571,449	571,449	0	0.00%
Other Miscellaneous Investments	14,072,221	21,515,422	25,589,813	16,036,200	16,046,200	0	0.00%
Total Financial Investments	32,423,490	46,030,815	50,732,884	55,101,309	71,303,957	0	0.00%
D. Non Financial Investments							
Various	0	0	0	0	0	0	0.00%
Allowances for Non financial Investments	0	0	0	0	0	0	0.00%
Various	0	0	0	0	0	0	0.00%
TOTAL EARNING ASSETS	623,025,251	736,630,790	938,925,197	1,173,875,841	1,360,544,214	0	0.00%

ADDITIONAL LOAN PORTFOLIO INFORMATION

I DELINQUENCY CALCULATION METHOD	NA	NA	BALANCE	BALANCE	BALANCE	NA	NA
II DELINQUENCY							
<i>Delinquency not Classified</i>	151,934,981	169,086,737	224,968,246	0	3,817,285	0	0.00%
<i>1 Day to 1 Month</i>	0	0	0	0	0	0	0.00%
<i>1 to 3 Months</i>	0	0	0	10,704,333	5,235,178	0	0.00%
<i>4 to 6 Months</i>	0	0	0	6,639,926	3,743,989	0	0.00%
<i>7 to 12 Months</i>	0	0	0	2,755,505	1,713,534	0	0.00%
<i>More Than 12 Months</i>	0	0	0	2,035,926	1,301,530	0	0.00%
TOTAL DELINQUENCY	151,934,981	169,086,737	224,968,246	22,135,691	15,811,516	0	0.00%
III LOAN PORTFOLIO	558,532,912	675,383,770	847,589,155	1,068,770,133	1,256,151,781	0	0.00%
IV ACCUMULATED CHARGE-OFFS	0	0	0	0	0	0	0.00%
V RECOVERY OF CHARGE-OFFS	0	0	0	0	0	0	0.00%

Consolidated

ANNUAL
GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% C mpl t
II NON EARNING ASSETS							
<i>A. Liquid Assets</i>							
Cash & Equivalents	292,548	18,924	3,399,815	4,712,793	(8,377,679)	0	0.00%
Current (Checking) Accounts	(12,756,748)	21,355,520	5,523,281	(12,025,340)	21,975,452	0	0.00%
Imprest Cash	0	0	36,525	4,482	21,776	0	0.00%
Liquidity Reserves	0	0	0	0	0	0	0.00%
Other	0	0	10,301	345,404	331,397	0	0.00%
Total Liquid Assets	(12,464,200)	21,374,445	8,969,922	(6,962,660)	13,950,947	0	0.00%
<i>B. Accounts Receivable</i>							
Debtors	861,333	1,276,387	2,329,578	4,757,165	18,725,768	0	0.00%
Interest Receivable	1,389,212	3,358,938	5,653,412	1,790,840	4,611,453	0	0.00%
Notes Receivable	0	0	0	0	0	0	0.00%
Payroll Deductions Receivable	58,618,796	58,339,248	77,048,334	86,919,220	96,729,547	0	0.00%
Other Accounts Receivable	1,989,396	1,670,425	1,248,218	1,658,649	126,752	0	0.00%
Allowance for Receivable Losses	(328,092)	(401,243)	0	0	0	0	0.00%
Total Accounts Receivable	62,530,646	64,243,755	86,279,542	95,125,874	120,193,521	0	0.00%
<i>C. Fixed Assets</i>							
Land	1,113,838	1,235,660	666,798	668,418	668,418	0	0.00%
Buildings (Cost)	0	3,316,720	33,597,705	47,515,633	58,181,040	0	0.00%
Leasehold Improvements (Cost)	0	0	0	0	0	0	0.00%
Furniture & Equipment (Cost)	3,013,286	3,055,676	6,579,370	18,146,418	19,249,252	0	0.00%
Accumulated Depreciation	0	0	0	0	(318,215)	0	0.00%
Net Fixed Assets	4,127,124	7,608,056	40,843,873	66,330,469	77,780,495	0	0.00%
<i>D. Other Assets</i>							
Assets in Liquidation	0	0	0	0	0	0	0.00%
Advances	149,147	48,453	119,612	25,639	363,989	0	0.00%
Prepaid Expenses	2,665	357,049	284,376	431,438	608,665	0	0.00%
Other Assets	487,814	1,132,673	837,350	4,670,514	2,151,607	0	0.00%
Accumulated Amortization	0	0	0	0	0	0	0.00%
Total Other Assets	639,626	1,538,175	1,241,338	5,127,591	3,124,261	0	0.00%
<i>E. Problem Assets</i>							
Doubtful Assets	472,444	1,147,749	991,165	743,358	2,079,195	0	0.00%
Accounting Discrepancy Assets	0	0	0	0	1,267,225	0	0.00%
Other	0	0	0	0	(903)	0	0.00%
Total Problem Assets	472,444	1,147,749	991,165	743,358	3,345,518	0	0.00%
TOTAL NON EARNING ASSETS	55,305,640	95,912,179	138,325,840	160,364,632	218,394,740	0	0.00%
TOTAL ASSETS	678,330,890	832,542,969	1,077,251,036	1,334,240,473	1,578,938,954	0	0.00%

