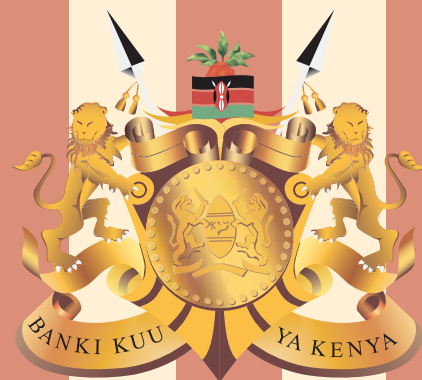


**BANK  
SUPERVISION  
ANNUAL REPORT  
2010**



**CENTRAL BANK OF KENYA**

**2010**



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## CENTRAL BANK OF KENYA

### VISION STATEMENT

The Bank's vision statement is to be a World Class Modern Central Bank. The Bank pursues its mandate in support of economic growth, guided by law, national development agenda and international best practices.

### THE BANK'S MISSION

The Bank's mission is to formulate and implement monetary policy directed to achieving 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 authorized 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.

## **MISSION STATEMENT OF BANK SUPERVISION DEPARTMENT**

The Department's mission is 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](http://www.centralbank.go.ke)**

## GOVERNOR'S MESSAGE


**CBK continued to pursue financial reforms.**

During the year ended 31<sup>st</sup> December 2010, the Central Bank of Kenya (CBK) pursued financial reforms geared towards enhancing financial access, efficiency and stability of the banking sector. These reforms comprised introduction of agent banking, roll-out of credit information sharing and licensing of deposit taking microfinance institutions.

**Agent Banking guidelines were issued in May 2010.**

CBK issued guidelines on Agent Banking in May, 2010 and as at December 2010, five institutions had been granted approval to engage agents. The agent banking model was mainly designed to assist banks in providing banking services in a cost effective manner and at the same time enhancing financial services outreach and promoting financial inclusion of the unbanked Kenyan population. Some of the functions offered by agents include cash deposits, cash withdrawals, payment of bills and account balance enquiry.

**CBK committed to Vision 2030.**

In line with the Vision 2030 financial sector strategy for improving access and deepening of financial services and products for a much larger number of Kenyan households and small businesses, CBK licensed four Deposit Taking Microfinance Institutions (DTMs) in 2010. DTMs are expected to enhance financial access as they target the lower end of the market, which is dominated by the unbanked and under-banked Kenyan populace.

**Banks commenced sharing credit information.**

CBK in collaboration with the Kenya Bankers Association rolled-out the credit information sharing initiative in 2010. This was in accordance with the Banking (Credit Reference Bureau) Regulations, 2008 which came into effect in February 2009. Banks can now share credit information on their customers, which is critical in facilitating better assessment of the risks associated with prospective borrowers. The credit information framework will also allow banks to extend credit to customers on the basis of information capital which is a departure from the traditional collateral technology of using physical collateral. It is therefore the Central Bank's expectation that savings arising from the sharing of credit information shall translate to lower cost of credit. Initiatives are underway to

extend credit information sharing to DTMs and other credit providers. In addition, discussions are ongoing to extend credit referencing to sharing of positive information by banks to derive optimal benefits from the credit information sharing mechanism.

On the international front, CBK is currently chairing the Steering Committee of the Alliance for Financial Inclusion (AFI). AFI is a global network of policy makers from developing countries that seek to promote cutting edge financial inclusion policies. In 2010, the G20 identified financial inclusion as a key driver of economic growth and poverty reduction. Consequently, the G20 Global Partnership for Financial Inclusion (GPFI) was launched following the G20 Leaders Summit in Seoul, Korea in November 2010. The GPFI is the main implementing mechanism of the endorsed financial inclusion action plan by the G20 and operates as an inclusive forum for G20 countries, non-G20 countries and other relevant players. CBK in recognition of its push for financial inclusion in Kenya was nominated as a non-G20 member of the GPFI.

**G20 recognized  
CBK's role in  
financial inclusion  
initiatives.**

In conclusion, CBK in collaboration with the Government and market players will continue to initiate measures to scale up access to financial services by a vast majority of Kenya's populace. This drive will be underpinned by the continued strengthening of the legal and regulatory framework to catalyse provision of safe, efficient and accessible financial services and products.

**Financial access  
will remain CBK's  
priority.**

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

## FOREWORD BY DIRECTOR



### Banking Sector registered improved performance in 2010.

The banking sector remained stable and registered enhanced performance in 2010. The key highlights of the sector's financial performance were:-

- Total assets increased by 24.4 percent from Ksh. 1.35 trillion in December 2009 to Ksh. 1.68 trillion in December 2010. The growth was supported by the increase in loans and advances.
- Customer deposits grew by 22.8 percent from Ksh. 1.01 trillion in December 2009 to Ksh. 1.24 trillion in December 2010. The growth was attributed to increased deposit mobilization by banks as they expanded their outreach and opened new branches to tap new customers.
- The pre-tax profit for the sector grew by 51.9 percent from Ksh. 48.9 billion in December 2009 to Ksh. 74.3 billion in December 2010. The growth was largely attributed to income generated by increased loans and advances. In addition, banks introduced new products to meet the needs of their customers and earned fees and other income.
- Gross loans increased by 20.7 percent from Ksh. 757.9 billion in December 2009 to Ksh. 914.9 billion in December 2010. The growth in loans is attributed to improved domestic economic performance, which opened opportunities to banks to extend credit.
- The ratio of non-performing loans to gross loans improved from 8.0 percent registered in December 2009 to 6.3 percent in December 2010. The reduction in credit risk is largely attributable to enhanced appraisal standards deployed by banks and the improved domestic economic growth.

- The number of loan accounts increased from 1.67 million in December 2009 to 1.74 million in December 2010. During the same period, the number of deposit accounts increased from 8.7 million in December 2009 to 12.8 million in December 2010. This growth demonstrates increased access to financial services by the populace.

The sector's average liquidity was 44.5 percent in December 2010, which was well above the statutory minimum of 20.0 percent. The high liquidity is attributed to increased uptake of government securities which also constitute liquid assets. The sector's capital adequacy, which is measured by the ratio of Total Capital to Total Risk Weighted Assets increased from 21 percent in December 2009 to 22 percent in December 2010 compared to the 12 percent statutory minimum. This gives banks adequate buffer to absorb unforeseen shocks.

**The Sector met liquidity and capital adequacy statutory requirements.**

The sector's growth momentum was underpinned by the recovery of both the global and domestic economy. The Kenyan economy expanded by 5.6 percent in 2010 from a suppressed growth of 2.6 percent in 2009. The favorable weather conditions, low inflationary pressure and government policies impacted positively on various sectors of the domestic economy. Consequently, the conducive environment saw increased credit to the private sector.

**Robust domestic and global economy supported the sector's growth momentum.**

The banking sector growth momentum is expected to be supported by continued expansion into the regional markets, coupled with embracing innovative use of technology.

**Regional expansion and technology will be key to sector's growth.**

**FREDRICK PERE**  
**DIRECTOR, BANK SUPERVISION DEPARTMENT**



## CHAPTER ONE

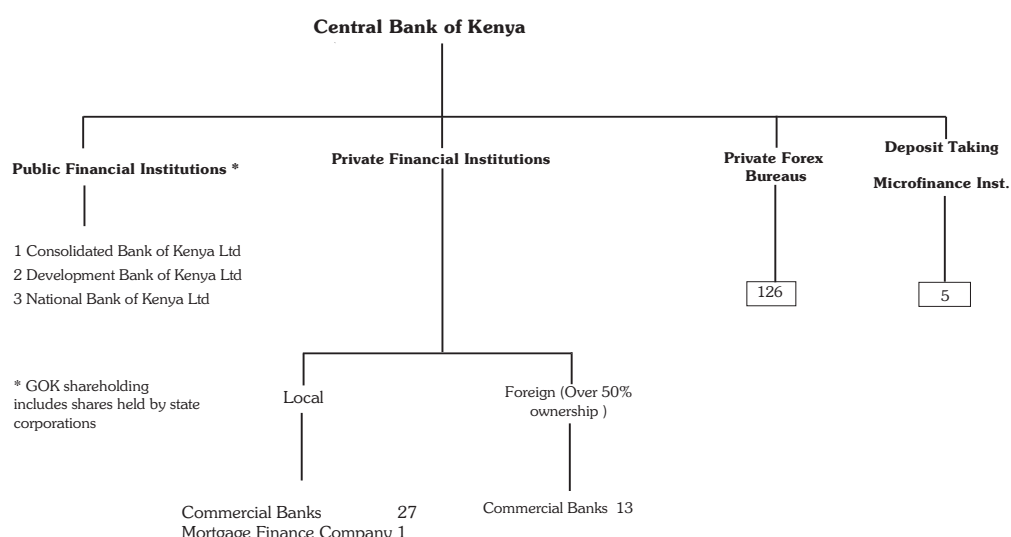
### STRUCTURE OF THE BANKING INDUSTRY

#### 1.1 The Banking Sector

As at 31<sup>st</sup> December 2010, the banking sector comprised of the Central Bank of Kenya, as the regulatory authority, 44 banking institutions (43 commercial banks and 1 mortgage finance company), 2 representative offices of foreign banks, 5 Deposit-Taking Microfinance Institutions (DTMIs) and 126 Forex Bureaus. 31 of the banking institutions are locally owned while 13 are foreign owned as shown in chart 1. The locally owned financial institutions comprise of 3 banks with public shareholding, 27 privately owned commercial banks, 1 mortgage finance company (MFC) while 5 DTMs and 126 forex bureaus are privately owned. The foreign owned financial institutions comprise of 9 locally incorporated foreign banks and 4 branches of foreign incorporated banks.

**At the end of 2010, there were 43 commercial banks, 1 MFC, 5 Microfinance institutions and 126 forex bureaus.**

**CHART 1: STRUCTURE OF BANKING SECTOR - DECEMBER 2010**



#### Mandate of Bank Supervision Department

The mandate of the Bank Supervision Department (BSD), which is 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.

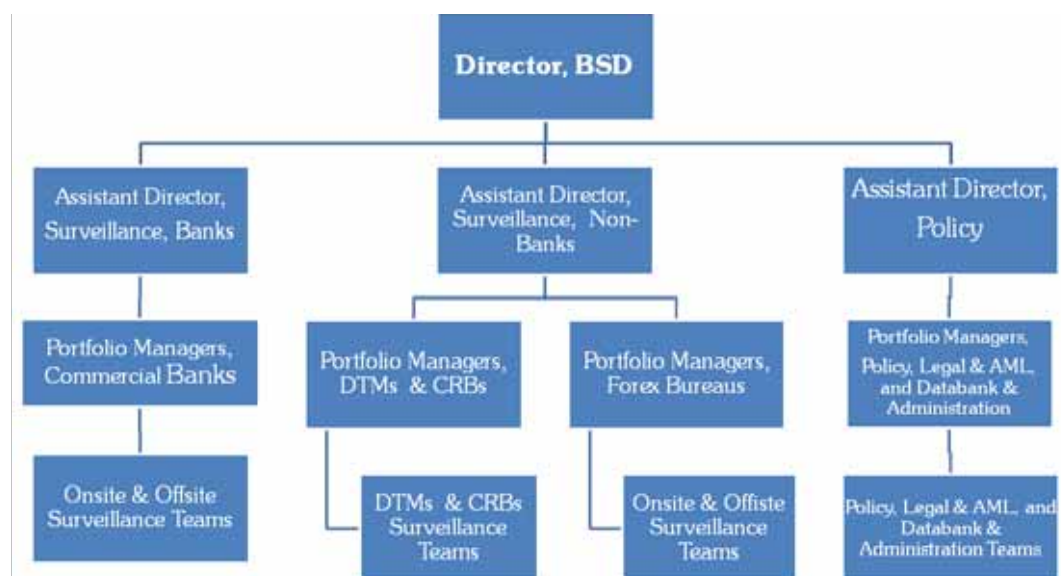
In discharging its mandate, BSD performs the following broad functions: -

- i. Development of legal and regulatory frameworks to foster stability, efficiency and access to financial services. The Department achieves this objective through:-
  - o Continuous review of the Banking Act, Central Bank of Kenya 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.
- o Continuous review of Regulations and Guidelines for Foreign Exchange Bureaus licensed under the Central Bank of Kenya Act.
- o 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 Companies, 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 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 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 and assented to by the President in December 2009 and became operational in June 2010.

As at the end of December 2010, BSD had a staff complement of seventy (70) comprising sixty one (61) technical staff and nine (9) support staff. BSD is divided into three divisions as depicted in the Department's Chart.



**Chart 2: Bank Supervision Organization Chart**

## Capacity Building and Technical Assistance

During the year, BSD in collaboration with various development partners initiated various training interventions such as technical and managerial courses, risk management seminars and supervisory workshops. The main purpose of the training was to:

- Assist staff in implementing sound supervisory standards and practices;
- Keep staff abreast of the latest information on market products, practices and techniques;
- Keep staff abreast of the latest developments in international financial markets and supervisory responses to the financial market crisis; and
- Ensure that staff were equipped with the necessary tools and techniques in order to meet their everyday supervisory tasks.

BSD is committed to working with various development partners on capacity building initiatives geared towards sharpening the supervisory skills and ensuring staff are abreast of the latest developments in international financial markets.

### 1.2 Ownership and Asset Base of Financial Institutions

The sector was dominated by local private institutions with 27 institutions accounting for 58.0 percent of the industry's total assets. The foreign owned financial institutions were 13 and accounted for 37.2 percent of the industry's

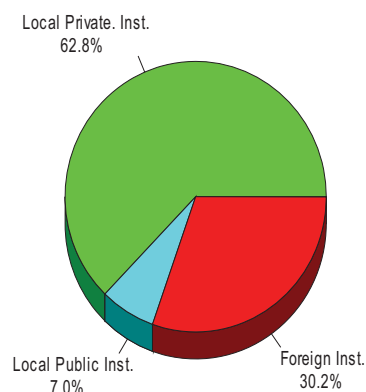
**Local Private Financial Institutions accounted for 63% of the total institutions and 58% of the total net assets in 2010.**

total assets as at 31<sup>st</sup> December 2010 as indicated in Table 1.

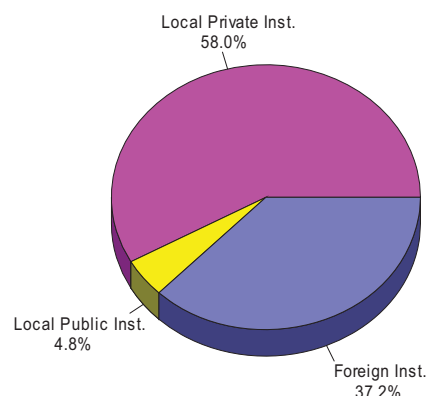
<b>Table 1: Ownership and Asset Base of Financial Institutions (Ksh. M)</b>				
<b>Ownership</b>	<b>Number</b>	<b>%</b>	<b>Total Net Assets</b>	<b>%</b>
Local Public Financial Institutions	3	7.0%	81,155	4.8%
Local Private Financial Institutions	27	62.8%	973,404	58.0%
Foreign Financial Institutions	13	30.2%	623,553	37.2%
<b>Total*</b>	<b>43</b>	<b>100.0%</b>	<b>1,678,112</b>	<b>100.0%</b>
<b>* Charterhouse Bank excluded</b>				
<b>Source: CBK</b>				

**Chart 3: Ownership and Asset Base of Institutions (%) – December 2010**

### Ownership



### Assets Size



## 1.3 Bank Branches Network and Automated Teller Machines

**Banks opened 67 new branches in 2010 as they sought new opportunities.**

For the period ended 31<sup>st</sup> December 2010 there were 1,063 bank branches operating in the eight provinces of the country. The 67 new branches opened in 2010 across the various regions of the country will facilitate enhanced financial inclusion by the Kenyan populace. Largest percentage increases in branches were in Western, North Eastern and Rift Valley provinces as institutions sought new frontiers. Table 2 below indicates the Branch network between 2009 and 2010.

