

AUDITED FINANCIAL STATEMENTS AND DISCLOSURES AS AT 31 DECEMBER 2021

I STATEMENT OF FINANCIAL POSITION

	BANK 31 DEC 2020 Shs '000 (audited)	BANK 31 DEC 2021 Shs '000 (audited)	GROUP 31 DEC 2020 Shs '000 (audited)	GROUP 31 DEC 2021 Shs '000 (audited)
A ASSETS				
1 Cash (both local and foreign)	88,319	86,676	88,319	86,676
2 Balances due from Central Bank of Kenya	594,556	395,560	594,556	395,560
3 Kenya Government and other securities held for dealing purposes	-	-	-	-
4 Financial Assets at fair value through profit and loss	103,177	104,129	103,177	104,129
5 Investment Securities	-	-	-	-
a) Held to Maturity:	3,931,826	3,769,984	3,952,870	3,791,012
a. Kenya Government Securities	3,931,826	3,769,984	3,952,870	3,791,012
b. Other securities	-	-	-	-
b) Available for sale:	669,245	614,512	669,245	614,512
a. Kenya Government Securities	669,245	614,512	669,245	614,512
b. Other securities	-	-	-	-
6 Deposits and balances due from local banking institutions	2,240,047	2,170,069	2,240,047	2,170,069
7 Deposits and balances due from banking institutions abroad	342,881	385,802	342,881	385,802
8 Tax recoverable	27,118	-	29,226	-
9 Loans and advances to customers (net)	8,612,523	8,831,650	8,612,523	8,831,650
10 Balances due from banking institutions in the group	-	-	-	-
11 Investments in associates	-	268,490	-	268,490
12 Investments in subsidiary companies	32,048	-	32,048	-
13 Investment in joint ventures	-	-	-	-
14 Investment properties	-	-	-	-
15 Property, plant and equipment	161,880	179,734	161,880	179,734
16 Prepaid lease rentals	136,354	121,851	136,354	121,851
17 Intangible assets	-	-	-	-
18 Deferred tax asset	111,198	134,449	111,179	134,660
19 Retirement benefit asset	-	-	-	-
20 Other assets	174,274	194,253	174,274	194,253
21 TOTAL ASSETS	17,225,446	17,289,207	17,217,431	17,278,398
B LIABILITIES				
22 Balances due to Central Bank of Kenya	3,833,194	3,331,681	3,833,194	3,331,681
23 Customer deposits	6,201,947	7,265,076	6,174,965	7,236,311
24 Deposits and balances due to local banking institutions	2,077,535	-	2,077,535	1,672,232
25 Deposits and balances due to foreign banking institutions	-	-	-	-
26 Other money market deposits	-	-	-	-
27 Borrowed funds	839,339	716,962	839,339	716,962
28 Balances due to banking institutions in the group	-	-	-	-
29 Tax payable	-	5,664	-	3,098
30 Dividends payable	-	-	-	-
31 Deferred tax liability	-	-	-	-
32 Retirement benefit liability	-	-	-	-
33 Other liabilities	450,773	474,310	451,895	475,763
34 TOTAL LIABILITIES	13,402,788	13,465,925	13,376,918	13,436,047
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	594,785	542,789	594,785	542,789
38 Retained earnings	1,352,202	1,240,104	1,370,572	1,259,173
39 Statutory loan loss reserve	832,890	997,608	832,890	997,608
40 Other reserves	281	281	281	281
41 Proposed Dividends	-	-	-	-
42 Capital grants	-	-	-	-
43 TOTAL SHAREHOLDERS' EQUITY	3,822,858	3,823,282	3,840,513	3,842,351
44 Minority Interest	-	-	-	-
45 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	17,225,446	17,289,207	17,217,431	17,278,398

