

QUARTERLY FINANCIAL STATEMENTS AND DISCLOSURES AS AT 31 MARCH 2018

I STATEMENT OF FINANCIAL POSITION

	BANK 31 MAR 2017 Shs '000 (Unaudited)	BANK 31 DEC 2017 Shs '000 (audited)	BANK 31 MAR 2018 Shs '000 (Unaudited)	GROUP 31 MAR 2017 Shs '000 (Unaudited)	GROUP 31 DEC 2017 Shs '000 (audited)	GROUP 31 MAR 2018 Shs '000 (Unaudited)
A ASSETS						
1 Cash (both local and foreign)	90,255	64,555	38,690	90,255	64,555	38,690
2 Balances due from Central Bank of Kenya	277,436	286,557	14,860	277,436	286,557	14,860
3 Kenya Government and other securities held for dealing purposes	-	-	-	-	-	-
4 Financial Assets at fair value through profit and loss	87,678	91,449	88,748	87,678	91,449	88,748
5 Investment Securities						
a) Held to Maturity:	5,071,947	4,712,844	4,760,650	5,092,985	4,733,933	4,781,673
a. Kenya Government Securities	5,071,947	4,712,844	4,760,650	5,092,985	4,733,933	4,781,673
b. Other securities	-	-	-	-	-	-
b) Available for sale:	805,499	805,500	805,499	805,499	805,500	805,499
a. Kenya Government Securities	-	-	-	-	-	-
b. Other securities	805,499	805,500	805,499	805,499	805,500	805,499
6 Deposits and balances due from local banking institutions	1,204,298	752,176	778,832	1,204,298	752,176	778,832
7 Deposits and balances due from banking institutions abroad	60,318	83,776	79,339	60,318	83,776	79,339
8 Tax recoverable	4,169	-	-	8,024	-	3,697
9 Loans and advances to customers (net)	8,497,966	9,199,779	9,143,018	8,497,966	9,199,779	9,143,018
10 Balances due from banking institutions in the group	-	-	-	-	-	-
11 Investments in associates	-	-	-	-	-	-
12 Investments in subsidiary companies	32,048	32,048	32,048	-	-	-
13 Investment in joint ventures	-	-	-	-	-	-
14 Investment properties	-	-	-	-	-	-
15 Property, plant and equipment	120,896	218,441	214,411	120,896	218,441	214,411
16 Prepaid lease rentals	3,858	3,812	3,797	3,858	3,812	3,797
17 Intangible assets	-	-	-	-	-	-
18 Deferred tax asset	7,313	16,285	16,285	7,374	16,376	16,376
19 Retirement benefit asset	-	-	-	-	-	-
20 Other assets	171,684	52,703	63,944	172,312	52,703	64,709
B TOTAL ASSETS	16,435,365	16,319,925	16,040,121	16,428,899	16,309,057	16,033,649
LIABILITIES						
23 Balances due to Central Bank of Kenya	4,235,846	4,642,286	4,629,771	4,235,846	4,642,286	4,629,771
24 Customer deposits	5,748,253	6,249,316	5,892,538	5,728,274	6,227,814	5,871,318
25 Deposits and balances due to local banking institutions	2,264,094	1,416,138	1,525,544	2,264,094	1,416,138	1,525,544
26 Deposits and balances due to foreign banking institutions	-	-	-	-	-	-
27 Other money market deposits	-	-	-	-	-	-
28 Borrowed funds	1,010,226	793,652	677,243	1,010,226	793,652	677,243
29 Balances due to banking institutions in the group	-	-	-	-	-	-
30 Tax payable	-	17,374	28,461	-	13,698	28,461
31 Dividends payable	-	-	-	-	-	-
32 Deferred tax liability	-	-	-	-	-	-
33 Retirement benefit liability	-	-	-	-	-	-
34 Other liabilities	257,274	271,413	330,947	258,228	272,146	331,743
C TOTAL LIABILITIES	13,515,693	13,390,179	13,084,504	13,496,668	13,365,734	13,066,080
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
36 Share Premium (discount)	-	-	-	-	-	-
37 Revaluation reserves	721,379	721,379	721,379	721,379	721,379	721,379
38 Retained earnings	673,462	574,452	598,530	686,021	588,029	612,482
39 Statutory loan loss reserve	482,050	591,134	592,927	482,050	591,134	592,927
40 Other reserves	281	281	281	281	281	281
41 Proposed Dividends	-	-	-	-	-	-
42 Capital grants	-	-	-	-	-	-
D TOTAL SHAREHOLDERS' EQUITY	2,919,672	2,929,746	2,955,617	2,932,231	2,943,323	2,969,569
E TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	16,435,365	16,319,925	16,040,121	16,428,899	16,309,057	16,033,649