<b>Table 2 : Branch Network Per Province</b>				
<b>Province</b>	<b>2009</b>	<b>2010</b>	<b>Increase</b>	<b>Growth</b>
Central	106	115	9	8%
Coast	126	135	9	7%
Eastern	90	91	1	1%
Nairobi	395	411	16	4%
North Eastern	15	18	3	20%
Nyanza	69	70	1	1%
Rift Valley	156	175	19	12%
Western	39	48	9	23%
<b>Total</b>	<b>996</b>	<b>1,063</b>	<b>67</b>	<b>7%</b>
<b>Source: CBK</b>				

## ATM Network

Banks continued to make use of ATMs to expand provision of their services in a more effective and efficient manner. As a result, the number of ATMs increased by 262 representing a growth of 15.3 percent from 1,717 in December 2009 to 1,979 in December 2010 as shown in table 3 below.

**Banks increased use of ATMs to improve efficiency and cut costs.**

<b>Table 3: ATM Network</b>				
<b>Month</b>	<b>2009</b>	<b>2010</b>	<b>Increase</b>	<b>Growth</b>
January	1,325	1,730	405	30.6%
February	1,426	1,755	329	23.1%
March	1,497	1,777	280	18.7%
April	1,497	1,794	297	19.8%
May	1,497	1,828	331	22.1%
June	1,586	1,831	245	15.4%
July	1,589	1,861	272	17.1%
August	1,589	1,883	294	18.5%
September	1,614	1,913	299	18.5%
October	1,646	1,925	279	17.0%
November	1,697	1,940	243	14.3%
December	1,717	1,979	262	15.3%
Figures excludes 112 Pesa Points ATMs				
<b>Source: CBK</b>				

## 1.4 Distribution of Forex Bureaus

The number of licensed bureaus as at 31<sup>st</sup> December, 2010 stood at one hundred and twenty six (126) having declined from one hundred and thirty (130) bureaus in December 2009. The changes were occasioned by licensing of one forex bureau, Nevada Forex Bureau Ltd during the year, while licenses of five (5) forex bureaus were revoked, namely; Langata Mall Forex Bureau Ltd, Blue Seas Forex Bureau Ltd, Crescent Bureau De Change Ltd, Mandeeg Forex Bureau Ltd and Market Forex Bureau Ltd, for various reasons.

**80% of the bureaus were operating in Nairobi.**

The table below shows the distribution of the bureaus within major cities and towns in the country.

<b>Table 4: Distribution of Operating Forex Bureaus</b>		
<b>No.</b>	<b>City / Town</b>	<b>Number of bureaus</b>
1	Nairobi	101
2	Mombasa	15
3	Malindi	2
4	Nakuru	2
5	Kisumu	2
6	Eldoret	2
7	Lokichogio	1
8	Namanga	1
Total		126
<b>Source: CBK</b>		

## CHAPTER TWO

### DEVELOPMENTS IN THE BANKING SECTOR

#### 2.1 Introduction

**The Sector enhanced provision of services in 2010.**

The year 2010 witnessed the continued growth of the Kenyan banking sector on various key fronts; increase in the number of service providers, advancements in technology which facilitated service-delivery channels, geographical expansion by service providers both within Kenya and regionally and greater product differentiation resulting in niche market growth, among others. These improvements mark an important stage along the path towards a more efficient, stable and accessible banking system.

Indeed, key definitive milestones that are expected to profoundly transform the sector both in the short and medium term were achieved. These turning points include:

- Roll-out of agent banking model in May 2010 whereby banks are allowed to engage third parties to offer specified banking services on their behalf in a bid to cut costs and enhance efficiency and by extension increase access to financial services.
- Roll-out of credit information sharing (CIS) initiative in July 2010. A process that enables banks to share credit information on their customers to facilitate better assessment of the risks associated with prospective borrowers.
- The growth of the deposit-taking microfinance (DTM) sub-sector through licensing of four additional institutions to offer DTM services both nationwide and within specified administrative zones.
- Operationalisation of the Proceeds of Crime and Anti-Money Laundering Act, 2009 which stipulates the obligations for financial players among other reporting entities of ensuring that the financial system is not used as a conduit for money laundering, drug trafficking and other related illicit activities.
- The continued geographic expansion of banks in Kenya both nationwide and across the East African region which was given further impetus by the signing of the EAC Common Market Protocol in July 2010.

#### 2.2 Information Communication Technology and Innovation in the Banking Sector

**ICT remained critical in the Banking Sector.**

The banking industry in Kenya has witnessed tremendous changes linked with the developments in Information Communication Technology (ICT) over the years. The quest for survival, global relevance, maintenance of existing market share and sustainable development has made exploitation of ICT through the use

of automated devices imperative in the industry. Application of ICT concepts, techniques and the development of policies and strategies has become a subject of fundamental importance and concern to all banks and indeed is a prerequisite for local and global competitiveness.

ICT directly influences the strategies banks employ in offering various products and services in the industry. It has continued to change the way banks and their corporate relationships are organized locally and worldwide.

Consequently, the banking sector efficiency score continued to improve during the year under review as shown in table 5, where the staff to customers' ratio was 1:412 compared to 1:324 in 2009.

**Table 5: Growth of Deposits Account Holders Compared to Number of Staff**

Year	No. of Deposits Account 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
2010	11,881,114	28,846	412

**Source: CBK**

However, developments in ICT bring with them certain risks which require to be mitigated appropriately. Therefore with regard to ICT driven products, the oversight responsibility and management has been placed on the board of directors and senior management of the financial institutions to put in place appropriate and adequate controls in order to provide customer confidence on confidentiality, integrity and timely availability of banking services. It is envisaged that ICT related products will continue to grow as the sector embraces innovation to improve provisions of banking products and services to clients.

## New Products

In an effort to enhance customer service, the banking industry introduced new products in the course of the year, mainly relating to Shariah compliant banking, mobile phone banking and internet banking. The introduction of these new products was driven by increased customer awareness and demand as well as the increasingly vibrant nature of competition in the sector. Financial institutions also realized the potential of other partners such as telecommunication companies in creating convenience to their customers while at the same time lowering their service delivery costs. With the advancement in technology, public awareness and ease of use, e-banking has evolved to become the preferred mode of banking

rather than as an alternative channel. Some of the e-banking services introduced by financial institutions included the electronic transfer of funds between accounts, payments of utility bills, airtime top ups, balance enquiries, loan applications, and cheque book requests. In addition, some of the facilities offered through e-banking included the electronic retrieval of bank statements for bank customers with access to e-mail and SMS alerts for notification on withdrawals and purchases made from customer accounts. It is expected that the products launched will play a significant role in expanding access to affordable financial services by the general public as well as reduction in banking costs to the banks' customers.

Other products such as foreign exchange options, commodity derivatives and interest rate swaps were also introduced in order to better hedge foreign currency transactions. Whilst the introduction of pension backed mortgages was underpinned by legal and socio-economic developments in the country.

### **Mobile Banking**

In 2010, a number of banks responded to the growing need of convenient straight-through payments using mobile solutions. As a result, a number of banks continued to sign up partnerships with money transfer service providers as they improve their banking-on-the-move menus. In only four years of existence of mobile phone money transfer services, four mobile operators have enrolled over 15 million customers.

Some of the notable mobile money solutions launched during the year include; Mkesho, Mobicash, Orange money, Yu-cash, Elma, Pesa-Pap, Pesa-Connect among others. M-Pesa was still the most widely used method of mobile money transfer as evidenced by the 305.7 million transactions effected and valued at Ksh. 727.8 billion in the year.

### **Internet Banking**

Banks continued to embrace the use of the Internet as a remote delivery channel for banking services. The most common online services include; viewing of accounts, inquiries and requests, salary payments, clearing cheques status query, instant alerts of account status and transfer of funds.

## **2.3 Developments in Microfinance**

The microfinance industry in Kenya is experiencing positive growth and change. Microfinance has over the years evolved from charity based social and financial empowerment programmes to fully operational financial institutions, which continue to contribute towards bridging the gap of financial inclusion. Further, the microfinance sector is witnessing increased interest from commercial banks with a number of banks having either down-scaled their products or are in the

**Provision of microfinance services on the increase.**



process of setting up subsidiary companies to specifically engage in microfinance business.

Microfinance activities are also undertaken by development finance institutions, the Kenya Post Office Savings Bank (KPOSB), Non-Governmental Organizations, and Savings and Credit Cooperative Societies (SACCOs) in addition to the many credit only microfinance companies. These institutions operate under different Acts of Parliament, including Cooperative Societies Act, Trustees Act, NGO Coordination Act, amongst others. In terms of size and volume of transaction, a mapping of their activities is yet to be carried out. The Microfinance Act provides for the non-prudential regulation of credit only microfinance institutions. The drafting of credit only microfinance Regulations, in this regard, is in progress through the Ministry of Finance.

The Association of Microfinance Institutions of Kenya (AMFI), a microfinance member organisation, had 51 registered member institutions as at 31 December 2010. AMFI membership comprises of commercial banks, deposit taking MFIs, wholesale and retail microfinance institutions, development institutions and insurance companies.

During the year 2010, CBK licensed four Deposit taking microfinance Institutions (DTMs). Out of the four; three institutions were licensed to carry out nationwide deposit taking microfinance activities, while one institution was licensed as a community based deposit taking microfinance institution. This development brought the total number of licensed DTMs to five, as at 31<sup>st</sup> December 2010. The licensed institutions include: Faulu Kenya DTM, Kenya Women Finance Trust DTM, Uwezo DTM, SMEP DTM and Remu DTM Limited, which were licensed in May 2009, April 2010, November 2010, 14<sup>th</sup> December 2010 and 31<sup>st</sup> December 2010, respectively. The Central Bank was also processing nine (9) licence applications to undertake deposit taking business in Kenya and a total of 22 business names had been approved as at 31<sup>st</sup> December 2010.

**Four DTMs were licensed in 2010.**

The licensing of the DTMs progresses the financial inclusion initiatives by CBK. The Bank is focused on addressing entry barriers for unbanked and under-banked Kenyans to access financial services. The main barriers relate to transaction costs associated with financial products and accessing them through various delivery channels. The DTMs will particularly address these entry barriers in areas that have not been well served by mainstream financial institutions. CBK expects that DTMs will offer demand driven, affordable and convenient products to their market niches. This initiative is in line with the Vision 2030 financial sector strategy for improving access and deepening of financial services and products for a much larger number of Kenyan households and small businesses.

**DTMs to support Vision 2030 financial sector strategy.**

## 2.4 Agent Banking

**Five Banks were approved to engage agents in 2010.**

The amendment of the Banking Act through the Finance Act, 2009 permitted banks to use third parties (Agent Banking) to provide certain banking services on their behalf. Subsequently, CBK issued guidelines on Agent Banking in May, 2010. The Guidelines require banks to seek CBK's approval for the agent network as well as approval for specific agents and clearly specify the services to be provided by the agents. It is the responsibility of the institutions to vet the suitability of the agents in line with the Guidelines. As at December 2010, CBK had granted approval to five (5) institutions to engage agents. Out of these, two institutions had appointed a total of 8,809 specific agents, comprising of telecoms related agents and individual specific agents, all spread across the country.

The agent banking model was mainly designed to assist banks in providing banking services in a cost effective manner and at the same time enhancing financial services outreach and promoting financial inclusion of the unbanked Kenyan population. According to the 2009 National Financial Access Survey, 32% of Kenya's bankable population is totally excluded from the Financial Services orbit. This initiative will therefore help in bridging the gap. As provided for under the Guidelines, some of the permissible activities currently being offered by the agents include:

- i) Cash deposits.
- ii) Cash withdrawals.
- iii) Payment of bills.
- iv) Account balance enquiry.
- v) Collection of account opening application forms.

The uptake of the Agent Banking model is expected to scale up in 2011 as more banks embrace the model and roll out services to customers through agents.

## 2.5 Employment Trends in the Sector

**In 2010, employees in the banking sector increased by 2,714.**

The banking sector registered an increase of workforce by 2,714 with growth being in all the four cadres of staff. The support staff cadre accounted for over 45 percent of the staff increase comprising mainly of sales teams, although the absolute number was 616. Similarly, the managerial cadre increased by 21 percent occasioned by the need for leadership to support the various new initiatives, expansion network and the sector's growth momentum.



<b>Table 6: Employment in the Banking Sector</b>			
	<b>2009</b>	<b>2010</b>	<b>% Change</b>
Management	6,156	7,431	20.7%
Supervisory	5,022	5,097	1.5%
Clerical and Secretarial staff	13,593	14,341	5.5%
Support staff	1,361	1,977	45.3%
Total	26,132	28,846	10.4%
<b>Source: CBK</b>			

## 2.6 Future Outlook

The sector is poised to sustain the growth momentum as financial institutions continue to embrace new innovations underpinned by technological advancement. The introduction of agent banking, credit reference bureaus, increased DTM players and the positive domestic economic outlook are some of the factors expected to sustain the sector's growth momentum.

## CHAPTER THREE

### MACROECONOMIC CONDITIONS AND BANKING SECTOR PERFORMANCE

#### 3.0 MACROECONOMIC ENVIRONMENT<sup>1</sup>

##### 3.1 Global Economic Conditions

**Global economy recovered from negative 1% to 4.6% in 2010.**

The macroeconomic environment was sound in 2010 as evidenced by global economic recovery from a contraction of 1.0 percent in 2009 to a real growth rate of 4.6 percent in 2010. The growth was supported by austerity measures put in place by governments to counter the effects of the recession coupled with stimulus policies which particularly strengthened outturn, especially in Japan. There was also a general increase in private consumption, which fell sharply during the international financial crisis. Growth in emerging and developing economies remained robust and buoyant while many advanced economies recovered and experienced positive growth in 2010.

The global economy is projected to continue on a recovery path though at a slower real GDP growth of 4.2 percent in 2011. Activity in the advanced economies is projected to expand by 2.5 percent during 2011–12, which is still sluggish considering the depth of the 2009 recession and a significant dent in high unemployment rates. In both 2011 and 2012, growth in emerging and developing economies is expected to remain buoyant at 6.5 percent, a modest slow down from the 7.0 percent growth registered last year. Financial conditions are expected generally to remain stable in 2011, though the growth will be strained by normalization of the financial sector which is still open to shocks arising from risky markets since interest rates are expected to remain low.

##### 3.2 The Regional Economy

**Regional economies registered improved performance in 2010.**

Most developing countries, particularly in Sub-Saharan Africa (SSA), continued with growth momentum with real GDP growth of 5.0 percent recorded in 2010 compared to 2.8 percent in 2009. The positive growth was attributable to sound macroeconomic management and increased commodity demand from emerging economies. Many countries also supported output by injecting fiscal stimulus and lowering interest rates.

The East Africa Community (EAC) comprising of East Africa's five member countries recorded the highest growth rate of 5.4 percent in 2010 compared to 4.8 percent in 2009. All the countries except Burundi recorded growth of above

<sup>1</sup> This section draws extensively from the *Economic Survey 2011*

5 percent in 2010. Uganda recorded a decelerated growth of 5.8 per cent in 2010 compared to 7.2 percent in 2009. The performance of the region was influenced by the linkages of member countries and the global economy hence impacting on the recovery in 2010. The growth is also attributed to political stability, favorable weather conditions and increased demand for commodity exports in European markets.

The strong economic performance in SSA is expected to continue, with a real GDP projected to grow at 5.5 percent in 2011. This is due to an anticipated increase in domestic demand, an expansion in public infrastructure investments, growth of the service sector, agriculture output and prices. Increased trade with Asia through commodity markets is also expected to contribute to the growth in the region in 2011. In the East Africa Community, real GDP is projected to grow at 6.2 per cent in 2011 with the support of stable macroeconomic environment and the operationalization of the East African Common Market in July 2010, which is expected to boost trade and movement of goods, services and labour across the region.

### 3.3 The Domestic Economy

Towards the end of 2009, Kenya's economy started to recover more strongly and this positive momentum was sustained into the year 2010. The resilience of the Kenya economy was evident in 2010 when real GDP expanded by 5.6 percent after suppressed growths of 1.5 and 2.6 percent in 2008 and 2009 respectively. These developments were attributable to favorable weather conditions, increased credit to the private sector, low inflationary pressure, improved weather conditions and relatively stable domestic environment. The pro-active government policies also led to encouraging developments in the economy. These factors encouraged a steady growth leading to a turnaround in the agriculture, electricity and water sectors and a rebound in most of the other sectors. As a consequence, manufacturing, construction and the service industries were favoured by reliable supply of electricity and resilient domestic demand therefore compounding the growth.

