QUARTERLY FINANCIAL STATEMENTS AND DISCLOSURES AS AT 30 SEPTEMBER 2017

Development Bank of Kenya Ltd

I STATEMENT OF FINANCIAL POSITION

		BANK 30 SEPT 2016 Shs '000 (Unaudited)	BANK 31 DEC 2016 Shs '000 (Audited)	BANK 31 MAR 2017 Shs '000 (Unaudited)	BANK 30 JUNE 2017 Shs '000 (Unaudited)	BANK 30 SEPT 2017 Shs '000 (Unaudited)	GROUP 30 SEPT 2016 Shs '000 (Unaudited)	GROUP 31 DEC 2016 Shs '000 (Audited)	GROUP 31 MAR 2017 Shs '000 (Unaudited)	GROUP 30 JUNE 2017 Shs '000 (Unaudited)	GROUP 30 SEPT 2017 Shs '000 (Unaudited)
A	**ASSETS**										
1	Cash (both local and foreign)	73,356	81,522	90,255	79,636	85,816	73,356	81,522	90,255	79,636	85,816
2	Balances due from Central Bank of Kenya	811,511	291,682	277,436	594,187	29,832	811,511	291,682	277,436	594,187	29,832
3	Kenya Government and other securities held for dealing purposes	-	-	-	-	-	-	-	-	-	-
4	Financial Assets at fair value through profit and loss	87,540	89,427	87,678	89,650	87,004	87,540	89,427	87,678	89,650	87,004
5	Investment Securities	-	-	-	-	-	-	-	-	-	-
	a)Held to Maturity:	**5,075,660**	**5,017,588**	**5,071,947**	**4,709,939**	**4,760,557**	**5,104,330**	**5,038,692**	**5,092,985**	**4,731,036**	**4,782,212**
	a.Kenya Government Securities	5,075,660	5,017,588	5,071,947	4,709,939	4,760,557	5,104,330	5,038,692	5,092,985	4,731,036	4,782,212
	b.Other securities	-	-	-	-	-	-	-	-	-	-
	b)Available for sale:	**805,499**	**805,499**	**805,499**	**805,499**	**805,499**	**805,499**	**805,499**	**805,499**	**805,499**	**805,499**
	a.Kenya Government Securities	-	-	-	-	-	-	-	-	-	-
	b.Other securities	805,499	805,499	805,499	805,499	805,499	805,499	805,499	805,499	805,499	805,499
6	Deposits and balances due from local banking institutions	1,047,464	943,219	1,204,298	1,196,741	751,883	1,047,464	943,219	1,204,298	1,196,741	751,883
7	Deposits and balances due from banking institutions abroad	102,861	103,790	60,318	48,058	75,311	102,861	103,790	60,318	48,058	75,311
8	Tax recoverable	5,683	11,172	4,169	19,260	-	9,436	15,108	8,024	23,111	3,711
9	Loans and advances to customers (net)	9,141,521	8,733,212	8,497,966	8,822,464	9,199,523	9,141,521	8,733,212	8,497,966	8,822,464	9,199,523
10	Balances due from banking institutions in the group	-	-	-	-	-	-	-	-	-	-
11	Investments in associates	-	-	-	-	-	-	-	-	-	-
12	Investments in subsidiary companies	32,048	32,048	32,048	32,048	32,048	-	-	-	-	-
13	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-
14	Investment properties	-	-	-	-	-	-	-	-	-	-
15	Property,plant and equipment	123,315	229,185	120,896	118,142	113,629	123,315	229,185	120,896	118,142	113,629
16	Prepaid lease rentals	3,874	3,873	3,858	3,843	3,828	3,874	3,873	3,858	3,843	3,828
17	Intangible assets	-	-	-	-	-	-	-	-	-	-
