



AUDITED FINANCIAL STATEMENTS AND DISCLOSURES AS AT 31 DECEMBER 2017

I STATEMENT OF FINANCIAL POSITION

	BANK 31 DEC 2016 Shs '000 (audited)	BANK 31 DEC 2017 Shs '000 (audited)	GROUP 31 DEC 2016 Shs '000 (audited)	GROUP 31 DEC 2017 Shs '000 (audited)
A ASSETS				
1 Cash (both local and foreign)	81,522	64,555	81,522	64,555
2 Balances due from Central Bank of Kenya	291,682	286,557	291,682	286,557
3 Kenya Government and other securities held for dealing purposes	-	-	-	-
4 Financial Assets at fair value through profit and loss	89,427	91,449	89,427	91,449
5 Investment Securities	-	-	-	-
a)Held to Maturity:	5,017,588	4,712,844	5,038,692	4,733,933
a. Kenya Government Securities	5,017,588	4,712,844	5,038,692	4,733,933
b. Other securities	-	-	-	-
b)Available for sale:	805,500	805,500	805,500	805,500
a. Kenya Government Securities	-	-	-	-
b. Other securities	805,500	805,500	805,500	805,500
6 Deposits and balances due from local banking institutions	943,219	752,176	943,219	752,176
7 Deposits and balances due from banking institutions abroad	103,790	83,776	103,790	83,776
8 Tax recoverable	11,172	-	15,108	-
9 Loans and advances to customers (net)	8,733,212	9,199,779	8,733,212	9,199,779
10 Balances due from banking institutions in the group	-	-	-	-
11 Investments in associates	-	-	-	-
12 Investments in subsidiary companies	32,048	32,048	-	-
13 Investment in joint ventures	-	-	-	-
14 Investment properties	-	-	-	-
15 Property, plant and equipment	229,185	218,441	229,185	218,441
16 Prepaid lease rentals	3,873	3,812	3,873	3,812
17 Intangible assets	-	-	-	-
18 Deferred tax asset	7,313	16,285	7,374	16,376
19 Retirement benefit asset	-	-	-	-
20 Other assets	68,851	52,703	68,851	52,703
21 TOTAL ASSETS	16,418,382	16,319,925	16,411,435	16,309,057
B LIABILITIES				
22 Balances due to Central Bank of Kenya	4,243,454	4,642,286	4,243,454	4,642,286
23 Customer deposits	5,788,514	6,249,316	5,768,453	6,227,814
24 Deposits and balances due to local banking institutions	1,992,483	1,416,138	1,992,483	1,416,138
25 Deposits and balances due to foreign banking institutions	-	-	-	-
26 Other money market deposits	-	-	-	-
27 Borrowed funds	1,229,274	793,652	1,229,274	793,652
28 Balances due to banking institutions in the group	-	17,374	-	13,698
29 Tax payable	-	-	-	-
30 Dividends payable	-	-	-	-
31 Deferred tax liability	-	-	-	-
32 Retirement benefit liability	-	-	-	-
33 Other liabilities	261,313	271,413	262,106	272,146
34 TOTAL LIABILITIES	13,515,038	13,390,179	13,495,770	13,365,734
C SHAREHOLDERS' EQUITY				
35 Paid up/Assigned capital	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
38 Retained earnings	402,112	574,452	714,453	588,029
39 Statutory loan loss reserve	737,072	591,134	437,072	591,134
40 Other reserves	281	281	281	281
41 Proposed Dividends	-	-	-	-
42 Capital grants	-	-	-	-
43 TOTAL SHAREHOLDERS' EQUITY	2,903,344	2,929,746	2,915,665	2,943,323
44 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	16,418,382	16,319,925	16,411,435	16,309,057