**Kenya's economic performance bounced back from 2.6% in 2009 to 5.6% in 2010.**

In addition, the country benefited from improved prices of the main exports and increased remittances from abroad resulting from the global economic recovery. Despite the campaigns associated with the 2010 constitutional referendum, business and consumers confidence remained largely intact thereby boosting economic growth.

An overview of the major contributors showed a rebound in agriculture production as a result of good weather, which led to decline in prices of various commodities and improved export prices while Wholesale and Retail Trade were primarily boosted by improved business and consumer confidence. Tourism

improved significantly from Ksh 62.5 billion in 2009 to Ksh 73.7 billion in 2010. This translated to a growth of 17.9 percent which surpassed the 2007 best year benchmark. Activities in the manufacturing sector were supported by improved power supply and lower costs of inputs while the financial sector recorded its highest growth for the last decade growing at 8.8 per cent in 2010 compared to 4.6 percent in 2009. The growth was due to increased borrowing riding on financial innovation that enhanced access to financial services. The Nairobi Stock Exchange also recorded recovery which was primarily due to increase in foreign investment, which indicates the improved confidence in the Kenyan market as a whole.

The prospects of economic performance for the year 2011 face some headwinds, as initial economic performance indicators for the first quarter points to suppressed economic activities. The beginning of 2011 has been characterized by high oil prices, low rains, high inflation rates, instability in the foreign exchange market and political uncertainty surrounding the succession politics and implementation of the new constitution. These factors combined are likely to reduce the growth momentum and as a result, the domestic economy is projected to grow by between 3.5 and 4.5 percent in 2011.

### 3.4 Inflation

**Inflation declined from 5.3% in December 2009 to 4.5% in December 2010.**

Over the last twelve months, overall 12-month inflation maintained a general downward trend for the first ten months of the year 2010, declining from 5.3 percent in December 2009 to 3.2 percent in October 2010, before picking up in the last two months of the year to reach 4.5 percent in December 2010. Despite the rise in November and December 2010, which was largely attributed to rising international crude oil prices; overall inflation in 2010 remained relatively low and stable. The low and declining inflation was sustained by various factors, the most significant being sufficient rainfall, stable energy prices and the fall in mobile phone call rates during the year.

Inflation is however, expected to rise following the already rising food prices due to the imminent drought likely to be experienced in parts of the country. In addition, there is risk of imported inflation following the rising trend of international crude oil prices.

### 3.5 Exchange Rates

**Increased demand for imports to support improved economic growth saw the shilling weaken against the major currencies in 2010.**

The year 2010 saw the Kenya Shilling depreciating steadily throughout the year against all major world currencies except the Euro and regional currencies of Uganda and Tanzania. In December 2009, the Kenya Shilling was exchanging at an average of Ksh 75.43 per US Dollar while in the year 2010 the Kenya

Shilling depreciated steadily to exchange at Ksh 80.75 per US Dollar. Compared to Sterling Pounds the Kenya Shilling also depreciated to exchange at an average of Ksh 124.76 per Sterling Pound in December 2010 compared to Ksh 122.54 in December 2009. The Kenya Shilling also weakened against Japanese Yen to exchange at Kshs 99.12 per 100 Japanese Yen in December 2010 compared to Ksh 84.12 per 100 Japanese Yen in December 2009. The depreciation of Kenya Shillings against other major world currencies in the year 2010 was mainly attributed to:-

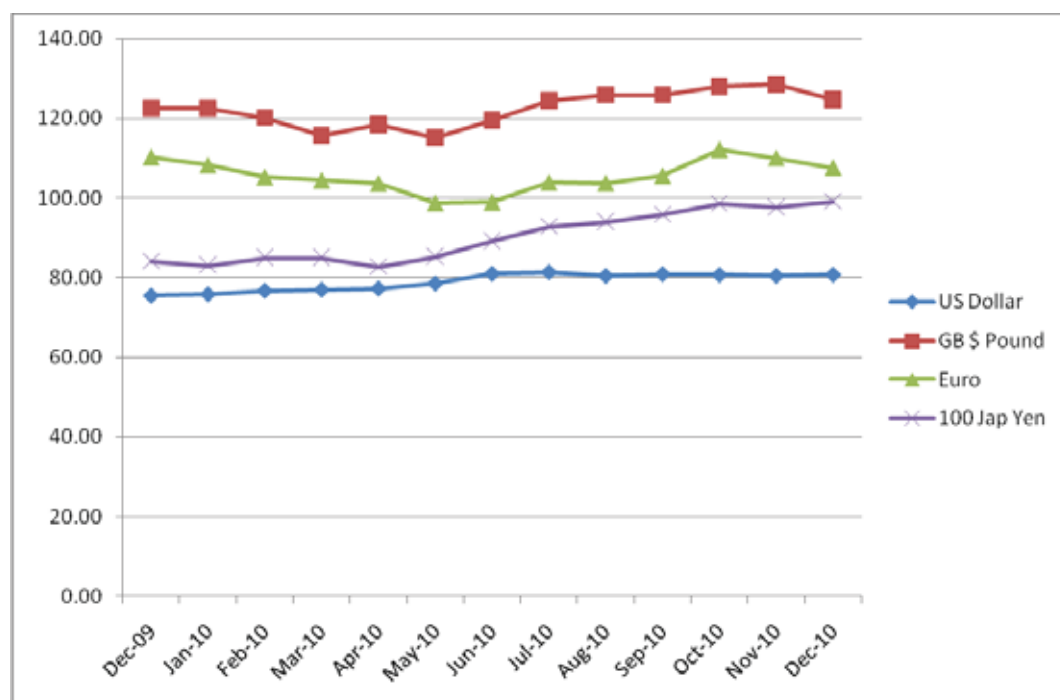
- Robust economic growth experienced in the country during the year leading to increased demand for US Dollars and Japanese Yen to finance imports.
- During the year 2010, there was also increased demand for US Dollars on account of “flight to safety” phenomenon experienced in Euro zone associated with budget deficit crisis in Greece.

The Kenya Shilling however, strengthened marginally against the Euro to exchange at an average of Ksh 107.63 as at December 2010 compared to Ksh 110.27 as at December 2009. This was mainly attributed to budget deficit crisis experienced in some countries in the Euro zone area.

Against regional currencies, the Kenya Shilling appreciated against the Ugandan and Tanzanian Shilling to exchange at an average of Ush 28.57 per Kenya Shilling and Tsh 18.51 per Kenya Shilling in December 2010 compared to Ush 25.20 per Kenya Shilling and Tsh 17.65 per Kenya Shilling in December 2009. This was attributed to increase in demand for Kenya Shillings in these countries to finance imports from Kenya. Table 7 and chart 4 shows the Kenya Shilling Exchange rate against major currencies.

**Table 7: Kenya Shilling Exchange Rate against Major Currencies**

Currency	Dec 2009	Dec 2010	% Change
US Dollar	75.43	80.75	-6.67%
\$ Pound	122.54	124.76	-4.88%
Euro	110.27	107.63	0.18%
100 Jap Yen	84.12	99.12	-16.08%
UG Shilling*	25.20	28.57	12.90%
Tz Shilling*	17.65	18.51	5.16%
* Units of Currency per one Kenya Shilling , <b>Source: CBK</b>			

**Chart 4: Kenya Shilling Exchange Rate Movement against major Currencies**

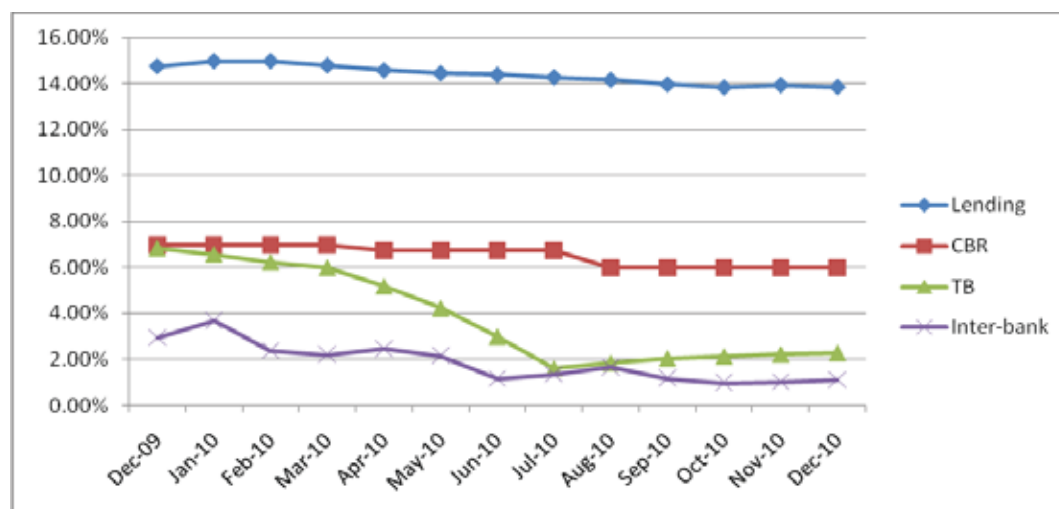
### 3.6 Interest Rates

**Reduction in CBR to stimulate credit supply saw a decline in short term interest rates in 2010.**

The year 2010 witnessed a steady decline in interest rates for almost all financial instruments. The average 91-day Treasury Bills rate declined steadily throughout the year from a high of 6.82% in December 2009 to a low of 2.28% in December 2010. The average inter-bank lending rate also declined from 2.95% to 1.01% over the same period. Chart 5 illustrates movements in the 91-day Treasury bill, inter-bank, lending rates and Central Bank Rate.

The year 2010 began with the Central Bank Rate (CBR) pegged at a level of 7% which was set in November 2009. At the beginning of the year, the Monetary Policy Committee (MPC) noted that its previous decision to lower the CBR from 7.75% to 7% in November 2009 had successfully triggered a reduction in short term interest rates and credit to the private sector was rising consistent with the expectations. In March 2010, the MPC lowered the CBR by 25 basis points to 6.75%. The rate was maintained at that rate up to July 2010 when it was lowered down to 6.0%. The committee noted that due to low threats to inflation, reduction in CBR would stimulate the supply of credit and economic growth.

**Chart 5: Comparison between 91-day Treasury bill rate, Inter-bank rate and Central Bank Rate**



Reduction in the CBR had a huge impact on the reduction of short term interest rates as witnessed by a steady decline in the average 91- day Treasury bills rates, and inter-bank lending rate. However, as depicted by Chart 6 above the impact of reduction in CBR on commercial banks average lending rate seems to be minimal as commercial bank lending rate marginally declined from 14.76% in December 2009 to 13.87 as at the close of the year in December 2010, having maintained an yearly average of 14.36%. Over the same period, the average interest rate paid by banks to fixed deposit customers declined from a 4.84% in December 2009 to a low of 3.59% in December 2010.

### 3.7 Balance of Payments

Kenya's overall balance of payments deficit narrowed to Ksh 12.2 billion in the year ending December, 2010 compared to a Surplus of Ksh 75.2 billion in the year ending December, 2009. The movement reflects a wider current account deficit following increased imports and reduced short term flows. The current account deficit widened from Ksh 129.2 billion in year ending December, 2009 to Ksh 199.2 billion in year ending December, 2010. On the other hand, the capital and financial account surplus decreased from Ksh 200 billion in the year ending December, 2009 to Ksh 187.4 billion in the year ending December, 2010 reflecting a decline in long term capital inflows.

**Balance of payments deteriorated due to widening current account deficit in 2010.**

### 3.8 Fiscal Developments

Central Government budgetary operations in the first five months of fiscal year 2010/11 resulted in a deficit of Ksh 60.6 billion on commitment basis compared with a deficit of Ksh 38.2 billion in a similar period of 2009/10. The budget deficit increased from 1.6 percent to 2.1 percent of GDP during the period. The

**Government fiscal deficit was within the programmed target.**



budget deficit during the period was within the programmed target of 3.2 percent of GDP on commitment basis.

In the budget estimates for the fiscal year 2010/11, Government revenue excluding external grants is estimated at Ksh 689.6 billion (24.9 percent of GDP) while external grants are estimated at Ksh 40.4 billion (1.5 percent of GDP). Government expenditure is estimated at Ksh 918.0 billion or 33.1 percent of GDP. The main components of expenditure includes Ksh 592.5 billion (21.3 percent of GDP) in recurrent expenditure and Ksh 323.6 billion or 11.7 percent of GDP in development expenditure. The overall budget deficit including grants is, therefore, estimated at Ksh 188.0 billion (6.8 percent of GDP) in 2010/11. The deficit will be financed through net external borrowing of Ksh 82.7 billion (3.0 percent of GDP) and net domestic borrowing of Ksh 105.3 billion (3.8 percent of GDP).

### 3.9 Performance of the Banking Sector

The banking sector performed relatively well during the year under review. The sector recorded an impressive 51.8 percent growth in pre-tax profits during the year. Total deposits and total assets held by financial institutions both recorded growth rates of 22.9 percent and 24.1 percent respectively. The sector was also characterized by strong capitalization levels as a result of retention of profits and capital injection.

Asset quality improved with the net non-performing loans ratio declining to 2.1 percent in comparison to 3.2 percent recorded in 2009. This improvement is attributed to the Risk Management Programs implemented by the financial institutions which enhanced credit appraisal and administration standards.

The rating of the banking sector in December 2010 remained strong unchanged from December 2009.

### 3.10 Balance Sheet Analysis

The banking sector registered significant growth in the year 2010, with a 24.0 percent increase in the total assets from Ksh. 1,353.5 billion in December 2009 to Ksh. 1,678.1 billion in December 2010. Loans and advances, government securities and placements which accounted for 52.1 percent, 20.4 percent and 4.4 percent of total assets respectively continued to be the major components of the balance sheet.

Net Loans and Advances recorded a growth of 22.2 percent from Ksh. 721.6 billion to Ksh. 876.4 billion in December 2010. The growth was mainly registered in personal, trade and manufacturing sectors. Placements and Government

**Banking Sector  
balance sheet  
expanded by 24%.**



securities rose significantly from Ksh. 63.4 billion to Ksh. 73.6 billion and Ksh. 314.8 billion to Ksh. 443.1 billion representing a growth of 16.1 percent and 40.8 percent respectively as shown in table 8.

The source of funding in the banking sector, mainly customer deposits grew by 23 percent. The growth in deposits enhanced the institutions' capacity to expand their operations and the scope of financial intermediation.

<b>Table 8: Global Balance Sheet Analysis (Ksh. M)</b>			
	<b>2009</b>	<b>2010</b>	<b>% Change</b>
<b>Assets</b>			
Cash	28,937	36,485	26.1%
Balances at Central Bank	61,129	76,272	24.8%
Placements	63,416	73,607	16.1%
Government securities	314,778	443,085	40.8%
Investments	7,046	10,810	53.4%
Loan and Advances	721,615	876,357	21.4%
Other assets	156,578	161,495	3.1%
<b>Total Assets</b>	<b>1,353,499</b>	<b>1,678,112</b>	<b>24.0%</b>
<b>Liabilities and Share Holders Funds</b>			
Customer Deposits	1,006,021	1,236,549	22.9%
Other Liabilities	151,228	175,757	16.2%
Capital and reserves	196,250	265,806	35.4%
<b>Total Liabilities and shareholders' Funds</b>	<b>1,353,499</b>	<b>1,678,112</b>	<b>24.0%</b>

## Sectoral Distribution of Gross Loans, Loan Accounts and Non-Performing Loans

During the year ended 31<sup>st</sup> December 2010, over 70% of the sector's numbers of loan accounts were in personal/household sector which also accounted for over 28% of the banking sector credit and 31% of the NPLs. Trade, Manufacturing and Real Estate sectors accounted for about 44% of the sector's credit and 45% of NPLs as shown in Table 9.