18	Deferred tax asset	2,402	7,313	7,313	7,313	7,313	2,613	7,374	7,374	7,374	7,374
19	Retirement benefit asset	-	-	-	-	-	-	-	-	-	-
20	Other assets	180,219	68,852	171,684	184,205	175,750	180,257	68,852	172,312	184,205	175,750
21	**TOTAL ASSETS**	**17,492,953**	**16,418,382**	**16,435,365**	**16,710,985**	**16,127,993**	**17,493,577**	**16,411,435**	**16,428,899**	**16,703,946**	**16,121,372**
B	**LIABILITIES**										
22	Balances due to Central Bank of Kenya	2,285,779	4,243,454	4,235,846	4,385,647	4,397,310	2,285,779	4,243,454	4,235,846	4,385,647	4,397,310
23	Customer deposits	7,120,443	5,788,514	5,748,253	6,455,494	6,055,880	7,108,676	5,768,453	5,728,274	6,434,619	6,034,935
24	Deposits and balances due to local banking institutions	3,038,172	1,992,483	2,264,094	1,802,265	1,651,872	3,038,172	1,992,483	2,264,094	1,802,265	1,651,872
25	Deposits and balances due to foreign banking institutions	-	-	-	-	-	-	-	-	-	-
26	Other money market deposits	-	-	-	-	-	-	-	-	-	-
27	Borrowed funds	1,836,693	1,229,274	1,010,226	872,055	788,819	1,836,693	1,229,274	1,010,226	872,055	788,819
28	Balances due to banking institutions in the group	-	-	-	-	-	-	-	-	-	-
29	Tax payable	-	-	-	-	1,513	-	-	-	-	1,513
30	Dividends payable	-	-	-	-	-	-	-	-	-	-
31	Deferred tax liability	-	-	-	-	-	-	-	-	-	-
32	Retirement benefit liability	-	-	-	-	-	-	-	-	-	-
33	Other liabilities	261,891	261,313	257,274	285,677	274,280	262,603	262,106	258,228	286,632	275,349
34	**TOTAL LIABILITIES**	**14,542,978**	**13,515,038**	**13,515,693**	**13,801,138**	**13,169,674**	**14,531,923**	**13,495,770**	**13,496,668**	**13,781,218**	**13,149,798**
C	**SHAREHOLDERS' EQUITY**										
35	Paid up/Assigned capital	1,042,500	1,042,500	1,042,500	1,042,500	1,042,500	1,042,500	1,042,500	1,042,500	1,042,500	1,042,500
36	Share Premium(discount)	-	-	-	-	-	-	-	-	-	-
37	Revaluation reserves	721,379	721,379	721,379	721,379	721,379	721,379	721,379	721,379	721,379	721,379
38	Retained earnings	794,600	702,112	673,462	615,502	610,925	806,279	714,433	686,021	628,383	624,180
39	Statutory loan loss reserve	391,215	437,072	482,050	530,185	583,234	391,215	437,072	482,050	530,185	583,234
40	Other reserves	281	281	281	281	281	281	281	281	281	281
41	Proposed Dividends	-	-	-	-	-	-	-	-	-	-
42	Capital grants	-	-	-	-	-	-	-	-	-	-
43	**TOTAL SHAREHOLDERS' EQUITY**	**2,949,975**	**2,903,344**	**2,919,672**	**2,909,847**	**2,958,319**	**2,961,654**	**2,915,665**	**2,932,231**	**2,922,728**	**2,971,574**
44	**TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY**	**17,492,953**	**16,418,382**	**16,435,365**	**16,710,985**	**16,127,993**	**17,493,577**	**16,411,435**	**16,428,899**	**16,703,946**	**16,121,372**
		-	-	-	-	-	-	-	-	-	-