Consolidated

ANNUAL GOAL

	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% C mpl t
III INTEREST BEARING LIABILITIES							
<i>A Savings Deposits</i>							
Regular Savings Deposits	1,675,000	560,960	374,308	18,217,219	17,020,828	0	0.00%
Fixed Savings Deposits	0	0	0	850,000	649,850	0	0.00%
Youth Savings Deposits	0	0	0	0	0	0	0.00%
Special Savings Deposits	0	0	0	0	3,326,241	0	0.00%
Pledged Savings Deposits	0	0	0	0	0	0	0.00%
Total Savings Deposits	1,675,000	560,960	374,308	19,067,219	20,996,919	0	0.00%
<i>B External Credit</i>							
Short Term Loans CFF <=1 yr	5,888,510	5,039,178	7,013,054	0	0	0	0.00%
Long Term Loans CFF >1 yr	6,044,302	3,724,000	12,228,282	3,915,432	8,099,816	0	0.00%
Loans Banks	824,418	3,157,704	827,203	0	54,102,868	0	0.00%
Loans Other External Institutions	0	838,804	23,263,377	1,892,882	13,000,000	0	0.00%
Total External Credit	12,757,230	12,759,686	43,331,916	5,808,314	75,202,684	0	0.00%
TOTAL INTEREST BEARING LIABILITIES	14,432,230	13,320,646	43,706,224	24,875,533	96,199,603	0	0.00%
IV NON INTEREST BEARING LIABILITIES							
<i>A Short Term Accounts Payable (<=30 Days)</i>							
Short Term Accounts Payable (<=30 Days)	1,380,348	1,937,849	5,612,349	2,807,336	(12,325)	0	0.00%
<i>B Provisions (e.g. Wages/Benefits)</i>							
Provisions (e.g. Wages/Benefits)	20,458,062	25,324,485	33,201,005	42,533,376	57,562,661	0	0.00%
<i>C Other Liabilities</i>							
Other Liabilities	14,675,714	15,604,559	23,979,375	32,720,440	26,256,235	0	0.00%
<i>D Liability Discrepancy</i>							
Liability Discrepancy	0	0	0	(177,953)	2,363,908	0	0.00%
TOTAL NON INTEREST BEARING LIABILITIES	36,514,124	42,866,893	62,792,728	77,883,199	86,170,479	0	0.00%
TOTAL LIABILITIES	50,946,354	56,187,539	106,498,952	102,758,732	182,370,083	0	0.00%
V CAPITAL							
<i>A Member Share Capital</i>							
Mandatory Shares	338,267,877	440,249,535	559,155,446	1,152,288,565	1,277,410,367	0	0.00%
Voluntary Shares	260,494,026	302,037,775	371,753,821	27,065,370	34,309,698	0	0.00%
Total Member Share Capital	598,761,903	742,287,310	930,909,267	1,179,353,935	1,311,720,065	0	0.00%
<i>B Transitory Capital</i>							
Asset Appreciation Over Cost	0	0	0	0	0	0	0.00%
Education & Social Reserves	0	0	0	0	0	0	0.00%
Monetary Reserves	0	0	0	4,901,744	0	0	0.00%
Other Reserves	0	0	0	0	0	0	0.00%
Undistributed Net Income	0	0	0	0	0	0	0.00%
Capital Discrepancy	0	0	0	4,901,744	0	0	0.00%
Total Transitory Capital	0	0	0	4,901,744	0	0	0.00%
<i>C Institutional Capital</i>							
Statutory & Legal Reserves	15,288,314	17,271,018	19,665,064	22,723,231	24,165,301	0	0.00%
Retained Earnings	9,083,012	11,674,203	14,097,969	17,320,311	11,165,775	0	0.00%
Special Asset Reserves	4,068,685	4,864,435	5,897,517	5,962,270	6,401,555	0	0.00%
Donations / Other Reserves	182,623	252,465	364,436	1,232,586	9,328,834	0	0.00%
Undistributed Losses	0	0	0	0	0	0	0.00%
YTD Net Income (Loss) Transfers	0	6,000	(182,168)	(12,334)	33,787,344	0	0.00%
Total Institutional Capital	28,622,633	34,068,120	39,842,817	47,226,064	84,848,807	0	0.00%
TOTAL CAPITAL	627,384,536	776,355,430	970,752,085	1,231,481,743	1,396,568,872	0	0.00%
TOTAL LIABILITIES AND CAPITAL	678,330,890	832,542,969	1,077,251,037	1,334,240,475	1,578,938,954	0	0.00%