**Significant number of loan accounts were held by households and accounted for about a third of gross loans and NPLs.**

<b>Table 9: Sectoral Distribution of Loan accounts, Gross Loans &amp; NPLs - December 2010</b>						
<b>Sectors</b>	<b>No. Loan</b>	<b>% of</b>	<b>Gross</b>	<b>% of</b>	<b>Gross</b>	<b>% of</b>
	<b>Accounts</b>	<b>Total</b>	<b>Ksh. B</b>	<b>Total</b>	<b>Ksh. B</b>	<b>Total</b>
Personal/Household	1,284,690	71.6%	263.6	28.8%	18.2	31.5%
Trade	285,763	15.9%	169.1	18.5%	12.5	21.6%
Manufacturing	18,936	1.1%	125.1	13.7%	7.0	12.1%
Real Estate	14,495	0.8%	106.7	11.7%	6.5	11.2%
Transport & Communication	23,521	1.3%	71.3	7.8%	3.5	6.1%
Agriculture	117,371	6.5%	49.4	5.4%	4.6	8.0%
Financial Services	29,683	1.7%	45.7	5.0%	1.7	2.9%
Energy and Water	4,896	0.3%	27.0	2.9%	0.2	0.4%
Building and Construction	7,923	0.4%	25.3	2.8%	1.4	2.4%
Tourism, Restaurant & Hotels	5,364	0.3%	19.8	2.2%	2.1	3.6%
Mining and Quarrying	1,022	0.1%	12.0	1.3%	0.1	0.1%
<b>Grand Total</b>	<b>1,793,664</b>	<b>100.0%</b>	<b>914.9</b>	<b>100.0%</b>	<b>57.6</b>	<b>100.0%</b>

### 3.11 Market Share Analysis

Peer grouping revised in 2010 using weighted composite index to rank institutions.

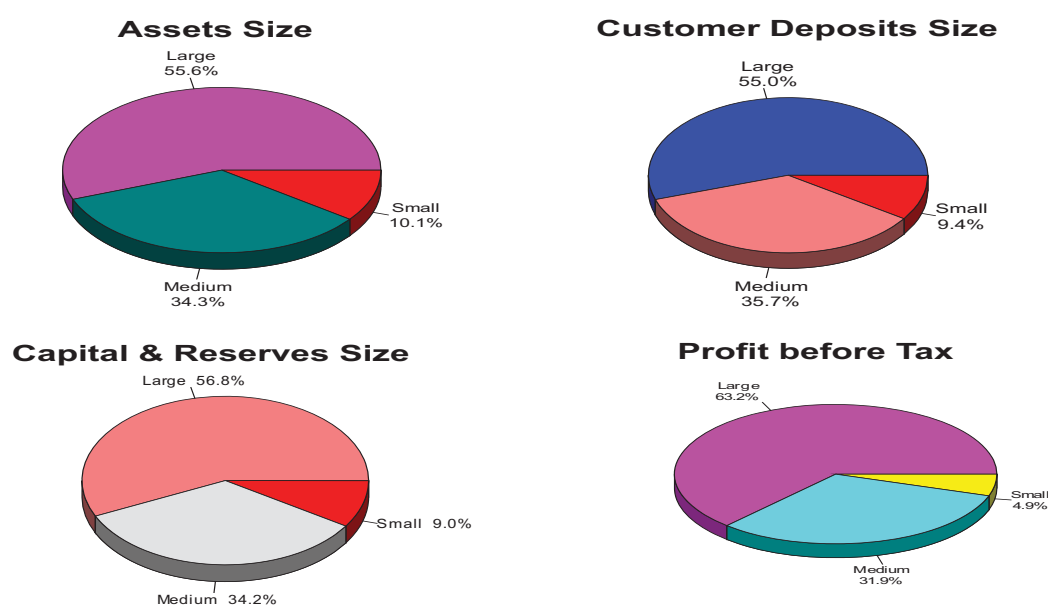
In 2010, the Central Bank revised the peer grouping of banks which was based on fixed asset size, such that banks with assets of Ksh. 15 billion and above were classified as large, between Ksh 15 billion and Ksh. 5 billion were medium and those with asset size of below Ksh. 5 billion were classified as small banks. This classification had seen over 50% of banks being classified as large which justified the need for revision.

The revised peer grouping is based on a weighted composite index comprising assets, deposits, capital size, number of deposit and loan accounts. Based on the weighted composite index, a large bank has a market share of 5% and above; medium bank between 1% and 5% and a small bank has less than 1% of the market share.

Based on the revised peer grouping, there were 6 large banks, 15 medium banks and 22 small banks as at 31<sup>st</sup> December 2010 as shown in Table 10. Consequently, the large banks accounted for 56 percent of total assets, 55% of customer deposits, 57% of capital & reserves and 63% of the sector's profit before tax as shown in chart 6.

<b>Table 10: Market Share Analysis, December 2010 - (Ksh. M)</b>					
	<b>Weighted market size</b>	<b>No. of Institutions</b>	<b>Total Net Assets</b>	<b>Customer Deposits</b>	<b>Capital &amp; Reserves</b>
Large	56.1%	6	933,608	679,513	151,097
Medium	34.5%	15	575,219	441,133	90,774
Small	9.4%	22	169,285	115,903	23,936
<b>Grand Total*</b>	<b>100.0%</b>	<b>43</b>	<b>1,678,112</b>	<b>1,236,549</b>	<b>265,806</b>
* Charterhouse Bank excluded					
<b>Source: CBK</b>					

**Chart 6: Market Share (%) – December 2010**



### 3.12 Asset Quality

Gross non-performing loans (NPLs) declined by 5.1 percent from Ksh. 60.7 billion in December 2009 to Ksh. 57.6 billion in December 2010, resulting to an improvement in the ratio of gross non-performing loans to gross loans from 8.0 per cent in December 2009 to 6.3 percent as at December 2010. The decline in gross NPLs was partly attributable to recoveries and the improved credit appraisal monitoring standards and robust domestic economic growth.

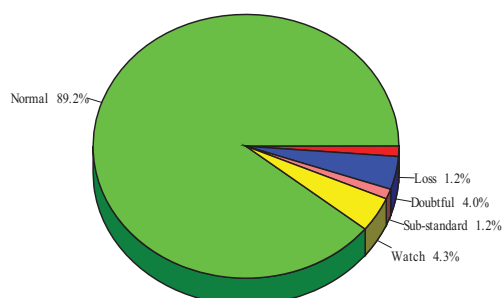
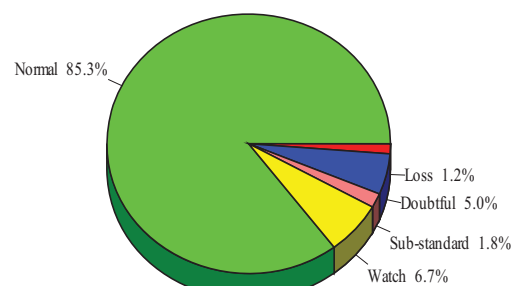
**Sector recorded a reduction in NPLs due to enhanced appraisal standards and improved economic growth.**

Over the same period, the total non-performing loans, net of interest in suspense dropped by 6.2 percent from Ksh. 50.9 billion in December 2009 to settle at Ksh. 47.7 billion in December 2010 as shown in Table 11. As a result, the asset quality, which is measured by the ratio of net non-performing loans to gross loans improved from 3.2 percent in December 2009 to 2.1 percent in December 2010.

<b>Table 11 : Asset Quality and Provisions (Kshs. M)</b>			
	<b>2009</b>	<b>2010</b>	<b>% Change</b>
Net Assets	1,353,499	1,678,112	24.0%
Gross Loans	757,760	914,910	20.7%
Net Loans	721,615	876,357	21.4%
Gross Non-performing loans	60,741	57,637	-5.1%
Interest in Suspense	9,839	9,908	0.7%
Total Non-Performing Loans	50,902	47,730	-6.2%
Specific Provisions	26,306	28,645	8.9%
Net Non-Performing Loans	24,596	19,084	-22.4%
Gross Loans/ Net Assets (%)	56.0%	54.5%	-1.5%
Gross NPLs/ Gross Loans (%)	8.0%	6.3%	-1.7%
Net NPLs/ Gross Loans (%)	3.2%	2.1%	-1.2%
<b>Source: CBK</b>			

The loans and advances that are serviced in accordance with the contract and classified in normal risk category increased by 26.4 percent from Ksh. 646.1 billion in December 2009 to Ksh. 816.5 billion in December 2010 as shown in Table 12. The increase was attributed to increased demand for credit and enhanced appraisal standards adopted by banks. However, loans and advances classified in the loss category increased by 27.6 percent from Ksh. 8.7 billion in December 2009 to Ksh. 11.1 billion in December 2010, as a result of losses from the normal course of business. Chart 7 below shows Risk Classification of loans and advances as at 31<sup>st</sup> December 2009 and 2010.

<b>Table 12: Risk Classification of Loans and Advances (Ksh. M)</b>					
		<b>2009</b>	<b>% of total</b>	<b>2010</b>	<b>% of total</b>
1	Normal	646,060	85.3%	816,467	89.2%
2	Watch	51,037	6.7%	39,541	4.3%
3	Substandard	13,756	1.8%	11,431	1.2%
4	Doubtful	38,161	5.0%	36,329	4.0%
5	Loss	8,746	1.2%	11,142	1.2%
<b>Gross Loans</b>		<b>757,760</b>	<b>100%</b>	<b>914,910</b>	<b>100%</b>
<b>Source: CBK</b>					

**Chart 7: Risk Classification of Loans and Advances (%)****Classification of Loans in Dec. 2010****Classification of Loans in Dec. 2009**

### 3.13 Capital Adequacy

**Capital adequacy ratios improved in 2010.**

Capital adequacy is measured by the ratio of Total Capital to Total Risk Weighted Assets and the minimum regulatory requirement is 12.0 percent. This ratio improved from 21.0 percent in 2009 to 22.0 percent in December 2010. This was as a result of a higher increase in Total Capital brought about by fresh capital injection and retention of profits that more than offset the increase in Risk Weighted Assets. This trend has been sustained since 2007. As indicated in Table 13, average capital adequacy ratios were way above the statutory minimum.

<b>Table 13: Capital Adequacy Ratios</b>					
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>Minimum Capital Adequacy Ratios</b>
Core Capital/TRWA*	18%	18%	19%	20%	8%
Total Capital/TRWA*	19%	20%	21%	22%	12%
Core Capital/Total Deposits	15%	15%	16%	17%	8%
* TRWA - Total Capital to Risk Weighted Assets					
<b>Source: CBK</b>					

### 3.14 Liquidity

Liquidity which represents the ability of the institutions 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.

In the twelve months to December 2010, the banking sector's average liquidity ratio was above the statutory minimum requirement of 20%, with all institutions meeting the liquidity threshold. Liquidity ratio for the sector averaged 44.5 percent as at December 2010 compared to 39.8 percent registered in a similar period last year. The high liquidity ratio demonstrates the banks increased uptake of Government securities, which are also easily available to meet immediate liquidity needs.

**Sector's average liquidity ratio of 44.5% supported by increased uptake of Government securities in 2010.**

### 3.15 Profit and Loss

The sector's profit before tax increased significantly by 51.9 percent from Ksh. 48.9 billion in December 2009 to Ksh. 74.3 billion in December 2010. The growth in profit was attributed to higher levels of revenue inflows from the growth in credit portfolio and investment in Government securities. All banks reported profit except four, of which three are relatively new institutions, which reported losses.

**Sector's profit increase supported by diversified sources of income.**

<b>Table 14: Income and Expenditure items as a percentage of Total Income (Ksh. M)</b>				
	<b>2009</b>		<b>2010</b>	
<b>Income</b>		<b>% of Total Income</b>		<b>% of Total Income</b>
Interest On advances	91,188	52.9%	104,006	49.1%
Fees and Commission for loans & advances	9,912	5.7%	13,072	6.2%
Other Fees and Commission Income	23,235	13.5%	25,444	12.0%
Interest on government securities	25,331	14.7%	33,160	15.7%
Interest on placement	2,993	1.7%	1,767	0.8%
Other Income	19,792	11.5%	34,296	16.2%
<b>Total Income</b>	<b>172,452</b>	<b>100.0%</b>	<b>211,745</b>	<b>100.0%</b>
<b>Expenses</b>				
Interest Expenses	35,083	20.3%	33,765	15.9%
Bad Debts Charge	8,602	5.0%	11,048	5.2%
Salaries and wages	38,837	22.5%	47,042	22.2%
Other Expenses	41,003	23.8%	45,618	21.5%
<b>Total Expenses</b>	<b>123,525</b>	<b>71.6%</b>	<b>137,473</b>	<b>64.9%</b>
<b>Profit Before Tax</b>	<b>48,927</b>	<b>28.4%</b>	<b>74,272</b>	<b>35.1%</b>
<b>Source: CBK</b>				

### Income

Total income increased by 22.7 percent from Ksh. 172.5 billion in the year ended December 2009 to settle at Ksh. 211.7 billion for the year ended December 2010 as shown in Table 14. Over the same period, interest income as proportion of total income declined from 52.9 percent in December 2009 to 49.1 percent in December 2010 occasioned by increase in other income. The growth in income

**Sector's income increased by 22.7%.**

was largely occasioned by increase in interest on advances, which increased by Ksh. 13 billion. This was on account of expansion in loans and advances. Interest income on Government securities went up by 31.2 percent from Ksh. 25.3 billion to Ksh. 33.2 billion in December 2010. Income on placements declined by 59 percent in 2010 largely occasioned by high liquidity that saw banks offer low interest rates on placements. Other income which comprises income from dividends, service charges and foreign exchange gains increased by 73 percent from Ksh. 19.8 billion in 2009 to Ksh. 34.3 billion in 2010.

## Expenses

**Sector's expenses increased by 11.3%.**

The banking sector's expenses increased by 11.3 percent from Ksh. 123.5 billion in the period ended December 2009 to Ksh. 137.5 billion in the year ended December 2010. The increase in expenses was as a result of increase in salaries and wages by 21.1 percent from Ksh. 38.8 billion in 2009 to Ksh. 47.0 billion. The increase in staff costs was occasioned by recruitment of new, while retaining high calibre staff to meet the ever increasing needs of expansion and innovation by most institutions. On the other hand, interest expenses on deposits dropped from Ksh. 35.1 billion in 2009 to Ksh. 33.8 billion in 2010 due to lower deposit interest rates in 2010. Bad debts charge increased by 28 percent from Ksh. 8.6 billion in December 2009 to Ksh. 11.0 billion in December 2010 due to bad debts arising from the normal course of business. The other expenses which comprises among others training, advertising, printing and management fees increased by 11 percent from Ksh. 41.0 billion in December 2009 to Ksh 45.6 billion in December 2010.

### 3.16 Performance Rating

**Sector maintained strong rating registered in 2009.**

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.

As shown in Table 15, the number of institutions rated strong increased in December 2010 to 20, up from 12 in 2009, as well as their market share which improved from 39.8 percent to 63.9 percent in the period under review. There were 20 institutions with satisfactory rating, having declined from 24 in December 2009. Similarly, their market share dropped to 35 percent compared to 56.4 percent registered in December 2009. Three institutions were rated fair in contrast to 8 in 2009, with market share declining from 3.5% to 1.1 percent.