II STATEMENT OF COMPREHENSIVE INCOME

1	**INTEREST INCOME**										
	1.1 Loans and advances	925,740	1,150,042	215,444	427,366	643,866	925,740	1,150,042	215,444	427,366	643,866
	1.2 Government securities	426,705	569,939	140,341	278,653	414,357	428,598	572,059	140,900	279,770	416,033
	1.3 Deposits and placements with banking institutions	22,423	30,166	8,665	20,982	32,759	22,423	30,166	8,665	20,982	32,759
	1.4 Other interest income	-	-	-	-	-	-	-	-	-	-
	1.5 Total Interest income	**1,374,868**	**1,750,147**	**364,450**	**727,001**	**1,090,982**	**1,376,761**	**1,752,267**	**365,009**	**728,118**	**1,092,658**
2	**INTEREST EXPENSES**										
	2.1 Customer deposits	758,060	975,524	131,538	278,994	423,600	757,382	974,190	131,400	278,716	423,183
	2.2 Deposits and placements from banking institutions	214,860	270,015	122,254	243,402	361,832	214,860	270,015	122,254	243,402	361,832
	2.3 Other Interest expenses	15,419	21,170	5,310	8,381	16,521	15,419	21,170	5,310	8,381	16,521
	2.4 Total interest Expenses	**988,339**	**1,266,709**	**259,102**	**530,777**	**801,953**	**987,661**	**1,265,375**	**258,964**	**530,499**	**801,536**
3	**NET INTEREST INCOME**	**386,529**	**483,438**	**105,348**	**196,224**	**289,029**	**389,100**	**486,892**	**106,045**	**197,619**	**291,122**
4	**NON-OPERATING INCOME**										
	4.1 Fees and commissions income on loans & advances	14,087	18,614	4,633	6,427	9,111	14,087	18,614	4,633	6,427	9,111
	4.2 Other fees and commissions income	13,942	17,308	3,403	6,192	9,069	13,942	17,308	3,403	6,192	9,069
	4.3 Foreign exchange trading income	19,170	25,825	6,845	15,244	20,668	19,170	25,825	6,845	15,244	20,668
	4.4 Dividend income	-	-	-	-	-	-	-	-	-	-
	4.5 Other income	38,714	61,825	12,925	26,277	39,491	38,714	61,825	12,925	26,277	39,491
	4.6 Total Non-Interest income	**85,913**	**123,572**	**27,806**	**54,140**	**78,339**	**85,913**	**123,572**	**27,806**	**54,140**	**78,339**
5	**TOTAL OPERATING INCOME**	**472,442**	**607,010**	**133,154**	**250,364**	**367,368**	**475,013**	**610,464**	**133,851**	**251,759**	**369,461**
6	**OTHER OPERATING EXPENSES**										
	6.1 Loan loss provision	70,222	126,338	18,335	55,524	21,179	70,375	126,091	18,409	55,672	21,327
	6.2 Staff costs	133,289	203,210	49,311	97,746	144,540	133,289	203,210	49,311	97,746	144,540
	6.3 Directors' emoluments	9,268	11,406	3,400	5,568	8,277	9,343	11,506	3,425	5,618	8,352
	6.4 Rental charges	-	-	-	-	-	-	-	-	-	-
	6.5 Depreciation on property and equipment	15,382	19,704	4,480	9,211	14,047	15,382	19,704	4,480	9,211	14,047
	6.6 Amortisation charges	60	61	15	30	45	60	61	15	30	45
	6.7 Other operating expenses	92,286	151,381	34,287	72,996	100,745	92,703	152,137	34,546	73,394	101,282
	6.8 Total other operating Expenses	**320,507**	**512,100**	**109,828**	**241,075**	**288,833**	**321,152**	**512,709**	**110,186**	**241,671**	**289,593**
7	**Profit before tax and exceptional items**	**151,935**	**94,910**	**23,326**	**9,289**	**78,535**	**153,861**	**97,755**	**23,665**	**10,088**	**79,868**
8	Exceptional items	-	-	-	-	-	-	-	-	-	-
9	**Profit after exceptional items**	**151,935**	**94,910**	**23,326**	**9,289**	**78,535**	**153,861**	**97,755**	**23,665**	**10,088**	**79,868**
10	Current tax	(45,581)	(40,097)	(6,998)	(2,787)	(23,560)	(46,158)	(40,801)	(7,099)	(3,025)	(23,959)
11	Deferred tax	-	4,911	-	-	-	-	4,761	-	-	-
12	**Profit after tax and exceptional items**	**106,354**	**59,724**	**16,328**	**6,502**	**54,975**	**107,703**	**61,715**	**16,566**	**7,063**	**55,909**
13	**Other Comprehensive Income**										
	13.1 Gains/(Losses) from translating the financial	-	-	-	-	-	-	-	-	-	-
	13.2 Fair value changes in available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-
	13.3 Revaluation Surplus on property,plant and equipment	-	-	-	-	-	-	-	-	-	-
	13.4 Share of other comprehensive income of associates	-	-	-	-	-	-	-	-	-	-
	13.5 Income tax relating to components of other comprehensive income	-	-	-	-	-	-	-	-	-	-
14	Other comprehensive income for the year net of tax	-	-	-	-	-	-	-	-	-	-
15	**Total comprehensive income for the year**	**106,354**	**59,724**	**16,328**	**6,502**	**54,975**	**107,703**	**61,715**	**16,566**	**7,063**	**55,909**

