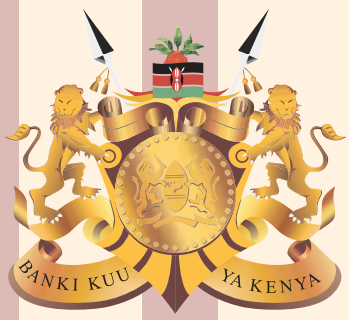


CENTRAL BANK OF KENYA

BANK SUPERVISION ANNUAL REPORT 2009

2009

TABLE OF CONTENTS

	PAGE
VISION STATEMENT	6
THE BANK'S MISSION	6
MISSION OF BANK SUPERVISION DEPARTMENT	7
VALUE STATEMENT	7
GOVERNOR'S MESSAGE	10
FOREWORD BY DIRECTOR BANK SUPERVISION	12

CHAPTER ONE

STRUCTURE OF THE BANKING INDUSTRY

1.1	Banking Sector	15
1.2	Ownership and Asset Base of Financial Institutions	18
1.3	Branch Network and Automated Teller Machines (ATMs)	19
1.4	Distribution of Foreign Exchange Bureaus	20
1.5	Market Share Analysis	21

CHAPTER TWO

DEVELOPMENTS IN THE BANKING SECTOR

2.1	Introduction	23
2.2	Developments in ICT (Electronic Banking)	23
2.3	Developments in Microfinance	24
2.4	New Products	26
2.5	Employment Trends in the Sector	27
2.6	Future Outlook	27

CHAPTER THREE

MACROECONOMIC CONDITIONS AND BANKING SECTOR PERFORMANCE

3.1	Global Economic Conditions	28
3.2	The Regional Economy	29

3.3	The Domestic Economy	30
3.4	Inflation	31
3.5	Exchange Rates	32
3.6	Interest Rates	33
3.7	Balance of Payments	36
3.8	Fiscal Developments	37
3.9	Performance of the Banking Sector	38
3.10	Balance Sheet Analysis	38
3.11	Asset Quality	39
3.12	Capital Adequacy	41
3.13	Liquidity	42
3.14	Profit and Loss	42
3.15	Performance Rating	44
3.16	Compliance with Supervisory & Regulatory Requirements	45

CHAPTER FOUR

DEVELOPMENTS IN SUPERVISORY FRAMEWORK

4.1	Introduction	46
4.2	Finance Act	46
4.3	The Proceeds of Crime and Anti-Money Laundering Act, 2009	47
4.4	Agent Banking	49

CHAPTER FIVE

CURRENT SUPERVISORY ISSUES

5.1	Introduction	50
5.2	Financial Sector Assessment Program (FSAP), 2009	50
5.3	Credit Reference Bureaus	51
5.4	Regional & International Initiatives	53
5.5	The National Taskforce on Anti-Money Laundering and Combating the Financing of Terrorism	54
5.6	Capacity Building and Technical Assistance	56
5.7	Access to Financial Services	57

TABLES

1.	Ownership and Asset Base of Financial Institutions	18
2.	Branch Network per Province	19

3	ATM Network	19
4.	Distribution of Forex Bureaus	20
5.	Market Share Analysis	21
6.	Growth of Deposit Account Holders Compared to Number of Staff	24
7.	Employment in the Banking Sector	27
8.	Kenya Shillings Exchange Rate Against Major Currencies	33
9.	Global Balance Sheet	39
10.	Asset Quality	39
11	Risk Classification of Loans and Advances	40
12	Sectoral Distribution of Gross Loans & NPLs	41
13.	Capital Adequacy Ratios	42
14.	Income and Expenditure Items as a Percentage of Total Income	43
15.	Banking Sector Performance Rating	44

CHARTS

1.	Structure of the Banking Sector	15
2.	Bank Supervision Organization Chart	16
3.	Ownership and Asset Base of Institutions	18
4.	Market Share	21
5.	Kenya Shilling Exchange Rate Movement against Major Currencies	33
6.	Comparison between 91 Day Treasury Bill Rate & Interbank Rate & Central Bank Rate	34
7.	Risk Classification of Loans	40

APPENDICES

i	Banking Sector Balance Sheet	59
ii	Banking Sector Profit & Loss Account	60
iii	Banking Sector Other Disclosures	61
iv	Banking Sector Market Share Report	62
v	Banking Sector Profitability	63
vi	Banking Sector Capital and Risk Weighted Assets	64
vii	Banking Sector Access to Financial Services	65
viii	Banking Sector Protected Deposits	66
ix	Banking Circulars issued in the Year	67
x	Directory of Commercial Banks & Non-Bank Financial Institutions	68
xi	Directory of Forex Bureaus	84

CENTRAL BANK OF KENYA

VISION STATEMENT

The Bank's vision is to be a world class modern central bank. The Bank will pursue its mandate in support of economic growth, guided by law, national development agenda and international best practices.

THE BANK'S MISSION

To formulate and implement monetary policy directed to achieving and maintaining stability in the general level of prices and foster the liquidity, solvency and proper functioning of a stable market-based financial system while supporting the economic policy of the Government.

The Bank's Objectives are:

- To formulate and implement monetary policy directed to achieving and maintaining stability in the general level of prices;
- To foster the liquidity, solvency and proper functioning of a stable market-based financial system;
- To formulate and implement foreign exchange policy;
- To hold and manage its foreign exchange reserves;
- To licence and supervise authorised dealers;
- To formulate and implement such policies as best to promote the establishment, regulation and supervision of efficient and effective payment, clearing and settlement systems;
- To act as banker and advisor to, and as fiscal agent of the Government; and
- To issue currency notes and coins.

MISSION OF BANK SUPERVISION DEPARTMENT

To promote and maintain the safety, soundness and integrity of the banking system through the implementation of policies and standards that are in line with international best practice for bank supervision and regulation.

VALUE STATEMENT

In pursuing our vision and mission, we shall at all times practice the following values:

1. Professionalism
2. Efficiency
3. Integrity
4. Transparency and Accountability
5. Teamwork
6. Innovativeness
7. Mutual Respect

Bank Supervision Annual Report, prepared by the Central Bank of Kenya,
is available on the Internet at : **www.centralbank.go.ke**

GOVERNOR'S MESSAGE



Banking sector registered commendable performance in 2009 in the midst of Global and Local shocks.

The banking sector demonstrated its' resilience in the midst of global financial turbulence with a commendable performance in 2009. The asset base of the sector increased by 14 percent from Ksh. 1.18 trillion in December 2008 to Ksh. 1.35 trillion in December 2009. The sector's pre-tax profit also increased by 13 percent to stand at Ksh. 48.9 billion in 2009. This performance was registered in the midst of global and local shocks. On the global scene, the after effects of the global financial crisis that escalated in 2008 washed up on the Kenyan shore. On the domestic scene, a severe drought and power rationing in the second half of the year dampened the growth prospects for the Kenyan economy.

Credit Reference Bureaus Regulations were operationalized in 2009 for purpose of promoting sharing of credit information.

The sector's impressive performance is reflective of the enabling legal and regulatory framework put in place by the Central Bank and the Government, and the sector's adherance to prudent risk management and banking regulations. One milestone in this regard was the operationalization of the Banking (Credit Reference Bureau) Regulations in February 2009. These regulations empower the Central Bank of Kenya to license and supervise Credit Reference Bureaus that will collate credit information from banking institutions. This is the most significant step towards building information capital. The sharing of credit information will facilitate the pricing of credit risk, accumulation of information capital and increase access to credit by Kenyans. Three applications have already been lodged at the Central Bank and it is anticipated that by early 2010 at least one credit reference bureau will have been licenced.

In the year under review, CBK became one of the founding members of the Alliance for Financial Inclusion (AFI) and co-hosted the first Global Policy Forum in Nairobi in September 2009. AFI is a global network of policy makers from developing countries whose key objective is the sharing of cutting edge policies that promote financial inclusion. Through AFI, CBK conducted a study tour of Brazil and Colombia to gain an understanding of Agent Banking. This model introduced through the Finance Act, 2009 will entail the use of third parties by banks to extend their outreach cost effectively. The urgent need to increase financial inclusion in Kenya cannot be overemphasised. The National Financial Access Survey released in 2009 indicates that 32% of Kenya's bankable population remains totally excluded from any form of financial services. The Central Bank will therefore continue to promote policy solutions that will enhance financial inclusion. However, in doing so, the Central Bank takes cognizance of the safeguards that are necessary to protect the integrity and stability of the financial system.

CBK introduced Agent Banking to enhance financial access.

On the regulatory front, a Memorandum of Understanding (MOU) was signed with the Capital Markets Authority, Insurance Regulatory Authority and the Retirement Benefits Authority in August 2009. The MOU will facilitate information sharing and supervisory co-ordination amongst the four domestic regulators particularly for financial conglomerates operating in various financial sub-sectors. A Technical Committee comprising of representatives from the four regulators was set up to operationalize the MOU. The MOU is a critical step in implementing consolidated supervision by the four regulators and reducing opportunities for regulatory arbitrage.

CBK signed MOU with other domestic regulators to reduce opportunities for regulatory arbitrage.

In 2010, the sector is expected to regain its' growth momentum on the back-drop of economic recovery. New opportunities are also expected to emerge with the coming into effect of the East African Common Market Protocol in July 2010. The protocol will facilitate the expansion of Kenyan banks into the region. Accordingly, banks are expected to source for additional capital to tap these regional opportunities. Locally, competition is expected to intensify as banks downstream and well established Pan African and international banking brands establish their presence in Kenya. These market dynamics could see a move towards mergers and strategic alliances. On its part, the Central Bank of Kenya will continue to work with the Government and market players to promote a sound, safe, efficient and inclusive financial system.

Kenyan Banks to tap into opportunities arising from the East African Common Market.

PROFESSOR NJUGUNA NDUNG'U, CBS
GOVERNOR
CENTRAL BANK OF KENYA

FOREWORD BY DIRECTOR

Banking sector registered impresive performance in 2009.

The Banking Sector registered good performance in 2009 notwithstanding local and global turbulences. The highlights of the sector's financial performance were:-



- Total assets grew by 14 percent from Ksh. 1.18 trillion in December 2008 to Kshs. 1.35 trillion in December 2009. The growth was mainly underwritten by an increase in loans and advances.
- Deposits increased by 16 percent from Ksh. 864 billion as at end of December 2008 to Ksh. 1 trillion in December 2009. This growth was supported by aggressive deposit mobilisation by banks and branch expansion.
- The sector's pre-tax profit increased by 13 percent from Ksh. 43.3 billion in December 2008 to Ksh. 48.9 billion in December 2009. The increased profitability was largely attributable to the growth in credit.
- The ratio of gross non-performing loans to gross loans stood at 8.0 percent as at December 2009 compared with 9.2 percent registered in December 2008. The decline in gross non performing loans was supported by enhanced credit appraisal standards adopted by banks in 2009.

The sector met liquidity and capital adequacy statutory requirements.

In 2009, the sector met the statutory liquidity and capital adequacy requirements. The liquidity ratio closed at 40 percent at the end of December 2009 above the statutory minimum of 20 percent. The sector's capital adequacy as measured by the Total Capital to Total Risk Weighted Assets improved from 20 percent in December 2008 to 21 percent in December 2009 compared to the 12 percent statutory minimum.

CBK licensed the first microfinance institution in May 2009.

On the financial inclusion front, CBK licensed the first Deposit Taking Microfinance Institution in May 2009. This followed the operationalization of the Microfinance Act in May 2008. One other institution was granted an approval in principle in December 2008. As at December 2009, CBK had approved thirty three (33) business names which is the first step in the licensing process of deposits-taking microfinance institutions. Eight other license applications were also at different stages of review. Deposit Taking Microfinance Institutions are expected to play a pivotal role in serving rural and peri-urban areas which are currently underserved or unserved by the mainstream banking sector. The Central Bank is working closely with the Assocation of Microfinance Institutions to identify and resolve impediments that inhibit transformation by the microfinance institutions.

AML Act enacted in 2009.

2009 also saw the enactment of the Proceeds of Crime and Anti-Money Laundering Act. The Act provides a comprehensive legal framework to deter and detect money laundering and is expected to be operational by July 2010. The Act will go a long way in enhancing the integrity of the Kenyan financial sector and shielding it from potential abuse from being used for money laundering.

Banking Sector expected to sustain growth momentum.

Going forward, the sector's growth trajectory is expected to increase on the backdrop of new opportunities in the domestic and regional markets. On the domestic arena, new opportunities are expected to be created by the adoption of agent banking, credit information sharing and mobile phone technology innovations. Institutions are also expected to explore and venture into regional markets as regional integration initiatives intensify.

FREDRICK PERE
DIRECTOR, BANK SUPERVISION DEPARTMENT

CHAPTER ONE

STRUCTURE OF THE BANKING INDUSTRY

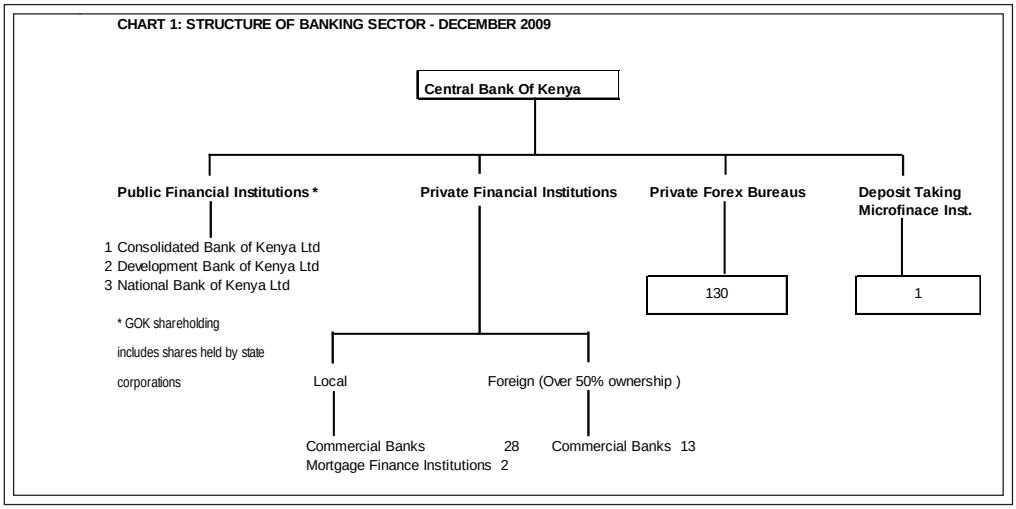
1.1 The Banking Sector

The banking sector comprised the Central Bank of Kenya, as the regulatory authority, Commercial Banks, Non-Bank Financial Institutions, Forex Bureaus and Deposit Taking Microfinance Institutions as the regulated entities. As at 31st December 2009, the banking sector was composed of 46 institutions, 44 of which were commercial banks and 2 mortgage finance companies. In addition, there was 1 licenced deposit taking microfinance institution and 130 foreign exchange bureaus. Commercial Banks and Mortgage Finance Companies are licensed and regulated under the Banking Act, Cap 488 and Prudential Guidelines issued thereunder. Deposit Taking Microfinance Institutions on the other hand are licensed and regulated under the Microfinance Act and Regulations issued thereunder. Foreign Exchange Bureaus are licensed and regulated under the Central Bank of Kenya Act, Cap 491 and Foreign Exchange Bureau Guidelines issued thereunder.

At the end of 2009, there were 44 Commercial Banks, 2 NBFIs, 1 Microfinance Institution and 130 Forex Bureaus.

Out of the 46 institutions, 33 were locally owned and 13 were foreign owned as shown in chart 1 below. The locally owned financial institutions comprised 3 banks with public shareholding, 28 privately owned commercial banks and 2 mortgage finance companies (MFCs). The foreign owned financial institutions comprised 9 locally incorporated foreign banks and 4 branches of foreign incorporated banks.

CHART 1: STRUCTURE OF BANKING SECTOR - DECEMBER 2009



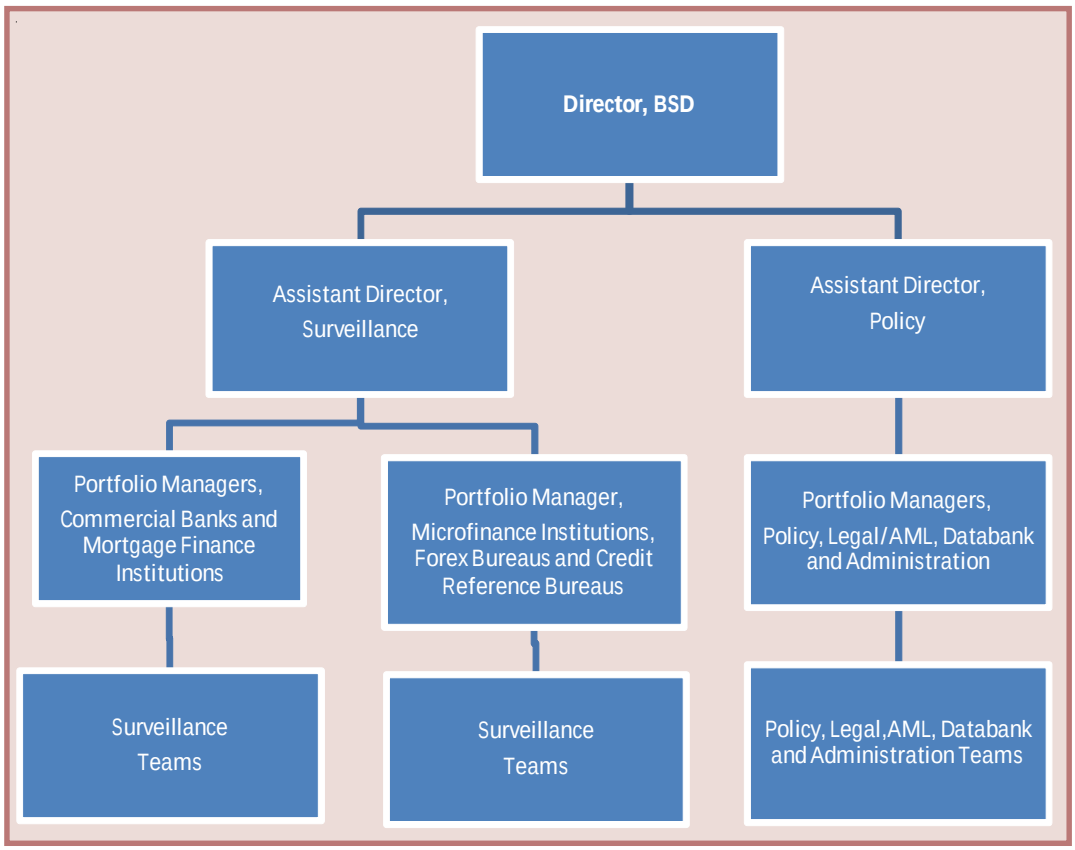
Bank Supervision Department

The core mandate of the Bank Supervision Department (BSD), as stipulated under Section 4 (2) of the Central Bank of Kenya Act, is to foster liquidity, solvency and proper functioning of a stable market-based financial system. This mandate is aimed at promoting and maintaining the safety, soundness and integrity of the banking system.

As at the end of December 2009, BSD had a staff complement of fifty five (55) comprised of forty seven (47) technical staff and eight (8) support staff.

To execute its mandate, BSD has two divisions, Surveillance and Policy, as depicted in the Organisation Chart 2 below.

Chart 2: Bank Supervision Department Organisation Chart



In discharging its mandate, BSD performs the following broad functions: -

i. Development of legal and regulatory frameworks to foster stability, efficiency and access to financial services. The Department achieves this objective through:-

- Continuous review of the Banking Act, Microfinance Act, Building Societies Act, Regulations and Guidelines issued thereunder which lay the legal foundation for banking institutions, non-bank financial institutions, deposit taking microfinance institutions and building societies.
- Continuous review of Regulations and Guidelines for Foreign Exchange Bureaus licensed under the Central Bank of Kenya Act.
- Continuous review of Regulations for Credit Reference Bureaus licensed under the Banking Act.

ii. The Department processes licenses of Commercial Banks, Non-Bank Financial Institutions, Mortgage Finance Institutions, Building Societies, Foreign Exchange Bureaus, Deposit Taking Microfinance Institutions and Credit Reference Bureaus.

iii. The Department conducts onsite evaluation of the financial condition and compliance with statutory and prudential requirements of institutions licensed under the Banking Act, Microfinance Act and Foreign Exchange Bureaus licensed under the Central Bank of Kenya Act.

iv The Department carries out offsite surveillance of institutions licensed under the Banking Act, Microfinance Act and Foreign Exchange Bureaus licensed under the Central Bank of Kenya Act through the receipt and analysis of returns received periodically. The Department also processes corporate approvals for banking institutions in regard to opening and closing of places of business, appointment of directors and senior managers, appointment of external auditors, introduction of new products/services, increase of bank charges and reviews annual license renewal applications in accordance with statutory and prudential requirements.

v. BSD hosts the Secretariat for the National Task Force (NTF) on Anti-Money Laundering and Combating the Financing of Terrorism, whose mandate is to develop a legal and regulatory framework to counter and prevent the use of Kenyan financial system as a conduit for money laundering and terrorism financing. NTF spearheaded the development of the Proceeds of Crime and Anti-Money Laundering Act, 2009, which was enacted into law by the Kenyan Parliament on 10th December 2009 and assented to by the President on 31st December 2009.

1.2 Ownership and Asset Base of Financial Institutions

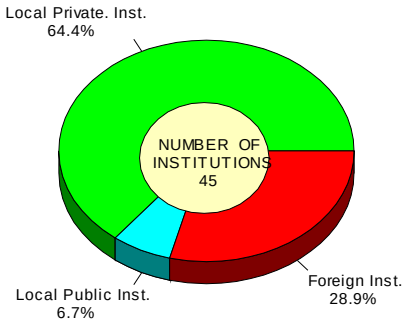
Local Private Financial Institutions accounted for 64% of the total financial institutions and 56% of the total net assets in 2009.

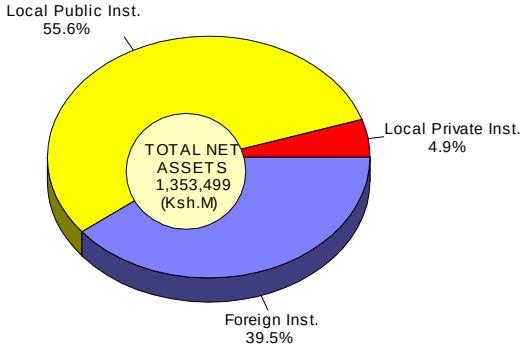
- Three (3) financial institutions which the government had significant shareholding accounted for 4.9 percent of the total net assets.
- Local private financial institutions accounted for 55.6 percent of the total net assets and represented 64.4 percent of total financial institutions.
- Financial institutions with foreign ownership of over 50 percent accounted for 39.5 percent of the total net assets and represented 28.9 percent of total financial institutions in 2009 as shown in Table 1 below.

Table 1- Ownership and Asset Base of Financial Institutions

Ownership	Number	%	Total Net Assets (Ksh M)	%
Local Public Financial Inst.	3	6.7%	66.4	4.9%
Local Private Financial Inst.	29*	64.4%	753.0	55.6%
Foreign Financial Inst.	13	28.9%	534.1	39.5%
Total	**45**	**100.0%**	**1,353.50**	**100.0%**
Source: CBK				
*Excludes Charterhouse				

CHART 3: OWNERSHIP AND ASSET BASE OF INSTITUTIONS DECEMBER -2009





1.3 Branch Network and Automated Teller Machines (ATMs)

Table 2 below shows the distribution of branches in the country. The branch network grew by 12 percent from 887 branches in 2008 to 996 branches in 2009. All provinces except Western Province registered growth in branch network. Nairobi had the highest growth accounting for 42 out of 109 new branches opened in 2009. Rift Valley Province was a distant second with 19 new branches and this was followed by Coast and Eastern provinces with 15 new branches each. North Eastern Province also attracted 5 new branches in 2009 despite its infrastructure challenges. The branch distribution reflected the level of economic activities across the regions.

Nairobi Province continued to register higher growth in branch expansion due to high economic activities.

Table 2: Branch Network Per Province

Province	2008	2009	Growth
Central	100	106	6
Coast	111	126	15
Eastern	75	90	15
Nairobi	353	395	42
North Eastern	10	15	5
Nyanza	62	69	7
Rift Valley	137	156	19
Western	39	39	0
Total	**887**	**996**	**109**
Source: CBK			

ATM Network

The ATM network continues to register high growth and it expanded by 392 points (point of service) in 2009 as shown in Table 3 below. This is an increase in the ATM expansion as compared with 2008 when the network increased by 313 ATM points. The growth in ATM network demonstrates increased automation of banking services as part of measures to enhance operational efficiency in the sector occasioned by increased competition.