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	12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
INCOME STATEMENT							
I INCOME							
<i>A Income - Loans</i>							
1 <i>Interest Income Loans</i>	55,967,849	73,274,071	96,512,498	129,596,257	67,735,949	0	0.00%
2 <i>Penalty Interest Income Loans</i>	9,920	31,610	68,710	106,010	61,680	0	0.00%
3 <i>Commissions / Fees Loans</i>	41,887	198,310	181,350	0	275,912	0	0.00%
4 <i>(Less) Interest Rebate Loans</i>	0	0	0	137,115	(9,152)	0	0.00%
<i>Net Income - Loans</i>	<u>56,019,656</u>	<u>73,503,991</u>	<u>96,762,557</u>	<u>129,839,382</u>	<u>68,064,389</u>	<u>0</u>	<u>0.00%</u>
<i>B Income - Liquid Investments</i>	<u>622,142</u>	<u>1,282,642</u>	<u>1,504,566</u>	<u>2,501,927</u>	<u>84,891</u>	<u>0</u>	<u>0.00%</u>
<i>C Income - Financial Investments</i>	<u>851,075</u>	<u>437,014</u>	<u>870,417</u>	<u>1,306,920</u>	<u>191,815</u>	<u>0</u>	<u>0.00%</u>
<i>D Income - Non-financial Investments</i>	<u>0</u>	<u>0</u>	<u>31,214</u>	<u>242,737</u>	<u>24,690</u>	<u>0</u>	<u>0.00%</u>
<i>E Income - Other</i>	<u>63,355</u>	<u>285,411</u>	<u>447,910</u>	<u>3,837,660</u>	<u>3,690,666</u>	<u>0</u>	<u>0.00%</u>
<i>F Income From Donations</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
GROSS INCOME	57,556,228	75,509,058	99,616,664	137,728,625	72,056,451	0	0.00%
II FINANCIAL COSTS							
<i>A Interest Expense Savings Deposits</i>	750,000	1,100,000	1,400,000	6,716,534	468,250	0	0.00%
<i>B Insurance Premiums Savings Deposits</i>	0	0	0	0	0	0	0.00%
<i>Financial Costs Savings Deposits</i>	<u>750,000</u>	<u>1,100,000</u>	<u>1,400,000</u>	<u>6,716,534</u>	<u>468,250</u>	<u>0</u>	<u>0.00%</u>
<i>C Financial Costs External Credit</i>	<u>1,652,175</u>	<u>6,042,229</u>	<u>6,355,066</u>	<u>13,529,024</u>	<u>7,588,625</u>	<u>0</u>	<u>0.00%</u>
<i>D Dividend Expense Shares</i>	<u>30,910,497</u>	<u>35,279,547</u>	<u>51,913,981</u>	<u>64,285,960</u>	<u>6,728</u>	<u>0</u>	<u>0.00%</u>
<i>E Insurance Premiums Shares</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
<i>Financial Costs Shares</i>	<u>30,910,497</u>	<u>35,279,547</u>	<u>51,913,981</u>	<u>64,285,960</u>	<u>6,728</u>	<u>0</u>	<u>0.00%</u>
<i>F Financial Costs Other</i>	<u>1,235,818</u>	<u>797,393</u>	<u>587,757</u>	<u>476,085</u>	<u>156,044</u>	<u>0</u>	<u>0.00%</u>
TOTAL FINANCIAL COSTS	34,548,490	43,219,169	60,256,804	85,007,603	8,219,647	0	0.00%
III Net Interest Margin	23,007,737	32,289,889	39,359,860	52,721,022	63,836,804	0	0.00%
EXPENSES							
IV OPERATING EXPENSES							
Personnel	8,494,699	11,679,645	14,765,078	21,417,038	12,805,161	0	0.00%
Governance	4,187,217	5,748,927	6,687,091	11,296,854	8,328,983	0	0.00%
Marketing	558,488	674,701	1,042,878	1,719,858	555,129	0	0.00%
Depreciation	394,955	435,002	1,103,082	2,677,881	589,579	0	0.00%
Administration	8,891,766	10,830,036	13,523,463	14,277,547	7,770,610	0	0.00%
TOTAL OPERATING EXPENSES	22,527,124	29,368,311	37,121,592	51,389,178	30,049,461	0	0.00%
V PROVISIONS RISK ASSETS	328,092	610,235	68,500	0	0	0	0.00%
VI NET INCOME FROM OPERATIONS	152,521	2,311,344	2,169,768	1,331,844	33,787,344	0	0.00%
VII OTHER INCOME / EXPENSES							
Extraordinary Items (Net)	0	0	504,102	3,142,483	0	0	0.00%
Previous Period Adjustments (Net)	800	279,846	(438,273)	(1,076,153)	0	0	0.00%
VIII NET INCOME / LOSS	153,321	2,591,190	2,235,597	3,398,174	33,787,344	0	0.00%