III OTHER DISCLOSURES

		30 SEPT 2016 Shs '000 (Unaudited)	31DEC 2016 Shs '000 (Audited)	31 MAR 2017 Shs '000 (Unaudited)	30 JUNE 2017 Shs '000 (Unaudited)	30 SEPT 2017 Shs '000 (Unaudited)
1)	**NON-PERFORMING LOANS AND ADVANCES**					
a)	**Gross non-performing loans and advances**	2,111,337	2,594,459	2,598,455	2,679,951	2,398,861
	less:					
b)	Interest in suspense	299,696	322,834	347,485	372,914	361,034
c)	**Total Non-Performing Loans and Advances (a-b)**	**1,811,641**	**2,271,625**	**2,250,970**	**2,307,037**	**2,037,827**
	less:					
d)	Loan loss provisions	935,998	1,026,488	1,097,429	1,186,569	1,092,335
e)	**Net Non-performing loans and adavances(c-d)**	**875,643**	**1,245,137**	**1,153,541**	**1,120,468**	**945,492**
f)	**Discounted value of securities**	875,643	1,245,137	1,153,541	1,120,468	945,492
g)	**Net NPLs exposure(e-f)**	-	-	-	-	-
2)	**Insider Loans and Advances**					
a)	Directors,shareholders and associates	820,082	857,561	815,449	903,452	761,547
b)	Employees	286,878	282,461	284,082	295,033	305,858
c)	**Total Insider Loans,Advances and other facilities**	**1,106,960**	**1,140,022**	**1,099,531**	**1,198,485**	**1,067,405**
3)	**Off-Balance Sheet Items**					
a)	Letters of credit,guarantees,acceptances	576,561	631,878	576,916	556,341	644,637
b)	Forwards,swaps,and options	-	17,760	561	26,686	2,606
c)	Other contingent liabilities	92	-	70,994	92	92
d)	**Total Contingent Liabilities**	**576,653**	**649,638**	**648,471**	**583,119**	**647,335**
4)	**Capital Strength**					
a)	Core capital	1,781,802	1,737,580	1,700,766	1,647,718	1,618,906
b)	Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
c)	excess	781,802	737,580	700,766	647,718	618,906
d)	Supplementary capital	281,537	280,935	276,138	283,132	284,652
e)	**Total capital (a+d)**	**2,063,339**	**2,018,515**	**1,976,904**	**1,930,850**	**1,903,558**
f)	**Total risk weighted assets**	**8,095,405**	**8,047,213**	**7,663,455**	**8,223,015**	**8,344,582**
g)	Core capital/total deposit liabilities	18.9%	26.2%	25.9%	22.9%	23.8%
h)	Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%	8.0%
i)	excess(g-h)	10.9%	18.2%	17.9%	14.9%	15.8%
j)	Core capital/total risk weighted assets	22.0%	21.6%	22.2%	20.0%	19.4%
k)	Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%
l)	excess(j-k)	11.5%	11.1%	11.7%	9.5%	8.9%
m)	Total capital/total risk weighted assets	25.5%	25.1%	25.8%	23.5%	22.8%
n)	Minimum Statutory Ratio	14.5%	14.5%	14.5%	14.5%	14.5%
o)	excess(m-n)	11.0%	10.6%	11.3%	9.0%	8.3%
5)	Liqudity					
a)	Liquidity Ratio	15.1%	1.7%	3.4%	8.1%	-4.9%
b)	Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%
c)	excess(a-b)	-4.9%	-18.3%	-16.6%	-11.9%	-24.9%

MESSAGE FROM THE DIRECTORS

These financial statements are extracts from the books of the institution.The complete set of quarterly financial statements , statutory and qualitative disclosures can be accessed on the institutions website-www.devbank.com.

They may also be accessed at the institutions head office located at Finance house,Loita street,Nairobi.

SIGNED :

VICTOR KIDIWA
CHIEF EXECUTIVE

PROF J H KIMURA
DIRECTOR

Development Bank of Kenya Ltd