

AUDITED FINANCIAL STATEMENTS AND DISCLOSURES AS AT 31 DECEMBER 2019

I STATEMENT OF FINANCIAL POSITION

	BANK 31 DEC 2018 Shs '000 (Audited)	BANK 31 DEC 2019 Shs '000 (Audited)	GROUP 31 DEC 2018 Shs '000 (Audited)	GROUP 31 DEC 2019 Shs '000 (Audited)
A ASSETS				
1 Cash (both local and foreign)	24,975	34,130	24,975	34,130
2 Balances due from Central Bank of Kenya	94,122	327,289	94,122	327,289
3 Kenya Government and other securities held for dealing purposes	-	-	-	-
4 Financial Assets at fair value through profit and loss	95,865	101,767	95,865	101,767
5 Investment Securities	-	-	-	-
i) Held to Maturity:	4,512,923	4,532,494	4,533,997	4,553,553
a. Kenya Government Securities	4,512,923	4,532,494	4,533,997	4,553,553
b. Other securities	-	-	-	-
ii) Available for sale:	825,413	825,413	825,413	825,413
a. Kenya Government Securities	-	-	-	-
b. Other securities	825,413	825,413	825,413	825,413
6 Deposits and balances due from local banking institutions	898,861	867,864	898,861	867,864
7 Deposits and balances due from banking institutions abroad	47,216	55,531	47,216	55,531
8 Tax recoverable	-	27,118	347	30,057
9 Loans and advances to customers (net)	8,386,697	7,911,046	8,386,697	7,911,046
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	122,195	164,727	122,195	164,727
16 Prepaid lease rentals	-	150,856	-	150,856
17 Intangible assets	-	-	-	-
18 Deferred tax asset	115,961	101,690	116,082	101,841
19 Retirement benefit asset	-	-	-	-
20 Other assets	166,835	226,096	166,835	226,096
21 TOTAL ASSETS	15,323,111	15,358,069	15,312,605	15,350,170
B LIABILITIES				
22 Balances due to Central Bank of Kenya	4,443,641	4,429,079	4,443,641	4,429,079
23 Customer deposits	5,752,500	5,090,079	5,729,479	5,064,685
24 Deposits and balances due to local banking institutions	1,069,595	939,205	1,069,595	939,205
25 Deposits and balances due to foreign banking institutions	-	-	-	-
26 Other money market deposits	-	-	-	-
27 Borrowed funds	593,824	448,089	593,824	448,089
28 Balances due to banking institutions in the group	-	-	-	-
29 Tax payable	3,022	-	-	-
30 Dividends payable	-	-	-	-
31 Deferred tax liability	-	-	-	-
32 Retirement benefit liability	-	-	-	-
33 Other liabilities	589,205	501,178	589,796	502,669
34 TOTAL LIABILITIES	12,451,787	11,407,630	12,426,335	11,383,127
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	743,145	743,145	743,145	743,145
38 Retained earnings	735,485	1,606,267	750,431	1,622,871
39 Statutory loan loss reserve	349,913	558,246	349,913	558,246
40 Other reserves	281	281	281	281
41 Proposed Dividends	-	-	-	-
42 Capital grants	-	-	-	-
43 TOTAL SHAREHOLDERS' EQUITY	2,871,324	3,950,439	2,886,270	3,967,043
44 Minority Interest	-	-	-	-
45 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	15,323,111	15,358,069	15,312,605	15,350,170