**Table 15: Banking Sector Performance Rating (Ksh. M)**

Table 16: Banking Sector Performance Rating (KSh. M)						
Performance	2009			2010		
	No. of Institutions	Total Net Assets	Market Share	No. of Institutions	Total Net Assets	Market Share
Strong	12	538,607	39.8%	20	1,071,729	63.9%
Satisfactory	24	762,751	56.4%	20	587,881	35.0%
Fair	8	47,650	3.5%	3	18,502	1.1%
Marginal	1	4,491	0.3%	0	0	0.0%
Unsatisfactory	0	0	0.0%	0	0	0.0%
<b>Total*</b>	<b>45</b>	<b>1,353,499</b>	<b>100</b>	<b>43</b>	<b>1,678,112</b>	<b>100.0%</b>
<b>Overall Rating</b>	<b>Strong</b>			<b>Strong</b>		
* Charterhouse Bank excluded						
<b>Source: CBK</b>						

### 3.17 Compliance with Supervisory & Regulatory Requirements

Overall, there was a marked improvement in governance in the sector as reflected by increased compliance with the Banking Act and the Central Bank Prudential Regulations. As at 31<sup>st</sup> December, 2010 there were four incidences of non compliance relating to five (5) institutions as compared to ten incidences registered in 2009 in relation to seven (7) institutions. The incidences of non compliance are as follows:

**Number of institutions in violation declined including incidences in 2010.**

- Section 7(1) of the Banking Act – One institution failed to meet the minimum statutory capital requirement of Ksh. 500 million as at December 31, 2010 and proposed to raise additional capital through a rights issue in the early part of 2011 to meet the shortfall in capital.
- Section 12(c) of the Banking Act – Two institutions had investments in land and buildings in excess of 20 percent of core capital. The institutions sought a limited time extension within which they will comply, through either increase of core capital or reduction in the level of investments in land and building.
- Section 11(1) (d) & (f) of the Banking Act – One institution had granted an unsecured credit facility to an insider while another institution had granted credit facilities to an insider in excess of 20% of the bank's core capital.

### 3.18 Performance of Deposit Taking Microfinance Institutions

As at 31<sup>st</sup> December 2010, the Central Bank of Kenya had licensed five Deposit Taking Microfinance Institutions (DTMs), out of which two had commenced operations with nationwide branch network comprising of 37 branches. The DTMs had mobilized deposits worth Ksh. 6.1 billion and had a total loan portfolio

**DTMs performance in 2010 demonstrated growth potential to improve financial access.**

value of Ksh. 14.2 billion. The total number of active deposit accounts and loan accounts stood at 1.0 million and 0.6 million, respectively as at end of December 2010.

The presence and prevalence of deposit taking microfinance institutions will become more pronounced over time as the institutions that transformed from credit only convert the numerous marketing units into full-fledged branches. As at 31<sup>st</sup> December 2010, the three DTMs that transformed had 196 marketing outlets spread throughout the country.

### **3.19 Credit Reference Bureaus**

**Credit information sharing launched in July 2010 demonstrates gradual uptake by the banks and customers.**

In line with Regulation 14(4) of the CRB Regulations, the banking industry under the aegis of the Kenya Bankers Association developed and agreed on a Data Specification Document and Data Standards Manual (standardised reporting template) for submission of customer information to licensed CRBs. The requisite information technology system was also developed to enable transmission of data by institutions to the CRBs.

In furtherance of the credit information sharing mechanism, the CBK issued a circular in 2010 requiring all institutions licensed under the Banking Act to submit to licensed CRBs, customer information on all NPLs in their books as at 31<sup>st</sup> July 2010. Subsequently, institutions are required to submit information on a monthly basis. CRB Africa was the only licensed CRB as at end of December 2010. The license of one other applicant, Metropol Credit Reference Bureau Limited was at an advanced stage of processing.

The monthly returns indicates gradual uptake of credit report requests by banks as time progresses. A total of 284,722 credit reports had been requested by banks from the bureau as at 31<sup>st</sup> December 2010. Over the same period only 434 credit reports had been requested by customers. However, the uptake by customers is gradually increasing. The challenge is to increase public awareness on the credit information sharing mechanism and the right to access a free credit report from a licensed bureau at least once a year by customers.



## CHAPTER FOUR

### DEVELOPMENTS IN SUPERVISORY FRAMEWORK

#### 4.1 Introduction

During the year 2010, CBK in conjunction with the Ministry of Finance continued to pursue the reforms path aimed at a stable, safe, efficient and accessible banking sector. Consequently, the Proceeds of Crime and Anti-Money Laundering Act (AML Act), 2009 was operationalised in June 2010. Several other amendments to the Banking Act, Central Bank of Kenya Act and Microfinance Act were passed through the Finance Act, 2010. Key among these amendments includes provisions on: Prompt Corrective Action (PCA), information sharing, approval of places of business and additional administrative sanctions powers for CBK.

#### 4.2 Finance Act, 2010

His Excellency the President assented to the Finance Act, 2010 on 21<sup>st</sup> December 2010. 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 1<sup>st</sup> January 2011. The key amendments to the three statutes are:

**A Number of policies were introduced in 2010 through the Finance Act.**

- i. Mortgage finance companies can now operate current accounts. This particular amendment became effective on 11<sup>th</sup> June 2010.
- ii. Funds available for lending by institutions in the real estate sector have been increased in recognition of the growth potential in the real estate sector. Consequently, lending limits to real estate sector increased from 25% to 40% of total deposits liabilities.
- iii. Introduction of definition of “significantly undercapitalized” and “undercapitalized bank” which will enable the Central Bank to determine whether an institution is weak in its capital base hence trigger prompt corrective action by CBK.
- iv. Introduction of Prompt Corrective Action (PCA) whereby the Central Bank was given powers to take swift action when an institution exhibits weakness in its capital base or regulatory obligations.
- v. SACCOs, Kenya Post Office Savings Bank and the Agricultural Finance Corporation were allowed to be appointed as agents of banks for purposes of agent banking business. Given the wide network of SACCOs and Kenya Post Office Savings Bank, it is expected that banking services will

be brought closer to the people through these institutions as agents of banks.

- vi. The Central Bank was allowed to share forex bureau information with fiscal or tax and fraud investigation agencies. The sharing of information will enhance supervisory oversight and tax revenue.
- vii. Deposit Taking Microfinance Institutions (DTMs) were allowed to contract third parties to carry out business on their behalf. This move is expected to increase the penetration of deposit taking microfinance institutions in the rural areas. It will also increase the number of the banked populace (financial inclusion and financial access).

### 4.3 Credit Reference Bureaus

**CBK in collaboration with KBA launched workshops on credit information sharing in 2010.**

The Banking (Credit Reference Bureau) Regulations, 2008 became effective in February 2009. The Regulations require all licensed banks to share information on Non-Performing Loans (NPLs) through a Credit Reference Bureau (CRB) licensed by CBK. The role of licensed CRBs is to collect, collate and process data received from approved sources of information and generate credit reports to be used by lenders.

During the year 2010, CBK in partnership with Kenya Bankers Association (KBA) undertook a number of workshops and media campaigns. These initiatives were aimed at sensitizing and encouraging banks to utilize the services offered by credit reference bureaus in their operations as well as to enhance public awareness on the credit information sharing mechanism.

Credit reports will help banks stem out malpractices in the banking sector since customers whose credit reports indicate as having been involved in malpractices are subjected to stringent terms and conditions. This is also expected to help banks suppress the levels of NPLs while increasing their loan books.

To bank customers, credit information sharing is expected to minimize the problem of information asymmetry in the financial sector. Information asymmetry between banks and borrowers is one of the main contributors to high cost of credit. To this end, banks tend to load a “risk premium” to borrowers because of lack of customer information. The CIS mechanism is therefore expected to facilitate the development of information capital to increase information symmetry and allow cost of credit to decline substantially. It is therefore the Central Bank’s expectation that savings arising from the sharing of credit information shall translate to lower cost of credit. In turn, more Kenyans will be able to access credit from institutions and the building of information capital should also serve as a key substitute to physical collateral.

Going forward the CBK aims to undertake the following:

- Promote the sharing of positive information (full file reporting in order to realise the full benefits of credit information sharing).
- Incorporate information from other sources including Deposit Taking Microfinance Institutions, SACCOs and utility companies in the long run to enhance the robustness of the credit information sharing mechanism.
- Continue with public awareness campaigns on the services available from credit reference bureaus especially to the rural populace of which majority are not aware of the existence of these services and their consumer rights. It is hoped that the campaigns will help to demystify the credit information sharing mechanism and enable positive acceptance amongst the public. In the long run, it is expected that the campaigns will lead to an increase in the uptake of credit reports by both the banks and the public.

#### **4.4 The Proceeds of Crime and Anti-Money Laundering Act, 2009**

The Proceeds of Crime and Anti-Money Laundering (AML) Act, 2009 became operational on June 28, 2010. Accordingly, financial institutions licensed under the Banking Act, the Central Bank Act, and the Microfinance Act are required to adhere to the following reporting obligations as stipulated under Sections 44-47 of the AML Act:

**AML Act, 2009 was operationalised in June 2010.**

- To verify customer identity (KYC).
- To monitor and report suspected money laundering activity.
- To establish and maintain customer records for a minimum of seven years.
- To establish and maintain internal controls & internal reporting procedures.
- To report cash transactions beyond the stipulated minimum threshold of US dollars 10,000 or its equivalent in any other denomination.

#### **Guidance Note 1 of 2010 on Anti-Money Laundering**

Following the coming into operation of the Proceeds of Crime and Anti-Money Laundering Act 2009, CBK issued a guidance note to chief executives of financial institutions licensed under the Banking Act, to apprise them on their reporting obligations under the Act. The highlights of the Guidance include:

- The requirement for all financial institutions to submit suspicious transactions to CBK in accordance with the Guideline on Proceeds of Crime and Money Laundering (Prevention) (CBK/PG/08), pending the establishment of a Financial Reporting Centre (the Kenyan financial intelligence unit).
- Submission of quarterly declarations regarding the United Nations 1267 Consolidated Listing. Clause 3.3 of the Guideline on Proceeds of Crime

and Money Laundering Prevention requires institutions to regularly review their customer database to ensure that none of the names match those on the United Nations 1267 Consolidated List which identifies individuals and entities who have been linked to the financing of terrorism.

- Watch-listing of Designated Individuals and Entities contributing to conflict in Somalia. Institutions were directed to review all existing accounts to ensure that none of the accounts domiciled in their institutions were held by individuals or entities contributing to the conflict in Somalia.
- Institutions were further advised to conduct enhanced due diligence when dealing with transactions emanating from High Risk Jurisdictions and High Risk Customers.
- To observe and maintain the internal control measures and to ensure that staff undergo regular and appropriate AML training.

### Suspicious Transaction Reporting

One of the key reporting obligations for reporting institutions under the Proceeds of Crime and Anti-Money Laundering Act 2009 is to monitor and report on an ongoing basis-complex, unusual, large transactions. The main purpose for reporting suspicious transactions will be to enable financial institutions to:

- Identify potentially suspicious activity and customers who engage in higher-risk activity and report the activity to Financial Reporting Centre.
- Determine if additional customer due diligence is required for a particular customer.
- To protect the institution from any operational, legal or reputational risk that may arise due to the transactions originating from the customer.

During the year, a number of institutions licensed under the Banking Act submitted suspicious transactions reports to the Central Bank for appropriate action. Going forward, CBK plans to undertake a sensitization programme targeted at licensed financial institutions to enhance compliance with the requirements for reporting suspicious transactions under the Proceeds of Crime and Anti-Money Laundering Act 2009.

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

**NTF undertook a number of initiatives in 2010 comprising sensitization and training on AML issues.**

In 2010, the National Task Force (NTF) on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) continued its efforts to train, sensitize and inform various stakeholders on their new anti-money laundering reporting obligations under the Proceeds of Crime and Anti-Money Laundering Act 2009.

NTF is 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. The Ministry of Finance Chairs the Taskforce, while CBK's Bank Supervision Department hosts the Secretariat of the NTF.

The Taskforce adopted a collaborative approach to raising awareness on the AML/CFT obligations by participating in various engagements targeted at specific financial sector regulators, self regulatory groups (SLORs) and using industry associations to gain maximum scope for its outreach effort.

- As part of the Law Society of Kenya's program on continuing legal education, a presentation was made to members in November 2010 in Meru. The presentation focused on the obligations of legal practitioners as per international anti-money laundering standards.
- A workshop for chief executives of insurance companies was held in November in 2010 in Nairobi. It was co-hosted by the Insurance Regulatory Authority and the Association of Kenya Insurers.
- A workshop on the Effects and Impact of Money Laundering on the Banking Sector hosted by the Kenya Institute of Bankers, Western Region Chapter in September 2010 in Kisumu. This meeting was attended by senior managers from the banking sector who are based in the western region of Kenya.
- A forum on the implications of the Proceeds of Crime and Anti-Money Laundering Act 2009 that was hosted by the audit and consulting firm Deloitte in May 2010 in Nairobi. This meeting brought together various stakeholders covered by the Act, including regulators and key industry players from both the financial and non-financial sectors.

The Taskforce further undertook various capacity building activities events in the year most of which centered on the establishment of the Financial Reporting Centre including:

- A Joint Egmont-Financial Action Taskforce (FATF) Experts Workshop on Typologies in Cape Town, South Africa, in November 2010. The meeting which was attended by two representatives of the Taskforce, trained participants on conducting typologies research studies and the establishment of financial intelligence units. Typologies is the study of methods, techniques and trends of money laundering which assists policy makers to better understand the money laundering environment.
- A Joint India IMF/World Bank Group Training on the establishment of Financial Intelligence Units (FIUs) in May, 2010 in India. The workshop focused on the establishment of FIUS, including the role, powers, and functions of an FIU and the collection and analysis of financial information.

Going forward, some of the preliminary modalities to be put in place regarding the AML Act include the appointment of the Anti-Money Laundering Advisory Board, the establishment of the Financial Reporting Centre (FRC), and the Asset Recovery Agency.

The AML Advisory Board will be responsible for providing advice to the Director of the FRC with regard to his functions under the AML Act. The principal function of the FRC shall be to assist in the identification of proceeds of crime and combating of money laundering, whilst the Asset Recovery Agency's mandate shall be to undertake the recovery of assets/benefits derived from the commission of an offence under the AML Act.

#### 4.6 Agent Banking

**CBK developed inspection procedures for agents contracted by banks.**

The Central Bank rolled out the Guideline on Agent Banking in May 2010. The Guideline provided the necessary regulatory framework for institutions to contract agents to provide specified banking services on their behalf. This has enabled institutions to expand their outreach in their business activities and has further provided an opportunity for more and more people who were previously unbanked to access financial services.

The appointed agent activities are monitored by the Central Bank through periodic returns submitted by banks. From the returns, CBK is able to monitor the trend in the number and value of transactions.

In addition, CBK has formulated specific on-site inspection procedures for use during periodic on-site inspection to enable effective examination of the operations and attendant risks of agent banking.

As at the end of December 2010, there were no incidences of frauds, theft, robbery or any customer complaints reported relating to bank agents.



## CHAPTER FIVE

### REGIONAL AND INTERNATIONAL INITIATIVES

#### 5.1 Introduction

CBK remained actively engaged in local, regional and international initiatives geared towards strengthening the supervisory framework. BSD participated in regional meetings with regard to harmonization of regulatory and supervisory practices.

The East and Southern Africa Anti-Money Laundering Group Mutual Evaluation Team conducted an onsite visit of Kenya in May/June 2010 in order to assess Kenya's compliance with AML/CFT best practices as stipulated by the international anti-money laundering standard setter, the Financial Action Task Force's (FATF) 40+9 Recommendations.

#### 5.2 Regional and International Initiatives

The CBK being cognizant of the benefits that can be derived from participation in regional and international initiatives participated in various activities organized by regional and international organizations and groupings. These engagements were aimed at comparing the supervisory and other relevant practices in other jurisdictions in order to learn and continue to keep abreast of new developments in the global financial sector. The regional and international initiatives in which BSD participated in the year were spearheaded or organized under the umbrella of the:

**CBK participated in regional and international foras.**

- Monetary Affairs Committee (MAC) of the East African Community (EAC);
- Alliance for Financial Inclusion (AFI);
- Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG); and
- Common Market for Eastern and Southern Africa (COMESA).

#### MAC Meetings

BSD participated in three MAC meetings during the period under review. In these meetings it was noted that at the regional level, countries were experiencing emerging financial sector issues such as microfinance, branchless banking, Islamic banking, credit information sharing and automation. As a consequence of embracing these emerging issues one of the decisions made by the MAC during its 13<sup>th</sup> MAC meeting held in May 2010 in Arusha was for the East African Central Banks Partner States to enhance joint inspections, conduct consolidated supervision of the regional

banking groups and to harmonize supervisory practices within the central banks of the EAC Partner States. In line with this, CBK (BSD) held joint inspections of banks and forex bureaus with the other central banks of the EAC Partner States.