II STATEMENT OF COMPREHENSIVE INCOME

1 INTEREST INCOME				
1.1 Loans and advances	1,150,042	871,079	1,150,042	871,079
1.2 Government securities	569,939	550,654	572,059	552,889
1.3 Deposits and placements with banking institutions	30,166	45,595	30,166	45,595
1.4 Other interest income	-	-	-	-
1.5 Total Interest Income	1,750,147	1,467,328	1,752,267	1,469,563
2 INTEREST EXPENSES				
2.1 Customer deposits	975,524	565,880	974,190	565,322
2.2 Deposits and placements from banking institutions	270,015	486,331	270,015	486,331
2.3 Other interest expenses	21,170	19,101	21,170	19,101
2.4 Total interest Expenses	1,266,709	1,071,312	1,265,375	1,070,754
3 NET INTEREST INCOME	483,438	396,016	486,892	398,809
4 NON-OPERATING INCOME				
4.1 Fees and commissions income on loans & advances	18,614	12,579	18,614	12,579
4.2 Other fees and commissions income	17,308	14,729	17,308	14,729
4.3 Foreign exchange trading income	25,825	26,491	25,825	26,491
4.4 Dividend income	-	-	-	-
4.5 Other income	61,825	54,063	61,825	54,063
4.6 Total Non-Interest Income	123,572	107,862	123,572	107,862
5 TOTAL OPERATING INCOME	607,010	503,878	610,464	506,671
6 OTHER OPERATING EXPENSES				
6.1 Loan loss provision	126,338	62,205	126,091	62,428
6.2 Staff costs	203,210	202,218	203,210	202,218
6.3 Directors' emoluments	11,406	9,919	11,506	10,019
6.4 Rental charges	-	-	-	-
6.5 Depreciation on property and equipment	19,704	18,673	19,704	18,673
6.6 Amortisation charges	61	61	61	61
6.7 Other operating expenses	151,381	153,170	152,137	153,846
6.8 Total other operating Expenses	512,100	446,246	512,709	447,245
7 Profit before tax and exceptional items	94,910	57,632	97,755	59,426
8 Exceptional items	-	-	-	-
9 Profit after exceptional items	94,910	57,632	97,755	59,426
10 Current tax	(40,097)	(40,202)	(40,801)	(40,770)
11 Deferred tax	4,911	8,972	4,761	9,002
12 Profit after tax and exceptional items	59,724	26,402	61,715	27,658
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	59,724	26,402	61,715	27,658

III OTHER DISCLOSURES

1) NON-PERFORMING LOANS AND ADVANCES				
a) Gross non-performing loans and advances	2,594,459	2,310,400		
less:				
b) Interest in suspense	322,834	380,017		
c) Total Non-Performing Loans and Advances (a-b)	2,271,625	1,930,383		
less:				
d) Loan loss provisions	1,026,488	1,130,496		
e) Net Non-performing loans and advances(c-d)	1,245,137	799,887		
f) Discounted value of securities	1,245,137	799,887		
g) Net NPLs exposure(e-f)	-	-		
2) Insider Loans and Advances				
a) Directors, shareholders and associates	857,561	725,114		
b) Employees	282,461	298,140		
c) Total Insider Loans, Advances and other facilities	1,140,022	1,023,254		
3) Off-Balance Sheet Items				
a) Letters of credit, guarantees, acceptances	631,878	611,549		
b) Forwards, swaps, and options	17,760	61		
c) Other contingent liabilities	-	4,669		
d) Total Contingent Liabilities	649,638	616,310		
4) Capital Strength				
a) Core capital	1,737,580	1,617,233		
b) Minimum Statutory Capital	1,000,000	1,000,000		
c) excess	737,580	617,233		
d) Supplementary capital	280,935	281,099		
e) Total capital (a+d)	2,018,515	1,898,332		
f) Total risk weighted assets	8,047,213	8,060,325		
g) Core capital/total deposit liabilities	26.2%	23.3%		
h) Minimum Statutory Ratio	8.0%	8.0%		
i) excess(g-h)	18.2%	15.3%		
j) Core capital/total risk weighted assets	21.6%	20.1%		
k) Minimum Statutory Ratio	10.5%	10.5%		
l) excess(j-k)	11.1%	9.6%		
m) Total capital/total risk weighted assets	25.1%	23.6%		
n) Minimum Statutory Ratio	14.5%	14.5%		
o) excess(m-n)	10.6%	9.1%		
5) Liquidity				
a) Liquidity Ratio	1.7%	-1.7%		
b) Minimum Statutory Ratio	20.0%	20.0%		
c) excess(a-b)	-18.3%	-17.7%		

Message from the Directors

These financial statements are extracts from the books of the institution as audited by PriceWaterhousecoopers on behalf of The Auditor-General and received unqualified opinion.

The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the institution's website-www.devbank.com

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

VICTOR KIDIWA
CHIEF EXECUTIVE

PROF J H KIMURA
DIRECTOR