Banks increased use of ATMs to enahance efficiency and cut costs.

Table 3- ATM Network

Month	2008	2009	Growth
January	1,018	1,325	307
February	1,050	1,426	376
March	1,063	1,497	434
April	1,104	1,497	393
May	1,120	1,497	377
June	1,177	1,586	409
July	1,218	1,589	371
August	1,243	1,589	346
September	1,289	1,614	325
October	1,312	1,646	334
November	1,325	1,697	372
December	1,325	1,717	392
Figures Exclude 110 Pesa Point ATMs			
Source: CBK			

1.4 Distribution of Foreign Exchange Bureaus

Forex Bureaus concentrated their operations in Nairobi.

The Central Bank of Kenya had licensed one hundred and thirty (130) forex bureaus to operate in Kenya, as at 31st December 2009, and their distribution in the major cities and towns was as indicated in Table 4 below.

Table 4: Distribution of Operating Forex Bureaus

No	City/Town	
1	Nairobi	103
2	Mombasa	17
3	Malindi	2
4	Nakuru	2
5	Kisumu	2
6	Eldoret	2
7	Lokichogio	1
8	Namanga	1
	Total	**130**
Source: CBK		

Eleven (11) new forex bureaus were licensed during the year under review, with six (6) in Nairobi, four (4) in Mombasa, and one (1) in Malindi.

The licence of Hill Forex Bureau Limited, located in Nairobi, was revoked by the Central Bank with effect from 7th April 2009, for non-compliance with the Central Bank of Kenya Act, the Central bank of Kenya (Foreign Exchange Business) Regulations, 2007 and the Forex Bureau Guidelines.

1.5 Market Share Analysis

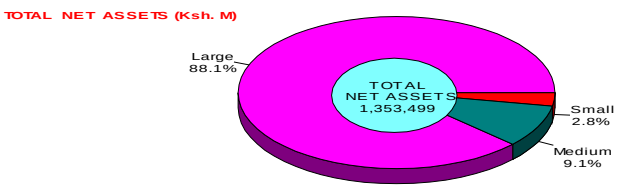
Table 5: Market Share Analysis (Ksh. M)					
	Total Net Assets	Net Advances	Customer Deposits	Capital & Reserves	Pre-Tax Profits
Large	1,192,880	638,331	885,315	171,649	49,012
Medium	122,925	65,646	93,277	16,227	444
Small	37,694	17,638	27,429	8,374	-530
Grand Total	**1,353,499**	**721,615**	**1,006,021**	**196,250**	**48,926**
Source: CBK					

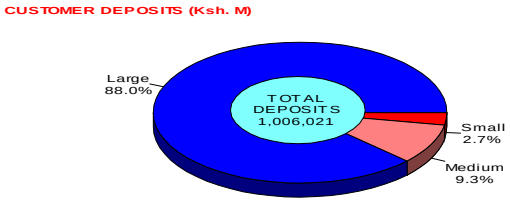
All the 19 Institutions in the large peer group registered pre-tax profits and dominated the sector's activities.

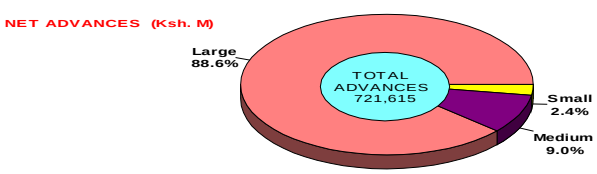
Based on assets size, institutions were classified into three peer groups comprising; large with assets above Ksh. 15 billion, medium with assets valued at between Ksh. 5 billion and Ksh. 15 billion and small with assets valued at less than Ksh. 5 billion as indicated in Table 5 above. Nineteen (19) financial institutions were classified as large, fourteen (14) institutions were medium and twelve (12) institutions were small.

As at 31st December 2009, nineteen (19) institutions which represented 42 percent of the total financial institutions were classified as large and accounted for 88.1 percent of net assets, 88.6 percent of net advances, 88.0 percent of customer deposits and 87.7 percent of capital & reserves as shown in chart 4 below. However, the 12 institutions in the small peer group collectively registered a loss before tax of Ksh. 530 million with 8 institutions reporting profits while 4 registered losses. Similarly, of the 14 institutions in the medium peer group, 3 registered losses.

CHART 4: MARKET SHARE - DECEMBER 2009

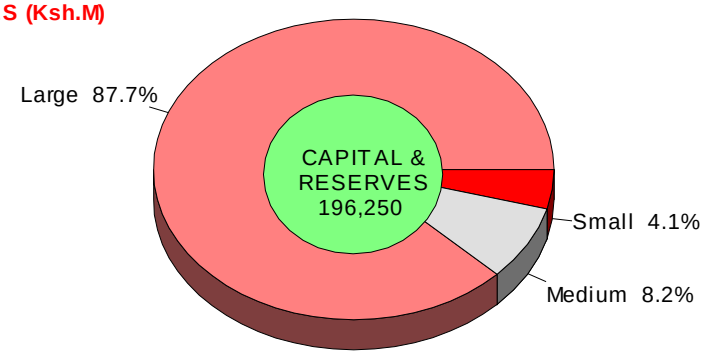




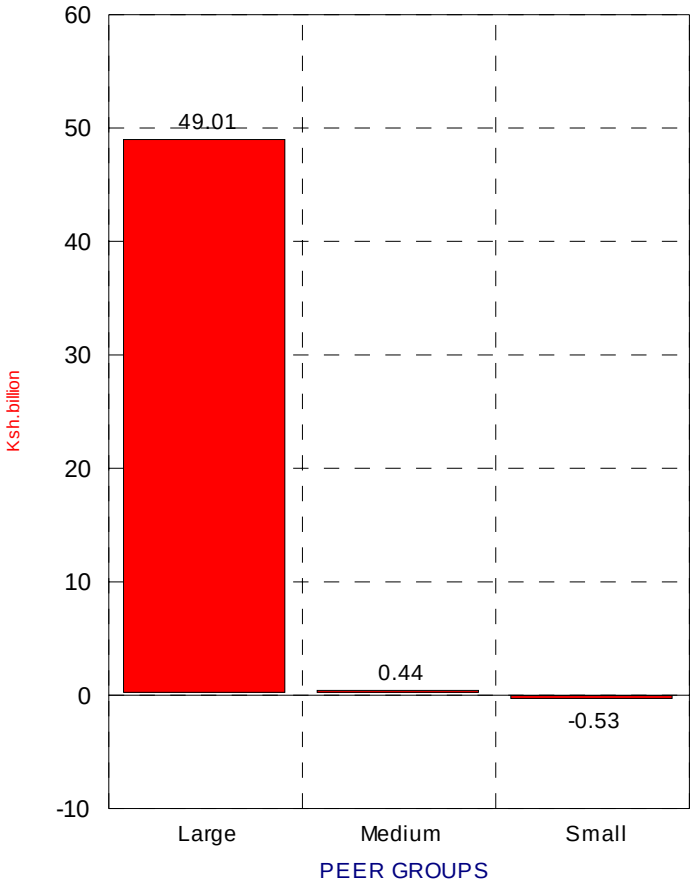


MARKET SHARE - DECEMBER 2009

CAPITAL & RESERVES (Ksh.M)



PROFIT BEFORE TAX (Ksh.B)



CHAPTER TWO

DEVELOPMENTS IN THE BANKING SECTOR

2.1 Introduction

The Kenyan banking sector continued to exhibit resilience in 2009 in the midst of the global financial turbulences. The global financial crisis that escalated in late 2008 reared its ugly face on the Kenyan economy in the form of second, third round and lag effects. However, efforts by all players to stimulate the economy tampered the effects of the crisis in Kenya. This is evidenced by the performance posted by banks and mortgage finance companies in 2009 which surpassed expectations.

During the year, Kenyan banks continued to embrace new technology to improve their customer service delivery. A considerable number of banks adopted the use of mobile phone technology as a service delivery channel to enhance convenience to their customers. In this regard, a number of new products that leverage on ICT, in particular mobile phone telephony were introduced by several institutions.

In an effort to promote financial access by the majority of Kenyans, the Central Bank and the banking sector continued with initiatives to put in place a credit information sharing mechanism which will enable individuals to use their information capital as "collateral" to access bank services. Further, the amendment of the Banking Act to permit banks to use agents in their outreach will also extend the formal financial services access frontier.

2.2 Developments in ICT (Electronic Banking)

Banks are providing a wide range of products and services.

In the last one year, banks have pursued revenue growth strategies based on their ability to acquire new customers and cross-selling more products and services to existing customers by leveraging on technology. During the course of the year, several banks upgraded their core banking systems to either Flexcube or T24. With globalization and increased accessibility to electronic delivery channels for products and services, banks are continuously innovating to provide a wide range of electronic products and services. The enhanced ICT platforms have enabled banks to introduce internet and mobile banking services and products such as viewing of statements of accounts, enquiries on status of cheques, cheque book

requests, notification of entries into accounts, transfer of funds between designated accounts and utility payment services.

Electronic banking is fast becoming popular in the banking industry as transactions can be carried out faster and in a safe and secure manner. Furthermore, advanced technologies provide banks with valuable help because traditional legacy systems have hindered the prompt delivery of banking services and the integration of customer information. The number of commercial banks providing electronic banking services stood at 33 out of the 44 banks as at December 31, 2009. In addition, 19 banks out of the 33 banks, offer electronic overseas money transfer services in collaboration with various international money transfer agents.

Table 6 below demonstrates the growth of deposit accounts in banks and non-bank financial institutions compared to the number of staff employed in the banking sector.

Table 6: Growth of Deposit Account Holders Compared to Number of Staff.

Year	No. of Deposits Accounts Holders	No. of Staff	Efficiency Score
1996	1,000,000	16,673	60
2002	1,682,916	10,884	155
2006	3,329,616	15, 507	215
2007	4,123,432	21,657	190
2008	6,428,509	25,491	252
2009	8,481,137	26,132	324

Source: Deposit Protection Fund Board

2.3 Developments in Microfinance

Following the enactment of the Microfinance Act, 2006 (Act No. 19 of 2006), the industry is experiencing dynamic change and growth. The Act applies to both the deposit-taking and non-deposit taking microfinance institutions.

Deposit Taking Microfinance Institutions (DTMs)

Following the operationalisation of the Microfinance Act and its attendant regulations which came into effect on 2nd May 2008, the Central Bank of Kenya has since then approved thirty three (33) business names, which is the first step in the licensing process for institutions that propose to conduct deposit taking microfinance business. Faulu Kenya Deposit Taking

Microfinance (DTM) Limited was licensed in May 2009 to provide deposit taking microfinance business in Kenya. In addition, Kenya Women Finance Trust Deposit Taking Microfinance Limited (KWFT-DTM) that was granted a letter of intent in 2008 continued to engage the Central Bank and is expected to meet all licencing requirements in early 2010. Further, there were eight (8) other licence applications at different stages of review. Faulu Kenya DTM Limited had opened a total of six licensed branches across the country as at end of 2009.

Faulu Kenya becomes the first licenced DTM in Kenya.

Credit-Only Microfinance Institutions

Credit-Only or Non-Deposit Taking Microfinance Institutions are not allowed to take deposits from the public or to intermediate clients funds that are received as cash collateral. Non-Deposit Taking Microfinance Institutions that accept cash collateral are expected to open clients accounts and hold such funds in trust without intermediating such funds or borrowing against the same at the institution's risk. The accounts of clients of Non-Deposit Taking MFIs must at all times be separated from the operating account of the institution. Non-Deposit Taking MFIs are therefore not allowed to on-lend cash collateral retained, or borrow against such funds, because it will be deemed to be deposit-taking.

Section 3 of the Microfinance Act provides that the Minister for Finance may '*make regulations prescribing the measures for the conduct of non-deposit taking business*. These regulations once they are prescribed will provide further guidance for the conduct of non-deposit taking microfinance business.

Microfinance activities vary depending on the scope, target client base and legislative framework. Further, non-deposit taking activities are undertaken by a varied spectrum of financial institutions including those registered as Non Governmental Organisations. For this reason, the exact number of practitioners undertaking credit only microfinance business in Kenya is largely unknown.

The Association of Microfinance Institutions of Kenya (AMFI), which is a microfinance umbrella organisation, had 41 registered member institutions as at 31st December 2009. Out of these, there are 4 commercial banks, 1 insurance company and the Kenya Post Office Savings Bank (KPOSB). According to statistics from the organisation, member institutions serve over 4 million clients with an outstanding loan portfolio of USD 30 milion (Ksh. 2.262 billion). The growing number of clients accessing microfinance products and services is an indication of the vast penetration of microfinance in rural and urban areas.

Savings and Credit Cooperatives (SACCOs)

Sacco Societies Regulatory Authority has been established to licence and supervise Sacco Societies intending to engage in deposit taking business.

In December 2008, the Sacco Societies Act 2008 (No. 14 of 2008) was enacted into law to make provision for the licensing, regulation and supervision of the Sacco Societies . The Act also established the Sacco Societies Regulatory Authority (SASRA). SASRA is responsible for the licensing and supervision of Sacco societies intending to engage in deposit taking business as well as the establishment of the deposit gurantee fund, which shall provide protection for members' deposits but not shares up to an amount of Ksh. 100,000 in respect of each member.

Section 68 of the Act provides that the Minister, responsible for matters relating to Sacco societies, shall in consultation with the Authority make regulations to support implementation of the provisions of the Act. In this regard, draft Sacco Societies (Deposit-Taking) Regulations have been developed and are expected to be presented for discussion with stakeholders and thereafter gazetted to operationalise the Act. The Regulations are designed to enhance corporate governance, accountability and transparency in the movement. The key underlying policy objective for regulation is to strengthen the Sacco movement in Kenya.

The Sacco societies represent a considerable part of the Kenyan financial sector. Information available indicates that there were over 5,000 Sacco societies as at 2009, some 3,500 of which are currently active, out of which 217 are considered to have the potential to transform and be licensed and regulated by SASRA. Further, Sacco societies accounted for 3.3 million accounts worth $2.2 billion (Ksh. 165.88billion), and had loans outstanding of $ 1.5 billion (Ksh. 112.5 billion) as at end of December 2008*

2.4 New Products

ICT has become critical in supporting provision of new banking products and services.

During the year 2009, banks continued to introduce new products that comprised mainly of new deposit accounts and electronic banking products leveraging on mobile phone technology. The introduction of the new products was mainly driven by more informed customer demands and competition in the industry, particularly in the adoption of ICT in delivery of banking services. Banks realised the potential brought by telecommunication companies in creating convenience to their customers while at the same time lowering their service delivery costs.

**Footnote: Data as at Decemebr 2009 not available as at the publication date of this report.*

Banks also took advantage of changes in various laws to introduce credit products. Following the amendment to the Retirement Benefits Act to allow the pledging of pension savings for residential mortgages within stipulated limits, some of the institutions seized the opportunity afforded by this provision to provide integrated solutions for the acquisition, development and improvement of property in Kenya.

2.5 Employment Trends in the Sector

Banks focused on managerial staff to drive growth momentum.

Employment in the banking sector registered a marginal growth of 2.5 percent from 25,491 staff in 2008 to 26,132 in 2009 as shown in Table 7 below. The marginal increase demonstrated banks cautiousness to control costs as salaries and wages at 22.5% continued to account for high proportion of total income. The number of staff at supervisory and support levels declined. However, managerial staff increased by 6.4 percent in 2009 largely to support expanded business segments.

Table 7: Employment in the Banking Sector

	2008	2009	% change
Management	5,784	6,156	6.43%
Supervisory	5,435	5,022	-7.60%
Clerical and Secretarial staff	12,787	13,593	6.30%
Support staff	1,485	1,361	-8.35%
Total	25,491	26,132	2.51%

Source: CBK

2.6 Future Outlook

The banking sector growth momentum is expected to continue into 2010 as financial institutions spread their presence in the East African region and embrace ICT-banking. Introduction of Credit Reference Bureaus and Agent Banking are some of the emerging developments that will be critical in the banking sector development.

In addition, optimism on the economic front will impact positively on the banking sector development.

CHAPTER THREE

MACROECONOMIC CONDITIONS AND BANKING SECTOR PERFORMANCE

3.1 Global Economic Conditions

Deep recession impacted negtively on global economy in 2009.

The global economy has been experiencing a deep recession with the world growth rate moving from 3.8% in 2007, 1.8% in 2008 to negative 2.3% in 2009. The world trade in volumes (goods and services) moved from 7.3% in 2007, 3% in 2008 to negative 11.9% in 2009. The collapse in trade during the crisis was attributed in part to lack of credit to exporters and importers. Increased uncertainty led exporters and importers to switch from less secure forms of trade finance to more formal arrangements. Exporters increasingly asked their banks for export credit insurance (ECI) or asked importers to provide letters of credit (LCs, a bank's certification that the importer can pay). Consumption was particularly weak in advanced economies, especially those that experienced large current account deficits, such as the United States and the United Kingdom, and in a number of other (especially emerging) European economies.

US Economy

US Economy registered negative growth in 2009.

The U.S. economy has experienced the worst financial crisis since the Great Depression. However the economy is showing increasing signs of stabilization. Output declined substantially during the first half of 2009, and the unemployment rate rose to a level not seen since the early 1980s. GDP declined from 2% in 2007, 1.1% in 2008 to negative 2.6% in 2009. Unemployment rate increased from 4.6% in 2007, 5.8% in 2008 to a record high of 9.3% in 2009. The combination of massive macroeconomic stimulus and financial market intervention began to stabilize financial and economic conditions.

However, economic activity remains weak, while financial conditions remain somewhat stressed. Looking ahead, financial strains will weigh on investment and (in tandem with the effects of rising unemployment and falling house prices) consumption. In addition, the outlook for partner country growth remains subdued, which will restrain exports. The medium to longer run will pose a series of major challenges. These include, for the

medium term, formulating exit strategies from interventions to stabilize the financial system, as well as extraordinary monetary policy stimulus. For the longer term, challenges include addressing the weaknesses in financial supervision and regulation brought out by the crisis, stabilizing the public finances (particularly in light of rising pressures from entitlements), and coping with an environment of rising saving and slower growth as household balance sheets adjust.

Japan Economy

Global crisis saw Japan register negative growth in 2009.

The global crisis has highlighted Japan's the world's second largest economy's close integration with the rest of the world. The GDP moved from 2.3% in 2007, negative 0.7% in 2008 to negative 6.0% in 2009. Exports of goods and services declined from 8.4% in 2007, 1.8% in 2008 to negative 29.3% in 2009. Japan's dependence on manufacturing exports has left it highly exposed to the collapse in external demand and financial spillovers from 2008 global crisis. At the same time, domestic demand, which had contributed significantly to the expansion, faltered in the face of slowing exports and tight financial conditions. The result has been the most severe recession in decades.

3.2 Regional Economy

Global economic recession impacted negatively on exports from Sub-Saharan countries.

Given the intensity of the global crisis, financial markets in emerging economies have been remarkably resilient as in most of 2008 the crisis mainly hit countries with stronger financial linkages to international capital markets. The great recession has slashed the exports of many sub-Saharan African countries and disrupted capital flows. Oil exporters and middle income countries have been particularly hard hit. As portfolio outflows spiked and foreign direct investment (FDI) in Africa slowed to a trickle, South Africa, Kenya, Mozambique, and other countries saw their exchange rates sharply weaken and interest rates surge. But as the global economy plunged into recession, falling export demand and declining commodity prices spread the impact of the crisis to far more sub-Saharan African countries, suppressing economic activity and causing fiscal and external balances to deteriorate significantly.

3.3 The Domestic Economy

Domestic economic performance suffered from the effect of post election violence of 2007, adverse weather conditions and global economic slow down.

During the period under review, the Kenyan economy performed below its potential after a remarkable five-year economic growth expansion averaging 5.4% experienced over the period 2003-2007. The economy recorded a growth of 1.7 percent in 2008 compared with the projected growth of 3-4 percent and 7.1 percent growth achieved in 2007. The growth reversals experienced in 2008 largely extended to 2009 and was mainly occasioned by a combination of both domestic and external shocks. In the domestic scene, the post-election disturbances that followed the 2007 general elections, did not only adversely affect key sectors of the economy such as agriculture, Industry and Tourism but also dented investor confidence. The associated food supply downturn created by the aftermath of the elections and adverse weather conditions saw the economy experience un-preceded rise in food prices and famine episodes. These internal socio-economic shocks coupled with external shocks such as the effects of global financial crises and global economic slowdown, have dampened the prospects for fast recovery to the growth trajectory experienced in the 2003-07 period.

Although the economy showed signs of recovery in the first two quarters of 2009 with GDP growth rates of 4.0 percent and 2.1 percent, respectively, in the third quarter, growth stagnated at zero (0.0) percent compared to a growth of 3.2 per cent in the same quarter of 2008. This implied that the average annual economic growth rate up to September, 2009 was approximately 2.1 percent. Rebound in the first two quarters was supported by recovery in the Wholesale and Retail Trade, transport and Communication, Construction and Hotels and Restaurant sectors which expanded by 4.6%, 4.3%, 30.7% and 59%, respectively.

The stagnation in the third quarter was on the account of reduction in value added of key sectors, among them; Agriculture and Forestry, Manufacturing, Transport and Communications, and Construction. These sectors declined by 3.5, 2.4, 1.8 and 1.1 percent, respectively during the period. Other sectors whose value added plummeted include Electricity and Water (7.4%), Fishing (0.3%), and Mining and Quarrying (9.0%).

During the year under review, the Agricultural sector, which accounts for a large proportion of GDP, has been adversely affected by persistent drought and subdued external demand occasioned by the global economic slowdown. This has affected most key sub-sectors in the Agriculture Industry. There was a decline in production of most of the key crops among them cut flowers,

vegetables, fruits, tea and coffee. The declines were reflected in exports of cut flowers, vegetables, and fruits which, respectively, decreased to 18.5, 17.0 and 5.0 thousand metric tonnes in the third quarter of 2009 compared to 19.3, 19.6 and 5.2 thousand metric tonnes during the same quarter of 2008.

Despite the poor performance by many sectors, a number of sectors recorded positive growth, particularly in the third quarter. These sectors include Hotels and Restaurants, Financial Intermediation, Real Estate, Renting and Business services and Wholesale and Retail Trade with growths of 44.4, 8.9, 2.7 and 1.8 percent, respectively. The Hotels and Restaurants sector recorded a growth of 44.4 percent in the third quarter of 2009 compared to decline of 24.3 percent reported over the same period in 2008. The third quarter is historically a high season for the tourism industry. In 2009, the sector recovered following the recession and the domestic challenges experienced in the same period in 2008.

In the fourth quarter, the economy was anticipated to recover due to the short rains and interventions which were being implemented within the 2009/10 budget and the economic stimulus programme being fronted by the Government. An annual growth of 2.0- 2.5 percent for 2009 was expected.

However, going forward economic recovery may still be dampened by happenings in the global economy. The slow and fragile recovery in advanced countries is likely to continue impacting adversely on the demand for Kenya's main exports, reduce earnings from tourism, remittances and private capital flows. On the domestic front, while the short rains registered in the fourth quarter have helped to reduce the magnitude of food, water and energy shortage, the negative effects of climate change is likely to worsen the situation unless deliberate and appropriate policy measures are taken up by the policy makers.

3.4 Inflation

Average annual inflation decreased from 16.2 % in 2008 to 9.3 % in 2009.

The 12-month overall inflation declined from 17.8 percent in December 2008 to 5.3 per cent in December 2009. This is a positive development coming from the heightened inflation experienced in the year 2008, and early part of 2009. During the first half of the period under review, the economy experienced high inflationary pressures occasioned by high prices of food and oil. In the last half of the period under review, both overall and underlying inflation eased to average at 6.6 percent and 5.4 percent respectively. This was partly due to falling

prices in some items in the inflation basket and partly because of the change in the computation method from the arithmetic mean based rate to the geometric mean which excludes the erratic food inflation behaviour and is therefore more stable. Average annual inflation decreased from 16.2 per cent in December 2008 to 9.3 percent in December 2009.

The 12-month underlying inflation declined from 8.4 percent in December 2008 to 5.2 percent in December 2009.

The inflation outlook in the coming year is projected to subside and even fall below 5.0 per cent in the first two quarters, with expected improved agricultural output as a result of the short rains received late in the year and anticipated long rains in April-May 2010. The change in inflation is also likely to strengthen the macroeconomic environment with a possible decline in interest rates. As in the past, fluctuations in the international crude oil prices will continue to affect the stability of domestic prices.