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ANNUAL
GOAL

		12/31/95	12/31/96	12/31/97	12/31/98	06/30/99	01/01/00	% Complete
Number of Credit Unions Represented in this report		9	9	10	10	10	0	
P-E-A-R-L-S RATIOS		GOALS						
P	PROTECTION							
1	Allowance for Loan Losses / Delinq >12 Mo	100%	NA	NA	NA	0 00%	NA	NA
2a	Net Allowance for Loan Losses / Delinq 7 12 Mo	50%	ERR	NA	NA	0 00%	NA	NA
2b	Net Allowance for Loan Losses / Delinq 4 6 Mo	30%	ERR	NA	NA	0 00%	NA	NA
2c	Net Allowance for Loan Losses / Delinq 1 3 Mo	10%	ERR	NA	NA	0 00%	NA	NA
3	Complete Loan Charge Off of Delinquency > 12 Mo	Yes or N	Yes	NA	NA	NA	No	NA
4	Annual Loan Charge offs / Average Loan Portfolio	Minimized	ERR	0 00%	0 00%	0 00%	0 00%	NA
5	Accum Charge Offs Recovered/ Accum Charge Offs	100%	0 00%	0 00%	0 00%	0 00%	0 00%	NA

E	EFFECTIVE FINANCIAL STRUCTURE							
1	Net Loans / Total Assets	Between 70 80%	82 31%	81 12%	78 68%	80 10%	79 56%	NA
2	Liquid Investments / Total Assets	Max 20%	4 76%	1 83%	3 77%	3 75%	2 10%	NA
3	Financial Investments / Total Assets	Max 10%	4 78%	5 53%	4 71%	4 13%	4 52%	NA
4	Non Financial Investments / Total Assets	0%	0 00%	0 00%	0 00%	0 00%	0 00%	NA
5	Savings Deposits / Total Assets	Between 70 80%	0 25%	0 07%	0 03%	1 43%	1 33%	NA
6	External Credit / Total Assets	0%	1 88%	1 53%	4 02%	0 44%	4 76%	NA
7	Member Share Capital / Total Assets	Max 20%	88 27%	89 16%	86 42%	88 39%	83 08%	NA
8	Institutional Capital / Total Assets	Min 10%	4 22%	4 09%	3 70%	3 54%	5 37%	NA