II STATEMENT OF COMPREHENSIVE INCOME

1 INTEREST INCOME						
1.1 Loans and advances	215,444	871,079	212,829	215,444	871,079	212,829
1.2 Government securities	140,341	550,654	133,235	140,900	552,889	133,794
1.3 Deposits and placements with banking institutions	8,665	45,595	11,891	8,665	45,595	11,891
1.4 Other interest income	-	-	-	-	-	-
1.5 Total Interest income	364,450	1,467,328	357,955	365,009	1,469,563	358,514
2 INTEREST EXPENSES						
2.1 Customer deposits	131,538	565,880	137,322	131,400	565,322	137,184
2.2 Deposits and placements from banking institutions	122,254	486,331	118,124	122,254	486,331	118,124
2.3 Other Interest expenses	5,310	19,101	4,656	5,310	19,101	4,656
2.4 Total Interest Expenses	259,102	1,071,312	259,952	258,964	1,070,754	259,764
3 NET INTEREST INCOME	105,348	396,016	98,003	106,045	398,809	98,750
4 NON-OPERATING INCOME						
4.1 Fees and commissions income on loans & advances	4,633	12,579	3,510	4,633	12,579	3,510
4.2 Other fees and commissions income	3,403	14,729	2,596	3,403	14,729	2,596
4.3 Foreign exchange trading income	6,845	26,491	5,972	6,845	26,491	5,972
4.4 Dividend income	-	-	-	-	-	-
4.5 Other income	12,925	54,063	14,405	12,925	54,063	14,405
4.6 Total Non-Interest income	27,806	107,862	26,483	27,806	107,862	26,483
5 TOTAL OPERATING INCOME	133,154	503,878	124,536	133,851	506,671	125,233
6 OTHER OPERATING EXPENSES						
6.1 Loan loss provision	18,335	62,205	9,422	18,409	62,428	9,422
6.2 Staff costs	49,311	202,218	46,162	49,311	202,218	46,162
6.3 Directors' emoluments	3,400	9,919	2,448	3,425	10,019	2,473
6.4 Rental charges	4,480	18,673	4,468	4,480	18,673	4,468
6.5 Depreciation on property and equipment	15	61	15	15	61	15
6.6 Amortisation charges	34,257	153,170	25,061	34,548	153,846	25,200
6.7 Other operating expenses	-	-	-	-	-	-
6.8 Total other operating Expenses	109,828	446,246	87,576	110,186	447,245	87,740
7 Profit before tax and exceptional items	23,326	57,632	36,960	23,665	59,426	37,493
8 Exceptional items	-	-	-	-	-	-
9 Profit after exceptional items	23,326	57,632	36,960	23,665	59,426	37,493
10 Current tax	(6,998)	(40,202)	(11,088)	(7,099)	(40,770)	(11,247)
11 Deferred tax	-	8,972	-	-	9,002	-
12 Profit after tax and exceptional items	16,328	26,402	25,872	16,566	27,658	26,246
13 Other Comprehensive Income						
13.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	-	-
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	16,328	26,402	25,872	16,566	27,658	26,246

III OTHER DISCLOSURES

1) NON-PERFORMING LOANS AND ADVANCES						
a) Gross non-performing loans and advances less:	2,598,455	2,310,400	2,277,169			
Interest in suspense	347,485	380,017	391,509			
c) Total Non-Performing Loans and Advances (a-b) less:	2,250,970	1,930,383	1,885,660			
d) Loan loss provisions	1,097,429	1,130,496	1,150,617			
e) Net Non-performing loans and advances (c-d)	1,153,541	799,887	735,043			
f) Discounted value of securities	1,153,541	799,887	735,043			
g) Net NPLs exposure (e-f)	-	-	-			
2) Insider Loans and Advances						
a) Directors, shareholders and associates	815,449	725,114	694,648			
b) Employees	284,082	298,140	289,590			
c) Total Insider Loans, Advances and other facilities	1,099,531	1,023,254	984,238			
3) Off-Balance Sheet Items						
a) Letters of credit, guarantees, acceptances	576,916	611,549	553,848			
b) Forwards, swaps, and options	561	4,669	8,046			
c) Other contingent liabilities	70,994	92	92			
d) Total Contingent Liabilities	648,471	616,310	561,986			
4) Capital Strength						
a) Core capital	1,700,766	1,617,233	1,628,375			
b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000			
c) excess	700,766	617,233	628,375			
d) Supplementary capital	276,138	281,099	281,337			
e) Total capital (a+d)	1,976,904	1,898,332	1,909,712			
f) Total risk weighted assets	7,663,455	8,060,325	8,079,406			
g) Core capital/total deposit liabilities	25.9%	23.3%	24.3%			
h) Minimum Statutory Ratio	8.0%	8.0%	8.0%			
i) excess (g-h)	17.9%	15.3%	16.3%			
j) Core capital/total risk weighted assets	22.2%	20.1%	20.2%			
k) Minimum Statutory Ratio	10.5%	10.5%	10.5%			
l) excess (j-k)	11.7%	9.6%	9.7%			
m) Total capital/total risk weighted assets	25.8%	23.6%	23.6%			
n) Minimum Statutory Ratio	14.5%	14.5%	14.5%			
o) excess (m-n)	11.3%	9.1%	9.1%			
5) Liquidity						
a) Liquidity Ratio	3.4%	-1.7%	-7.6%			
b) Minimum Statutory Ratio	20.0%	20.0%	20.0%			
c) excess (a-b)	-16.6%	-21.7%	-27.6%			

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 **PROF J H KIMURA**
CHIEF EXECUTIVE **DIRECTOR**