3.5 Exchange Rates

Earnings from Tourism, Tea, Coffee saw the shilling remain fairly stable against major currencies in 2009.

Contrary to turbulent exchange rate movements experienced in year 2008 mainly due to post-election violence, year 2009 saw the Kenya Shilling recollecting itself and maintaining a fairly stable exchange rate against major currencies throughout the year. The shilling strengthened marginally against US Dollar and the Japanese Yen but weakened against Sterling Pounds and Euro as shown in the table 8 and Chart 5 below. In December 2009, the Kenya Shilling appreciated to exchange at an average of Ksh 75.43 per US Dollar compared to Ksh 78.04 per US Dollar in December 2008. The Kenya Shilling also appreciated to exchange at an average of Ksh 84.12 per 100 Japanese Yen in December 2009 compared to Ksh 85.42 in December 2008. The gain is attributed to increase in dollar inflows from tourism which was recovering from the effects of post-election violence, increase in dollar earnings from tea and coffee export as a result of improved prices and a general weakening of dollar exchange rate at international foreign exchange market mainly due to the global financial crisis.

The Shilling, however depreciated against Sterling Pound and Euro to exchange at an average of Ksh 122.54 and Ksh 110.27 to Sterling Pound and Euro respectively as at December 2009 compared to Ksh 116.53 and Ksh 105.56 as at December 2008. Against regional currencies the Kenya Shilling appreciated against both Uganda and Tanzanian Shilling to exchange at an average of Ush 25.2 per Kenya Shilling and Tsh 17.65 per Kenya Shilling in December 2009 compared to Ush 25.07 per Kenya Shilling and Tsh 16.64 per Kenya Shilling in December 2008.

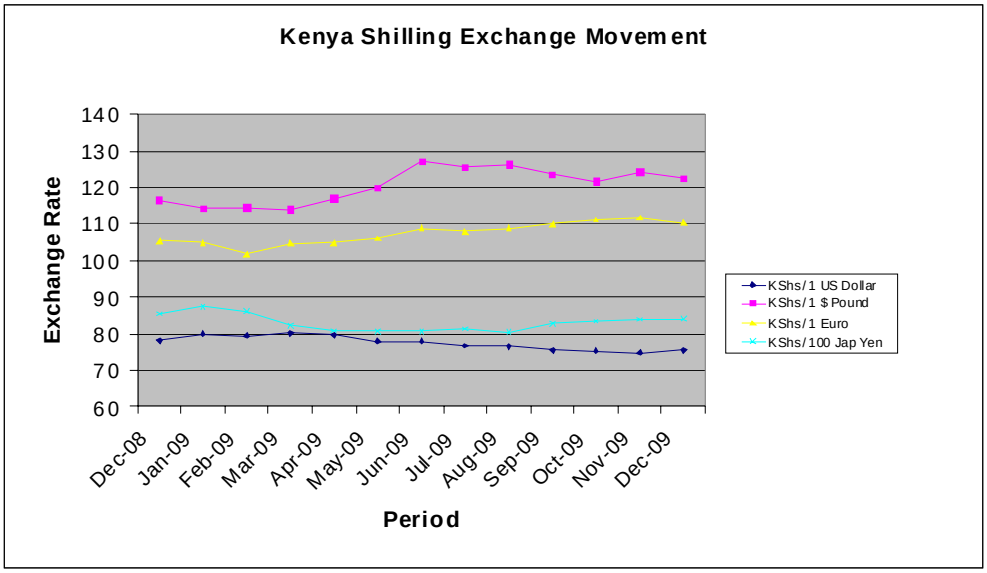
Table 8: Kenya Shilling Exchange Rate against Major Currencies

Currency	Dec-08	Dec-09	% Change
US Dollar	78.04	75.43	-3.34%
Pound	116.53	122.54	5.16%
Euro	105.56	110.27	4.46%
100 Jap Yen	85.42	84.12	-1.52%
UG Shilling*	25.07	25.20	-0.52%
Tz Shilling*	16.64	17.65	-6.07%

* Units of Currency per one Kenya Shilling

Data source: CBK

Chart 5: Kenya Shilling Exchange Rate Movement against Major Currencies



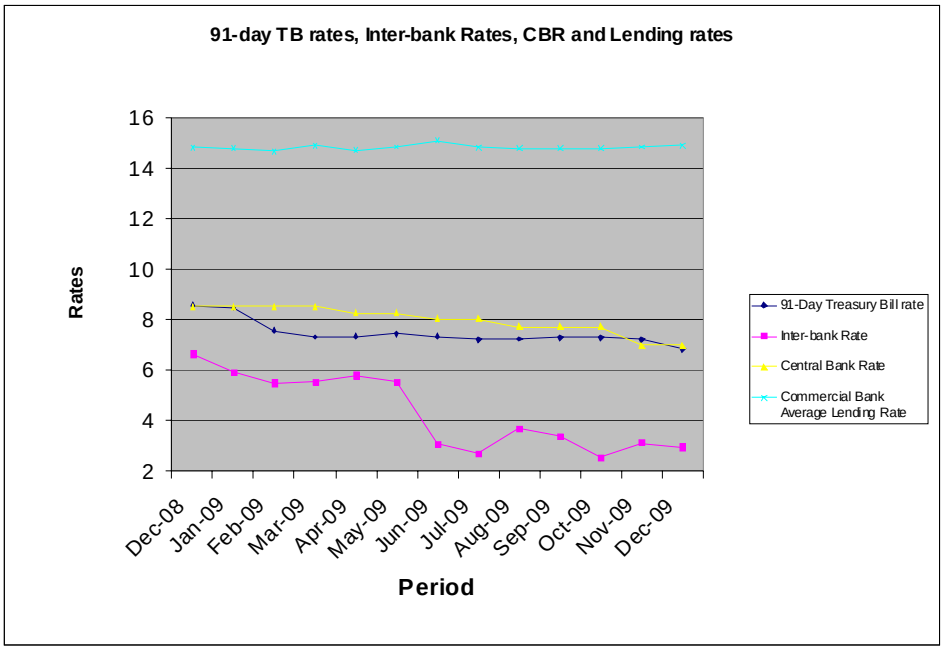
3.6 Interest Rates

Year 2009 witnessed a steady decline in the average 91- day Treasury bills rate from a high of 8.59% in December 2008 to 6.82% in December 2009. The average inter-bank lending rate also decreased from 6.66 % to 2.95 % over the same period. The decrease is attributed to reduction in Cash Reserve Ratio (CRR) for commercial banks from 6.0% down to 5.0% effective December 01, 2008 followed by a further reduction from 5.0% to 4.5%

Reduction in CRR & CBR saw reduction in short-term interest rates but lending rates remained high in 2009.

effective July 23, 2009. The reduction of Treasury bill rate and inter-bank lending rate can also be attributed to systematic reduction of Central Bank Rate (CBR) from a high of 9.0% as at December 1, 2008 to a low of 7% effective November 24, 2009. These CBK induced stimulus have improved liquidity in the market leading to reduction in short term interest rates.

Chart 6: Comparison between 91-day Treasury bill rate, Inter-bank rate and Central Bank Rate (CBR)



Despite reduction in CRR and CBR and impacting positively to short term interest rate as witnessed by a steady decline in the average 91- day Treasury bills rates, the reduction in interest rate was not replicated in commercial banks average lending rate. Throughout the year 2009, the commercial banks monthly average lending rates remained high, moving between 14.67% and 15.09%.

Reduction in CRR and CBR, failed to impact on lending as extra funds available to banks are not immediately utilized to boost the commercial banks loan book portfolio. High interest rates on commercial banks loans and suppressed lending were not as a result of lack of funds as for the last two years the market has always been very liquid as evidenced by high liquidity ratio averaging 37.0% and 39.8% for the years 2008 and 2009 respectively. Kengen, Safaricom and Government Infrastructure Bonds were issued in 2009 and were all highly oversubscribed.

Other determinants of interest rates could be having more impact on lending rates than the CRR and CBR. Some of these factors are:-

- Cost of deposits is a major determinant of the lending rates. During the year 2009, the average cost of deposits was 3.6%, compared to an average of 3.2% for the year ending December 31, 2008.

- Commercial banks lending rates are highly correlated to the cost of doing business. This incorporates staff costs, other operational cost such as software purchase and maintenance, rent, rates, taxes and legal costs. Like any other sector of the economy these factors of production remained expensive for banks.

- Lending rates also incorporates a risk premium of the borrowers. Based on the lending history the bank has on a particular borrower or group or borrowers and general economic environment, the banks then determines the probability of default and calculates the likely loss on default and adds that as part of lending cost. During the year 2009, there were negative signals on general performance of the economy due to drought, effects of post-election violence and global financial crisis. The Kenya economy grew by 4% and 2% during the first and second quarter of 2009 before stagnating in the third quarter. Economic factors could have contributed to banks attaching high risk premium to borrowers.

- After considering all the lending costs the banks then load a certain profit margin to ensure that the business is managed profitably and within an acceptable rate of return to shareholders. Despite slow growth of the economy, commercial banks posted impressive pre-tax profits of Ksh 48.9 billion for the year ending December 31, 2009 compared to Ksh 43.2 billion achieved in the year 2008. This represent a return on assets of 2.6% for the year 2009 which was the same rate of return achieved in year 2008.

Although some factors such as high legal costs are beyond the control of commercial banks, other costs element can be controlled by commercial banks by applying efficient management and operational procedures. Long-term strategy to bring interest rates down lies in encouraging regulated deposit taking micro-finance institutions and strengthening other players such as Kenya Post Office Savings Bank and development banks so as to

offer competition and improve efficiency in the sector.

3.7 Balance of Payment

Global economic slow down reduced exports value thus contributing to a large deficit in merchandise account.

Kenya's overall balance of payments improved from a deficit of USD 89 million in the year to November 2008 to a surplus of USD 552 million in the year to November 2009*. The surplus can be attributed largely to an improvement in the capital and financial accounts.

The current account deteriorated by 16.6 percent from a deficit of USD 1,866 million in the year to November, 2008 to a deficit of USD 2,176 million in the year to November, 2009. This is attributed to a large deficit in merchandise account and the deterioration in the services accounts. The merchandise account improved by 9.6 percent to a deficit of USD 5,639 million in the year to November 2009 from a deficit of USD 6,238 million in the year to November 2008.

The deficit in the merchandise account is largely explained by a decline in value of exports against a relatively higher import bill. The value of exports declined by about 10 percent from a low of USD 4,949 million in the year to November, 2008 to USD 4,443 million in the year to November, 2009. Exports have remained low due to falling demand in Kenya's exports destination markets following the global financial and economic crisis. On the other hand, imports remained high but declined by 9.9 percent from USD 11,187 million in the year to November 2008 to USD 10,082 million in the year to November 2009. The fall exceeded that of exports by more than two fold in absolute terms.

The services account surplus decreased by 20.8 percent, or USD 909 million further worsening the current account deficit. The decrease was largely in net receipts on non-factor services and net public and private current transfers, each contributing USD 211 million and USD 658 million, respectively, to the reduction in the services' account surplus.

**Footnote: As at the time of publishing this report the balance of payments data available was upto November 2009.*

The Capital and Financial Account surplus improved by 53.6 percent from USD 1,777 million to USD 2,729 million in the twelve months to November 2009. The improvement partly reflect drawdown of commercial banks foreign exchange reserves which mitigated a sharp drop in equity capital FDI and the decline in the project grants under the capital account.

3.8 Fiscal Developments

Government's budget deficit was within the approved programme target.

The Central Government Budgetary operations for the five months period July-November 2009* of the fiscal year 2009/2010 resulted into a budget deficit of Ksh 38.2 billion or 1.6% of the GDP on commitment basis compared to a deficit of Ksh 26.4 billion or 1.2% of the GDP over a similar period in the fiscal year 2008/2009. Poor budget performance was highly attributed to ambitious financial budget estimates which the Government had committed to increase spending to stimulate economic growth. The budget deficit during the period was well within the programmed target of 2.3% of GDP on a commitment basis.

**Footnote: As at the time of publishing this report the fiscal development data available was upto November 2009.*

3.9 Performance of the Banking Sector

During the period ended 31st December 2009, the Kenyan Banking sector registered significant growth in asset base largely supported by growth in deposits, injection of capital and retention of profits. The sector registered high capital adequacy and liquidity ratios and a decline in the level of non-performing loans compared to 2008. Total net assets grew by 14.3 percent, customer deposits increased by 16.4 percent and profit before tax rose by 12.9 percent compared to performance in 2008. Institutions maintained capital adequacy ratios above the minimum requirement of 12.0 percent. However, return on equity dropped to 24.9 percent from 26.1 percent registered in December 2008 occasioned by an increase in equity at a higher rate than increase in income. The overall performance of the banking sector was rated strong in December 2009, a similar rating attained in December 2008.

3.10 Balance Sheet Analysis

Banking Sector balance sheet expanded by 14 %.

The banking sector continued to register growth in 2009. Net assets of the banking sector grew by 14.3 percent from Ksh. 1,183.7 billion in December 2008 to Ksh. 1,353.5 billion as at December 2009. Gross advances increased from Ksh. 670.3 billion in 2008 to a level of Ksh. 757.8 billion in December 2009. Similarly, net credit and advances from the banking sector increased by 14.3 percent from Ksh. 631.2 billion in December 2008 to Ksh. 721.6 billion in December 2009. The sector's investment in government securities registered significant growth of 45.4 percent from Ksh. 179.0 billion in December 2008 to Ksh. 260.2 billion in December 2009. Total deposits which form a major component of the banking sector funding, grew by 16.4 percent from Ksh. 864.0 billion as at end of December 2008 to Ksh. 1,006.0 billion as at end of December 2009 as shown in Table 9 below. The growth in deposits was mainly supported by aggressive marketing campaigns adopted by financial institutions, branch expansion and inflows from exports and remittances.

Table 9: Globa Balance Sheet (Ksh M)			
	Period		%
Assets	**2008**	**2009**	**change**
Cash	28,988	28,937	-0.17%
Balances a Central Bank	57,890	61,129	5.60%
Placements	112,090	63,416	-43.42%
Governmen Securities	178,965	260,216	45.40%
Investments /	3,988	7,047	76.70%
Loan and Advances (Net)	631,159	721,615	14.33%
Other Assets	170,575	211,139	23.78%
Tota Assets (Net)	**1,183,655**	**1,353,499**	**14.35%**
Liabilities and Shareholders' Funds			
Customer Deposits	864,010	1,006,021	16.44%
Other Liabilities	154,053	151,228	-1.83%
Capital and Reserves	165,592	196,250	18.51%
Tota Liabilities and Shareholders Funds	**1,183,655**	**1,353,499**	**14.35%**
Source: CBK			

3.11 Asset Quality

Sector registered a reduction in NPLs due to enhanced credit appraisal standards.

Non-performing loans, net of interest in suspense, rose by 5.6 percent to Ksh. 50.9 billion in December 2009 from Ksh. 48.2 billion in December 2008. However, the asset quality, which is measured by the ratio of net non-performing loans to gross loans improved marginally from 3.4 percent in December 2008 to 3.2 percent in December 2009. Gross Non-Performing Loans (NPLs) declined by Ksh. 1.1 billion or 1.8 percent from Ksh. 61.87 billion in December 2008 to Ksh. 60.74 billion in December 2009. As a result, the ratio of gross non-performing loans to gross loans stood at 8.0 percent as at December 2009, compared with 9.2 percent registered in December 2008. The decline in gross NPLs was largely attributed to enhanced credit appraisal standards adopted by the financial institutions in 2009 as indicated in Table 10 below.

Table 10: Asset Quality (Ksh. M)			
	Period		%
	2008	**2009**	**change**
Net Assets	1,183,655	1,353,499	14.35%
Gross Loans	670,372	757,760	13.04%
Total Loans	656,678	747,921	13.89%
Gross Non-Performing Loans	61,869	60,741	-1.82%
Interest in Suspense	13,694	9,839	-28.15%
Total Non-Performing Loans	48,175	50,902	5.66%
Specific provisions	25,519	26,306	3.08%
Net non-performing loans	22,655	24,596	8.57%
Gross Loans/Net Assets (%)	56.60%	56.00%	-0.60%
Gross NPLs/Gross Loans (%)	9.20%	8.00%	-1.20%
Total NPLs/Total Loans (%)	7.30%	6.80%	-0.50%
Net NPLs/Gross Loans (%)	3.40%	3.20%	-0.20%
Source: CBK			

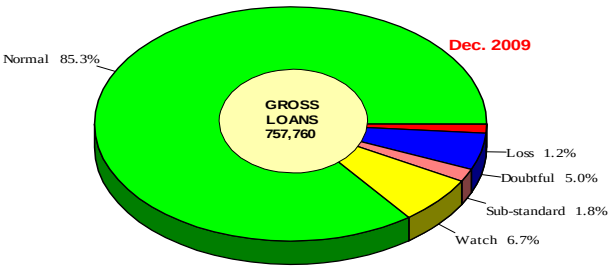
The loans and advances classified in the normal risk category increased by 18 percent from Ksh. 549.5 billion in December 2008 to Ksh. 646.1 billion in December 2009 as shown in Table 11 below, occasioned by increased demand and the general improved credit appraisal standards employed by the banks. Similarly, loans and advances classified in the Watch, Substandard and Doubtful categories registered a decrease during the period under review. However, loans and advances classified in the loss category increased by 42.6 percent from Ksh. 6.1 billion in 2008 to Ksh. 8.7 billion in 2009 as a result of losses from the normal course of business. Chart 7 below shows Risk Classification of Loans.

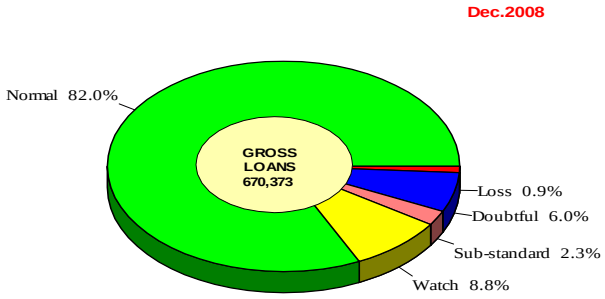
Table 11: Risk Classification of Loans and Advances (Ksh. M)

		2008		2009		Change
	Category	Amount	%	Amount	%	%
1	Normal	549,456	82%	646,060	85%	18%
2	Watch	59,048	9%	51,037	7%	-14%
3	Substandard	15,460	2%	13,756	2%	-11%
4	Doubtful	40,316	6%	38,161	5%	-5%
5	Loss	6,093	1%	8,746	1%	44%
	Gross Loans	670,373	100%	757,760	100%	13%

Source: CBK

CHART 7: Risk Classification of Loans-Dec-2009 (Ksh. M)





Sectoral Distribution of Gross Loans and Non-Performing Loans

To enhance monitoring of sector specific risks, sectors were increased from 7 to 11.

With effect from September 2009, the Bank reviewed the asset risk classification and provisioning return to eliminate the sectors that were originally grouped under "others". This culminated to an increase in the number of sectors from seven (7) to eleven (11) to enhance monitoring of sector-specific risks. As at the end of December 2009, Personal, Trade and Manufacturing sectors accounted for 61.2 percent of the banking sector credit. Similarly, the three sectors accounted for the large proportion of NPLs equivalent to 63.9 percent as shown in Table 12 below.

Table 12: Sectoral Distribution of Gross Loans and NPLs – December 2009 (Ksh. M)

Sectors	Gross Loans	% of Total	Gross NPLs	% of Total
Agriculture	43,598	5.80%	5,450	9.00%
Manufacturing	105,951	14.00%	8,422	13.90%
Building and Construction	15,711	2.10%	1,189	2.00%
Mining and Quarrying	8,837	1.20%	99	0.20%
Energy and Water	26,807	3.50%	297	0.50%
Trade	135,802	17.90%	13,377	22.00%
Tourism, Restaurant and Hotels	15,318	2.00%	1,784	2.90%
Transport and Communication	63,138	8.30%	2,973	4.90%
Real Estate	76,787	10.10%	7,233	11.90%
Financial Services	44,090	5.80%	2,874	4.70%
Personal/Household	221,721	29.30%	17,043	28.00%
Total	**757,760**	**100.00%**	**60,741**	**100.00%**

Source: CBK

3.12 Capital Adequacy

Capital adequacy ratio rose from 20% in 2008 to 21% in 2009.

The banking sector capital adequacy which is measured by the ratio of Total Capital to Total Risk Weighted Assets improved in 2009. The ratio rose from 20.0 percent in December 2008 to 21.0 percent in December 2009 well above the 12 percent minimum statutory limit as shown in Table 13 below. The capital and reserves of the banking sector increased by 18.5 percent from Ksh. 165.6 billion in December 2008 to Ksh. 196.3 billion in December 2009. The increase in capital and reserves was occasioned by fresh capital injection and retention of profits. In line with the Finance Act 2008, the minimum statutory core capital for banking institutions as at 31st December 2009 was Ksh. 350 million. This is set to increase to Ksh. 500 million by December 2010, Ksh. 700 million by December 2011 and Ksh. 1 billion by December 2012.

Table 13: Capital Adequacy Ratios			
		2008	2009
	Minimum Requirement	Actual	Actual
Core Capital/TRWA*	8%	18%	**19%**
Total Capital/TRWA*	12%	20%	**21%**
Core Capital/Total Deposits	8%	15%	**16%**
***TRWA=Total Risk Weighted Assets**			
Source: CBK			

3.13 Liquidity

Liquidity ratio was 39.8% in 2009 compared to minimum statutory limit of 20%.

Liquidity which represents the ability to fund increases in assets and meet obligations as they fall due is crucial to the continued viability of any banking institution. The importance of liquidity goes beyond the individual bank as a liquidity shortfall at an individual bank can have systemic repercussions.

For the period ended December 2009, the banking sector average liquidity ratio exceeded the minimum regulatory requirement. The liquidity ratio closed at 39.8 percent at the end of December 2009 in comparison with 37.0 percent reported in December 2008 and all institutions met the minimum liquidity ratio requirement of 20%. The high liquidity ratio is as a result of the banking industry's preference to invest in the less riskier government securities.

3.14 Profit and Loss

Sector registered improved profits largely supported by credit expansion.

Notwithstanding the tight economic conditions, the banking sector pre-tax profits increased by 12.9 percent from Ksh. 43.3 billion in December 2008 to Ksh. 48.9 billion in December 2009 as shown in Table 14 below. The growth was largely supported by expansion in credit, cost control and reduced bad debts charge.

Table 14: Income and Expenditure items as a Percentage of the Total Income				
	2008		2009	
Income	**Ksh. M**	**% of Total**	**Ksh. M**	**% of Total**
Interest on Advances	75,151	49.50%	91,188	52.90%
Fees and Commission for Loans and Advances	9,800	6.50%	9,912	5.70%
Other Fees and Commission Income	20,869	13.70%	23,235	13.50%
Interest on Government Securities	19,780	13.00%	25,331	14.70%
Interest on Placement	5,782	3.80%	2,993	1.70%
Other Income	20,402	13.50%	19,792	11.50%
Total Income	**151,784**	**100.00%**	**172,451**	**100.00%**
Expenses				
Interest Expenses	30,218	19.90%	35,083	20.30%
Bad Debts Charge	10,280	6.80%	8,602	5.00%
Salaries and Wages	33,487	22.10%	38,837	22.50%
Other Expenses	34,506	22.70%	41,003	23.80%
Total Expenses	**108,491**		**123,525**	
Profit Before Tax	**43,293**		**48,926**	
Source: CBK				

Income

Sector's total income grew by 13.6%.

Total income rose by 13.6 percent from Ksh. 151.8 billion in December 2008 to Ksh. 172.5 billion in December 2009. This was occasioned by an increase in interest on advances by 21.3 percent from Ksh. 75.2 billion in December 2008 to Ksh. 91.2 billion in December 2009. Interest income accounted for 52.9 percent of total income in 2009 up from 49.5 percent in 2008. The increase in interest income was attributed to expansion of credit and an improvement in the qualityof the loan potifolio.

Expenses

Sector's expenses rose by 13.8%.

Total expenses increased by 13.8 percent from Ksh. 108.5 billion in December 2008 to Ksh. 123.5 billion in December 2009. The increase in expenses was attributed to increase in interest expenses and salaries and wages. Interest expenses increased from Ksh. 30.2 billion in 2008 to Ksh. 35.1 billion in 2009. Salaries and wages increased from Ksh. 33.5 billion in 2008 to Ksh. 38.8 billion in 2009 as institutions focused on retaining high calibre staff to support expansion initiatives.

3.15 Performance Rating

Sector retained strong rating attained in 2008.

The Central Bank applies the CAMEL rating system to assess the soundness of financial institutions which is an acronym for Capital Adequacy, Asset Quality, Management Quality, Earnings and Liquidity.