### **Alliance for Financial Inclusion**

At the international level, CBK joined the Alliance for Financial Inclusion (AFI) in April 2009 and is currently chairing the Steering Committee. AFI is a global network of policy makers from developing countries that seek to promote cutting edge financial inclusion policies. CBK participated in the 2<sup>nd</sup> Alliance for Financial Inclusion Global Policy Forum held in Bali, Indonesia in September 2010. The Forum followed the inaugural one in Kenya in September 2009. At the Bali Forum, CBK shared its experiences from its financial inclusion initiatives particularly agent banking.

### **G20 Global Partnership for Financial Inclusion**

**CBK was nominated as a non-G20 member of the GPFI in 2010.**

The G20 has identified financial inclusion as a key driver of economic growth and poverty reduction. It's in this spirit that the G20 Global Partnership for Financial Inclusion (GPFI) was launched following the G20 Leaders Summit in Seoul, Korea in November 2010. The GPFI is the main implementing mechanism of the endorsed financial inclusion action plan by G20 during the Seoul Summit and functions as an inclusive forum for G20 countries, non G20 countries and other relevant players. It will support peer learning, knowledge sharing, policy advocacy and coordination of financial inclusion initiatives.

CBK was nominated as a non-G20 member of the GPFI and was hence represented at the launch of the G20 Global Partnership for Financial Inclusion held in Seoul, South Korea in December 2010. The GPFI is a critical mechanism for mainstreaming financial inclusion in the global economic agenda.

### **Anti-Money Laundering**

CBK is the host of the secretariat of the National Taskforce on Anti Money Laundering and Combating Financing of Terrorism and under the NTF. Consequently, BSD participated in the following activities:

- The NTF took part in the 19<sup>th</sup> ESAAMLG meeting held in Arusha, Tanzania in March 2010. The meeting was to review and discuss ESAAMLG's ongoing work programme, review and discuss the reports of various working Groups, review and discuss the AML/CFT Strategies for the ESAAMLG member states besides reviewing and discussing the post evaluation progress reports of the countries that had undergone mutual evaluation and had their Mutual



Evaluation Reports published. Mutual evaluation is a peer review process through which countries are assessed for their compliance with Anti-Money Laundering and Combating Financing of Terrorism best practices.

- A follow up Strategic Implementation Planning Workshop was organized by ESAAMLG Secretariat in conjunction with World Bank in May 2010 in Livingstone, Zambia. The workshop was aimed at training mutual evaluation experts from the ESAAMLG region to drive their country process of formulating Anti-Money Laundering and Combating the Financing of Terrorism implementation plans to address the deficiencies noted in the Mutual Evaluation Reports.
- NTF participated in the 20th ESAAMLG Taskforce of Senior Officials meeting held in Lilongwe, Malawi in August 2010. The meeting discussed the post Evaluation Implementation Plans submitted by the ESAAMLG member states that had undergone the mutual evaluation and also discussed the progress on the typologies studies related to Drug Trafficking and Human Trafficking. The meeting further held a Private Sector Consultative Meeting on the Implementation of Financial Action Taskforce (FATF) Standards and the Promotion of Financial Inclusion in the ESAAMLG region among other things.

### **Initiatives by COMESA Countries**

CBK and other central banks of COMESA member states continue to promote financial stability in their respective countries in line with the COMESA Financial System Stability Assessment Framework. The framework encompasses not only quantitative analysis of risks and vulnerabilities but also qualitative assessments of the institutional capacity and financial infrastructure that help manage the risks and enhance the systems effectiveness and efficiency. During the 15<sup>th</sup> meeting of Governors of COMESA held in Khartoum, Sudan in November 2010, it was noted that:

- A number of countries had fulfilled the requirement to establish an independent Financial Stability Unit within the Central Bank.
- Progress had been slow on establishment of a Multi-disciplinary Financial Stability Committee as consultations were still on-going among the key stakeholders.
- The implementation of the COMESA Financial Stability Assessment Framework was still at the infant stage throughout the region, as some member countries were still familiarizing themselves with the framework, putting in place the administrative structures and analytical competences.

## Memorandum of Understanding

**CBK signed MOUs to enhance cross border banking supervisory cooperation.**

CBK continued to enhance its relationship with foreign banking regulators with a view to promoting cross border banking supervisory cooperation as recommended by the Basel Committee on Banking Supervision. In furtherance of this objective, CBK has entered into a framework of supervisory cooperation through various Memoranda of Understanding (MOUs) with diverse international banking regulators. The MOUs will facilitate information sharing and supervisory coordination between the International Regulators.

In June 2010, CBK executed an MOU with the Reserve Bank of South Africa. As at end of December 2010 there were two MOUs with other regulators in the region at an advanced stage of negotiation and expected to be concluded in year 2011 while others were at various stages of negotiation with other international regulators.

### 5.3 Developments of Anti-Money Laundering and Combating Financing of Terrorism Regime in Kenya

During the year under review, CBK was invited to join the Alliance for Financial Inclusion (AFI) Financial Integrity Working Group. The Working Group was established with the aim of providing a platform for member policymakers to discuss critical financial integrity policy and regulatory issues. The Working Group also provides a forum to exchange and share successful country-level experiences on how to balance and reinforce financial integrity and inclusion. Current members of the Working Group comprise the National Treasury of South Africa, the Superintendence of Banking, Insurance and Private Pension Funds (SBS) of Peru, the Central Bank of the Philippines and the Reserve Bank of Malawi.

The invitation was extended to CBK due to the innovative initiatives that Kenya has developed in balancing the expansion of financial access with adherence to financial integrity (anti-money laundering/combating the financing of terrorism – amongst others) standards. The Working Group is currently making contributions to the Financial Action Task Force's (FATF) review of its 40+9 Recommendations. The contributions are to be considered at the FATF's meeting during its plenary session in February 2011.

## **Mutual Evaluation of Kenya by the East and Southern Africa Anti-Money Laundering Group (ESAAMLG)**

The East and Southern Africa Anti-Money Laundering Group (ESAAMLG) Mutual Evaluation Team conducted an onsite visit of Kenya between 24<sup>th</sup> May and 4<sup>th</sup> June, 2010 in order to assess Kenya's compliance with AML/CFT best practices as stipulated by the international anti-money laundering standard setter, the Financial Action Task Force's (FATF) 40+9 Recommendations. The Evaluation Team held face to face meetings with various supervisory and regulatory agencies including the Central Bank of Kenya, the Capital Markets Authority, Kenya Revenue Authority, Ministry of Foreign Affairs, Betting Control and Licensing Board amongst others and private sector organizations such as the Kenya Bankers Association (KBA), the Institute of Certified Public Accountants of Kenya (ICPAK) and the Law Society of Kenya (LSK).

**Kenya underwent mutual evaluation to assess compliance with AML/CFT in 2010.**

The onsite visit was preceded by the first stage of the mutual evaluation process, the self assessment stage, in which various Government Authorities responded to the Mutual Evaluation Questionnaire (MEQ) and set out the country's progress in implementing the 40+9 Recommendations. The assessment covered a wide range of issues including Kenya's legal and institutional AML/CFT framework and the supervisory and regulatory framework for various sectors considered vulnerable to money laundering threats. The Mutual Evaluation Report on Kenya's AML/CFT regime is expected to be discussed and adopted at the next meeting of ESAAMLG Task Force of Senior Officials scheduled for September 2011.

BANKING SECTOR BALANCE SHEET									Appendix I
Ksh. M									
		DECEMBER 2009			% of total	DECEMBER 2010			% of total
		BANKS	NBFI's	TOTAL		BANKS	NBFI's	TOTAL	
A	ASSETS								
1	Cash balances (both local and foreign)	28,795	142	28,937	2.14%	36,384	101	36,485	2.17%
2	Balances due from Central Bank of Kenya	61,129	-	61,129	4.52%	76,272	-	76,272	4.55%
3	Kenya Government securities	259,555	510	260,064	19.21%	341,649	540	342,189	20.39%
4	Foreign Currency Treasury bills and bonds	152	-	152	0.01%	309	-	309	0.02%
5	Deposits and balances due from local banking institutions	25,270	6,481	31,751	2.35%	35,703	8,185	43,888	2.62%
6	Deposits and balances due from banking institutions abroad	31,664	-	31,664	2.34%	29,719	-	29,719	1.77%
7	Government and other securities held for dealing purposes	54,714	-	54,714	4.04%	100,896	-	100,896	6.01%
8	Tax recoverable	1,028	-	1,028	0.08%	334	-	334	0.02%
9	Loans and advances to customers(Net)	692,140	29,475	721,615	53.31%	856,854	19,503	876,357	52.22%
10	Investments securities	7,047	-	7,047	0.52%	10,810	-	10,810	0.64%
11	Balances due from group companies	54,719	-	54,719	4.04%	41,474	-	41,474	2.47%
12	Investment in associates	2,080	-	2,080	0.15%	2,600	-	2,600	0.15%
13	Investment in subsidiary companies	12,679	130	12,809	0.95%	17,774	130	17,904	1.07%
14	Investment in joint ventures	922	-	922	0.07%	1,286	-	1,286	0.08%
15	Investment properties	1,280	-	1,280	0.09%	1,117	-	1,117	0.07%
16	Property & equipment	40,753	628	41,381	3.06%	42,303	594	42,898	2.56%
17	Prepaid lease rentals	1,030	42	1,072	0.08%	842	42	883	0.05%
18	Intangible assets	5,502	4	5,507	0.41%	14,153	3	14,156	0.84%
19	Deferred tax asset	2,894	41	2,935	0.22%	3,516	23	3,539	0.21%
20	Retirement benefit asset	1,837	-	1,837	0.14%	1,539	-	1,539	0.09%
21	Other assets	30,745	109	30,855	2.28%	33,254	204	33,458	1.99%
22	TOTAL ASSETS	1,315,937	37,562	1,353,499	100.00%	1,648,786	29,326	1,678,112	100.00%
B	LIABILITIES								
23	Balances due to Central Bank of Kenya	16,546	-	16,546	1.22%	8,656	-	8,656	0.52%
24	Customer deposits	987,543	18,478	1,006,021	74.33%	1,220,603	15,945	1,236,549	73.69%
25	Deposits and balances due to local banking institutions	25,417	-	25,417	1.88%	39,693	-	39,693	2.37%
26	Deposits and balances due to foreign banking institutions	25,581	-	25,581	1.89%	22,980	-	22,980	1.37%
27	Other Money Markets deposits	2	-	2	0.00%	2	-	2	0.00%
28	Borrowed funds	18,846	1,700	20,546	1.52%	23,719	8,604	32,324	1.93%
29	Balances due to group companies	17,424	11,141	28,564	2.11%	22,442	15	22,457	1.34%
30	Taxation payable	873	148	1,021	0.08%	4,987	50	5,038	0.30%
31	Dividends payable	13	-	13	0.00%	25	-	25	0.00%
32	Deferred tax liability	1,004	-	1,004	0.07%	2,797	-	2,797	0.17%
33	Retirement benefits liability	162	-	162	0.01%	280	-	280	0.02%
34	Other liabilities	32,047	325	32,372	2.39%	41,066	441	41,507	2.47%
35	TOTAL LIABILITIES	1,125,457	31,792	1,157,249	85.50%	1,387,250	25,056	1,412,306	84.16%
C	SHAREHOLDERS' FUNDS								
36	Paid up/ assigned capital	57,853	1,650	59,503	4.40%	62,730	1,150	63,880	3.81%
37	Share premium/(discounts)	34,886	1,549	36,435	2.69%	52,621	1,549	54,170	3.23%
38	Revaluation reserves	5,445	449	5,895	0.44%	8,469	449	8,918	0.53%
39	Retained earnings /accumulated losses	74,989	1,371	76,360	5.64%	107,653	487	108,140	6.44%
40	Statutory loan loss reserve	5,261	585	5,847	0.43%	7,476	503	7,979	0.48%
41	Proposed dividend (gross)	10,650	115	10,765	0.80%	19,273	81	19,353	1.15%
42	Capital grants	1,394	51	1,445	0.11%	3,315	51	3,366	0.20%
43	TOTAL SHAREHOLDERS' FUNDS	190,480	5,770	196,250	14.50%	261,536	4,270	265,806	15.84%
				-		-	-	-	
44	TOTAL LIABILITIES & SHAREHOLDERS' FUNDS	1,315,937	37,562	1,353,499	100.00%	1,648,786	29,326	1,678,112	100.00%

Source: Banks Published Financial Statements.

## Appendix II

BANKING SECTOR PROFIT AND LOSS ACCOUNT									
Ksh. M									
		DECEMBER 2009			% of TOTAL	DECEMBER 2010			% of TOTAL
		BANKS	NBFI's	TOTAL		BANKS	NBFI's	TOTAL	
<b>1.0</b>	<b>INTEREST INCOME</b>								
1.1	Loans and advances	88,007	3,182	91,188	52.88%	101,784	2,222	104,006	49.12%
1.2	Government Securities	25,231	100	25,331	14.69%	33,125	35	33,160	15.66%
1.3	Deposits and placements with banking institutions	2,740	253	2,993	1.74%	1,548	219	1,767	0.83%
1.4	Other interest income	1,224	-	1,224	0.71%	1,410	-	1,410	0.67%
<b>1.5</b>	<b>Total Interest Income</b>	<b>117,202</b>	<b>3,535</b>	<b>120,737</b>	<b>70.01%</b>	<b>137,867</b>	<b>2,476</b>	<b>140,343</b>	<b>66.28%</b>
<b>2.0</b>	<b>INTEREST EXPENSES</b>								
2.1	Customers deposits	30,495	716	31,211	25.27%	29,320	793	30,113	21.90%
2.2	Deposits and placements from banking institutions	1,455	243	1,698	1.37%	1,543	-	1,543	1.12%
2.3	Other interest expenses	2,089	85	2,174	1.76%	1,827	281	2,109	1.53%
<b>2.4</b>	<b>Total Interest Expenses</b>	<b>34,040</b>	<b>1,043</b>	<b>35,083</b>	<b>28.40%</b>	<b>32,691</b>	<b>1,075</b>	<b>33,765</b>	<b>24.56%</b>
						-	-		
<b>3.0</b>	<b>NET INTEREST INCOME/(LOSS)</b>	<b>83,162</b>	<b>2,491</b>	<b>85,654</b>		<b>105,177</b>	<b>1,401</b>	<b>106,578</b>	
<b>4.0</b>	<b>NON-OPERATING INCOME</b>								
4.1	Fees and Commissions on loans and advances	9,748	164	9,912	5.75%	12,968	103	13,072	6.17%
4.2	Other fees and commissions	23,121	114	23,235	13.47%	25,380	65	25,444	12.02%
4.3	Foreign exchange trading income/(loss)	11,296	-	11,296	6.55%	12,446	-	12,446	5.88%
4.4	Dividend income	497	-	497	0.29%	1,686	-	1,686	0.80%
4.5	Other income	6,719	55	6,774	3.93%	18,670	84	18,754	8.86%
<b>4.6</b>	<b>Total Non Interest Income</b>	<b>51,382</b>	<b>333</b>	<b>51,715</b>	<b>29.99%</b>	<b>71,150</b>	<b>252</b>	<b>71,402</b>	<b>33.72%</b>
						-	-		
<b>5.0</b>	<b>TOTAL OPERATING INCOME</b>	<b>134,544</b>	<b>2,824</b>	<b>137,368</b>		<b>176,326</b>	<b>1,653</b>	<b>177,980</b>	
<b>6.0</b>	<b>OPERATING EXPENSES</b>								
6.1	Loan loss provision	8,269	333	8,602	6.96%	10,809	238	11,048	8.04%
6.2	Staff costs	38,264	573	38,837	31.44%	46,552	490	47,042	34.22%
6.3	Directors emoluments	1,131	34	1,164	0.94%	1,303	11	1,314	0.96%
6.4	Rental charges	3,982	68	4,050	3.28%	4,686	13	4,699	3.42%
6.5	Depreciation on property and equipment	5,725	51	5,775	4.68%	6,809	41	6,850	4.98%
6.6	Amortization charges	991	6	997	0.81%	1,246	3	1,250	0.91%
6.7	Other expenses	28,627	390	29,016	23.49%	31,209	297	31,506	22.92%
<b>6.8</b>	<b>Total Other Operating Expenses</b>	<b>86,988</b>	<b>1,455</b>	<b>88,442</b>	<b>71.60%</b>	<b>102,614</b>	<b>1,093</b>	<b>103,708</b>	<b>75.44%</b>
<b>7.0</b>	<b>Profit/(loss) before tax and exceptional items</b>	<b>47,557</b>	<b>1,370</b>	<b>48,926</b>		<b>73,712</b>	<b>560</b>	<b>74,272</b>	
8.0	Exceptional items	80	-	80		2,752	-	2,752	
<b>9.0</b>	<b>Profit/(loss) after exceptional items</b>	<b>47,636</b>	<b>1,370</b>	<b>49,006</b>		<b>76,464</b>	<b>560</b>	<b>77,024</b>	
10.0	Current tax	(13,821)	(401)	(14,222)		(20,530)	(187)	(20,717)	
11.0	Deferred tax	(222)	(39)	(261)		1,275	7	1,283	
<b>12.0</b>	<b>Profit/(loss) after tax and exceptional items</b>	<b>33,594</b>	<b>929</b>	<b>34,523</b>		<b>57,209</b>	<b>381</b>	<b>57,590</b>	

Source: Banks Published Financial Statements.