A	ASSET QUALITY							
1	Total Delinquency / Total Loan Portfolio	Less Than or Equal to 5%	0 00%	0 00%	0 00%	0 45%	0 24%	NA
2	Non Earning Assets / Total Assets	Less Than or Equal to 5%	8 15%	11 52%	12 84%	12 02%	13 83%	NA
3	Zero Cost Funds / Non earning Assets	Greater Than or Equal to 100%	117 78%	80 21%	74 20%	81 07%	78 31%	NA

R	RATES OF RETURN AND COSTS							
1	Net Loan Income / Average Net Loan Portfolio	Entrepreneurial Rat	10 03%	11 92%	12 71%	13 55%	11 81%	NA
2	Liquid Inv Income / Avg Liquid Investments	Market Rates	1 93%	5 40%	5 39%	5 52%	0 41%	NA
3	Fin Investment Income / Avg Fin Investments	Market Rates	2 62%	1 11%	1 80%	2 47%	0 61%	NA
4	Non Fin Inv Income / Avg Non Fin Investments	Greater Than Equal to R1	NA	NA	NA	NA	NA	NA
5	Fin Costs Savings Deposits / Avg Savings Deposits	Market Rate	44 78%	98 39%	299 38%	69 09%	4 71%	NA
6	Fin Costs External Credit / Avg External Credit	Less Than Equal to R5	12 95%	47 36%	22 66%	55 06%	37 78%	NA
7	Fin Costs Member Shares / Avg Member Shares	Greater Than or Equal to R5	5 16%	5 26%	6 21%	6 09%	0 00%	NA
8	Gross Margin / Average Assets	Amount Needed to Cover R9 R10 Interest on Capital	3 39%	4 27%	4 12%	4 37%	8 84%	NA
9	Operating Expenses / Average Assets	3% 10%	3 32%	3 89%	3 89%	4 26%	4 16%	NA
10	Provisions for Risk Assets / Average Assets	Sufficient External to R6	0 05%	0 08%	0 01%	0 00%	0 00%	NA
11	Other Income or Expense / Average Assets	Amount Needed	0 00%	0 04%	0 01%	0 17%	0 00%	NA
12	Net Income / Average Assets	Enough to both pay off R8	0 02%	0 34%	0 23%	0 28%	4 68%	NA

L	LIQUIDITY							
1	Liquid Assets ST Payables / Total Deposits	Minimum 15%	1100 04%	6177 41%	11744 53%	211 01%	224 09%	NA
2	Liquidity Reserves / Total Savings Deposits	10%	0 00%	0 00%	0 00%	0 00%	0 00%	NA
3	Non Earning Liquid Assets / Total Assets	Less Than 1%	1 84%	2 57%	0 83%	0 52%	0 88%	NA
4	Deposits in CFF / Total Available Liquidity	Maximum Amount	0 00%	0 00%	0 00%	0 00%	0 00%	NA

S	SIGNS OF GROWTH (Annual Growth Rates)							
1	Total Assets	More than Inflation	ERR	22 73%	29 39%	23 86%	36 98%	NA
2	Loans	Sufficient to achieve goal in E1	ERR	20 92%	25 50%	26 10%	35 36%	NA
3	Savings Deposits	Sufficient to achieve goal in E5	ERR	-66 51%	33 27%	4993 99%	20 41%	NA
4	External Credit	Minimum to achieve goal in E5	ERR	0 00%	239 60%	86 60%	2409 29%	NA
5	Share Capital	Sufficient to achieve goal in E7	NA	23 97%	25 41%	26 69%	22 63%	NA
6	Institutional Capital	Sufficient to achieve goal in E8	ERR	19 03%	16 95%	18 53%	160 65%	NA
7	Membership	Min 5%	ERR	7 54%	25 66%	9 06%	12 43%	NA

INFLATION		6 90%	9 10%	11 20%	10 60%	12 55%		
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**TABLE 1a Financial Services
Micropenterprise Implementation Grant Program
Simplified Activity and Financial Statement in Local Currency and SUS**