The number of institutions rated strong decreased to 12 in 2009 from 15 in 2008. However, their market share remained at 39.7 percent mainly driven by expansion registered by the big banks. The number of institutions rated satisfactory increased from 22 in December 2008 to 24 in December 2009, with their market share increasing to 56.3 percent from 53.3 percent. Similarly, the number of institution rated fair increased by 1 to 8 institutions in December 2009 with market share declining by 3.3 percent. One institution was rated marginal in 2009; there was none in this category in 2008 as indicated in Table 15 below.

Table 15: Banking Sector Performance Rating – Ksh. M

Performance	2008*			2009*		
	No. of Institutions	Gross Assets	Market Share (%)	No. of Institutions	Gross Assets	Market Share
Strong	15	485.5	39.70%	12	551.6	39.70%
Satisfactory	22	651.8	53.30%	24	782.0	56.30%
Fair	7	85.5	7.00%	8	51.5	3.70%
Marginal	0	0	0	1	4.5	0.30%
Unsatisfactory	0	0	0	0	0	0
Total	44	1,222.80	100.00%	45	1,389.60	100.00%
Overall rating	Strong			Strong		

** Charterhouse excluded*

Note: Amount excludes contingent liabilities

Source: CBK

3.16 Compliance with Supervisory & Regulatory Requirements

Institutions in violation of various provisions were given compliance deadlines.

As at 31st December 2009, seven (7) financial institutions were in violation of Banking Act and CBK prudential guidelines translating into 12 incidences of violations. The main violations were with respect to section 10(1) of the Banking Act, which prohibits institutions from lending to a single borrower in excess of 25% of core capital. Four (4) institutions were in violation of this provision. Two (2) institutions were in violation of section 12(c) of the Banking Act, which prohibits institutions from investing in land and buildings in excess of 20% of core capital. However, the Banking Act allows institutions upto December, 2010 to comply with this provision. Two (2) institutions had challenges meeting the minimum statutory capital requirement of Ksh. 350 million as at 31st December 2009. Both institutions are pursuing merger options to be finalized in 2010 that will address the capital shortfalls. Two (2) institutions did not have registered members of ICPAK to head internal audit functions, thus in violation of CBK prudential guidelines. The Central Bank required the financial institutions in violations of various provisions to comply within a specified timeframe.

CHAPTER FOUR

DEVELOPMENTS IN SUPERVISORY FRAMEWORK

4.1 Introduction

During the period ended 31st December 2009, CBK in conjunction with the Ministry of Finance undertook a number of reforms geared towards the stability, safety, efficiency, accessibility and integrity of the banking sector. Consequently, the Proceeds of Crime and Anti-Money Laundering Act (AML Act), was enacted into law in December 2009 and the President also assented to the Finance Act in December 2009.

4.2 Finance Act, 2009

Agent Banking was introduced through Finance Act 2009.

His Excellency the President assented to the Finance Act, 2009 on 22nd December 2009. The Act amends several statutes including the Banking Act, the Central Bank of Kenya Act and the Microfinance Act. The commencement date of the amendments to the Banking Act, the Central Bank of Kenya Act and the Microfinance Act was 1st January 2010.

The key amendments to the three statutes are:

i) Introduction of agent banking. Under this model, commercial banks, financial institutions and mortgage finance companies are allowed to contract third parties (agents) to conduct banking business on their behalf.

ii) Introduction of the definition of the term "place of business". The Central Bank has been given the mandate to prescribe to commercial banks what premises constitute places of business.

iii) Institutions have been permitted to invest more than 25% of their core capital in foreign institutions, subject however to the prior approval of the Central Bank.

iv) Institutions are now required to make provisions for other assets before declaring dividends.

v) The Central Bank is permitted to share bank information with fiscal or tax agencies and fraud investigation agencies.

vi) Introduction of a general penalty clause for offences arising from foreign exchange dealings in cases where no specific penalty is provided for.

vii) Introduction of a general penalty clause for offences whose penalties are not specifically provided for under the Central Bank of Kenya Act.

viii) Deposit-taking microfinance institutions are permitted to share information on non-performing loans with the Deposit Protection Fund Board.

ix) The Central Bank and deposit-taking microfinance institutions are permitted to share any other information apart from information on non-performing loans.

x) The Central Bank has been given the power to issue guidelines and directions to deposit-taking microfinance institutions for the better carrying out of their functions.

4.3 The Proceeds of Crime and Anti-Money Laundering Act, 2009

AML Act assented to in December 2009.

The Proceeds of Crime and Anti-Money Act, 2009 (hereinafter "AML Act") was passed by Parliament on December 10th 2009 and assented to by His Excellency the President on December 31st 2009. The Minister for Finance is now expected to gazette an operational date for the Act which should be within six months from the date of assent i.e. by July 2010.

The Act is quite comprehensive in that it criminalizes the offence of money laundering, establishes the Financial Reporting Centre, the Assets Recovery Agency and the Anti-Money Laundering Advisory Board. The AML Act also stipulates anti-money laundering obligations for Reporting Institutions and spells out elaborate procedures for both civil and criminal forfeiture. These procedures are essential in establishing a robust framework that would deny money launderers the opportunity to enjoy their ill-gotten wealth. The AML Act also establishes procedures for international assistance in investigations and proceedings. These procedures are important as they give our national authorities engaged in the fight against money laundering the much needed tools to enable them cooperate with their counterparts across the globe in combating the money laundering menace given that is a transnational crime.

A summary of the AML Act highlighting the key areas in each part is indicated hereunder:

i. **Part I – Preliminary**: This part contains preliminary provisions such as the title of the Act, its commencement and the definitions of key terminology used therein.

ii. **Part II – Money Laundering and Related Offences**: This part provides for the offence of money laundering and other related offences. It also contains provisions on

misrepresentation, malicious reporting, tipping of and protection of informers. It also contains provisions relating to the conveyance of monetary instruments to or from Kenya.

iii. **Part III – Financial Reporting Centre**: The establishment, powers and functions of the Financial Reporting Centre are set out in this Part. The Centre's principal function shall be to assist in the identification of proceeds of crime and the combating of money laundering.

iv. **Part IV – Anti-Money Laundering Obligations of Reporting Institutions**: This part provides for the obligations of Reporting Institutions (Financial and Designated Non-Financial Businesses and Professions). These obligations include monitoring and reporting suspected money laundering activity; verification of customer identity; establishment and maintenance of customer records and establishment and maintenance of internal reporting procedures.

v. **Part V – Anti-Money Laundering Advisory Board:** This part provides for the establishment, composition and functions of the Anti-Money Laundering Advisory Board whose principal function is to advise the Director of the Financial Reporting Centre on the performance of his functions under the Act.

vi. **Part VI – The Asset Recovery Agency:** - The Assets Recovery Agency which is a semi-autonomous body under the Attorney-General's Office is established under this Part. The mandate of the Agency shall be to undertake the recovery of assets/ benefits derived from the commission of an offence under the Act.

vii. **Part VII – Criminal Forfeiture:** - This Part provides for realization of the proceeds of crime. It also sets out the procedures for obtaining Confiscation orders, Restraint orders and orders for the realization of property.

viii. **Part VIII – Civil Forfeiture** – This Part provides for the civil recovery and preservation of property and the procedure, duration and variation of Preservation orders and the procedure for obtaining Forfeiture orders.

ix. **Parts IX & X – General Provisions Relating to Preservation and Forfeiture of Property; Production Orders and Information Gathering Powers**: Part IX contains general provisions relating to preservation and forfeiture of property while Part X contains provisions on the powers of the police to require the production of information and documents by persons suspected of offences under the Act.

x. **Part XI – Criminal Assets Recovery Fund** – The establishment of the Criminal Assets Recovery Fund, its sources and administration are covered in Part XI of the Act.

xi. **Part XII - International Assistance in Investigations & Proceedings**: This part contains provisions on mutual legal assistance between Kenya and other countries in the investigation of offences or enforcement of orders made in proceedings under the Act.

xii. **Part XIII – Miscellaneous Proceedings:** This part contains miscellaneous provisions relating to the conduct of investigations, proceedings, access to information admissibility of electronic evidence, conduct of persons outside the country amongst others.

4.4 Agent Banking

CBK to prescribe Agent Banking guidelines.

The Finance Bill, 2009 sought to introduce agent banking. Institutions would be allowed to conduct banking business through third party agents duly approved by the Central Bank. The Central Bank would be required to prescribe the manner of carrying out agent banking business. In preparation for the new model of conducting banking business, Bank Supervision Department carried out preparatory work with regard to the formulation of guidelines to guide agent banking. This entailed review of the knowledge base on agent banking, commissioning of a preliminary study in conjunction with the Financial Sector Deepening Trust (FSD) to provide broad policy guidance on implementation of agent banking in Kenya and undertaking a knowledge exchange tour of Brazil and Columbia in October 2009 facilitated by the Alliance for Financial Inclusion to get practical insights on agent banking.

CHAPTER FIVE

CURRENT SUPERVISORY ISSUES

5.1 Introduction

CBK continued to be engaged in local, regional and international initiatives to enhance the banking sector supervisory framework. Towards this end, the Central Bank signed in August 2009 a Memorandum of Understanding (MOU) with the Insurance Regulatory Authority, Capital Markets Authority and Retirement Benefits Authority on information sharing and consolidated supervision. This MOU was necessitated by the increasing convergence in the activities of the market players in the four subsectors of the financial sector.

On the regional front, the Central Bank actively participated in the negotiations of the annexes to the East African Community Common Market Protocol. The East African Community Common Market Protocol was signed on 20th November 2009 by all the five Presidents of the five East African countries. The Central Bank also continued to participate in the ongoing initiatives to create monetary unions by the East African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA) and the African Union (AU). BSD also continued to participate in initiatives by the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG).

5.2 Financial Sector Assessment Program (FSAP), 2009

CBK registered improvement in FSAP 2009 assessment compared to 2003 assessment.

The Central Bank of Kenya (CBK) hosted a joint IMF/World Bank mission in September 2009. The mission undertook an updated Financial Sector Assessment Programme (FSAP); the last FSAP having been carried out in 2003. As part of the updated FSAP, the mission carried out an assessment of the state of implementation of the 25 Basel Core Principles of Effective Banking Supervision.

The *Basel Core Principles for Effective Banking Supervision* were developed by the Basel Committee on Banking Supervision. These principles have become the *de facto* standard for sound prudential regulation and supervision of banks; and are mainly intended to help countries assess the quality of their banking systems and to provide input into their supervisory reform agenda. As a result, an assessment of a country's compliance with the *Basel Core Principles* is considered a useful tool in a country's implementation of an effective system of banking supervision.

In preparation for the assessment, BSD carried out a self assessment as to Kenya's compliance with the 25 Basel Core Principles. The assessment was guided by the core principles methodology developed by the Basel Committee.

The IMF/World Bank assessment was mainly based on the self assessment; discussions with CBK staff members involved in the various aspects of bank supervision and other relevant stakeholders; and review of the legal and regulatory framework in place.

The mission concluded that Kenya is compliant or largely compliant with 18 principles, materially non-compliant with 6 principles and is non-compliant with only one principle. This is an improvement from the 2003 FSAP when Kenya was rated as compliant or largely compliant with 16 principles. The assessors noted the improvements made by CBK in banking supervision particularly with regard to operational independence since 2003. The key areas which the assessors noted that require to be strengthened are the legal and regulatory framework for Consolidated Supervision and Country Risk. However, it is noteworthy that CBK has made progress in these aspects. Memorandum of Understanding entered into by CBK and the East African Community Central Banks as well as the domestic financial sector regulators is a key step towards consolidated supervision.

5.3 Credit Reference Bureaus

CRB regulations were operationalized from February 2009.

The Banking (Credit Reference Bureau) Regulations, 2008, which empower the Central Bank of Kenya to licence and supervise credit reference bureaus (CRBs) in Kenya, were operationalised effective 2nd February 2009. Following the operationalisation, the Central Bank of Kenya received three applications for CRB licenses before end of 2009. These are from Credit Reference Bureau Africa Limited (CRBAfrica), Metropol Credit Reference Bureau Limited (Metropol) and Compuscan (K) Limited (Compuscan).

All the applications were put through the process of licence reviews. Consequently, CRBAfrica was issued with an approval in principle in August 2009. The approval conveys CBK's intention to license the company to conduct credit reference bureau business in Kenya subject to fulfilling any pending pre-licensing requirements.

As at the end of December 2009, CRBAfrica had fulfilled most of the pending pre-licensing requirements and the indications were that they were likely to be granted a licence within

the first quarter of year 2010. As regards the other two applications, CBK remained actively engaged with the applicants with an aim of progressing their applications.

In the meantime, the joint task force on credit information sharing constituted by the CBK and Kenya Bankers Association (KBA) in 2007 continued with its efforts towards the implementation of the CRB Regulations. The key achievements of the joint task force during the year include:-

- Appointment of a Project Manager – With the technical and financial assistance from the Financial Sector Deepening Trust, Kenya, a Project Manager was hired to assist institutions in preparing for the roll out of the credit information sharing mechanism in Kenya.
- Formation of Project Champions and Teams - All institutions appointed credit information sharing champions and project teams to spearhead their institutions preparedness for the roll out. The champion and project teams act as the point of contact and liaison between their institutions and the joint task force (Project Manager).
- Finalisation of the data reporting template– Under the auspices of the project teams, a subcommittee was formed to finalise the data reporting template. The subcommittee also developed data specifications and standards manuals aimed at ensuring comparability of data submitted to the CRBs.
- Preparations for a pilot run – As at the end of 2009, plans were at an advanced stage to conduct a pilot run within the first quarter of 2010. This is aimed at confirming the level of preparedness of the institutions. The results of the pilot run will be used by the participating institutions to finalise their preparation for the official launch of the credit information reporting mechanism.

While processing the CRB licence applications, CBK benefited from international experiences of Sterling International who were contracted by the Ministry of Finance through the World Bank's Financial and Legal Sector Technical Assistance Project (FLSTAP). The mandate of Sterling International was:-

- To review the CRB legal and regulatory framework in Kenya with an aim of recommending improvements.
- To assist CBK in reviewing the applications received with an aim of determining whether they meet the minimum criteria for granting licences.

- Capacity building – training CBK staff in processing CRB licence applications.

5.4 Regional and International Initiatives

CBK actively engaged IMF, FSI & East AFRITAC.

BSD continued to participate in regional and international initiatives geared towards harmonization of supervisory best practices. In this regard, BSD participated in various initiatives spearheaded by the World Bank, International Monetary Fund (IMF) and the Financial Stability Institute (FSI). Through the IMF's East Africa Technical Assistance Centre (East AFRITAC), CBK made progress towards full implementation of Consolidated Supervision, Risk Based Supervision, Stress Testing and laying the ground for a decision on the next steps as regards Basel II implementation.

CBK participated in regional initiatives through EAC, COMESA & AU.

On the regional front, CBK continued to participate in ongoing initiatives to create monetary unions by the East African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA) and the African Union (AU). The EAC and COMESA are building blocks for the African Monetary Union.

CBK and the other central banks of COMESA member states have committed themselves to initiatives critical to promoting financial stability in their respective countries. Among the issues that central banks are undertaking to foster financial stability within COMESA include:

- Establishment of independent financial stability units.
- Establishment of financial stability committees, which bring together, central banks, regulators of securities markets, pension funds and insurance companies.
- Conducting periodic self monitoring compliance with the 25 Basel Core Principles for Effective Banking Supervision.
- Periodic preparation of the financial soundness indicators (FSIs) and sharing among COMESA members.
- Periodic publication of COMESA members consolidated financial stability reports.

CBK (BSD), being the host of the secretariat for the National Taskforce on Anti-Money Laundering and Combating Financing of Terrorism jointly with other Taskforce members continued to spearhead and lend support to efforts towards the enactment of the Proceeds of Crime and Anti-Money Laundering law in the country. The Department actively participated in a number of activities of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) including participating at the Group's meetings in Arusha,

Tanzania and Maseru, Lesotho in April and August 2009 respectively. The Department also provided an officer to participate in and be part of the ESAAMLG Mutual Evaluation Team that undertook an assessment of Mozambique's legal & regulatory AML/CFT framework in September 2009.

In March 2009, CBK joined other Central Banks and financial sector regulators from the Central, Eastern and Southern Africa region at Ezulwini, Swaziland to review regulatory issues on Ponzis, Pyramid Schemes and other financial frauds. Kenya shared its experience in dealing with pyramid schemes which the workshop found to be invaluable. CBK's proposals for dealing with the problem were forwarded to the concerned authorities for their consideration.

Internationally, CBK joined other founding members of the Alliance for Financial Inclusion (AFI) to spearhead formal financial access by the poor in the emerging countries. AFI is a global network of central banks and other financial inclusion policy making bodies in developing countries. It provides its members with the tools and resources to share, develop and implement their knowledge of cutting edge financial inclusion policies. CBK co-hosted the inaugural Global AFI Policy Forum in Kenya in September 2009. Lessons learnt from the Forum have been incorporated in the Bank's strategy of promoting increased financial inclusion for the Kenyan populace.

5.5 The National Taskforce on Anti-Money Laundering and Combating the Financing of Terrorism

AML Taskforce undertook various activities during the year.

Anti-Money laundering initiatives in the country are spearheaded by the National Taskforce on Anti-Money Laundering and Combating the Financing of Terrorism (Taskforce), a multi disciplinary group made up of 14 Government Ministries/Agencies and the Kenya Bankers Association. The Taskforce was established and gazetted in April 2003 with the principal mandate of establishing a comprehensive AML/CFT regime in Kenya focusing on the Anti-Money Laundering (AML)/Combating the Financing of Terrorism (CFT) programme in the country. Its terms of reference include the following:

- To sensitize the public on the dangers of money laundering (ML) and financing of terrorism (FT) and measures to combat the menace;
- To develop a national policy framework on Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT);

- To make appropriate recommendations through the policy framework to relevant government agencies on the national strategy to combat money laundering and terrorism;
- To liaise with regional and international organisations in fighting money laundering and the financing of terrorism;

Pursuant to its mandate as set out in the terms of reference, the Taskforce undertook various capacity building activities/events in the year 2009. The Taskforce partnered with the United Nations Office on Drugs and Crime (UNODC), Nairobi Office on the following activities:

- Two study tours to the United Kingdom and Namibia were conducted. Both jurisdictions have successfully implemented AML/CFT legislations. Participants gained an appreciation of the AML/CFT regulation for financial and non-financial reporting institutions, examination procedures, and suspicious transaction reporting.

- In collaboration with the Office of the Deputy Prime Minister and Ministry of Finance organized a workshop for Chief Executives of NTF member organizations in September 2009 to review the draft National AML/CFT strategy. Kenya is a member of the Eastern and Southern Africa Anti Money Laundering Group (ESAAMLG). As part of its work programme, ESAAMLG requires its members to have in place AML/CFT national strategies. The respective country national strategies should be aligned to ESAAMLG's strategy to enable member countries in the region to move in tandem in the fight against money laundering and combating the financing of terrorism. The workshop was attended by board members and senior officials from various Taskforce member organizations including the Attorney General's Office, Kenya Revenue Authority, Central Bank of Kenya, Capital Markets Authority, and the Kenya Bankers Association. The Taskforce will consider and incorporate the various comments received at the seminar and the revised strategy will thereafter be forwarded to the Cabinet for ratification and approval prior to being forwarded to the ESAAMLG Secretariat.

- As a follow-up to the CEO's workshop, the Office of the Deputy Prime Minister and Ministry of Finance in collaboration with UNODC organized a three-day workshop

for members of the National Task Force on Anti-Money Laundering and Combating the Financing of Terrorism. The main purpose of the workshop was to:

- review and finalize the draft National AML/CFT strategy;
- map out an implementation plan for the draft national AML strategy and
- draw up a detailed budget that prioritizes and identifies the necessary resource requirements that would be required to implement the strategy including providing for the establishment of the Financial Reporting Centre and the Asset Recovery Agency.

Under the ESAAMLG calendar for mutual evaluations, Kenya is scheduled for mutual evaluation in 2010. A mutual evaluation entails a peer eview of a country's compliance with AML/CFT best practices/principles as stipulated by the Financial Action Task Force (FATF). In preparation for this exercise, the Office of the Deputy Prime Minister and Ministry of Finance in conjunction with the ESAAMLG Secretariat organized a Pre-Mutual Evaluation Seminar from 7th to 9th December 2009 for the policy makers and practitioners drawn from relevant organizations/agencies involved in the fight against money laundering and combating the financing of terrorism. Participants were appraised on the key players, their specific roles and responsibilities in preparation for the mutual evaluation process.

5.6 Capacity Building and Technical Assistance

BSD is committed to capacity building Initiatives.

Bank Supervision Department continues to develop its staff and supervisory practices so as to match developments in the global and local banking sectors. A number of capacity building initiatives were undertaken with the technical assistance from various development partners.

During the year the following initiatives were undertaken:-

- The Alliance for Financial Inclusion (AFI) faciliated a study tour for staff from Bank Supervision Department to study agent banking models in Brazil and Colombia.
- East AFRITAC organized training on evaluation of market risk and also carried out an impact assessement on adoption of Basel II.
- BSD staff attended a workshop sponsored by the Macroeconomic and Financial Management Institute (MEFMI) on Risk Based Supervision and Basel II implementation strategies.
- BSD staff attended a workshop sponsored by the International Monetary Fund (IMF) for financial sector supervisors on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT).

Further, a number of staff participated in various local and foreign courses and attachments. BSD is committed to working with various development partners on a number of capacity building initiatives to ensure the department achieves its strategic objectives.

5.7 Access to Financial Services

Kenyans accessing financial services registered a slight growth in 2009.

The findings of the second national survey on access to financial services in Kenya (FINACCESS 2009), released in June 2009 indicate that Kenya had made considerable progress in improving access over the two and a half years since the last study undertaken in 2006. The survey results showed that the proportion of those formally banked rose from 18.9% in 2006 to 22.6% in 2009 and the proportion of the financially excluded fell from 38.4% in 2006 to 32.7% in 2009 of adult population of 18.7 million. This growth in population accessing financial services was attributed to increased usage of non-bank financial institutions (including the new M-PESA service provided by Safaricom) that more than doubled from 7.5% in 2006 to 17.9% in 2009.

Further, a total of 40.5% of the population are formally served, representing approximately 7.6 million of an estimated adult population of 18.7 million in Kenya in 2009. Dependence on only informal financial services also declined from 32.7% in 2006 to 26.8% in 2009.

The growth in number of people being reached by banking services is therefore encouraging. Financial institutions continue to offer innovative products and services that are expanding financial access. In particular, the use of new technologies such as M-PESA and ZAP has been significant to the development of the financial sector and has greatly contributed to the expansion of financial services. Information available from Safaricom indicates that MPESA had over 9 million registered users by December 2009 with over 16,000 Agents. Further, the amendments to the Banking Act through the Finance Act, 2009 is expected to enhance financial inclusion by enabling banks to offer financial services through third party agents cost effectively. The Central Bank is also reviewing the current regulations and guidelines relating to branch outlets with a view to making delivery of banking services cost effective.