BANKING SECTOR OTHER DISCLOSURES							
Ksh. M							
	2009			2010			
	Banks	NBFIs	Total	Banks	NBFIs	Total	Growth
<b>1) NON-PERFORMING LOANS AND ADVANCES</b>							
a) Gross non-performing loans and advances	57,227	3,514	60,741	56,170	1,468	57,637	-5.1%
Less:							
b) Interest in suspense	9,078	761	9,839	9,624	284	9,908	0.7%
c) Total non-performing loans and advances(a-b)	<b>48,149</b>	<b>2,753</b>	<b>50,902</b>	<b>46,545</b>	<b>1,184</b>	<b>47,730</b>	-6.2%
Less:							
d) Loan loss provision	25,512	794	26,306	28,205	440	28,645	8.9%
e) Net Non-performing Loans (c-d)	<b>22,637</b>	<b>1,959</b>	<b>24,596</b>	<b>18,340</b>	<b>744</b>	<b>19,084</b>	-22.4%
f) Discounted value of securities	20,582	1,959	22,541	17,077	744	17,821	-20.9%
g) Net NPLs Exposure (e-f)	2,055	-	2,055	1263	-	1,263	-38.5%
<b>2) INSIDER LOANS, ADVANCES AND OTHER FACILITIES</b>							
a) Directors, shareholders and associates	15,875	-	15,875	21,087	460	21,547	35.7%
b) Employees	24,332	450	24,782	29,792	-	29,792	20.2%
c) Total Insider Loans, Advances and Other Facilities	<b>40,207</b>	<b>450</b>	<b>40,657</b>	<b>50,879</b>	<b>460</b>	<b>51,339</b>	26.3%
<b>3) OFF BALANCE SHEET</b>							
a) Letters of credit, guarantees, acceptances	162,691	1	162,692	226,181	1	226,182	39.0%
b) Other contingent liabilities	301,029	-	301,029	127,676	-	127,676	-57.6%
c) Total Contingent Liabilities	<b>463,721</b>	<b>1</b>	<b>463,722</b>	<b>353,857</b>	<b>1</b>	<b>353,858</b>	-23.7%
<b>4) CAPITAL STRENGTH</b>							
a) Core capital	160,178	4,520	164,699	210,992	3,186	214,178	30.0%
b) Minimum statutory capital	15,400	700		21,500	500		
c) Excess/(deficiency)							
d) Supplementary capital	19,626	329	19,955	20,895	3,186	24,082	20.7%
e) Total capital (a + d)	<b>179,804</b>	<b>4,849</b>	<b>184,654</b>	<b>231,887</b>	<b>6,373</b>	<b>238,260</b>	29.0%
f) Total risk weighted assets	871,707	15,882	887,589	1,051,356	13,077	1,064,433	19.9%
g) Core capital/total deposit liabilities	15%	24%	16%	16%	20%	16%	
h) Minimum statutory ratio	8%	8%	8%	8%	8%	8%	
i) Excess/(deficiency)	7%	16%	8%	8%	12%	8%	
j) Core Capital/Total Risk Weighted Assets	18%	28%	19%	20%	24%	20%	
k) Minimum Statutory Ratio	8%	8%	8%	8%	8%	8%	
l) Excess/(Deficiency)	10%	20%	11%	12%	16%	12%	
m) Total capital/total risk weighted assets	21%	31%	21%	22%	49%	22%	
n) Minimum Statutory Ratio	12%	12%	12%	12%	12%	12%	
o) Excess/(Deficiency)	9%	19%	9%	10%	37%	10%	
<b>5) Liquidity</b>							
a) Liquidity ratio	42%	33%	41%	44%	35%	45%	
b) Minimum Statutory Ratio	20%	20%	20%	20%	20%	20%	
c) Excess/(Deficiency) (a-b)	22%	13%	21%	24%	15%	25%	
<b>Performance Indicators</b>							
Yield on Earning Assets	12.6%	9.9%	12.5%	11.6%	9.0%	11.5%	
Cost of Funding Earning Assets	4.7%	0.9%	4.6%	5.1%	0.9%	5.0%	
Interest Margin on Earning Assets	7.9%	9.0%	8.0%	6.5%	8.1%	6.6%	
Yield on Advances	12.6%	10.5%	12.5%	11.7%	11.2%	11.7%	
Cost of Deposits	3.1%	5.2%	3.1%	2.4%	5.0%	2.4%	
Return on Assets (ROA)	2.6%	3.5%	2.6%	3.6%	1.9%	3.6%	
Return on Equity (ROE)	25.0%	23.7%	24.9%	28.2%	13.1%	27.9%	
Overheads to Earnings	52.8%	39.8%	52.5%	50.0%	50.4%	50.0%	
Gross NPLs/Gross Loans	7.9%	11.3%	8.0%	6.3%	7.3%	6.3%	
Net NPLs/Gross Loans	3.1%	6.3%	3.2%	2.0%	3.7%	2.1%	
<b>RATINGS</b>							
Capital Adequacy	1.00	1.00	1.00	1.00	1.00	1.00	
Asset Quality	1.00	2.00	1.00	1.00	1.00	1.00	
Earnings	2.00	1.00	2.00	1.00	3.00	1.00	
Liquidity	1.00	2.00	1.00	1.00	1.00	1.00	
Composite Score	1.25	1.50	1.25	1.00	1.50	1.00	
Performance Category	Strong	Satisfactory	Strong	Strong	Satisfactory	Strong	
<b>Rating</b>							
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(%)	COMPOSITE RATING Average Score
1	Strong	19.50% and above	0-5%	1.0 - 1.4	Over 3%	Over 34%	1.0-1.4
2	Satisfactory	15.60%-19.49%	5.1%-10.0%	1.5 - 2.4	2.0%-2.9%	26%-34%	1.5-2.4
3	Fair	12.00%-15.59%	10.1%-15.0%	2.5 - 3.4	1.0%-1.9%	20%-25%	2.5-3.4
4	Marginal	8.31%-11.99%	15.1%-20.0%	3.5 - 4.4	0.0%-0.9%	15%-19%	3.5-4.4
5	Unsatisfactory	8.30 and below	Over 20%	4.5 - 5.0	Net Loss	Under 15%	4.5-5.0
Source: Banks Published Financial Statements.							



## BANKING SECTOR MARKET SHARE REPORT DECEMBER 2010 Ksh. M

Appendix IV

	Market Share	Net Assets	% of the Market	Total Deposits	% of the Market	Total Shareholders' Funds	% of the Market	Total number of Deposit Accounts	% of the Market	Total number of Loan Accounts	% of the Market
	Index										
<b>Large = Market Share Index &gt;5%</b>											
1 Kenya Commercial Bank Ltd	13.98%	223,025	13.3%	163,189	13.2%	40,876	15.4%	1,340,964	11.29%	366,147	21.0%
2 Barclays Bank of Kenya Ltd	10.72%	172,691	10.3%	123,826	10.0%	31,465	11.8%	862,140	7.26%	261,794	15.0%
3 Equity Bank Ltd	9.09%	133,890	8.0%	95,204	7.7%	28,308	10.6%	5,405,732	45.50%	619,561	35.6%
4 Co-operative Bank of Kenya Ltd	8.95%	153,984	9.2%	124,012	10.0%	20,202	7.6%	1,452,354	12.22%	149,807	8.6%
5 Standard Chartered Bank Ltd	8.02%	142,880	8.5%	100,504	8.1%	20,210	7.6%	155,650	1.31%	28,349	1.6%
6 CFC Stanbic Bank Ltd	5.31%	107,139	6.4%	72,778	5.9%	10,035	3.8%	65,769	0.55%	30,332	1.7%
<b>Sub-Total</b>	<b>56.06%</b>	<b>933,608</b>	<b>55.6%</b>	<b>679,513</b>	<b>55.0%</b>	<b>151,097</b>	<b>56.8%</b>	<b>9,282,609</b>	<b>78.13%</b>	<b>1,455,990</b>	<b>83.7%</b>
<b>Medium = Market Share Index &gt;1% and &lt; 5%</b>											
7 I & M Bank Ltd	4.07%	62,552	3.7%	45,995	3.7%	12,980	4.9%	38,747	0.33%	5,083	0.3%
8 Citibank N.A. Kenya	3.84%	62,070	3.7%	38,215	3.1%	12,882	4.8%	3,639	0.03%	954	0.1%
9 National Bank of Kenya Ltd	3.72%	60,027	3.6%	47,805	3.9%	9,930	3.7%	398,442	3.35%	43,742	2.5%
10 Commercial Bank of Africa Ltd	3.60%	63,592	3.8%	53,195	4.3%	7,474	2.8%	27,290	0.23%	8,933	0.5%
11 Diamond Trust Bank Ltd	3.36%	58,606	3.5%	44,904	3.6%	8,057	3.0%	51,329	0.43%	11,871	0.7%
12 NIC Bank Ltd	3.27%	54,776	3.3%	45,318	3.7%	7,896	3.0%	32,783	0.28%	16,132	0.9%
13 Bank of Baroda Ltd	1.91%	32,332	1.9%	25,600	2.1%	4,744	1.8%	32,410	0.27%	2,018	0.1%
14 Prime Bank Ltd	1.80%	32,444	1.9%	25,512	2.1%	3,898	1.5%	14,496	0.12%	2,508	0.1%
15 Ecobank Kenya Ltd	1.59%	26,892	1.6%	16,494	1.3%	5,004	1.9%	53,342	0.45%	4,913	0.3%
16 Housing Finance Company of Kenya Ltd	1.54%	29,326	1.7%	15,945	1.3%	4,270	1.6%	50,014	0.42%	4,467	0.3%
17 Bank of Africa Ltd	1.42%	26,699	1.6%	19,784	1.6%	2,945	1.1%	18,763	0.16%	6,137	0.4%
18 Family Bank Ltd	1.26%	20,188	1.2%	15,731	1.3%	3,127	1.2%	776,945	6.54%	81,891	4.7%
19 Bank of India	1.16%	19,671	1.2%	16,076	1.3%	2,756	1.0%	12,049	0.10%	727	0.0%
20 Imperial Bank Ltd	1.13%	19,399	1.2%	13,678	1.1%	3,095	1.2%	25,848	0.22%	8,148	0.5%
21 Chase Bank Ltd	1.10%	21,859	1.3%	16,880	1.4%	1,715	0.6%	11,502	0.10%	4,846	0.3%
<b>Sub-Total</b>	<b>34.78%</b>	<b>590,433</b>	<b>35.2%</b>	<b>441,133</b>	<b>35.7%</b>	<b>90,774</b>	<b>34.2%</b>	<b>1,547,599</b>	<b>13.03%</b>	<b>202,370</b>	<b>11.6%</b>
<b>Small = Market Share Index &lt;1%</b>											
22 Fina Bank Ltd	0.76%	14,112	0.8%	11,590	0.9%	1,336	0.5%	21,645	0.18%	4,787	0.3%
23 African Banking Corporation Ltd	0.63%	10,297	0.6%	8,353	0.7%	1,631	0.6%	13,935	0.12%	1,246	0.1%
24 Consolidated Bank of Kenya Ltd	0.61%	10,479	0.6%	8,008	0.6%	1,477	0.6%	44,534	0.37%	10,414	0.6%
25 Giro Commercial Bank Ltd	0.59%	10,234	0.6%	8,308	0.7%	1,340	0.5%	8,829	0.07%	2,476	0.1%
26 Gulf African Bank Ltd	0.56%	9,594	0.6%	8,163	0.7%	1,224	0.5%	27,975	0.24%	1,274	0.1%
27 Equatorial Commercial Bank Ltd	0.53%	10,399	0.6%	8,037	0.6%	906	0.3%	7,620	0.06%	4,801	0.3%
28 Development Bank of Kenya Ltd	0.50%	10,650	0.6%	4,105	0.3%	1,489	0.6%	1,194	0.01%	874	0.1%
29 Habib Bank A.G. Zurich	0.48%	8,127	0.5%	6,672	0.5%	1,118	0.4%	7,433	0.06%	451	0.0%
30 Guardian Bank Ltd	0.46%	8,031	0.5%	6,971	0.6%	948	0.4%	6,821	0.06%	769	0.0%
31 K - Rep Bank Ltd	0.45%	7,670	0.5%	5,454	0.4%	1,158	0.4%	253,068	2.13%	11,871	0.7%
32 Fidelity Commercial Bank Ltd	0.45%	8,209	0.5%	7,204	0.6%	801	0.3%	6,571	0.06%	1,142	0.1%
33 Victoria Commercial Bank Ltd	0.39%	6,215	0.4%	4,935	0.4%	1,103	0.4%	3,153	0.03%	396	0.0%
34 Trans - national Bank Ltd	0.37%	4,762	0.3%	3,037	0.2%	1,541	0.6%	22,773	0.19%	2,530	0.1%
35 First Community Bank Ltd	0.35%	6,380	0.4%	5,611	0.5%	565	0.2%	30,126	0.25%	1,335	0.1%
36 Habib Bank Ltd	0.32%	5,426	0.3%	3,933	0.3%	896	0.3%	4,551	0.04%	249	0.0%
37 Oriental Commercial Bank Ltd	0.32%	4,558	0.3%	3,266	0.3%	1,138	0.4%	5,406	0.05%	566	0.0%
38 Credit Bank Ltd	0.29%	4,530	0.3%	3,258	0.3%	948	0.4%	6,038	0.05%	728	0.0%
39 Paramount Universal Bank Ltd	0.28%	4,420	0.3%	3,562	0.3%	785	0.3%	6,520	0.05%	1,144	0.1%
40 Middle East Bank Ltd	0.27%	4,018	0.2%	2,527	0.2%	1,027	0.4%	1,832	0.02%	213	0.0%
41 Jamii Bora Bank Ltd	0.21%	1,723	0.1%	532	0.0%	1,020	0.4%	559,181	4.71%	34,284	2.0%
42 UBA Kenya Ltd	0.19%	2,363	0.1%	1,168	0.1%	889	0.3%	1,634	0.01%	118	0.0%
43 Dubai Bank Ltd	0.14%	1,874	0.1%	1,206	0.1%	596	0.2%	5,302	0.04%	434	0.0%
44 Charterhouse Bank Ltd	0.00%		0.0%		0.0%		0.0%	4,765	0.04%	0	0.0%
<b>Sub-Total</b>	<b>9.16%</b>	<b>154,071</b>	<b>9.2%</b>	<b>115,903</b>	<b>9.4%</b>	<b>23,936</b>	<b>9.0%</b>	<b>1,050,906</b>	<b>8.85%</b>	<b>82,102</b>	<b>4.7%</b>
<b>Grand-total</b>	<b>100%</b>	<b>1,678,112</b>	<b>100%</b>	<b>1,236,549</b>	<b>100%</b>	<b>265,806</b>	<b>100%</b>	<b>11,881,114</b>	<b>100%</b>	<b>1,740,462</b>	<b>100%</b>

\* Market Share Index is the composite of net assets, total deposits, Shareholders' funds, number of loan accounts and number of deposit accounts

Source: Banks Published Financial Statements.