Date / Local Currency exchange rate (a)	31 Dec 95	55 94	31 Dec 96	55 20	31 Dec 97	63 10	31 Dec 98	60 10	30-Jun 99	75 00
Number of CUs Represented in this report	9		9		10		10		10	
CATEGORY										
<i>Activities</i>	Ksh	SUS	Ksh	SUS	Ksh	SUS	Ksh	SUS	Ksh	SUS
1 Amt loans outstanding start of year	0	\$0	558 532,912	\$10,118,350	675 383,770	\$10,703 388	847,589,155	\$14,102,981	1 068,770 133	\$14,250,268
2 Amt loans outstanding end of year	558,532,912	\$9,984,500	675,383,770	\$12,235,213	847 589,155	\$13,432,475	1,068,770,133	\$17,783,197	1 256 151,781	\$16,748,690
3 Avg amt loans outstanding	279 266 456	\$4 992 250	616 958 341	\$11 176 782	761 486 462	\$12 067 931	958 179 644	\$15 943 089	1 162 460 957	\$15 499 479
4 Number loans outstanding end year*	0		0		0		2,237		11 242	
5 Average loan size	0	\$0	0	\$0	0	\$0	477,769	\$7 950	111, 37	\$1 490
6 Delinquency rate	0 00%		0 00%		0 00%		0 45%		0 24%	
7 Long run loss rate	ERR		0 00%		0 00%		0 00%		0 00%	
Interest Rates										
8 Nominal interest rate charged	NA		NA		NA		15 33%		15 00%	
9 Local interbank interest rate (1)	24 50%		16 00%		18 23%		24 77%		18 45%	
10 Inflation rate (2)	6 90%		9 10%		11 20%		10 60%		12 55%	
10a Actual weighted cost of funds rate (3)	44 78%		98 39%		299 38%		69 09%		4 71%	
Client Revenues										
11 Interest income from clients	55 967 849	\$1 000 498	73 274 071	\$1 327 429	96 512,498	\$1,529 517	129 596 257	\$2 156 344	67 735 949	\$903,146
12 Fee income from clients	51 807	\$926	229 920	\$4 165	250 060	\$3 963	243 125	\$4 045	328 440	\$4 379
12a Other income	1 536,572	\$27 468	2,005,067	\$36,324	2 854,107	\$45,231	7,889,243	\$131,269	3 992 063	\$53 228
13 Total client revenues	57,556,228	\$1,028,892	75,509,058	\$1,367,918	99,616,664	\$1,578,711	137,728,625	\$2,291,658	72,056,451	\$960,753
Non Financial Expenses										
14 Administration	22 132,170	\$395 641	28 933,309	\$524 154	36 018,510	\$570 816	48,711,298	\$810,504	29 459,882	\$392,798
15 Depreciation fixed assets	394 955	\$7 060	435 002	\$7 880	1 103 082	\$17 481	2 677 881	\$44 557	589 579	\$7 861
16 Loan loss provision	328,092	\$5,865	610 235	\$11,055	68,500	\$1 086	0	\$0	0	\$0
17 Total non financial expenses	22,855,216	\$408,567	29,978,545	\$543,090	37,190,092	\$589,383	51,389,178	\$855,061	30,049,461	\$400,659
Adjusted Financial Expenses										
18 Adjusted financial expenses	68 420,282	\$1 223,101	98,713,335	\$1,788 285	138,818,982	\$2,199,984	237,341,098	\$3,949,103	214,474 047	\$2 859,654
18a Actual weighted cost of funds	34,548,490	\$617,599	43,219,169	\$782,956	60,256,804	\$954,941	85,007,603	\$1,414,436	8,219,647	\$109,595
Totals										
19 Total expenses adjusted financial exp	91 275 498	\$1 631 668	128 691 880	\$2 331 375	176 009 074	\$2 789 367	288 730 276	\$4 804 164	244 523 507	\$3 260 313
19a Total expenses projected financial exp	57 403,706	\$1 026 166	73,197,714	\$1 326 046	97,446,896	\$1 544 325	136,396,781	\$2 269 497	38,269 107	\$510 255
20 Return on operations adj financial exp	63 06%		58 67%		56 60%		47 70%		29 47%	
20a Return on operations actual fin exp	100 27%		103 16%		102 23%		100 98%		188 29%	
Other										
21 Total Number of Savers	0		0		0		0		0	
22 Total Savings Outstanding	1 675,000		560,960		374,308		19,067 219		20,996 919	
23 Percent of Women Borrowers	NA		NA		NA		0 00%		0 00%	
24 Number of clients per loanofficer	0		0		0		559		2 811	
Number of loans outstanding with initial loan balance under \$300	0		0		0		8,091		6,271	

Sources.