	BANKING SECTOR BALANCE SHEET Ksh. M							Appendix I	
A	ASSETS	December, 2008				December, 2009			
		Banks	NBFIs	Total	% of total	Banks	NBFIs	Total	% of total
1	Cash balances (both local and foreign)	28,847	141	28,988	2.4%	28,795	142	28,937	2.1%
2	Balances due from Central Bank of Kenya	57,890	-	57,890	4.9%	61,129	-	61,129	4.5%
3	Kenya Government securities	177,286	1,367	178,652	15.1%	259,555	510	260,064	19.2%
4	Foreign Currency Treasury bills and bonds	313	-	313	0.0%	152	-	152	0.0%
5	Deposits and balances due from local banking institutions	28,844	3,890	32,733	2.8%	25,270	6,481	31,751	2.3%
6	Deposits and balances due from banking institutions abroad	79,357	-	79,357	6.7%	31,664	-	31,664	2.3%
7	Government and other securities held for dealing purposes	33,393	-	33,393	2.8%	54,714	-	54,714	4.0%
8	Tax recoverable	162	-	162	0.0%	1,028	-	1,028	0.1%
9	Loans and advances to customers(Net)	611,486	19,673	631,159	53.3%	692,140	29,475	721,615	53.3%
10	Investments securities	3,988	-	3,988	0.3%	7,047	-	7,047	0.5%
11	Balances due from group companies	44,881	-	44,881	3.8%	54,719	-	54,719	4.0%
12	Investment in associates	2,068	-	2,068	0.2%	2,080	-	2,080	0.2%
13	Investment in subsidiary companies	10,092	130	10,222	0.9%	12,679	130	12,809	0.9%
14	Investment in joint ventures	846	-	846	0.1%	922	-	922	0.1%
15	Investment properties	1,111	-	1,111	0.1%	1,280	-	1,280	0.1%
16	Property & equipment	30,368	406	30,774	2.6%	40,753	628	41,381	3.1%
17	Prepaid lease rentals	1,048	43	1,091	0.1%	1,030	42	1,072	0.1%
18	Intangible assets	4,229	10	4,238	0.4%	5,502	4	5,507	0.4%
19	Deferred tax asset	3,100	80	3,180	0.3%	2,894	41	2,935	0.2%
20	Retirement benefit asset	2,052	-	2,052	0.2%	1,837	-	1,837	0.1%
21	Other assets	36,410	147	36,557	3.1%	30,745	109	30,855	2.3%
22	**TOTAL ASSETS**	**1,157,769**	**25,886**	**1,183,654**	100.0%	**1,315,937**	**37,562**	**1,353,499**	100.0%
B.	**LIABILITIES**								
23	Balances due to Central Bank of Kenya	0	-	0	0.0%	16,546	-	16,546	1.4%
24	Customer deposits	849,417	14,593	864,010	84.9%	987,543	18,478	1,006,021	86.9%
25	Deposits and balances due to local banking institutions	27,786	-	27,786	2.7%	25,417	-	25,417	2.2%
26	Deposits and balances due to banking institutions abroad	40,804	-	40,804	4.0%	25,581	-	25,581	2.2%
27	Other Money Markets deposits	196	-	196	0.0%	2	-	2	0.0%
28	Borrowed funds	16,139	400	16,539	1.6%	18,846	1,700	20,546	1.8%
29	Balances due to group companies	17,349	5,870	23,219	2.3%	17,424	11,141	28,564	2.5%
30	Taxation payable	2,636	73	2,709	0.3%	873	148	1,021	0.1%
31	Dividends payable	109	-	109	0.0%	13	-	13	0.0%
32	Deferred tax liability	638	-	638	0.1%	1,004	-	1,004	0.1%
33	Retirement benefits liability	170	-	170	0.0%	162	-	162	0.0%
34	Other liabilities	41,588	296	41,884	4.1%	32,047	325	32,372	2.8%
35	**TOTAL LIABILITIES**	**996,831**	**21,231**	**1,018,062**	100.0%	**1,125,457**	**31,792**	**1,157,249**	100.0%
C	**SHAREHOLDERS' FUNDS**								
36	Paid up/ assigned capital	51,027	1,650	52,677	31.8%	57,853	1,650	59,503	30.3%
37	Share premium/(discounts)	33,653	1,549	35,202	21.3%	34,886	1,549	36,435	18.6%
38	Revaluation reserves	3,038	203	3,241	2.0%	5,445	449	5,895	3.0%
39	Retained earnings /accumulated losses	59,369	652	60,021	36.2%	77,705	1,371	79,076	40.3%
40	Statutory loan loss reserve	4,143	481	4,624	2.8%	5,261	585	5,847	3.0%
41	Proposed dividend (gross)	8,268	69	8,337	5.0%	7,935	115	8,050	4.1%
42	Capital grants	1,441	51	1,491	0.9%	1,394	51	1,445	0.7%
43	**TOTAL SHAREHOLDERS' FUNDS**	**160,938**	**4,654**	**165,592**	100.0%	**190,480**	**5,770**	**196,250**	100.0%
44	**TOTAL LIABILITY & SHAREHOLDERS' FUNDS**	**1,157,769**	**25,886**	**1,183,654**		**1,315,937**	**37,562**	**1,353,499**	

BANKING SECTOR PROFIT AND LOSS ACCOUNT Ksh. M — Appendix II

		2008				2009				
		Banks	NBFIs	Total	%of total	Banks	NBFIs	Total	%of total	Growth (%)
1.0	**INTEREST INCOME**									
1.1	Loans and advances	73,148	2,003	75,151	49.5%	88,007	3,182	91,188	52.9%	21.3%
1.2	Government Securities	19,685	95	19,780	13.0%	25,231	100	25,331	14.7%	28.1%
1.3	Deposits and placements with banking institutions	5,558	224	5,782	3.8%	2,740	253	2,993	1.7%	-48.2%
1.4	Other interest income	1,652	-	1,652	1.1%	1,224	-	1,224	1.0%	-25.9%
1.5	**Total Interest Income**	**100,044**	**2,322**	**102,366**	67.4%	**117,202**	**3,535**	**120,737**	70.0%	17.9%
2.0	**INTEREST EXPENSES**									
2.1	Customers deposits	25,223	493	25,717	23.7%	30,495	716	31,211	35.2%	21.4%
2.2	Deposits and placements from banking institutions	2,584	141	2,725	2.5%	1,455	243	1,698	1.4%	-37.7%
2.3	Other interest expenses	1,728	49	1,777	1.6%	2,089	85	2,174	1.8%	22.4%
2.4	**Total Interest Expenses**	**29,535**	**683**	**30,218**	27.9%	**34,040**	**1,043**	**35,083**	28.4%	16.1%
3.0	**NET INTEREST INCOME/(LOSS)**	**70,508**	**1,639**	**72,147**		**83,162**	**2,491**	**85,654**		18.7%
4.0	**NON-OPERATING INCOME**									
4.1	Fees and Commissions on loans and advances	9,680	120	9,800	6.5%	9,748	164	9,912	5.7%	1.1%
4.2	Other fees and commissions	20,758	111	20,869	13.7%	23,121	114	23,235	13.5%	11.3%
4.3	Foreign exchange trading income/(loss)	12,458	-	12,458	8.2%	11,296	-	11,296	6.6%	-9.3%
4.4	Dividend income	392	-	392	0.3%	497	-	497	0.4%	26.8%
4.5	Other income	5,781	118	5,899	3.9%	6,719	55	6,774	3.9%	14.8%
4.6	**Total Non Interest Income**	**49,070**	**348**	**49,418**	32.6%	**51,382**	**333**	**51,715**	30.0%	4.6%
5.0	**TOTAL OPERATING INCOME**	**119,578**	**1,987**	**121,565**		**134,544**	**2,824**	**137,368**		13.0%
6.0	**OPERATING EXPENSES**									
6.1	Loan loss provision	10,038	242	10,280	9.5%	8,269	333	8,602	7.0%	-16.3%
6.2	Staff costs	32,878	608	33,486	30.9%	38,264	573	38,837	31.4%	16.0%
6.3	Directors emoluments	973	32	1,005	0.9%	1,131	34	1,164	0.9%	15.8%
6.4	Rental charges	3,258	61	3,319	3.1%	3,982	68	4,050	3.3%	22.0%
6.5	Depreciation on property and equipment	4,341	47	4,388	4.0%	5,725	51	5,775	4.7%	31.6%
6.6	Amortization charges	561	22	583	0.5%	991	6	997	0.8%	71.1%
6.7	Other expenses	24,896	314	25,210	23.2%	28,627	390	29,016	23.5%	15.1%
6.8	**Total Other Operating Expenses**	**76,946**	**1,327**	**78,272**	72.1%	**86,988**	**1,455**	**88,442**	71.6%	13.0%
7.0	**Profit/(loss) before tax and exceptional items**	**42,633**	**661**	**43,293**		**47,557**	**1,370**	**48,926**		13.0%
8.0	Exceptional items	(34)	-	(34)		(80)	-	(80)		133.5%
9.0	**Profit/(loss) after exceptional items**	**42,667**	**661**	**43,327**		**47,636**	**1,370**	**49,006**		13.1%
10.0	Current tax	13,728	239	13,967		13,821	401	14,222		1.8%
11.0	Deferred tax	(759)	(31)	(789)		222	39	261		-133.0%
12.0	**Profit/(loss) after tax and exceptional items**	**29,697**	**452**	**30,149**		**33,594**	**929**	**34,523**		14.5%

	BANKING SECTOR OTHER DISCLOSURES Ksh. M							Appendix III	
		2008				2009			
		Banks	NBFIs	Total		Banks	NBFIs	Total	
1)	**NON-PERFORMING LOANS AND ADVANCES**								
a)	**Gross non-performing loans and advances**	59,209	2,660	61,870		57,227	3,514	60,741	
	Less:								
b)	Interest in suspense	12,709	986	13,694		9,078	761	9,839	
c)	**Total non-performing loans and advances(a-b)**	**46,500**	**1,675**	**48,175**		**48,149**	**2,753**	**50,902**	
	Less:	-							
d)	Loan loss provision	24,911	609	25,520		25,512	794	26,306	
e)	**Net Non-performing Loans (c-d)**	**21,590**	**1,066**	**22,656**		**22,637**	**1,959**	**24,596**	
f)	Discounted value of securities	17,456	1,066	18,522		20,582	1,959	22,541	
g)	**Net NPLs Exposure (e-f)**	4,134	-	**4,134**		**2,055**	-	**2,055**	
2)	**INSIDER LOANS,ADVANCES AND OTHER FACILITIES**								
a)	Directors, shareholders and associates	12,455	-	12,455		15,875	-	15,875	
b)	Employees	18,944	341	19,284		24,332	450	24,782	
c)	**Total Insider Loans, Advances and Other Facilities**	**31,399**	**341**	**31,740**		**40,207**	**450**	**40,657**	
3)	**OFF BALANCE SHEET**								
a)	Letters of credit, guarantees, acceptances	155,482	6	155,488		162,691	1	162,692	
b)	Other contingent liabilities	269,698	-	269,698		301,029	-	301,029	
c)	**Total Contingent Liabilities**	**425,180**	**6**	**425,186**		**463,721**	**1**	**463,722**	
4)	**CAPITAL STRENGTH**								
a)	Core capital	138,176	3,801	141,977		160,178	4,520	164,699	
b)	Minimum Statutory Capital	10,500	200			15,400	700		
c)	Excess/(defficiency)								
d)	Supplementary Capital	17,052	52	17,104		19,626	329	19,955	
e)	**Total capital (a + d)**	**155,228**	**3,853**	**159,081**		**179,804**	**4,849**	**184,654**	
f)	Total Risk Weighted assets	768,258	13,678	781,936		871,707	15,882	887,589	
g)	**Core capital/total deposit liabilities**	15%	26%	15%		15%	24%	16%	
h)	Minimum Statutory Ratio	8%	8%	8%		8%	8%	8%	
i)	Excess/(defficiency)	7%	18%	7%		7%	16%	8%	
j)	**Core Capital/Total Risk Weighted Assets**	18%	28%	18%		18%	28%	19%	
k)	Minimum Statutory Ratio	8%	8%	8%		8%	8%	8%	
l)	Excess/(Defficiency)	10%	20%	10%		10%	20%	11%	
m)	**Total capital/total risk weighted assets**	20%	28%	20%		21%	31%	21%	
n)	Minimum Statutory Ratio	12%	12%	12%		12%	12%	12%	
o)	Excess/(Defficiency)	8%	16%	8%		9%	19%	9%	
5)	**Liquidity**								
a)	Liquidity Ratio	37%	27%	37%		40%	24%	40%	
b)	Minimum Statutory Ratio	20%	20%	20%		20%	20%	20%	
c)	Excess/(Defficiency) (a-b)	17%	7%	17%		20%	4%	20%	
			2008				2009		
	Performance Indicators	**Banks**	**NBFIs**	**Total**		**Banks**	**NBFIs**	**Total**	
	Yield on Earning Assets	12.7%	9.4%	12.6%		12.6%	9.9%	12.5%	
	Cost of Funding Earning Assets	5.1%	1.3%	5.0%		4.7%	0.9%	4.6%	
	Interest Margin on Earning Assets	7.6%	8.0%	7.6%		7.9%	9.0%	8.0%	
	Yield on Adavances	11.7%	9.7%	11.7%		12.6%	10.5%	12.5%	
	Cost of Deposits	3.0%	4.3%	3.0%		3.1%	5.2%	3.1%	
	Return on Assets (ROA)	2.6%	2.4%	2.6%		2.6%	3.5%	2.6%	
	Return on Equity (ROE)	26.5%	14.2%	26.1%		25.0%	23.7%	24.9%	
	Overheads to Earnings	52.8%	51.5%	52.7%		52.8%	39.8%	52.5%	
	Gross NPLs/Gross Loans	9.1%	12.5%	9.2%		7.9%	11.3%	8.0%	
	Net NPLs/Gross Loans	3.3%	5.0%	3.4%		3.1%	6.3%	3.2%	
	RATINGS								
	Capital Adequacy	**1.00**	**1.00**	**1.00**		**1.00**	**1.00**	**1.00**	
	Asset Quality	**1.00**	**2.00**	**1.00**		**1.00**	**2.00**	**1.00**	
	Earnings	**2.00**	**2.00**	**2.00**		**2.00**	**1.00**	**2.00**	
	Liquidity	**1.00**	**2.00**	**1.00**		**1.00**	**3.00**	**1.00**	
	Composite Score	**1.25**	**1.75**	**1.25**		**1.25**	**1.75**	**1.25**	
	Performance Category	**Strong**	**Satisfactory**	**Strong**		**Strong**	**Satisfactory**	**Strong**	

Rating	Performance Category	CAPITAL ADEQUACY *Total Capital/TRWA (%)*	ASSET QUALITY *(NPA-Provisions)/ Gross Advances(%)*	MANAGEMENT *Total Weighted Score*	EARNINGS *Net Profits/Total Assets (%)*	LIQUIDITY *Net Liquid Assets/Total Deposits(%)*
1	Strong	19.50% and above	0-5%	1.0 - 1.4	Over 3%	Over 34%
2	Satisfactory	15.60%-19.49%	5.1%-10.0%	1.5 - 2.4	2.0%-2.9%	26%-34%
3	Fair	12.00%-15.59%	10.1%-15.0%	2.5 - 3.4	1.0%-1.9%	20%-25%
4	Marginal	8.31%-11.99%	15.1%-20.0%	3.5 - 4.4	0.0%-0.9%	15%-19%
5	Unsatisfactory	8.30 and below	Over 20%	4.5 - 5.0	Net Loss	Under 15%

	BANKING SECTOR MARKET SHARE REPORT AS AT DECEMBER 2009 - Ksh.M										Appendix IV
		TOTAL NET	MARKET SHARE	NET	MARKET SHARE	CUSTOMER DEPOSITS	MARKET SHARE	CAPITAL & RESERVES	MARKET SHARE	PRE-TAX	MARKET SHARE
	INSTITUTION	ASSETS	%	ADVANCES	%	DEPOSITS	%	RESERVES	%	PROFITS	%
	Large (Assets above Ksh 15 billion)										
1	Kenya Commercial Bank Ltd	172,384	12.74%	96,558	13.38%	137,968	13.71%	22,398	11.41%	6,426	13.13%
2	Barclays Bank of Kenya Ltd	165,151	12.20%	93,543	12.96%	125,869	12.51%	24,210	12.34%	9,002	18.40%
3	Standard Chartered Bank Ltd	123,909	9.15%	56,695	7.86%	86,774	8.63%	13,807	7.04%	6,726	13.75%
4	Cooperative Bank of Kenya Ltd	110,531	8.17%	62,274	8.63%	91,553	9.10%	16,103	8.21%	3,727	7.62%
5	CFCStanbic Bank Ltd	97,337	7.19%	44,978	6.23%	55,786	5.55%	8,143	4.15%	1,333	2.72%
6	Equity Bank Ltd	96,512	7.13%	59,868	8.30%	65,825	6.54%	23,337	11.89%	5,570	11.38%
7	Commercial Bank of Africa Ltd	57,593	4.26%	30,087	4.17%	44,273	4.40%	6,323	3.22%	1,768	3.61%
8	National Bank of Kenya Ltd	51,404	3.80%	13,156	1.82%	41,995	4.17%	7,908	4.03%	2,159	4.41%
9	Citibank N.A	51,372	3.80%	21,402	2.97%	33,247	3.30%	11,077	5.64%	3,055	6.24%
10	Diamond Trust Bank Ltd	47,147	3.48%	30,634	4.25%	36,274	3.61%	6,263	3.19%	1,634	3.34%
11	NIC Bank Ltd	44,655	3.30%	31,133	4.31%	36,977	3.68%	6,434	3.28%	1,529	3.12%
12	I&M Bank Ltd	44,009	3.25%	24,592	3.41%	34,799	3.46%	7,419	3.78%	1,752	3.58%
13	Prime Bank Ltd	23,700	1.75%	10,615	1.47%	19,184	1.91%	3,065	1.56%	564	1.15%
14	Bank of Baroda Ltd	21,940	1.62%	9,084	1.26%	18,634	1.85%	2,565	1.31%	726	1.48%
15	Savings and Loan Ltd	19,281	1.42%	14,980	2.08%	6,243	0.62%	1,686	0.86%	1,016	2.08%
16	Housing Finance Company of Kenya Ltd	18,281	1.35%	14,495	2.01%	12,235	1.22%	4,084	2.08%	354	0.72%
17	Bank of Africa Ltd	16,920	1.25%	9,120	1.26%	12,405	1.23%	2,511	1.28%	260	0.53%
18	Bank of India	15,395	1.14%	5,440	0.75%	13,005	1.29%	2,069	1.05%	609	1.24%
19	Imperial Bank Ltd	15,358	1.13%	9,676	1.34%	12,270	1.22%	2,247	1.14%	802	1.64%
		1,192,880	**88.13%**	**638,331**	**88.5%**	**885,315**	**88.00%**	**171,649**	**87.46%**	**49,012**	**100.18%**
	Medium (Assets above Ksh 5 billion and below Ksh 15 billion)										
20	Ecobank Ltd	13,949	1.03%	6,444	0.89%	10,819	1.08%	2,148	1.09%	-1,151	-2.35%
21	Family Bank Ltd	13,306	0.98%	7,676	1.06%	10,490	1.04%	1,853	0.94%	343	0.70%
22	Chase Bank Ltd	12,970	0.96%	6,745	0.93%	10,117	1.01%	1,223	0.62%	318	0.65%
23	Fina Bank Ltd	12,279	0.91%	5,937	0.82%	9,986	0.99%	1,198	0.61%	23	0.05%
24	African Banking Corporation Ltd	8,841	0.65%	3,992	0.55%	7,208	0.72%	1,145	0.58%	257	0.53%
25	Development Bank of Kenya Ltd	8,136	0.60%	4,769	0.66%	2,411	0.24%	1,363	0.69%	188	0.38%
26	Gulf African Bank Ltd	7,749	0.57%	4,950	0.69%	6,425	0.64%	1,150	0.59%	-162	-0.33%
27	Habib AG Zurich	7,339	0.54%	2,175	0.30%	5,839	0.58%	958	0.49%	286	0.58%
28	K-Rep Bank Ltd	7,136	0.53%	4,817	0.67%	4,436	0.44%	1,107	0.56%	-289	-0.59%
29	Giro Bank Ltd	6,914	0.51%	3,682	0.51%	5,943	0.59%	857	0.44%	185	0.38%
30	Consolidated Bank of Kenya Ltd	6,899	0.51%	3,868	0.54%	4,882	0.49%	927	0.47%	117	0.24%
31	Guardian Bank Ltd	6,778	0.50%	4,122	0.57%	5,760	0.57%	873	0.44%	61	0.12%
32	Fidelity Commercial Bank Ltd	5,499	0.41%	3,293	0.46%	4,888	0.49%	490	0.25%	52	0.11%
33	Victoria Commercial Bank Ltd	5,130	0.38%	3,174	0.44%	4,073	0.40%	935	0.48%	216	0.44%
		122,925	**9.08%**	**65,646**	**9.10%**	**93,277**	**9.27%**	**16,227**	**8.27%**	**444**	**0.91%**
	Small (Assets below Ksh 5 billion)										
34	Habib Bank Ltd	4,659	0.34%	1,254	0.17%	3,525	0.35%	747	0.38%	197	0.40%
35	Southern Credit Banking Corporation Ltd	4,491	0.33%	1,953	0.27%	4,308	0.43%	-5	0.00%	-730	-1.49%
36	Equatorial Commercial Bank Ltd	4,466	0.33%	2,750	0.38%	3,522	0.35%	730	0.37%	77	0.16%
37	First Community Bank Ltd	4,452	0.33%	2,290	0.32%	3,642	0.36%	663	0.34%	-152	-0.31%
38	Credit Bank Ltd	3,665	0.27%	1,881	0.26%	2,793	0.28%	728	0.37%	83	0.17%
39	Trans-National Bank	3,364	0.25%	1,689	0.23%	1,857	0.18%	1,325	0.68%	88	0.18%
40	Middle East Bank Ltd	3,141	0.23%	1,619	0.22%	1,893	0.19%	904	0.46%	44	0.09%
41	Paramount Universal Bank Ltd	3,100	0.23%	1,356	0.19%	2,547	0.25%	527	0.27%	42	0.09%
42	Oriental Commercial Bank Ltd	3,052	0.23%	1,519	0.21%	2,012	0.20%	982	0.50%	33	0.07%
43	Dubai Bank Ltd	1,596	0.12%	1,144	0.16%	986	0.10%	463	0.24%	9	0.02%
44	UBA Kenya Bank Ltd	1,216	0.09%	0	0.00%	189	0.02%	996	0.51%	-213	-0.43%
45	City Finance Bank Ltd	491	0.04%	184	0.03%	155	0.02%	315	0.16%	-7	-0.01%
		37,694	**2.78%**	**17,638**	**2.44%**	**27,429**	**2.73%**	**8,374**	**4.27%**	**-530**	**-1.08%**
	Grand - Total	**1,353,499**	**100.0%**	**721,615**	**100.0%**	**1,006,021**	**100.0%**	**196,250**	**100.0%**	**48,926**	**100.0%**

BANKING SECTOR PROFITABILITY - DECEMBER 2009 - Ksh . M — **Appendix V**

	INSTITUTION	PROFIT BEFORE TAX	GROSS ASSETS	RETURN ON ASSETS	CAPITAL & RESERVES	RETURN ON EQUITY
		1	2	3	4	5
				(1/2)		(1/4)
1	Kenya Commercial Bank Ltd	6,426	180,041	3.57%	22,398	28.69%
2	Barclays Bank of Kenya Ltd	9,002	169,788	5.30%	24,210	37.18%
3	Standard Chartered Bank	6,726	124,806	5.39%	13,807	48.71%
4	Cooperative Bank of Kenya Ltd	3,727	114,234	3.26%	16,103	23.14%
5	CFCStanbic Bank Ltd	1,333	98,401	1.35%	8,143	16.37%
6	Equity Bank Ltd	5,570	98,434	5.66%	23,337	23.87%
7	Commercial Bank of Africa Ltd	1,768	58,904	3.00%	6,323	27.96%
8	National Bank of Kenya Ltd	2,159	52,327	4.13%	7,908	27.31%
9	Citibank N.A.	3,055	51,581	5.92%	11,077	27.58%
10	Diamond Trust Bank Ltd	1,634	47,509	3.44%	6,263	26.09%
11	NIC Bank Ltd	1,529	46,326	3.30%	6,434	23.76%
12	I&M Bank Ltd	1,752	44,486	3.94%	7,419	23.62%
13	Prime Bank Ltd	564	24,173	2.33%	3,065	18.39%
14	Bank of Baroda	726	22,399	3.24%	2,565	28.31%
15	Bank of Africa Ltd	260	16,978	1.53%	2,511	10.37%
16	Bank of India	609	15,586	3.91%	2,069	29.43%
17	Imperial Bank Ltd	802	15,755	5.09%	2,247	35.69%
18	Ecobank Bank Ltd	-1,151	16,134	-7.13%	2,148	-53.56%
19	Family Bank Ltd	343	13,683	2.50%	1,853	18.49%
20	Chase Bank Ltd	318	13,169	2.42%	1,223	26.01%
21	Fina Bank Ltd	23	12,836	0.18%	1,198	1.93%
22	African Banking Corporation Ltd	257	9,118	2.82%	1,145	22.47%
23	Development Bank of Kenya Ltd	188	8,289	2.27%	1,363	13.80%
24	Gulf African Bank Ltd	-162	7,750	-2.10%	1,150	-14.12%
25	Habib AG Zurich	286	7,438	3.85%	958	29.85%
26	K-Rep Bank Ltd	-289	7,685	-3.76%	1,107	-26.13%
27	Giro Bank Ltd	185	7,026	2.63%	857	21.60%
28	Consolidated Bank of Kenya Ltd	117	7,565	1.54%	927	12.58%
29	Guardian Bank Ltd	61	7,316	0.83%	873	6.99%
30	Fidelity Commercial Bank Ltd	52	5,539	0.94%	490	10.62%
31	Victoria Commercial Bank Ltd	216	5,130	4.22%	935	23.16%
32	Habib Bank Ltd	197	4,729	4.16%	747	26.33%
33	Southern Credit Banking Corporation Ltd*	-730	4,964	-14.70%	-5	0.00%
34	Equatorial Commercial Bank Ltd	77	4,528	1.69%	730	10.51%
35	First Community Bank Ltd	-152	4,457	-3.42%	663	-23.00%
36	Credit Bank Ltd	83	3,840	2.15%	728	11.34%
37	Trans-National Bank Ltd	88	3,705	2.36%	1,325	6.61%
38	Middle East Bank Ltd	44	3,177	1.37%	904	4.82%
39	Paramount Universal Bank Ltd	42	3,418	1.23%	527	7.99%
40	Oriental Commercial Bank Ltd	33	3,421	0.97%	982	3.37%
41	Dubai Bank Ltd	9	2,147	0.41%	463	1.92%
42	UBA Kenya Bank Ltd	-213	1,216	-17.47%	996	-21.34%
43	City Finance Bank Ltd	-7	519	-1.26%	315	-2.07%
44	Charterhouse Bank Ltd **	0	0		0	0.00%
	Sub - Total	**47,557**	**1,350,528**	**3.52%**	**190,480**	**24.97%**
	NBFI's					
45	Housing Finance Comapny of Kenya Ltd	354	19,342	1.83%	4,084	8.66%
46	Savings and Loan Ltd	1,016	19,775	5.14%	1,686	60.25%
	Sub - Total	1,370	39,117	3.50%	5,770	23.74%
	Grand - Total	**48,926**	**1,389,645**	**3.52%**	**196,250**	**24.93%**