II STATEMENT OF COMPREHENSIVE INCOME

1 INTEREST INCOME				
1.1 Loans and advances	842,806	775,571	842,806	775,571
1.2 Government securities	538,221	524,232	540,456	526,467
1.3 Deposits and placements with banking institutions	54,978	34,046	54,978	34,046
1.4 Other interest income	-	-	-	-
1.5 Total interest income	1,436,005	1,333,849	1,438,240	1,336,084
2 INTEREST EXPENSES				
2.1 Customer deposits	539,238	475,810	538,678	475,247
2.2 Deposits and placements from banking institutions	452,943	416,484	452,943	416,484
2.3 Other interest expenses	22,314	37,069	22,314	37,069
2.4 Total interest expenses	1,014,495	929,363	1,013,935	928,800
3 NET INTEREST INCOME	421,510	404,486	424,305	407,284
4 NON-OPERATING INCOME				
4.1 Fees and commissions income on loans & advances	11,102	3,995	11,102	3,995
4.2 Other fees and commissions income	11,060	11,886	11,060	11,886
4.3 Foreign exchange trading income	18,289	28,814	18,289	28,814
4.4 Dividend income	-	-	-	-
4.5 Other income	72,926	1,098,759	72,926	1,099,009
4.6 Total Non-interest income	113,377	1,143,454	113,377	1,143,704
5 TOTAL OPERATING INCOME	534,887	1,547,940	537,682	1,550,988
6 OTHER OPERATING EXPENSES				
6.1 Loan loss provision	11,961	8,138	12,110	8,128
6.2 Staff costs	208,939	218,095	208,939	218,095
6.3 Directors' emoluments	8,198	14,953	8,298	15,053
6.4 Rental charges	-	-	-	-
6.5 Depreciation on property and equipment	17,115	23,268	17,115	23,268
6.6 Amortisation charges	61	-	61	-
6.7 Other operating expenses	119,801	146,662	120,392	147,252
6.8 Total other operating expenses	366,075	411,116	366,915	411,796
7 Profit before tax and exceptional items	168,812	1,136,824	170,767	1,139,192
8 Exceptional items	-	-	-	-
9 Profit after exceptional items	168,812	1,136,824	170,767	1,139,192
10 Current tax	(48,452)	(43,438)	(49,069)	(44,178)
11 Deferred tax	(5,915)	(14,271)	(5,885)	(14,241)
12 Profit after tax and exceptional items	114,445	1,079,115	115,813	1,080,773
13 Gains/(Losses) from translating the financial Gains/(Losses) from translating the financial Minority Interest	-	-	-	-
14 Profit after tax, exceptional items and minority interest	114,445	1,079,115	115,813	1,080,773
15 Other Comprehensive Income				
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-
15.2 Fair value changes in available-for-sale financial assets	22,913	-	22,913	-
15.3 Revaluation Surplus on property, plant and equipment	-	-	-	-
15.4 Share of other comprehensive income of associates	-	-	-	-
15.5 Income tax relating to components of other comprehensive income	(1,146)	-	(1,146)	-
16 Other comprehensive income for the year net of tax	21,767	-	21,767	-
17 Total comprehensive income for the year	136,212	1,079,115	137,580	1,080,773

III OTHER DISCLOSURES

	31DEC 2018 Shs '000 (Audited)	31DEC 2019 Shs '000 (Audited)
1) NON-PERFORMING LOANS AND ADVANCES		
a) Gross non-performing loans and advances less:	2,879,070	3,340,686
b) Interest in suspense	379,221	417,877
c) Total Non-Performing Loans and Advances (a-b) less:	2,499,849	2,922,809
d) Loan loss provisions	1,265,451	1,472,050
e) Net Non-performing loans and advances(c-d)	1,234,398	1,450,759
f) Discounted value of securities	1,234,398	1,450,759
g) Net NPLs exposure(e-f)	-	-
2) Insider Loans and Advances		
a) Directors, shareholders and associates	707,250	707,526
b) Employees	281,740	288,228
c) Total Insider Loans, Advances and other facilities	988,990	995,754
3) Off-Balance Sheet Items		
a) Letters of credit, guarantees, acceptances	576,017	774,512
b) Forwards, swaps, and options	17,926	24,673
c) Other contingent liabilities	92	92
d) Total Contingent Liabilities	594,035	799,277
4) Capital Strength		
a) Core capital	1,778,266	2,649,048
b) Minimum Statutory Capital	1,000,000	1,000,000
c) excess	778,266	1,649,048
d) Supplementary capital	297,492	303,055
e) Total capital (a+d)	2,075,758	2,952,103
f) Total risk weighted assets	8,936,475	9,381,519
g) Core capital/total deposit liabilities	29.7%	50.9%
h) Minimum Statutory Ratio	8.0%	8.0%
i) excess(g-h)	21.7%	42.9%
j) Core capital/total risk weighted assets	19.9%	28.2%
k) Minimum Statutory Ratio	10.5%	10.5%
l) excess(j-k)	9.4%	17.7%
m) Total capital/total risk weighted assets	23.2%	31.5%
n) Minimum Statutory Ratio	14.5%	14.5%
o) excess(m-n)	8.7%	17.0%
p) Adjusted Core Capital/Total Deposits Liabilities	38.4%	52.7%
q) Adjusted Core Capital/Total Risk Weighted Assets	25.7%	29.2%
r) Adjusted Total Capital/Total Risk Weighted Assets	29.0%	32.5%
5) Liquidity		
a) Liquidity Ratio	1.6%	9.4%
b) Minimum Statutory Ratio	20.0%	20.0%
c) excess(a-b)	-18.4%	-10.6%

Message from the Directors

These financial statements are extracts from the books of the institution as audited by KPMG Kenya 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.

SIGNED: **VICTOR KIDIWA** **NDUNG'U GATHINJI**
CHIEF EXECUTIVE DIRECTOR