- (a) International Financial Statistics International Monetary Fund November 1996
- (1) International Financial Statistics International Monetary Fund November 1996
- (2) Monthly Economic Review Central Bank of Kenya September 1996 Month on Month
- (3) Savings mobilization cost of funds (R5 in the PEARLS ratios)

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Microfinance Expansion Programme (M E P)
SACCO Programme Participants
Summary Institutional Profiles

Exchange rate 60 Kshs = \$1

SACCO	Town	Province	Dominant Common Bond	1999 Number members	1999 Asset Size Ksh	1999 Asset U.S.\$	Payroll Deduction	Dominant Loan Int Rate	Withdrawable Savings	Computerized
1 KITE	Kisumu	Nyanza	Teachers	6,582	205 480 049	\$3 424,667	Yes	12 00%	Yes	No
2 Egerton University	Nakuru	Rift Valley	Faculty	2 986	169 318 263	\$2 821 971	Yes	12 00%	No	No
3 Masaku Traders	Machakos	Eastern	Traders	186	5 851 922	\$97,532	No	26 60%	No	No
4 Limuru Traders	Limuru	Central	Traders	350	4 595 761	\$76 596	No	21 00%	No	No
5 Bandari	Mombasa	Coast	Port Authority	3,584	225 282 026	\$3 754,700	Yes	18 00%	No	Yes
6 Kilifi Teachers *	Kilifi	Coast	Teachers	5 605	192 607 821	\$3 210 130	Yes	17 00%	Yes	Yes
7 Rachuonyo Traders	Oyugis	Nyanza	Traders	2,113	8,091 702	\$134,862	No	26 60%	Yes	No
8 Kipsigis Teachers	Kericho	Rift Valley	Teachers	11 886	586 950 543	\$9 782 509	Yes	12 00%	Yes	Yes
9 Mungania Tea	Embu	Central	Tea growers	4,017	85,178 999	\$1 419,650	Assign	24 00%	Yes	Yes
10 Nassefu	Nairobi	Nairobi	Government	1 045	95 581 868	\$1 593 031	Yes	15 00%	No	No

Totals 38,354 1,578 938,954 \$26 315,649

Averages

3,835	157,893,895	\$2 631,565
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	Shares	Savings	Total Savings	Average savings per mbr	Loans Outstanding	Ln / savings ratio	Savings growth rate 1999	Institutional capital ratio 1999	Return on assets 1999
1 KITE	175,922,231	875,133	176,797,364	26,861	167,238 825	94 59%	18 84%	5 56%	-0 05%
2 Egerton University	151 246 343	0	151 246 343	50 652	145 887 398	96 46%	23 36%	9 32%	6 63%
3 Masaku Traders	4,327 846	0	4 327,846	23,268	3,986 422	92,11%	26 59%	7 57%	8 07%
4 Limuru Traders	4 343 714	0	4 343 714	12 411	3 648 991	84 01%	38 57%	0 92%	1 21%
5 Bandari	190 397,051	0	190 397,051	53,124	188,359 419	98 93%	22 52%	7 56%	6 29%
6 Kilifi Teachers *	168 012 897	5 737 007	173 749 904	30 999	117 297 816	69 81%	24 34%	4 90%	3 52%
7 Rachuonyo Traders	8,131 757	14 400	8 146,157	3,855	5,987 815	73 50%	0 00%	-0 88%	0 10%
8 Kipsigis Teachers	501 957 295	0	501 957 295	42 231	508 836 174	101 37%	23 10%	4 39%	5 97%
9 Mungania Tea	23 559,857	#####	37,430,237	9,318	32,169,714	85 95%	12 15%	3 26%	4 00%
10 Nassefu	83 821 074	0	83 821 074	80 212	82 739 206	98 71%	28 17%	2 33%	2 83%
Totals	1,311,720 065	#####	1,332 216,985	34,735	1,256,151 780	95 76%			

* ARP SACCO
 11/1/99 + 1 ^ \