*** Both profit before tax and capital & reserves were negative**

**** Charterhouse Bank excluded**

BANKING SECTOR CAPITAL AND RISK WEIGHTED ASSETS - DECEMBER 2009 - Ksh. M

Appendix VI

	INSTITUTION	CORE CAPITAL	TOTAL CAPITAL	RISK WEIGHTED ASSETS	CORE CAPITAL TO RISK WEIGHTED ASSETS RATIO	TOTAL CAPITAL TO RISK WEIGHTED ASSSETS RATIO
1	Kenya Commercial Bank Ltd	17,674	17,674	119,238	14.82%	14.82%
2	Barclays Bank of Kenya Ltd	22,186	27,619	115,880	19.15%	23.83%
3	Standard Chartered Bank Ltd	10,656	10,915	75,462	14.12%	14.46%
4	Cooperative Bank of Kenya Ltd	14,823	15,319	72,928	20.33%	21.01%
5	CFCStanbic Bank Ltd	6,741	10,539	65,697	10.26%	16.04%
6	Equity Bank Ltd	16,873	22,488	71,416	23.63%	31.49%
7	Commercial Bank of Africa Ltd	4,545	4,821	37,529	12.11%	12.85%
8	National Bank of Kenya Ltd	7,099	7,396	17,377	40.85%	42.56%
9	Citibank N.A.	10,676	11,007	36,825	28.99%	29.89%
10	Diamond Trust Bank Ltd	5,279	6,512	34,324	15.38%	18.97%
11	NIC Bank Ltd	5,382	5,711	36,885	14.59%	15.48%
12	I&M Bank Ltd	5,923	6,523	34,866	16.99%	18.71%
13	Prime Bank Ltd	1,851	1,851	11,763	15.74%	15.74%
14	Bank of Baroda Ltd	2,081	2,176	10,586	19.66%	20.56%
15	Bank of Africa Ltd	1,706	1,790	11,250	15.16%	15.92%
16	Bank of India	2,009	2,069	5,969	33.66%	34.66%
17	Imperial Bank Ltd	2,042	2,158	10,019	20.38%	21.54%
18	Ecobank Ltd	1,524	1,524	9,723	15.67%	15.67%
19	Family Bank Ltd	1,735	1,744	9,525	18.21%	18.31%
20	Chase Bank Ltd	1,137	1,241	9,266	12.28%	13.40%
21	Fina Bank Ltd	951	993	6,878	13.83%	14.43%
22	African Banking Corporation Ltd	1,135	1,141	5,515	20.59%	20.69%
23	Development Bank of Kenya Ltd	1,363	1,363	5,172	26.36%	26.36%
24	Gulf African Bank Ltd	1,103	1,150	6,746	16.35%	17.05%
25	Habib Bank AG Zurich	897	897	2,665	33.65%	33.65%
26	K-Rep Bank Ltd	1,069	1,090	5,143	20.78%	21.20%
27	Giro Commercial Bank Ltd	808	854	3,657	22.10%	23.35%
28	Consolidated Bank of Kenya Ltd	740	811	5,173	14.31%	15.69%
29	Guardian Bank Ltd	873	873	4,511	19.36%	19.36%
30	Fidelity Commercial Bank Ltd	454	490	3,365	13.50%	14.55%
31	Victoria Commercial Bank Ltd	890	924	4,015	22.16%	23.02%
32	Habib Bank Ltd	747	757	1,153	64.78%	65.67%
33	Southern Credit Banking Corporation Ltd	-125	-95	2,344	-5.32%	-4.07%
34	Equatorial Commercial Bank Ltd	689	730	3,513	19.60%	20.77%
35	First Community Bank Ltd	663	663	3,542	18.71%	18.71%
36	Credit Bank Ltd	704	724	2,169	32.47%	33.38%
37	Trans-National Bank Ltd	1,305	1,325	1,850	70.51%	71.64%
38	Middle East Bank Ltd	873	886	1,749	49.91%	50.64%
39	Paramount Universal Bank Ltd	512	527	1,548	33.06%	34.04%
40	Oriental Commercial Bank Ltd	824	850	2,109	39.06%	40.31%
41	Dubai Bank Ltd	451	463	1,662	27.11%	27.83%
42	UBA Kenya Bank Ltd	996	996	368	270.39%	270.39%
43	City Finance Bank Ltd	314	315	334	94.00%	94.28%
44	Charterhouse Bank Ltd*	0	0	0		
	Sub - Total	**160,178**	**179,804**	**871,707**	**18.38%**	**20.63%**
	NBFI's					
45	Housing Finance Company of Kenya Ltd	2,884	3,163	9,280	31.08%	34.09%
46	Savings and Loan Ltd	1,636	1,686	6,602	24.78%	25.54%
	Sub - Total	**4,520**	**4,849**	**15,882**	**28.46%**	**30.53%**
	Grand - Total	**164,699**	**184,654**	**887,589**	**18.56%**	**20.80%**

*** Charterhouse Bank excluded**

BANKING SECTOR ACCESS TO FINANCIAL SERVICES **APPENDIX VII**

		Total Number of Deposit Accounts						CHANGE %
		2009			2008			
	BANKS	< 100,000	>100,000	Total	< 100,000	>100,000	Total	
1	Gulf African Bank Ltd	32,738	7,963	40,701	6,261	2,026	8,287	391.14%
2	First Community Bank Ltd	14,663	3,184	17,847	4,710	1,151	5,861	204.50%
3	K-Rep Bank Ltd	278,670	6,363	285,033	121,570	3,744	125,314	127.46%
4	Ecobank Ltd	45,894	7,911	53,805	25,537	7,482	33,019	62.95%
5	Bank of Africa Ltd	6,316	2,406	8,722	3,753	1,895	5,648	54.43%
6	Kenya Commercial Bank Ltd	654,808	97,044	751,852	418,942	87,040	505,982	48.59%
7	Cooperative Bank of Kenya Ltd	903,355	67,619	970,974	634,924	59,805	694,729	39.76%
8	Equity Bank Ltd	3,930,363	107,141	4,037,504	2,873,920	144,436	3,018,356	33.77%
9	Development Bank of Kenya Ltd	566	456	1,022	415	396	811	26.02%
10	Giro Commercial Bank Ltd	4,549	3,228	7,777	4,234	2,004	6,238	24.67%
11	National Bank of Kenya Ltd	316,244	28,405	344,649	253,070	25,229	278,299	23.84%
12	Fidelity Commercial Bank Ltd	3,557	1,520	5,077	2,891	1,282	4,173	21.66%
13	Imperial Bank Ltd	13,161	6,251	19,412	10,200	5,849	16,049	20.95%
14	Consolidated Bank of Kenya Ltd	33,309	3,718	37,027	27,503	3,277	30,780	20.30%
15	Chase Bank Ltd	3,365	4,329	7,694	2,767	3,648	6,415	19.94%
16	Transnational Bank Ltd	16,151	1,643	17,794	13,397	1,535	14,932	19.17%
17	I & M Bank Ltd	17,726	14,185	31,911	14,306	12,478	26,784	19.14%
18	Barclays Bank of Kenya Ltd	638,644	109,515	748,159	523,880	107,920	631,800	18.42%
19	Fina Bank Ltd	18,909	5,268	24,177	16,171	4,493	20,664	17.00%
20	Diamond Trust Bank Ltd	31,431	12,544	43,975	27,408	10,310	37,718	16.59%
21	NIC Bank Ltd	18,608	10,487	29,095	15,786	9,357	25,143	15.72%
22	Standard Chartered Bank Ltd	92,609	52,617	145,226	79,660	47,222	126,882	14.46%
23	CFCStanbic Bank Ltd	42,585	11,556	54,141	37,042	10,976	48,018	12.75%
24	Dubai Bank Ltd	1,768	572	2,340	1,522	554	2,076	12.72%
25	Prime Bank Ltd	7,110	6,049	13,159	6,309	5,490	11,799	11.53%
26	Commercial Bank of Kenya Ltd	15,319	13,019	28,338	12,828	12,622	25,450	11.35%
27	Southern Credit Banking Corporation Ltd	8,918	2,963	11,881	8,016	2,685	10,701	11.03%
28	Citibank N.A.	1,606	1,842	3,448	1,329	1,782	3,111	10.83%
29	African Banking Corporation Ltd	8,560	3,531	12,091	7,948	3,161	11,109	8.84%
30	Bank of Baroda Ltd	18,822	12,391	31,213	18,634	10,583	29,217	6.83%
31	Family Bank Ltd	556,848	17,957	574,805	528,597	11,349	539,946	6.46%
32	Bank of India	6,492	4,964	11,456	6,196	4,626	10,822	5.86%
33	Oriental Commercial Bank Ltd	4,084	920	5,004	3,940	817	4,757	5.19%
34	Victoria Commercial Bank Ltd	1,062	1,657	2,719	1,056	1,541	2,597	4.70%
35	Guardian Bank Ltd	5,044	2,241	7,285	4,944	2,145	7,089	2.76%
36	City Finance Bank Ltd	565	89	654	553	92	645	1.40%
37	Habib Bank A.G. Zurich	4,456	3,019	7,475	4,471	2,931	7,402	0.99%
38	Charterhouse Bank Ltd	3,463	1,152	4,615	3,463	1,152	4,615	0.00%
39	Credit Bank Ltd	2,525	1,461	3,986	2,600	1,481	4,081	-2.33%
40	Middle East Bank Ltd	781	681	1,462	797	722	1,519	-3.75%
41	Habib Bank Ltd	2,710	1,890	4,600	3,206	2,002	5,208	-11.67%
42	Paramount Universal Bank Ltd	3,634	1,084	4,718	6,901	1,115	8,016	-41.14%
43	Equatorial Commercial BanK Ltd	1,281	700	1,981	5,422	1,464	6,886	-71.23%
44	UBA Kenya Bank Ltd	738	94	832	0	0	0	
	Sub - Total	**7,774,007**	**643,629**	**8,417,636**	**5,747,079**	**621,869**	**6,368,948**	**32.17%**
	NBFI's							
45	Savings and Loan Ltd	11,284	3,645	14,929	9,768	3,049	12,817	16.48%
46	Housing Finance Company of Kenya Ltd	39,977	8,595	48,572	38,887	7,857	46,744	3.91%
	Sub - Total	**51,261**	**12,240**	**63,501**	**48,655**	**10,906**	**59,561**	**6.62%**
	MFI's							
47	Faulu Kenya Ltd	176,317	36	176,353	0	0	0	
	Sub - Total	**176,317**	**36**	**176,353**	**0**	**0**	**0**	
	GRAND - TOTAL	**8,001,585**	**655,905**	**8,657,490**	**5,795,734**	**632,775**	**6,428,509**	**34.67%**

Appendix VIII

BANKING SECTOR PROTECTED DEPOSITS Ksh. M

	INSTITUTION BANKS	Insured Deposits 2009	Customer Deposits 2009	Insured Deposits 2008	Customer Deposits 2008	%Change in insured deposits	%Change Customer Deposits
	Large						
1	Kenya Commercial Bank Ltd	18,108	137,968	14,966	109,845	20.99%	25.60%
2	Barclays Bank of Kenya Ltd	17,736	125,869	17,549	126,408	1.07%	-0.43%
3	Standard Chartered Bank Ltd	7,411	86,774	6,712	76,898	10.42%	12.84%
4	Co-operative Bank of Kenya Ltd	13,956	91,553	16,094	65,869	-13.28%	38.99%
5	CFCStanbic Bank Ltd	3,141	55,786	4,238	61,529	-25.88%	-9.33%
6	Equity Bank Ltd	29,470	65,825	30,268	48,977	-2.63%	34.40%
7	Commercial Bank of Africa Ltd	1,665	44,273	1,620	41,715	2.80%	6.13%
8	National Bank of Kenya Ltd	5,720	41,995	5,235	34,278	9.26%	22.51%
9	Citibank N.A.	201	33,247	194	31,192	3.31%	6.59%
10	Diamond Trust Bank Kenya Ltd	1,656	36,274	1,373	32,689	20.60%	10.97%
11	NIC Bank Ltd	1,480	36,977	1,307	35,238	13.18%	4.94%
12	I&M Bank Ltd	1,785	34,799	1,553	28,355	14.95%	22.73%
13	Prime Bank Ltd	759	19,184	700	15,662	8.43%	22.49%
14	Bank of Baroda Ltd	1,598	18,634	2,534	15,165	-36.94%	22.87%
15	Bank of Africa Ltd	330	12,405	253	8,701	30.68%	42.57%
16	Bank of India	634	13,005	776	10,211	-18.20%	27.36%
17	Imperial Bank Ltd	844	12,270	771	10,414	9.46%	17.82%
	Medium						
18	Ecobank Ltd	1,190	10,819	1,104	8,341	7.76%	29.71%
19	Family Bank Ltd	4,615	10,490	3,795	7,404	21.60%	41.68%
20	Chase Bank Ltd	4,919	10,117	4,157	7,147	18.34%	41.56%
21	Fina Bank Ltd	702	9,986	611	8,113	14.91%	23.09%
22	African Banking Corporation Ltd	476	7,208	432	5,365	10.22%	34.35%
23	Development Bank of Kenya Ltd	58	2,411	50	2,231	16.62%	8.07%
24	Gulf African Bank Ltd	1,015	6,425	301	3,249	237.54%	97.75%
25	Habib Bank A.G. Zurich	402	5,839	430	5,373	-6.48%	8.67%
26	K-Rep Bank Ltd	2,616	4,436	2,741	4,502	-4.54%	-1.47%
27	Giro Commercial Bank Ltd	387	5,943	262	5,127	47.97%	15.92%
28	Consolidated Bank of Kenya Ltd	703	4,882	599	3,279	17.29%	48.89%
29	Guardian Bank Ltd	383	5,760	381	4,586	0.46%	25.60%
30	Fidelity Commercial Bank Ltd	189	4,888	159	3,778	19.25%	29.38%
31	Victoria Commercial Bank Ltd	197	4,073	185	3,582	6.94%	13.71%
	Small						
32	Habib Bank Ltd	265	3,525	285	3,024	-6.78%	16.55%
33	Southern Credit Banking Corporation Ltd	381	4,308	470	4,106	-18.90%	4.91%
34	Equatorial Bank Ltd	92	3,522	177	3,668	-47.80%	-3.98%
35	First Community Bank Ltd	516	3,642	198	2,091	161.10%	74.18%
36	Credit Bank Ltd	192	2,793	199	2,774	-3.67%	0.69%
37	Trans-National Bank Ltd	290	1,857	264	1,891	10.19%	-1.81%
38	Middle East Bank Ltd	90	1,893	96	2,021	-6.16%	-6.33%
39	Paramount Universal Bank Ltd	187	2,547	437	2,109	-57.30%	20.78%
40	Oriental Commercial Bank Ltd	146	2,012	136	1,314	6.88%	53.10%
41	Dubai Bank Ltd	89	986	79	1,032	13.60%	-4.44%
42	UBA Kenya Bank Ltd**	16	189				
43	City Finance Bank Ltd	17	155	27	164	-35.56%	-5.48%
	Sub - Totals	126,629	987,543	**123,714**	**849,417**	2.36%	16.26%
	NBFI's						
44	Housing Finance Company Ltd	1,434	12,235	533	4,504	168.79%	171.64%
45	Savings & Loan Ltd	623	6,243	1,322	10,089	-52.89%	-38.12%
	Sub - Totals	2,057	18,478	1,856	14,593	10.83%	26.62%
	Deposit-Taking MFIs						
46	Faulu Kenya Ltd***	76,251	81,790				
	Totals	76,251	81,790				
	GRAND - TOTALS	**204,937**	**1,087,810**	**125,570**	**864,010**	**63.21%**	**25.90%**

*** Charterhouse Bank excluded**

****UBA Kenya Ltd was licensed in 2009**

***** Faulu Kenya Ltd was licenced as a deposit-taking MFI in May 2009**

BANKING CIRCULARS ISSUED IN 2009			Appendix IX
Circular No.	**Date**	**Title**	**Subject**
1	19th January 2009	Confirmation of secondary trading transactions for Government securities by commercial banks ,bank nominees, clients and custodial CDS accounts	All confirmation of secondary trading transactions shall henceforth be confirmed by submitting to CBK SWIFT message type MT599 (free format message).
2	23rd March 2009	Review of Central Bank Rate(CBR)	The monetary policy committee revised the Central Bank Rate from 8.5% to 8.25%.
3	23rd March 2009	Interbank (Horizontal) Master Repurchase Agreement (MRA)	The circular was to request banks to take advantage of the Interbank Master Repurchase Agreements (Horizontal repo) which was rolled out by the Central Bank **via Banking Circular No.6 of 2008.**
4	22nd May 2009	Revision of Central Bank Rate(CBR)	The Monetary Policy Comittee revised the Central Bank Rate from 8.25% to 8%.in addition; the central bank has also reviewed the tenors of its liquidity management instruments. In this regard with effect from 25th May 2009, the tenors for (Repo/reverse repo), the late repo and ten auction facility will be revised to a single tenor of 5 days only.
5	11th June 2009	KEPSS rules and procedures	The Central Bank has extended KEPSS window times as follows. **Window 1: Will now operate from 8.30a.m to 3 p.m.** **Window 2: Will be open from 3p.m to 4.30 p.m.**
6	15th July 2009	Improvement of currency operations	The circular requires that all confiscated counterfeits be surrendered to Central Bank of Kenya promptly and the currencies be stamped accordingly. A schedule of penalties for non compliance with the sorting guidelines and set time lines has been provided in the circular.
7	23rd July 2009	Review of Central Bank Rate (CBR) and Cash Ratio Reserve	The Monetary Policy Committee revised the Central Bank Rate from 8% to 7.75% and Cash Ratio Reserve from 5% to 4.5%.
8	27th October 2009	Payment for Government securities through KEPSS	Banks are reminded to strictly adhere to the payment deadlines and to observe **KEPSS and Swift** requirements for all payments on primary issues of government securities so as to avoid delays in payments and penalties arising from non compliance with deadlines and requirements.
9	25th November 2009	Review of Central Bank Rate(CBR)	The Monetary Policy Committee reviewed its CBR downwards by 75 basis points from 7.75per cent to 7 percent.
10	18th December 2009	Disclosure of deposits to Deposit Protection Fund Board	With effect from January 1 2010, member institutions registered under the Deposit Protection Fund Board are required to list the deposits for purposes of insurance premium assessment to include any products in the market that are deposits in nature. Interbank placements do not form part of insured deposits.

Appendix X

A: COMMERCIAL BANKS

1. African Banking Corporation Ltd

Managing Director: Mr. Shamaz Savani
Postal Address: P.O Box 46452-00100, Nairobi
Telephone: +254-20- 4263000, 2223922, 22251540/1, 217856/7/8.
Fax: +254-20-2222437
Email: headoffice@abcthebank.com
Website: http://www.abcthebank.com
Physical Address: ABC Bank House, Mezzanine Floor, Koinange Street.
Date Licensed: 5/1/1984
Peer Group: Medium
Branches: 10

2. Bank of Africa Kenya Ltd

Managing Director : Mr. Bartholomew Kwame Ahadzi
Postal Address: P. O. Box 69562-00400 Nairobi
Telephone: +254-20- 3275000, 2211175
Fax: +254-20-2214166/ 2211477
Email: bkoafrica@boakenya.com
Website: www.boakenya.com
Physical Address: Re-Insurance Plaza,Taifa Rd.
Date Licenced: 1980
Peer Group: Large
Branches: 10

3. Bank of Baroda Ltd

Managing Director: Mr. Krishna N. Manvi
Postal Address: P. O Box 30033 - 00100 Nairobi
Telephone: +254-20-2248402/12, 2226416, 2220575
Fax: +254-20-316070
Email: barodabk_ho@kenyaweb.com
Website: www.barodabank.com
Physical Address: Baroda House, Koinange Steet
Date Licenced: 7/1/1953
Peer Group: Large
Branches: 9

4. Bank of India

Chief Executive: Mr. S. V. Shah
Postal Address: P. O. Box 30246 - 00100 Nairobi
Telephone: +254-20-2221414 /5 /6 /7
Fax: +254-20-2221417
Email: cmnrb@boikenya.com
Website: www.bankofindia.com
Physical Address: Bank of India Building, Kenyatta Ave.
Date Licenced: 6/5/1953
Peer Group: Large
Branches: 5

5. Barclays Bank of Kenya Ltd

Managing Director: Mr. Adan Mohamed
Postal Address: P. O. Box 30120 - 00100, Nairobi
Telephone: +254-20- 3267000, 313365/9, 2241264-9, 313405,
Fax: +254-20-2213915
Email: barclays.kenya@barclays.com
Website: www. barclayskenya.co.ke
Physical Address: Barclays Plaza, Loita Street.
Date Licenced: 6/5/1953
Peer Group: Large
Branches: 119

6. CFCStanbic Bank Ltd

Managing Director: Mr. Michael Louis Du Toit
Postal Address: P. O. Box 72833 - 00200
Nairobi
Telephone: +254-20-3638000. /11 /17 /18 /20 /21, 3268000, 0711-0688000
Fax: +254-20-3752901/7
Email: cfcstanbic@stanbic.com
Website: http://www.cfcstanbicbank.co.ke
Physical Address: CFC Centre, Chiromo Road, Westlands
Date Licensed: 5/14/1955
Peer Group: Large
Branches: 17

7. Charterhouse Bank Ltd

UNDER - STATUTORY MANAGEMENT
Postal Address: P. O. Box 43252 Nairobi
Telephone: +254-20-2242246 /7 /8 /53
Fax: +254-20-2219058, 2223060, 2242248
Email: info@charterhouse-bank.com
Website:
Physical Address: Longonot Place, 6th Floor, Kijabe Street.
Date Licensed: 11/11/1996
Peer Group: Medium
Branches: 8

8. Chase Bank (K) Ltd

Managing Director: Mr. Zafrullah Khan
Postal Address: P. O. Box 66015-00800 Nairobi
Telephone: +254-20- 2774000, 2244035, 2245611, 2252783, 0727-531175, 0736-432025
Fax: +254-20-4454816/4454800-10
Email: info@chasebank.co.ke
Website: http://www.chasebankkenya.co.ke
Physical Address: Riverside Mews, Riverside Drive.
Date Licenced: 4/1/1991
Peer Group: Medium
Branches: 13

9. Citibank N.A Kenya

General Manager: Mr. Ademola Ayeyemi
Postal Address: P. O. Box 30711 - 00100 Nairobi
Telephone: +254-20- 2754000. 2711221
Fax: +254-20-2714810/1
Email: Kenya.citiservice@citi.com
Website: http://www.citibank.co.ke
Physical Address: Citibank House, Upper Hill Road.
Date Licenced: 7/1/1974
Peer Group: Large
Branches: 4

10. City Finance Bank Ltd

General Manager: Mr. Abraham Murithi Kimonye
Postal Address: P. O. Box 22741 - 00400, Nairobi
Telephone: +254-20- 2224238/9, 2214976, 2219626, 0722-201112
Fax: +254-20-341825/2245223/2214534
Email: info@cityfinancebank.co.ke
Website: http://www.cityfinancebank.co.ke
Physical Address: Unity House, Koinange Street.
Date Licenced: 9/10/1984
Peer Group: Small
Branches: 1