II STATEMENT OF COMPREHENSIVE INCOME

	BANK 31 DEC 2020 Shs '000 (audited)	BANK 31 DEC 2021 Shs '000 (audited)	GROUP 31 DEC 2020 Shs '000 (audited)	GROUP 31 DEC 2021 Shs '000 (audited)
1 INTEREST INCOME				
1.1 Loans and advances	657,666	717,629	657,666	717,629
1.2 Government securities	469,934	445,572	472,169	447,807
1.3 Deposits and balances with banking institutions	84,090	87,958	84,090	87,958
1.4 Other interest income	-	-	-	-
1.5 Total Interest Income	1,211,690	1,251,159	1,213,925	1,253,394
2 INTEREST EXPENSES				
2.1 Customer deposits	498,193	601,783	497,633	601,222
2.2 Deposits and placements from banking institutions	319,194	248,386	319,194	248,386
2.3 Other Interest expenses	31,994	49,442	31,994	49,442
2.4 Total Interest Expenses	849,381	899,611	848,821	899,050
3 NET INTEREST INCOME	362,309	351,548	365,104	354,344
4 NON-OPERATING INCOME				
4.1 Fees and commissions income on loans & advances	7,984	16,506	7,984	16,506
4.2 Other fees and commissions income	14,247	14,671	14,247	14,671
4.3 Foreign exchange trading income	81,150	21,942	81,150	21,942
4.4 Dividend Income	-	-	-	-
4.5 Other income	610	-	610	-
4.6 Total Non-Interest Income	103,991	53,119	103,991	53,119
5 TOTAL OPERATING INCOME	466,300	404,667	469,095	407,463
6 OTHER OPERATING EXPENSES				
6.1 Loan loss provision	30,779	(92,670)	31,246	(92,537)
6.2 Staff costs	207,477	196,507	207,477	196,507
6.3 Directors' emoluments	17,508	20,815	17,608	20,915
6.4 Rental charges	-	-	-	-
6.5 Depreciation on property and equipment	70,788	76,962	70,788	76,962
6.6 Amortisation charges	-	-	-	-
6.7 Other operating expenses	120,868	138,165	121,435	138,993
6.8 Total other operating Expenses	447,420	339,779	448,554	340,840
7 Profit before tax and exceptional items	18,880	64,888	20,541	66,623
8 Exceptional items	-	-	-	-
9 Profit after exceptional items	18,880	64,888	20,541	66,623
10 Current tax	-	(32,783)	(440)	(33,334)
11 Profit after tax and exceptional items	18,880	32,105	20,101	33,289
12 Gains / (losses) from translating the financial Minority Interest	20,579	52,620	21,830	53,834
14 Profit after tax, exceptional items and minority interest	20,579	52,620	21,830	53,834
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	(156,168)	(54,733)	(156,168)	(54,733)
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	7,808	2,737	7,808	2,737
16 Other comprehensive income for the year net of tax	(148,360)	(51,996)	(148,360)	(51,996)
17 Total comprehensive income for the year	(127,781)	624	(126,530)	1,838

III OTHER DISCLOSURES

	31 DEC 2020 Shs '000 (Audited)	31 DEC 2021 Shs '000 (Audited)
NON-PERFORMING LOANS AND ADVANCES		
a) Gross non-performing loans and advances less:	3,419,763	2,994,872
b) Interest in suspense	456,448	441,002
c) Total Non-Performing Loans and Advances (a-b) less:	2,963,315	2,553,870
d) Loan loss provisions	1,738,827	1,945,088
e) Net Non-performing loans and advances (c-d)	1,164,488	708,782
f) Discounted value of securities	1,164,488	708,782
g) Net NPLs exposure (e-f)	-	-
2) Insider Loans and Advances		
a) Directors, shareholders and associates	764,575	518,154
b) Employees	292,957	289,493
c) Total Insider Loans, Advances and other facilities	1,057,532	807,647
3) Off-Balance Sheet Items		
a) Letters of credit, guarantees, acceptances	966,270	1,704,925
b) Forwards, swaps, and options	47,808	17,440
c) Other contingent liabilities	92	92
d) Total Contingent Liabilities	1,014,170	1,722,457
4) Capital Strength		
a) Core capital	2,394,983	2,282,885
b) Minimum Statutory Capital	1,000,000	1,000,000
c) excess	1,394,983	1,282,885
d) Supplementary capital	300,127	301,096
e) Total capital (a+d)	2,695,110	2,583,981
f) Total risk weighted assets	12,114,422	13,231,920
g) Core capital / total deposit liabilities	38.3%	31.3%
h) Minimum Statutory Ratio	8.0%	8.0%
i) excess (g-h)	30.3%	23.3%
j) Core capital / total risk weighted assets	19.8%	17.3%
k) Minimum Statutory Ratio	10.5%	10.5%
l) excess (j-k)	9.3%	6.8%
m) Total capital / total risk weighted assets	22.2%	19.5%
n) Minimum Statutory Ratio	14.5%	14.5%
o) excess (m-n)	7.7%	5.0%
p) Adjusted Core Capital / Total Deposits Liabilities	38.9%	31.7%
q) Adjusted Core Capital / Total Risk Weighted Assets	20.1%	17.5%
r) Adjusted Total Capital / Total Risk Weighted Assets	22.6%	19.8%
5) Liquidity		
a) Liquidity Ratio	22.4%	25.9%
b) Minimum Statutory Ratio	20.0%	20.0%
c) excess (a-b)	2.4%	5.9%

Message from the Directors

These financial statements are extracts from the books of the institution as audited by GRANT THORNTON 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:
JOHNSON KINITI
AG CHIEF EXECUTIVE

SAMMY CHEPKWONY
DIRECTOR