11. Commercial Bank of Africa Ltd

Managing Director: Mr. Isaac O. Awuondo
Postal Address: P. O. Box 30437 - 00100, Nairobi
Telephone: +254-20-2884000, 2734555, 0711056222-15
Fax: +254-20-2734599
Email: iqueries@cba.co.ke
Website: www.cba.co.ke
Physical Address: CBA Building, Mara/Ragati Road, Upper Hill
Date Licenced: 1/1/1967
Peer Group: Large
Branches: 19

12. Consolidated Bank of Kenya Ltd

Chief Executive: Mr. David N. Wachira
Postal Address: P. O. Box 51133 - 00200, Nairobi
Telephone: +254-20-340208/340836,340551, 340298, 340747,340298,211950, 0722-999177
Fax: +254-20-340213
Email: headoffice@consolidated-bank.com
Website: www.consolidated-bank.com
Physical Address: Consolidated Bank House, Koinange Street.
Date Licenced: 12/18/1989
Peer Group: Medium
Branches: 13

13. Co-operative Bank of Kenya Ltd

Managing Director: Mr. Gideon M. Muriuki
Postal Address: P. O. Box 48231 - 00100 Nairobi
Telephone: +254-20-3276000
Fax: +254-20-2245506
Email: md@co-opbank.co.ke
Website: www.co-opbank.co.ke
Physical Address: Co-operative House, Haile Selassie Ave.
Date Licenced: 1/1/1965
Peer Group: Large
Branches: 83

14. Credit Bank Ltd

Chief Executive: Mr. R. N. Patnaik
Postal Address: P. O. Box 61064-00200 Nairobi
Telephone: +254-20-2222300/ 2220789/ 2220789/ 2222317, 0728607701, 0738222300
Fax: +254-20-2216700
Email: info@creditbankltd.co.ke
Website:
Physical Address: Mercantile House, Ground Floor, Koinange Street
Date Licenced: 5/14/1986
Peer Group: Small
Branches: 5

15. Development Bank of Kenya Ltd

General Manager: Mr. Victor Kidiwa
Postal Address: P. O. Box 30483 - 00100, Nairobi
Telephone: +254-20-340401 /2 /3, 340416, 2251082, 340198
Fax: +254-20-2250399
Email: dbk@devbank.com
Website: www.devbank.com
Physical Address: Finance House, 16th Floor, Loita Street.
Date Licenced: 1/1/1973
Peer Group: Medium
Branches: 3

16. Diamond Trust Bank Ltd

Managing Director: Mrs. Nasim M. Devji
Postal Address: P. O. Box 61711 - 00200, Nairobi
Telephone: +254-20-2849000, 2210988/9
Fax: +254-20-2245495
Email: user@dtbkenya.co.ke
Website: http://www.diamondtrust-bank.com
Physical Address: Nation Centre, 8th Floor, Kimathi Street.
Date Licenced: 1/1/1946
Peer Group: Large
Branches: 32

17 Dubai Bank Ltd

Chief Executive: Mr. Mayank Sharma
Postal Address: P. O. Box 11129 - 00400, Nairobi
Telephone: +254-20-311109 /14 /23 /24 /32
Fax: +254-20-2245242
Email: info@dubaibank-kenya.com
Website: www.dubaibank.co.ke
Physical Address: I.C.E.A. Building, Ground Floor, Kenyatta Avenue.
Date Licenced: 1/1/1982
Peer Group: Small
Branches: 4

18. Ecobank Kenya Ltd

Chief Executive: Mr. Tonny Anthony Okpanachi
Postal Address: P. O Box 48584, 00100 Nairobi
Telephone: +254-20-2883000, 2249633 /4, 0722-204863
Fax: +254-20-2883304
Email: info@ecobank.com
Website: www.ecobank.com
Physical Address: Ecobank Towers, 5th Floor, Muindi Mbingu Street.
Date Licenced: 01/11/2005
Peer Group: Medium
Branches: 20

19. Equatorial Commercial Bank Ltd

Managing Director: Mr. Peter Harris
Postal Address: P. O. Box 52467-00200 Nairobi
Telephone: +254-20-2710455, 2710715, 2710973, 2710972, 2710829
Fax: +254-20-2710700 / 2719625
Email: customerservice@ecb.co.ke
Website: www.equatorialbank.co.ke
Physical Address: Equatorial Commercial Bank Centre, Nyerere Road.
Date Licenced: 12/20/1995
Peer Group: Small
Branches: 5

20. Equity Bank Ltd

Chief Executive: Dr. James N. Mwangi
Postal Address: P. O Box 75104-00200, Nairobi
Telephone: +254-20-2736617 /20, 2262000
Fax: +254-20-2737276
Email: info@equitybank.co.ke
Website: http://www. equitybank .com
Physical Address: N.H.I.F Building, 14th Floor, Ragati Road/Haille Sellassie Avenue Junction
Date Licenced: 28/12/2004
Peer Group: Large
Branches: 110

21. Family Bank Ltd

Chief Executive: Peter Njogu Kinyanjui
Postal Address: P. O. Box 74145-00200 Nairobi
Telephone: +254-020- 318173, 318940/2/7, 2244166, 2240601, 0736-698300, 0720-098309
Fax: +254-020- 318174
Email: info@familybank.co.ke
Website: www.familybank.co.ke
Physical Address: Four Ways Towers, 6th Floor, Muindi Mbingu Street
Date Licenced: 1984
Peer Group: Medium
Branches: 50

22. Fidelity Commercial Bank Ltd

Managing Director: Mr. Rana Sengupta
Postal Address: P. O. Box 34886-00100 Nairobi
Telephone: +254-20-2242348, 2244187, 2245369, 2220845, 2243461, 315917
Fax: +254-20-2243389/2245370
Email: customerservice@fidelitybank.co.ke
Website: www.fidelitybank.co.ke
Physical Address: I.P.S Building, 7th Floor, Kimathi Street.
Date Licenced: 6/1/1992
Peer Group: Medium
Branches: 7

23. Fina Bank Ltd

Chief Executive: Mr. Hanish Chandaria
Postal Address: P. O. Box 20613 - 00200, Nairobi
Telephone: +254-20-3284000, 2246943, 2253153, 2247113, 2253040, 0722-202929
Fax: +254-20-2247164/2229696
Email: banking@finabank.com
Website: www.finabank.com
Physical Address: Fina House, Kimathi Street.
Date Licenced: 1/1/1986
Peer Group: Medium
Branches: 15

24. First Community Bank Ltd

Chief Executive: Mr. Nathif J. Adam
Postal Address: P. O. Box 26219-00100, Nairobi
Telephone: +254-20-2843000 -3
Fax: +254-20-2213582 /344101
Email: info@fcb.co.ke
Website: www.firstcommunitybank.co.ke
Physical Address: Prudential Assurance Building, 1st Floor, Wabera Street
Date Licenced: 29.04.2008
Peer Group: Small
Branches: 18

25. Giro Commercial Bank Ltd

Managing Director: Mr. T. K. Krishnan
Postal Address: P. O. Box 46739 - 00200, Nairobi
Telephone: +254-20-340537, 310350, 2216005, 2217777 /6, 340544, 0722823684, 0733999044 ,
Fax: +254-20-319426/2230600/2246926
Email: girobank@girobankltd.com
Website:
Physical Address: Giro House, Kimathi Street.
Date Licenced: 12/17/1992
Peer Group: Medium
Branches: 8

26. Guardian Bank Ltd

Chief Executive: Mr. Vasant K. Shetty
Postal Address: P. O. Box 67681 - 00200, Nairobi
Telephone: +254-020-2226771, 2226774, 2226341, 222483, 0722-282213, 0722938629,
Fax: +254-020 -2216633
Email: viewpark@guardian-bank.com, biashara@guardian-bank.com
Website:www.guardian-bank.com
Physical Address: Guardian Centre, Biashara Street
Date Licenced: 12/17/1992
Peer Group: Medium
Branches: 7

27. Gulf African Bank Ltd

Chief Executive Officer: Mr. Najmul Hassan
Postal Address: P. O. Box 43683 - 00100, Nairobi
Telephone: +254-20-2740000, 2718608/9
Fax: +254-20-2729031/ 2715655
Email: info@gulfafricanbank.com
Website: www.gulfafricanbank.com
Physical Address: Gemina Insurance Plaza, Kilimanjaro Avenue, Upper Hill
Date Licenced: 1/11/2007
Peer Group: Medium
Branches: 14

28. Habib Bank A.G Zurich

Country Manager: Mr. Iqbal A. Allawala
Postal Address: P. O. Box 30584 - 00100 Nairobi
Telephone: +254-20-341172/76/77, 340835, 310694
Fax: +254-20-2217004 /2218699
Email: habibbank@wananchi.com
Website:
Physical Address: Nagina House, Koinange Street.
Date Licenced: 1/7/1978
Peer Group: Medium
Branches: 5

29. Habib Bank Ltd

Country Manager:: Imran Bukhari
Postal Address: P. O. Box 43157 - 00100, Nairobi
Telephone: +254-20-2226433, 2222786, 2226406/7, 2218176
` Fax: +254-20-2214636 /2214636
Email: hblro@hblafrica.com
Website: www.hbl.com
Physical Address: Exchange Building, Koinange Street.
Date Licenced: 2/3/1956
Peer Group: Small
Branches : 4

30. Imperial Bank Ltd

Chief Executive: Mr. Abdulmalek Janmohamed
Postal Address: P. O. Box 44905 - 00100, Nairobi
Telephone: +254-20-2874000, 343416 /12/17/18/19/94, 342373, 2719617 /8 /9
Fax: +254-20-2719705/2719652, 342374
Email: info@imperialbank.co.ke
Website: www.imperialbank.co.ke
Physical Address: Imperial Bank House, Bunyala Road, Upper Hill
Date Licenced: 1/11/1992
Peer Group: Large
Branches: 12

31. I & M Bank Ltd

Chief Executive: Mr. Arun S. Mathur
PostalAddress:P.O.Box30238-00100,
Nairobi
Telephone: +254-20-310105-8, 2711994-8
Fax: +254-20-2713757 / 2716372
Email: invest@imbank.co.ke
Website: http://www.imbank.com
Physical Address: I & M Bank House, 2nd Ngong Avenue.
Date Licenced: 1/1/1974
Peer Group: Large
Branches: 16

32. Kenya Commercial Bank Ltd

Managing Director: Mr. Martin Luke Oduor -Otieno
Postal Address: P. O. Box 48400 - 00100, Nairobi
Telephone: +254-20-3270000, 2851000, 2852000, 250802
Fax: +254-20-2216405/2229565
Email: kcbhq@kcb.co.ke
Website: http//www.kcb.co.ke
Physical Address: Kencom House, Moi Avenue.
Date Licenced: 1/1/1896
Peer Group: Large
Branches: 149

33. K-Rep Bank Ltd

Managing Director: Mr. Kimanthi Mutua
Postal Address: P. O. Box 25363 - 00603, Nairobi
Telephone: +254-20- 3906000-7, 3873169, 3568996/7, 0711-058000-7, 0732-058000-7
Fax: +254-20-3568995
Email: registry@k-repbank.com
Website: www.k-repbank.com
Physical Address: K-Rep Centre, Wood Avenue, Kilimani
Date Licenced: 3/25/1999
Peer Group: Medium
Branches: 30

34. Middle East Bank Ltd

Managing Director: Mr. Philip Ilako
Postal Address: P. O. Box 47387 - 0100 Nairobi
Telephone: +254-20-2723120/24, 2722879, 2723124, 2723130, 0722-205903' 0733-333441
Fax: +254-20-343776 / 2256901
Email: ho@mebkenya.com
Website: www.mebkenya.com
Physical Address: Mebank Tower - Milimani Rd.
Date Licenced: 10/1/1980
Peer Group: Small
Branches: 3

35. National Bank of Kenya Ltd

Managing Director: Mr. Reuben M. Marambii
Postal Address: P. O. Box 72866 - 00200 Nairobi
Telephone: +254-20-2828000, 2226471, 0711-038000, 0735-995050-4
Fax: +254-20-311444/2223044
Email: info@nationalbank.co.ke.
Website: www.nationalbank.co.ke
Physical Address: National Bank Building, Harambee Ave.
Date Licenced: 1/1/1968
Peer Group: Large
Branches: 44

36. NIC Bank Ltd

Managing Director: Mr. James W. Macharia
Postal Address: P. O. Box 44599 - 00100 Nairobi
Telephone: +254-20-2888000, 2888600, 4849000, 0722-203885 /6 /7,
Fax: +254-20-2888505/13
Email: info@nic-bank.com
Website: http://www.nic-bank.com
Physical Address: N.I.C House, Masaba Road.
Date Licenced: 9/17/1959
Peer Group: Large
Branches: 16

37. Oriental Commercial Bank Ltd

Chief Executive: Mr. R. B. Singh
Postal Address: P.O BOX 44080 - 00100, Nairobi
Telephone: +254-20-2228461/2, 2219469, 2242265, 2221875, 2222076
Fax: +254-20-2219469
Email: info@orientalbank.co.ke
Website: www.orientalbank.co.ke
Physical Address: Finance House, Koinange Street.
Date Licenced: 8/2/1991
Peer Group: Small
Branches: 6

38. Paramount Universal Bank Ltd

Chief Executive: Mr. Ayaz A. Merali
Postal Address: P. O. Box 14001 -00800 Nairobi
Telephone: +254-20-4449266/7/8, 446106 /7, 4443896, 445722
Fax: +254-20-449265
Email: info@paramountbank.co.ke
Website: www.paramountbank.co.ke
Physical Address: Sound Plaza Building, 4th Floor, Woodvale Grove, Westlands
Date Licenced: 10/1/1993
Peer Group: Small
Branches: 6

39. Prime Bank Ltd

Chief Executive: Mr. Bharat Jani
Postal Address: P. O. Box 43825 - 00100, Nairobi
Telephone: +254-20-4203000
Fax: +254-20-4451247
Email: headoffice@primebank.co.ke
Website: www.primebankenya.com
Physical Address: Prime Bank Building, Chiromo Lane / Riverside Drive, Junction, Westlands
Date Licenced: 3/1/1992
Peer Group: Large
Branches: 14

40. Southern Credit Banking Corporation Ltd

AG. Managing Director: Akber Kurji
Postal Address: P. O. Box 11666 - 00400, Nairobi
Telephone: +254-20-2220948, 2220939, 2218622,
Fax: +254-20-2246309/2221338
Email: info@southerncredit.co.ke
Website: www.southerncredit.co.ke
Physical Address: Southern House, Nginda Lane, Off-Murang'a Road.
Date Licenced: 01/10/1980
Peer Group: Small
Branches: 10

41. Standard Chartered Bank Ltd

Chief Executive: Mr. Richard Etemesi
Postal Address: P. O. Box 30003 - 00100 Nairobi
Telephone: +254-20-3293000, 3293900
Fax: +254-20-2223380
Email: Talk-Us@sc.com
Website: www.standardchartered.com
Physical Address: Stanbank House, Moi Ave.
Date Licenced: 10/1/1910
Peer Group: Large
Branches: 34

42. Trans-National Bank Ltd

Chief Executive: Mr. Dhirendra R. Rana
Postal Address: P. O. Box 34353 - 00100 Nairobi
Telephone: +254-20-2224234-6, 2210335, 2252188/90/91, 2224235/6, 2252219
Fax: +254-20-2252225
Email: ceo@tnbl.co.ke
Website: www.tnbl.co.ke
Physical Address: Transnational Plaza, Mama Ngina Street.
Date Licenced: 8/1/1985
Peer Group: Small
Branches: 13

43. UBA Kenya Bank Ltd

Managing Director:: Mr. Manasseh Terna Denga
Postal Address: : P. O. Box 34154 - 00100 Nairobi
Telephone: +254-020 8043300 /1 /3, 3740814, 3612000
Fax: +: +254-020-3740817
Email: manz.denga@ubagroup.com
Website: www. ubagroup.com
Physical Address: Apollo Centre, 1st Floor, Ring Road / Vale Close, Westlands
Date Licenced: 24/09/2009
Peer Group: Small
Branches: 4

44. Victoria Commercial Bank Ltd

Managing Director: Mr. Yogesh K Pattni
Postal Address: P. O. Box 41114 - 00100 Nairobi
Telephone: +254-20-2719499, 2719815, 2710271, 2716108, 2719814
Fax: +254-20-2713778/2715857
Email: victoria@vicbank.com
Website:
Physical Address: Victoria Towers, Kilimanjaro Ave. Upper Hill
Date Licenced: 6/1/1987
Peer Group: Medium
Branches: 1

B: NON-BANKING FINANCIAL INSTITUTIONS (NBFIs)

45. Housing Finance Company of Kenya Ltd

Managing Director: Mr. Frank M. Ireri
Postal Address: P. O. Box 30088 -00100 Nairobi
Telephone: +254-20- 3262000, 317474, 2221101
Fax: +254-20-340299/2250858
Email: housing@housing.co.ke
Website: www.housing.co.ke
Physical Address: Rehani House, Kenyatta Ave. / Koinange Street - Junction.
Date Licenced: 5/7/1965
Peer Group: Large
Branches: 11

46. Savings and Loan Ltd

Managing Director: Ms. Caroline Kariuki
Postal Address: P. O. Box 45129 - 00100, Nairobi
Telephone: +254-20- 342190, 344203, 2251328, 2251021,
Fax: +254-20-318539/2214267
Email: kcbbank@group.com
Website: www.kcb.com
Physical Address: Lonrho House, 18th Floor, Standard Street.
Date Licenced: 1977
Peer Group: Large
Branches: 9

MICROFINANCE INSTITUTIONS

47. FAULU KENYA

Chief Executive: Mr. John Mwara Kibochi
Postal Address: P. O. Box 60240 – 00200, Nairobi
Telephone: +254-20- 3877290 -3/7, 38721883/4
Fax: +254-20-3867504, 3874875
Email: info@faulukenya.com, customercare@faulukenya.com
Website: www.faulukenya .co.ke
Physical Address: Faulu Kenya House, Ngong Lane -off Ngong Road
Date Licenced: 21.05.2009
Branches: 6

REPRESENTATIVE OFFICE

48. HDFC BANK LTD

Chief Representative Office
HDFC Bank Ltd, RepresentativeOffice
Purshottam Place, 7th Floor,
Office No. 721, Westlands Road/Chiromo Road
Nairobi, Kenya
Tel: +254 20 3601732
Fax: +254 20 360 1100
Telkom WL: +254 20 8002078
Mobile: +254 713 597593

FOREX BUREAUS DIRECTORY

Appendix XI

No	Name of Bureau	Location	E-mail Address & Fax
1.	**ABC Place Forex Bureau Ltd** P.O. Box63533-00619 Nairobi Tel: 4450445/6/7; 4450005/6	ABC Place, Waiyaki Way, Nairobi	abcforex@yahoo.com **Fax: 254-2-4446163**
2.	**Alok Bureau De Change Ltd** P. O. Box 10166 – 00100 Nairobi	3rd Floor, Lyric House, , Kimathi street, Nairobi	askus@alokbureau.com
3.	**Alpha Forex Bureau Ltd** P. O. Box 476 – 00606,Nairobi Tel: 4451435/7	Pamstech House Woodvale Grove Westlands	Alpha-forex@yahoo.com **Fax: 254-2-4451436**
4.	**Amal Express Forex Bureau Ltd** P. O. Box 3165 – 00100 Nairobi Tel: 6765141/0722725667	Amal Plaza 1st Avenue Eastleigh Nairobi	amalforexbureau@hotmail.com migoori786@yahoo.com **Fax: 254-2-6765141**
5.	**Amana Forex Bureau Ltd** P. O. Box 68578 – 00622 Nairobi Tel: 6761296	Eastleigh, Sect.VIII, 1st Ave Nairobi	manaexpress236@hotmail.com **Fax: 254-2-6760137**
6.	**Amazon Forex Bureau Ltd** P. O. Box 43109 – 00100 NairobiMama Ngina Street Tel: 2213000/1/2	Salama House, Mama Ngina Street	amazonforex@gmail.com
7.	**Amex Forex Bureau Ltd** P. O. Box 45448 – 00100 Nairobi Tel: 2246469/2243495/2245157/ 0722-230391, 0733-561938	Ground Floor, IPS Building Standard Street	info@amex.co.ke **Fax: 254-2-244668**
8.	**Arcade Forex Bureau Ltd** P. O. Box 21646 – 00505 Nairobi Tel: 3871946/2189121, 0721-810274	Adams Arcade Ngong Road	arcadeforex@yahoo.com **Fax: 254-2-571924**
9.	**Aristocrats Forex Bureau Ltd** P. O. Box 10884 – 00400 Nairobi Tel: 245247/228080	Kenindia House Nairobi	aristoforex@nbi.ispkenya.com **Fax: 254-2-213794**
10.	**Avenue Forex Bureau Ltd,** (formerly Qadisia Forex Bureau Ltd) P. O. Box 1755 – 80100 Mombasa	Motor Mart Building, Moi Avenue, Mombasa	avenueforex@gmail.com
11.	**Bakaal Express Forex Bureau Ltd** P. O. Box 17566 – 00500 Nairobi Tel: 0206768464	Eastleigh	bakaalnbi@hotmail.com

12.	**Bamburi Forex Bureau Ltd** P. O. Box 97803 Mombasa Tel: 041-5486950, 0722-412649/ 0733-466729	Nyali Mombasa	bamburiforex@hotmail.com Bamburiforex@yahoo.com **Fax: 254-41-5486948**
13.	**Bay Forex Bureau Ltd** P. O. Box 42909 – 00100 Nairobi Tel: 2244186/ 2248289/2244188	The Stanley Bldg. Kenyatta Avenue Nairobi	info@bayforexbureau.com Bayforex@swiftkenya.com **Fax: 254-2-229665/248676**
14.	**Blue Nile Forex Bureau Ltd** P.O. Box 4770-00100 Nairobi Tel: 2224100/2221927	Ground Floor, I & M Towers, Muindu Mbingu Street, Nairobi	bluenile@wananchi.com **Fax: 254-2-222721**
15.	**Blueseas Forex Bureau Ltd** P. O. Box 66012 - 00200 Nairobi Tel: 2251884	Clyde House Kimathi Street Nairobi	**Fax: 254-2-318895**
16.	**Bogani Forex Bureau Ltd** Langata South, Nairobi P. O. Box 15069 – 00500 Nairobi Tel: 0722-601424/ 0732-601424	Langata Link Building,	boganiforex@hotmail.com
17.	**Cannon Forex Bureau Ltd** P. O. Box 4599 – 00100 (GPO) Nairobi Tel: 2214723	Telposta Towers, Ground Floor	cannonforex@gmail.com
18.	**Capital Bureau De Change Ltd** P. O. Box 54210 – 00200 Nairobi Tel: 2251704/8	Jubilee Insurance House	capital_bureau@yahoo.com **Fax: 254-2-241307**
19.	**Capital Hill Forex Bureau Ltd** P.O. Box 20373-00200 Nairobi Tel: 2733594/0722-410550	1st Floor, NHIF Building, Ngong Road	**capitalhillforex@gmail.com** **Fax: 254-2-2733594**
20.	**Cash Africa Bureau De Change Ltd** P. O. Box 14256 – 00800 Nairobi Tel. 552875/6, 3521030	Bamburi Road, Industrial Area	Fax No. 552877
21.	**Cashline Forex Bureau Ltd** P. O. Box 64672 – 00619 Nairobi Tel: 4452296/97/98	Sound Plaza Westlands	cash@cashlinefx.co.ke **Fax: 254-20-4452299**

22.	**CBD Forex Bureau Ltd** P. O. Box 10964 – 00400 Nairobi Tel: 316123	Clyde House, Kimathi Street	**Fax: 254-2-318895**
23.	**Central Forex Bureau Ltd** P.O. Box 43966 – 00100 Nairobi Tel: 2226777/ 2224729/317217	I. P. S. Building, Ground Floor, Ground Floor, Kaunda Street, Nairobi	centralforex@swiftkenya.com **Fax: 254-2-249016**
24.	**Chase Bureau De Change Ltd** P. O. Box 45746 – 00100 Nairobi Tel: 2227777/2244491	Gilfillan House Kenyatta Ave./ Banda Street Nairobi	chasefx@chasecyber.com chasefx@gmail.com **Fax: 254-2-244651**
25.	**City Centre Forex Bureau Ltd** P. O. Box 40253 – 00100 Nairobi Tel: 2246694/0729-888555	Nginyo Towers, Ground Floor, Koinange Street Nairobi	info@citycentreforex.co.ke **Fax No: 254-02-246696**
26.	**Classic Forex Bureau Ltd** P. O. Box 39166 – 00623 Nairobi Tel: 3862343/4	Prestige Plaza, 1st Floor, Ngong Rd Nairobi	info@classicforex.co.ke Fax No. 3862346
27.	**Coast Forex Bureau Ltd** P. O. Box 89413 – 80100 Mombasa Tel: 041- 2225140/2224980	City House, Moi Avenue, Fontanella, Mombasa	**Fax: 254-41-230268**
28.	**Commercial Forex Bureau Ltd** P. O. Box 47452 – 00100 Nairobi Tel:020-2210307/8	Vedic House, Mama Ngina Street	Commercialfx08@yahoo.com
29.	**Conference Forex Bureau Ltd** P. O. Box 32268 – 00600 Nairobi Tel. 3581293, 020-3586802	KICC, Ground Floor	cfbltd@akarim.com
30.	**Connection Forex Bureau Ltd** P. O. Box 63533 – 00619 Nairobi Tel: 883535/6/7, 0720-711111, 0735-711111	Karen Connection Lower Plain's Road, Off-Karen Road	connectionforex@yahoo.com **Fax:254-2-883558**
31.	**Continental Forex Bureau Ltd** P. O. Box 49580 – 00400 Nairobi Tel: 2222140, 3168025	Old Mutual Building Kimathi Street Nairobi	cfbbusiness@yahoo.com **Fax: 254 2-216163**
32.	**Cosmos Forex Bureau Ltd** P. O. Box 10284 – 00100 Nairobi Tel: 250582/5	Rehema House Nairobi	cosmosforex@yahoo.com **Fax: 254-2-250591**

33.	**Crater Forex Bureau Ltd** P. O. Box 7357– 20100 Nakuru Tel: 051- 2214183, 2216524	Menengai Motors George Morara Avenue	craterforex@wananchi.com **Fax: 254-51-2214183**
34.	**Crescent Bureau De Change Ltd** P. O. Box 82143 – 80100, Mombasa Tel. 041 – 2319429/30/31, 0721 – 698390, 020 – 3509581	Bawazir Building, Makadara Street, Near Central Police, Mombasa	Crescentforex@yahoo.com crescentforex@gmail.com Fax No. 041 – 2319432
35.	**Crossroads Forex Bureau Limited** P. O. Box 871 – 00502 Tel. 020884131/2, 0729-888444	Crossroads Shopping Centre, Karen, Nairobi Nairobi	info@crossroadsforex.co.ke
36.	**Crown Bureau De Change Ltd** P. O. Box 22515– 00400 Nairobi Tel: 2250720/1/2	Corner House, Mama Ngina Street Nairobi	info@crown.co.ke **Fax: 254-2-252365**
37.	**Dahab Shill Forex Bureau Ltd** P. O. Box 10422 – 00100 Nairobi Tel: 2218105, 252641	2nd Floor, Lonrho House, Standard Street, Nairobi	dahabtown@hotmail.com **Fax: 254-2-252642/342947**
38.	**Dale Ventures Forex Bureau Ltd** P. O. Box 615 – 00606 Nairobi	Diamond City Building, Thigiri Nairobi	
39.	**Dalmar Exchange Bureau Ltd** P. O. Box 16381 – 00610 Nairobi Tel: **6761628**/6760476	2nd Floor, Al Habib Centre 1st Ave. Eastleigh Nairobi	dalmarforex@gmail.com **Fax: 254-2-6760470**
40.	**Dollar Forex Bureau Ltd** P. O. Box 1722 Malindi Tel: 042-30602/71/31979	FN Centre Malindi Municipality	Dollarforex@swiftmalindi.com **Fax: 254-42-31976**
41.	**Downtown Cambio Forex Bureau Ltd** P. O. Box 42444 – 00100 Nairobi Tel: 608659; 609547/607721	Wison Airport Nairobi	**Fax: 254-2-608354**
42.	**Euro Dollar Bureau De Change Ltd** P. O. Box 13946 – 00800 Nairobi Tel: 4448501/2	Mpaka House Westlands Nairobi	info@eurodollar.co.ke **Fax: 254-2-4447729**
43.	**Fairdeal Forex Bureau Ltd** P. O. Box 16915 – 00100 Nairobi Tel: 2211196/7/8, 2211192	Cameo Cinema Building Ground Floor, Nairobi.	fairdealforex@swiftkenya.com **Fax: 254-2-2211191**
44.	**Finerate Forex Bureau Ltd** P. O. Box 10733 – 00100 Nairobi Tel: 2250406/7, 2250412, 0733634733	Bruce House, Ground Floor,	fineforex@yahoo.com **Fax: 254-2-2250407**

45.	**Forex Bureau Afro Ltd** P. O. Box 14353 – 00800 Nairobi Tel: 2247041/2250676/222950	Jamia Plaza Kigali Street Nairobi	**Fax: 254-2-2251078**
46.	**Fort Jesus Forex Bureau Ltd** P. O. Box 89991 – 80100 Mombasa Tel: 041-2230114/5/6 0733634733/0722-203358	Old Mombasa Road	fortjesusforex@hotmail.com **Fax: 254-41-2316717**
47.	**Fulus Bureau De Change Ltd** P. O. Box 90206 – 80100 Mombasa Tel: 041-2222273; 0723-918166	Nkrumah Road Mombasa	fulus_bureau@yahoo.com **Fax: 254-41-2222283**
48.	**Gateway Forex Bureau Ltd** P. O. Box 11500 – 00100 Nairobi Tel: 2212955/45/49, 0700-003435	Town House, Kaunda Street	info@gatewayforex.co.ke **Fax: 254-20-2212942**
49.	**Giant Forex Bureau de Change Ltd** P. O. Box 56947 – 00200 Nairobi Tel: 827970	Unit 1- Departure	**giantforex@mitsuminet.com** **Fax: 254-2-825327**
50.	**Give and Take Forex Bureau Ltd** P. O. Box 51463 – 00200 Nairobi Tel: 7120581/3562152	Gigiri, China Garden Nairobi	**givetakeforex@wananchi.com** **Fax: 254-2-7120046**
51.	**Gigiri Forex Bureau Ltd** P. O. Box 45448 – 00100 Nairobi Tel: 7121515/7120498/0737104492	Gigiri Shopping Centre	info@amex.co.ke gigiriforex@yahoo.com **Fax: 254-2-244886**
52.	**Global Forex Bureau Ltd** P. O. Box 47583 – 00100 Nairobi Tel: 6762982	2nd Floor, Tasir Complex, 1st Ave. Eastleigh, Nairobi	globalforex@hotmail.com N/A
53.	**Glory Forex Bureau Ltd** P. O. Box 42909 – 00100 Nairobi Tel: 2244333/2241164/2243115	Norwich Union House Kimathi Street, Nairobi	gloryforex@yahoo.com **Fax: 252-2-245614**
54.	**GNK Forex Bureau Ltd** P. O. Box 14297 – 00100 Nairobi Tel: 890303/891243/891848/892048	Jubilee Centre Karen Nairobi	gnkforex@swiftkenya.com **Fax: 254-2-892266**
55.	**Goldfield Forex Bureau Ltd** P. O. Box 40317 – 00100 Nairobi Tel: 332565/2244554/ 248713/4	Fedha Towers, Nairobi	goldfield@swiftkenya.com **Fax: 254-2-2223761**

56.	**Green Exchange Forex Bureau Ltd** P. O. Box 20809 – 00100 Nairobi Tel:+2540202214547/8/9	Emperor Plaza, Ground Floor, Koinange Street	greenexchangeforexbureau@hotmail.com **Fax: 254-2-2214550**
57.	**Greenspan Forex Bureau Ltd** P.O. Box 46975 – 00100 Nairobi Tel:254-041-3430113	Moi International Airport, Mombasa	**Fax: 253-41-3430114**
58.	Hodan Global Forex Bureau Ltd, P. O. Box 68811 – 00622 **Fax No. 254-2-6763955** Nairobi Tel: 6763035, 0202084862	Hong Kong Shopping Mall, 2nd Fl, Kipanga Athumani St, Eastleigh	hodanglobal@hotmail.com hodanforex2008@hotmail
59.	**Hurlingham Forex Bureau Ltd** P. O. Box 11123 – 00400 Nairobi Tel. 2724409, 2727663	China Centre, Ngong Road	**Hurlinghamforex @hotmail.com** **Fax: 254-2-2731981**
60.	**Jodeci Bureau De Change Ltd** P. O. Box 21819 – 00400 Nairobi Tel: 827306/822845/822850	Unit 1, JKIA Nairobi	**Fax: 254-2-245741**
61.	**Junction Forex Bureau Ltd** P. O. Box 43888 – 00100 Nairobi Tel: 3861268/9, 0725-852840/	The Junction of Ngong Road/Dagoret/ Corner	junctionforexbureaultd@gmail.com
62.	**Industrial Area Forex Bureau Ltd** P. O. Box 45746 – 00100 Nairobi Tel: 551186/551198	Bunyala Road, Industrial Area Nairobi	**Fax: 254-2-551186**
63.	**Island Forex Bureau Ltd** P. O. Box 84300 Mombasa Tel: 041-2223988/ 2229626	Moi Avenue, Mombasa	islandforex@hotmail.com **Fax: 254-41-2227057**
64.	**Kaah Forex Bureau Ltd** P. O. Box 10327 – 00400 Nairobi Tel: 6767494/6760504	Eastleigh Section 11, Nairobi	mobash33@yahoo.com **Fax: 254-2-6767543**
65.	**Karen Bureau De Change Ltd** P. O. Box 24673 – 00502 Nairobi Tel: 884674; 884675	Karen Provision Stores, Corner Lang'ata/ Ngong Rd.	**Fax: 254-2-884675**
66	**Nairobi Forex Bureau Ltd** P. O. Box 12523 – 00100 Nairobi Tel: 2244767/2223039	Gujarat House Muindi Mbingu Street Nairobi	Nfbwesternunion@yahoo.com Fax: 254-2-244767

67.	**Kenza Exchange Bureau Ltd** P. O. Box 21819 – 00400 Nairobi Tel: 822504/ 2245863	JKIA, Arrival Unit 1 Nairobi	**N/A**
68.	**L'ache Forex Bureau Ltd** P. O. Box 45191 – 00100 Nairobi Tel: 3514509, 2119568/9, 0711-229408, 3752109	Diamond Plaza, 2nd Floor, Parklands	info@lache.co.ke forexlache@yahoo.com **Fax: 254-2-2733485**
69.	**Langa'ta Mall Forex Bureau Ltd.** P. O. Box 34257 – 00100 Nairobi Tel: 020-2363735	Eastleigh, Nairobi	**Fax: 254-2-608047**
70	**Lavington Forex Bureau Ltd** P. O. Box 25559 – 00603 Nairobi Tel: 0202017750, 0202518957/ 0722844259	Lavington Green Shopping Centre	admin@lavingtonforex.com
71.	**Leo Forex Bureau Ltd** P. O. Box 82304– 80100 Mombasa Tel: 041-2230396/7/8; 2230399	T. S. S. Towers Nkrumah Road, Mombasa	lleoforex@swiftmombasa.com **Fax: 254-41-230399**
72.	**Link Forex Bureau Ltd** P. O. Box 11659 – 00400 Nairobi Tel: 2213619/21, 0724-256480	Uganda House – Arcade, Kenyatta Avenue, Nairobi	Link-forex@yahoo.com linkforexbureau@yahoo.com **Fax: 254-2-213620**
73.	**Loki Forex Bureau Ltd.** P. O. Box 12523 – 00100 Nairobi Tel: 0723-886999	Lokichogio	nfbwesternunion@ yahoo.com
74.	**Magnum Forex Bureau De Change Ltd** P. O. Box 46434 – 00100 Nairobi Tel: 254-20-672732/6	Nakumatt Mega, Uhuru Highway	**magnumkenya@ gmail.com** **Fax: 254-20-672559**
75.	**Mandeeq Forex Bureau Ltd** P. O. Box 85670 – 80100 Mombasa Tel: 041-2228028	Al-Nasser Building, Digo Road Mombasa	Mandeeqforex@hotmail.com **Fax: 254-41-2230082**
76.	**Maritime Forex Bureau Ltd** P. O. Box 43296 – 80100 Mombasa Tel: 041- 2319175/6/7	Nkrumah Road, Mombasa	**Fax: 254-41-2319178**
77.	**Market Forex Bureau Ltd** P. O. Box 67845 – 00200 Nairobi	Arrow House, Koinange Street, Ground Floor	marketforex@ymail.com

78.	**Maxfair Forex Bureau Ltd** P. O. Box 10334 – 00100 Nairobi Tel: 2226212/ 2228842	Ground Floor, Standard Building Nairobi	maxfair@swiftkenya.com maxfair008@hotmail.com Fax: 254-2-227299
79.	**Metropolitan Bureau De Change Ltd** P. O. Box 7080 – 00300 Nairobi Tel: 827963	Unit 2 Departure, JKIA	Fax: 254-2-252116
80.	**Middletown Forex Bureau Ltd** P. O. Box 41830 – 00100 Nairobi Tel: 2211227	Westminister House Kaunda Street Nairobi	mtforex@iconnect.co.ke mtforex@yahoo.com Fax: 254-2-332534
81.	**Mint Bureau De Change Ltd.** P. O. Box 13580 – 00800 Nairobi Tel: 891703/447204/5/6	Merchantile House Loita Street	Fax: 254-2-443859
82.	**Mombasa Forex Bureau Ltd** P. O. Box 3714 – 80100 Mombasa Tel: 041-2319918/9, 0718300300	Ambalal House, Ground Floor, Nkrumah Road	Fax: 254-41-2319927
83.	**Mona Bureau De Change Ltd** P. O. Box 46180 – 00100 Nairobi Tel: 828111/2, Cell: 0733-744348	Panari Centre, Mombasa Road Nairobi	monaforex@Kwachunet.com Fax: 254-2-828113
84.	**Moneypoint Forex Bureau Ltd** P. O. Box 3338-00100 Nairobi Tel No. 020-2211346/7	ANSH Plaza, Kimathi street/ Tubman Road	moneypointforex@hotmail.com
85.	**Morgan Forex Bureau De Change Ltd** P. O. Box 79012 – 00400 Nairobi Tel No. 020-4444073	Westlands	morgankenya@gmail.com
86.	**Mustaqbal Forex Bureau Ltd** P. O. Box 100745 – 00101 Nairobi Tel: 020-2497344	Eastleigh, Nairobi	mustaqbalforex@yahoo.com Fax: 254-2-6766650
87.	**Muthaiga Forex Bureau Ltd** P. O. Box 63533 – 00619 Nairobi Tel: 3748883/6512/ 3750331/ 386, 0722-362666, 0722-362999	Muthaiga Shopping Centre Nairobi	muthaigaforex@hotmail.com Fax: 254-2-3746512, 3750331
88..	**Nairobi Bureau De Change Ltd** P. O. Box 644 – 00624, Village Mkt Nairobi Tel: 822884	Unit 2 JKIA Nairobi	www.nairobibureau.com Fax: 254-2-241307

89.	**Namanga Forex Bureau Ltd** P. O. Box 12577 – 00100 Nairobi Tel: 02-213642/ 045-5132476	Namanga	**N/A**
90.	**Nature Forex Bureau Ltd** P. O. Box 18213 – 00100 Nairobi Tel: 6761986/6768047/0722-682218	Shariff Shopping Complex, Opposite Garissa Lodge, Eastleigh 1st Avenue	nnuradiin2001@hotmail.com natureforexbureaultd@gmail.com **Fax: 254-2-6766278**
91.	**Nawal Forex Bureau Ltd** P. O. Box 43888 – 00100 Nairobi Tel: 2720111	Chaka Place, Chaka Road	nawalforexbureau@yahoo.com **Fax: 254-2-272011**
92.	**Net Forex Bureau Ltd** P. O. Box 52129 – 00200 Nairobi Tel: 020 – 249999	Avenue House, Kenyatta Avenue	**Fax: 254-2-250088**
93.	**Offshore Forex Bureau Ltd** P. O. Box 26650 – 00100 Nairobi Tel: 020 – 310837/8	Cianda House, Ground Floor Koinange Street	**Fax: 254-02-310839**
94.	**Overseas Forex Bureau Ltd** P. O. Box 66864 – 00800 Nairobi Tel: 2216250/ 2249657/8/9	Ground Floor, View Park Towers Monrovia/Utalii Street	ofb@wanachi.com **Fax: 254-2-213027**
95.	**Pacific Forex Bureau Ltd** P. O. Box 24273 – 00100 Nairobi Tel. 310880, 310882/3	Lonhro House, Standard Street	pacific@sahannet.com
96.	**Peaktop Exchange Bureau Ltd** P. O. Box 13074 – 00100 Nairobi Tel: 2244371/313438, 0722 - 332518	20th Century, on Mama Ngina/ Kaunda Street Nairobi	peaktopbureau@gmail.com **Fax: 254-2-210210**
97.	**Pearl Forex Bureau Ltd** P. O. Box 58059 – 00200 Nairobi Tel: 2724769/ 2724778	Hurlingham Shopping Centre	**Fax: 254-2-2724770**
98.	**Pel Forex Bureau Ltd** P. O. Box 957 – 40100 Kisumu Tel: 057-2024134/2044425	Alimran Plaza Oginga Odinga Road, Kisumu	pel@swiftkisumu.com pel@vicweb.com **Fax: 254-57-2022495**
99.	**Penguin Forex Bureau Ltd** P. O. Box 3438 – 80100 Mombasa Tel: 041- 316618/2228170	Nkrumah Road, Mombasa	**Fax: 254-41-2228194**

100.	**Pinnacle Forex Bureau Ltd** P. O. Box 10020 – 00400 Nairobi Tel: 2219240/249283/2249284	Corner House Kimathi Street	pinacleforex@yahoo.com **Fax: 254-2-214832**
101.	**Princess Forex Bureau Ltd** P. O. Box 1634 Mombasa Tel: 254-20-2711584/ 0720-727999	Nkrumah Road, Mombasa	**N/A**
102.	**Pwani Forex Bureau Ltd** P. O. Box 41572 – 80100 Mombasa Tel: 041-2221727/2221734/2221845	Mombasa Block 404 XV11/M1 Abdel Nasseiz	forex@pwaniforex.com **Fax: 254-41-2221734**
103.	**Rainbow Forex Bureau Ltd** P. O. Box 5781 – 80200 Malindi Tel: 042-2120174	Vera Criz Complex, Malindi	**Fax: 254-42-2120173**
104.	**Real Value Forex Bureau Ltd** P. O. Box 2903 – 00100 Nairobi Tel: 236044/55/66/77	Shariff Complex, 5th Avenue, Eastleigh	Hudaifa-04@hotmail.com
105.	**Regional Forex Bureau Ltd** P. O. Box 634 – 00100, Nairobi Tel. 313479/80,311953	Kimathi House, Kimathi Street	**Fax:. 254-2-312296**
106.	**Rift Valley Forex Bureau Ltd** P. O. Box 12165 Nakuru Tel: 051-2212495/2210174	Merica Hotel Building Court Road Nakuru	riftvalleyforex@yahoo.com **Fax: 254-51-2210174**
107.	**Safari Forex Bureau Ltd** P. O. Box 219 Eldoret Tel: 053-2063347	KVDA Plaza Eldoret	safariforex@africaonline.co.ke **Fax: 254-053-2063997**
108.	**Satellite Forex Bureau Ltd** P. O. Box 43617– 00100 Nairobi Tel: 2218140/1, Cell: 0721-411300	City House Standard Street Nairobi	satelliteforex@swiftkenya.com satellitefb@ hotmail.com **Fax: 254-20-230630**
109.	**Shepherds Forex Bureau Ltd** P. O. Box 63533 – 00619 Nairobi Tel: 3754926/7/3754935, 0720-715888, 0720-220222	Muthaiga, Nairobi	Shepherdsforex@yahoo.com sfbfx@hotmail.com **Fax: 254-2-3761073**

110.	**Simba Forex Bureau Ltd** P. O. Box 66886 – 00800 Nairobi Tel. 020 – 445995, 0722 – 703121	Moi International Airport, Mombasa	Fax No: 020 – 4443706
111.	**Sky Forex Bureau Ltd** P. O. Box 26150 – 00100 Nairobi Tel: 020-2242062/3	20th Century, Mama Ngina/ Kaunda Street	Fax No. 020-2242064
112.	**Solid Exchange Bureau Ltd** P. O. Box 19257– 00501 Nairobi Tel: 822922/0722-853769	JKIA-Unit 2	**Fax: 254-2-822923**
113.	**Speedy Forex Bureau Ltd** P. O. Box 45688 – 00100 Nairobi Tel: 2225941/2225641/2226529	Jubilee Insurance Exchange, Kaunda Street	speedyexchange@yahoo.com **Fax: 254-2-221761**
114.	**Sterling Forex Bureau Ltd** P. O. Box 43673 – 00200 Nairobi Tel: 2228923/340624	Laxmi Plaza, Biashara Street Nairobi	info@sterlingforexbureau.com **Fax: 254-2-330894**
115.	**Sunny Forex Bureau Ltd** P. O. Box 41257 – 00100 Nairobi Tel: 2252013/252079	Uniafric House, Koinnange Lane	**Fax: 254-2-252076** sunnyfoexbureau@yahoo.com
116.	**Sunshine Forex Bureau Ltd** P. O. Box 68991– 0622 **Nairobi** Nairobi Tel: 6762261/63 : Fax: 6762260	Eastleigh 1st Ave, , Seven Street	**sunshineforex@hotmail.com** **Fax: 254-2-6762260**
117.	**Taipan Forex Bureau Ltd** P. O. Box 42909 – 00100 Nairobi Tel: 827378	JKIA, International Arrivals Terminal	taipan@africaonline.co.ke taipanforex@yahoo.com **Fax: 254-2-229665/248676**
118.	**Tawakal Forex Bureau Ltd** P. O. Box 71623 – 00622 Nairobi Tel: 6766171	Ubah Centre, Eastleigh Nairobi	tfbureau@yahoo.com **Fax: 254-2-6765756**
119.	**Trade Bureau De Change Ltd** P. O. Box 7080 – 00300 Nairobi Tel: 2241107	Cotts House City Hall Way Transnational Bank	trade@wananchi.com tradebdc@yahoo.com **Fax: 254-2-317759**
120.	**Travellers Forex Bureau Ltd** P. O. Box 13580 – 00800 Nairobi Tel: 447204/5/6	The Mall Westlands	**Fax: 254-2-443859**

121.	**Travel Point Forex Bureau Limited** P.O. Box 75901-00200 Nairobi Tel: 827872,827877	JKIA< International Arrivals Terminal	N/A
122.	**Ukay Centre Forex Bureau Ltd** P.O. Box 66012-00600 Nairobi	Ukay Centre Westalands Nairobi	ukayforex@hotmail.com fax: No. 3747336
123.	**Union Forex Bureau Ltd** P.O. Box 43847-00100 Tel: 4441855/4448327/4447618	Sarit Centre Westlands	unionforex@hotmail.com Fax:254-2-4441855
124.	**Village Market Forex Bureau Ltd** P.O. Box 625-00621 Nairobi Tel: 7122901/7122473	Village Market Complex Limuru Road	villagemarketforex@yahoo.com Fax 254-2-520946 Fax 712902
125.	**Victoria Forex Bureau De Change Ltd** P.O. Box 705-40100 Kisumu Tel: 2025626/2021134/2023809	Sansora Building Central Square	Fax: 254-57-202536
126.	**Wallstreet Bureau De Change Ltd** P.O. Box 6841-30100 Eldoret Tel: 0532062907	Bargetuny Plaza Uganda Road	wallstreet@jambo.co.ke Fax: 254-53-2062907
127.	**Wanati Forex Bureau Ltd** P.O. Box 88309-80100 Mombasa Tel: 0202107500 cell: 0726925090/0733702668	Diani, Mombasa	wanatiforex@yahoo.com
128.	**Warwick Forex Bureau Ltd** P.O. Box 49722-00100 Nairobi Tel: 7124072 Cell: 0721253664	The Warwick Centre Gigiri	warwickforex@wananchi.com warwickforex@gmail.com Fax: 254-2-520997
129.	**Westlands Forex Bureau Ltd** P.O. Box 45746-00100 Nairobi Tel: 3748786	Westgate Westlands Nairobi	westforex@africaonline.co.ke westforex@wananchi.com Fax: 254-2-3748785
130.	**Yaya Centre Exchange Bureau Ltd** P.O. Box 76302-00508 Nairobi Tel: 02-3869097	Yaya Centre	Fax:254-2-2870869