## BANKING SECTOR PROFITABILITY - DECEMBER 2010

Ksh. M

No.	INSTITUTIONS	1	2	3	4	5
		PROFIT BEFORE TAX & EXCEPTIONAL ITEMS	RETURN ON ASSETS		RETURN ON EQUITY	
			NET ASSETS	RETURN ON ASSETS (1/2) %	SHAREHOLDERS EQUITY	RETURN ON EQUITY (1/4) %
1	Kenya Commercial Bank Ltd	11,538	223,025	5.17%	40,876	28.23%
2	Barclays Bank of Kenya Ltd	10,775	172,691	6.24%	31,465	34.25%
3	Co-operative Bank of Kenya Ltd	5,559	153,984	3.61%	20,202	27.52%
4	Standard Chartered Bank Ltd	7,668	142,880	5.37%	20,210	37.94%
5	Equity Bank Ltd	9,312	133,890	6.95%	28,308	32.90%
6	CFCStanbic Bank Ltd	2,104	107,139	1.96%	10,035	20.96%
	<b>Sub-total</b>	<b>46,955</b>	<b>933,608</b>	<b>5.03%</b>	<b>151,097</b>	<b>31.08%</b>
1	Commercial Bank of Africa Ltd	2,695	63,592	4.24%	7,474	36.06%
2	I & M Bank Ltd	3,004	62,552	4.80%	12,980	23.15%
3	Citibank N.A.	2,879	62,070	4.64%	12,882	22.34%
4	National Bank of Kenya Ltd	2,698	60,027	4.49%	9,930	27.17%
5	Diamond Trust Bank Ltd	2,872	58,606	4.90%	8,057	35.64%
6	NIC Bank Ltd	2,416	54,776	4.41%	7,896	30.60%
7	Prime Bank Ltd	770	32,444	2.37%	3,898	19.74%
8	Housing Finance Company of Kenya Ltd	560	29,326	1.91%	4,270	13.12%
9	Bank of Baroda Ltd	1,828	32,332	5.65%	4,744	38.52%
10	Ecobank Kenya Ltd	188	26,892	0.70%	5,004	3.76%
11	Bank of Africa Ltd	484	26,699	1.81%	2,945	16.45%
12	Chase Bank Ltd	535	21,859	2.45%	1,715	31.20%
13	Family Bank Ltd	501	20,188	2.48%	3,127	16.01%
14	Bank of India	991	19,671	5.04%	2,756	35.94%
15	Imperial Bank Ltd	1,248	19,399	6.43%	3,095	40.31%
	<b>Sub-total</b>	<b>23,668</b>	<b>590,433</b>	<b>4.01%</b>	<b>90,774</b>	<b>26.07%</b>
1	Fina Bank Ltd	151	14,112	1.07%	1,336	11.32%
2	Development Bank of Kenya Ltd	236	10,650	2.22%	1,489	15.85%
3	Consolidated Bank of Kenya Ltd	258	10,479	2.46%	1,477	17.45%
4	Equatorial Commercial Bank Ltd	(34)	10,399	-0.32%	906	-3.70%
5	African Banking Corporation Ltd	480	10,297	4.67%	1,631	29.46%
6	Giro Commercial Bank Ltd	634	10,234	6.20%	1,340	47.35%
7	Gulf African Bank Ltd	47	9,594	0.49%	1,224	3.84%
8	Fidelity Commercial Bank Ltd	377	8,209	4.59%	801	46.99%
9	Habib AG Zurich	248	8,127	3.05%	1,118	22.15%
10	Guardian Bank Ltd	112	8,031	1.39%	948	11.77%
11	K-Rep Bank Ltd	111	7,670	1.44%	1,158	9.55%
12	First Community Bank Ltd	(160)	6,380	-2.50%	565	-28.24%
13	Victoria Commercial Bank Ltd	311	6,215	5.00%	1,103	28.19%
14	Habib Bank Ltd	235	5,426	4.34%	896	26.24%
15	Transnational Bank Ltd	159	4,762	3.33%	1,541	10.29%
16	Oriental Commercial Bank Ltd	183	4,558	4.01%	1,138	16.07%
17	Credit Bank Ltd	34	4,530	0.74%	948	3.55%
18	Paramount-Universal Bank Ltd	281	4,420	6.35%	785	35.78%
19	Middle East Bank of Ltd	206	4,018	5.11%	1,027	20.01%
20	UBA Kenya Bank Ltd	(138)	2,363	-5.85%	889	-15.54%
21	Dubai Bank Ltd	3	1,874	0.18%	596	0.56%
22	Jamii Bora Bank Ltd	(84)	1,723	-4.85%	1,020	-8.19%
23	Charterhouse Bank Ltd *	-	-	-	-	-
	<b>SUB-TOTAL</b>	<b>3,649</b>	<b>154,071</b>	<b>2.37%</b>	<b>23,936</b>	<b>15.25%</b>
	<b>GRAND TOTAL</b>	<b>74,272</b>	<b>1,678,112</b>	<b>4.43%</b>	<b>265,806</b>	<b>27.94%</b>

\* Did not publish accounts for year 2010

Source: Banks Published Financial Statements.



## Appendix VI

## BANKING SECTOR CAPITAL AND RISK WEIGHTED ASSETS - DECEMBER 2010 - Ksh. M

	INSTITUTION	CORE CAPITAL	TOTAL CAPITAL	OVERALL RISK WEIGHTED ASSETS	CORE CAPITAL TO RISK WEIGHTED ASSETS RATIO	TOTAL CAPITAL TO RISK WEIGHTED ASSETS RATIO
1	Kenya Commercial Bank Ltd	35,221	35,280	152,311	23.12%	23.16%
2	Barclays Bank of Kenya Ltd	28,424	33,311	106,928	26.58%	31.15%
3	Co-operative Bank of Kenya Ltd	17,971	18,402	111,233	16.16%	16.54%
4	Standard Chartered Bank Ltd	11,394	11,729	81,936	13.91%	14.32%
5	Equity Bank Ltd	19,931	25,320	90,805	21.95%	27.88%
6	CFC Stanbic Bank Ltd	7,915	12,314	76,004	10.41%	16.20%
7	Commercial Bank of Africa Ltd	5,728	6,028	41,553	13.78%	14.51%
8	I & M Bank Ltd	8,467	8,924	44,807	18.90%	19.92%
9	Citibank N.A.	12,493	12,738	35,352	35.34%	36.03%
10	National Bank of Kenya Ltd	9,082	9,447	25,591	35.49%	36.92%
11	Diamond Trust Bank Ltd	6,637	7,973	43,249	15.35%	18.43%
12	NIC Bank Ltd	6,874	7,283	46,955	14.64%	15.51%
13	Prime Bank Ltd	2,258	2,258	16,411	13.76%	13.76%
14	Bank of Baroda Ltd	3,319	3,472	14,708	22.56%	23.61%
15	Ecobank Ltd	2,758	2,758	14,265	19.33%	19.33%
16	Bank of Africa Ltd	1,899	2,682	17,684	10.74%	15.17%
17	Chase Bank Ltd	1,586	1,700	11,744	13.50%	14.47%
18	Family Bank Ltd	2,986	2,995	12,523	23.85%	23.92%
19	Bank of India	2,694	2,756	6,373	42.27%	43.24%
20	Imperial Bank Ltd	2,230	2,369	11,192	19.92%	21.17%
21	Fina Bank Ltd	1,121	1,321	7,743	14.48%	17.06%
22	Development Bank of Kenya Ltd	1,352	1,454	5,349	25.27%	27.18%
23	Consolidated Bank of Kenya Ltd	896	1,082	8,205	10.92%	13.18%
24	Equatorial Commercial Bank Ltd	810	886	6,118	13.23%	14.49%
25	African Banking Corporation Ltd	1,338	1,394	6,924	19.32%	20.13%
26	Giro Commercial Bank Ltd	1,278	1,340	5,386	23.73%	24.87%
27	Gulf African Bank Ltd	1,153	1,224	7,542	15.29%	16.23%
28	Fidelity Commercial Bank Ltd	753	801	4,583	16.42%	17.49%
29	Habib AG Zurich	1,027	1,027	2,550	40.28%	40.28%
30	Guardian Bank Ltd	948	948	4,917	19.29%	19.29%
31	K-Rep Bank Ltd	1,097	1,141	5,281	20.77%	21.61%
32	First Community Bank Ltd	565	565	3,918	14.43%	14.43%
33	Victoria Commercial Bank Ltd	1,065	1,099	4,677	22.76%	23.50%
34	Habib Bank Ltd	884	896	2,148	41.17%	41.72%
35	Trans-National Bank Ltd	1,518	1,541	2,182	69.57%	70.62%
36	Oriental Commercial Bank Ltd	969	1,004	2,789	34.74%	35.99%
37	Credit Bank Ltd	898	918	2,442	36.77%	37.58%
38	Paramount-Universal Bank Ltd	768	785	1,655	46.39%	47.44%
39	Middle East Bank Ltd	989	1,006	1,915	51.63%	52.53%
40	UBA Kenya Bank Ltd	887	889	1,093	81.15%	81.40%
41	Dubai Bank Ltd	586	596	1,670	35.08%	35.68%
42	Jamii Bora Bank Ltd	226	231	646	35.03%	35.69%
43	Charterhouse Bank Ltd *		-		-	-
	<b>Sub Total</b>	<b>210,992</b>	<b>231,887</b>	<b>1,051,356</b>	<b>20.07%</b>	<b>22.06%</b>
<b>NBFI's</b>						
44	Housing Finance Company of Kenya Ltd	3,186	6,373	13,077	24.37%	48.73%
	<b>Sub Total</b>	<b>3,186</b>	<b>6,373</b>	<b>13,077</b>	<b>24.37%</b>	<b>48.73%</b>
	<b>Grand Total</b>	<b>214,178</b>	<b>238,260</b>	<b>1,064,433</b>	<b>20.12%</b>	<b>22.38%</b>

Source: Banks Published Financial Statements.

BANKING SECTOR ACCESS TO FINANCIAL SERVICES									
BANKS	Peer Group	Total Number of Deposit Accounts						% change	
		< 100,000	>100,000	Total	< 100,000	>100,000	Total		
		Dec-09	Dec-09	Dec-09	Dec-10	Dec-10	Dec-10		
1 Barclays Bank of Kenya Ltd	Large	638,644	109,515	748,159	752,494	109,646	862,140	15.2%	
2 CFCStanbic Bank Ltd	Large	42,585	11,556	54,141	51,714	14,055	65,769	21.5%	
3 Co-operative Bank of Kenya Ltd	Large	903,355	67,619	970,974	1,361,963	90,391	1,452,354	49.6%	
4 Equity Bank Ltd.	Large	3,930,363	107,141	4,037,504	5,264,244	141,488	5,405,732	33.9%	
5 Kenya Commercial Bank Ltd	Large	654,808	97,044	751,852	1,214,231	126,733	1,340,964	78.4%	
6 Standard Chartered Bank Ltd	Large	92,609	52,617	145,226	102,315	53,335	155,650	7.2%	
7 Bank of Africa Kenya Ltd	Medium	6,316	2,406	8,722	13,292	5,471	18,763	115.1%	
8 Bank of Baroda Ltd	Medium	18,822	12,391	31,213	18,387	14,023	32,410	3.8%	
9 Bank of India	Medium	6,492	4,964	11,456	6,645	5,404	12,049	5.2%	
10 Chase Bank Ltd	Medium	3,365	4,329	7,694	4,638	6,864	11,502	49.5%	
11 Citibank N.A.	Medium	1,606	1,842	3,448	1,827	1,812	3,639	5.5%	
12 Commercial Bank of Africa Ltd	Medium	15,319	13,019	28,338	15,214	12,076	27,290	-3.7%	
13 Diamond Trust Bank Kenya Ltd	Medium	31,431	12,544	43,975	36,235	15,094	51,329	16.7%	
14 Ecobank Ltd	Medium	45,894	7,911	53,805	46,292	7,050	53,342	-0.9%	
15 Family Bank Ltd	Medium	556,848	17,957	574,805	752,763	24,182	776,945	35.2%	
16 Imperial Bank Ltd	Medium	13,161	6,251	19,412	17,322	8,526	25,848	33.2%	
17 I & M Bank Ltd	Medium	17,726	14,185	31,911	22,387	16,360	38,747	21.4%	
18 National Bank of Kenya Ltd	Medium	316,244	28,405	344,649	367,760	30,682	398,442	15.6%	
19 N I C Bank Ltd	Medium	18,608	10,487	29,095	20,616	12,167	32,783	12.7%	
20 Prime Bank Ltd	Medium	7,110	6,049	13,159	7,478	7,018	14,496	10.2%	
21 African Banking Corporation Ltd	Small	8,560	3,531	12,091	10,177	3,758	13,935	15.3%	
22 Charterhouse Bank Ltd	Small	3,463	1,152	4,615	3,633	1,132	4,765	3.3%	
23 Consolidated Bank of Kenya Ltd	Small	33,309	3,718	37,027	39,964	4,570	44,534	20.3%	
24 Credit Bank Ltd	Small	2,525	1,461	3,986	4,565	1,473	6,038	51.5%	
25 Development Bank of Kenya Ltd	Small	566	456	1,022	592	602	1,194	16.8%	
26 Dubai Bank Ltd	Small	1,768	572	2,340	4,357	945	5,302	126.6%	
27 Equatorial Bank Ltd	Small	1,281	700	1,981	5,069	2,551	7,620	284.7%	
28 Fidelity Commercial Bank Ltd	Small	3,557	1,520	5,077	4,548	2,023	6,571	29.4%	
29 Fina Bank Ltd	Small	18,909	5,268	24,177	15,830	5,815	21,645	-10.5%	
30 First Community Bank Ltd	Small	14,663	3,184	17,847	25,508	4,618	30,126	68.8%	
31 Giro Commercial Bank Ltd	Small	4,549	3,228	7,777	4,567	4,262	8,829	13.5%	
32 Guardian Bank Ltd	Small	5,044	2,241	7,285	4,350	2,471	6,821	-6.4%	
33 GulfAfrican Bank Ltd	Small	32,738	7,963	40,701	22,956	5,019	27,975	-31.3%	
34 Habib A.G. Zurich	Small	4,456	3,019	7,475	4,377	3,056	7,433	-0.6%	
35 Habib Bank Ltd	Small	2,710	1,890	4,600	2,540	2,011	4,551	-1.1%	
36 Jamii Bora Bank Ltd	Small	565	89	654	558,922	259	559,181	85401.7%	
37 K-Rep Bank Ltd	Small	278,670	6,363	285,033	245,868	7,200	253,068	-11.2%	
38 Middle East Bank Ltd	Small	781	681	1,462	748	1,084	1,832	25.3%	
39 Oriental Commercial Bank Ltd	Small	4,084	920	5,004	4,303	1,103	5,406	8.0%	
40 Paramount Universal Bank Ltd	Small	3,634	1,084	4,718	3,069	3,451	6,520	38.2%	
41 Southern Credit Banking Corporation Ltd	Small	8,918	2,963	11,881	-	-	-	-	
42 Transnational Bank Ltd	Small	16,151	1,643	17,794	20,217	2,556	22,773	28.0%	
43 UBA Bank Ltd	Small	738	94	832	1,361	273	1,634	96.4%	
44 Victoria Commercial Bank Ltd	Small	1,062	1,657	2,719	1,305	1,848	3,153	16.0%	
<b>Totals</b>		<b>7,774,007</b>	<b>643,629</b>	<b>8,417,636</b>	<b>11,066,643</b>	<b>764,457</b>	<b>11,831,100</b>	<b>40.6%</b>	
<b>NBFIs</b>									
45 Savings and Loan Ltd	Small	11,284	3,645	14,929	-	-	-	-	
46 Housing Finance Company of Kenya Ltd	Medium	39,977	8,595	48,572	40,650	9,364	50,014	3.0%	
<b>Totals</b>		<b>51,261</b>	<b>12,240</b>	<b>63,501</b>	<b>40,650</b>	<b>9,364</b>	<b>50,014</b>	<b>-21.2%</b>	
<b>Micro-Finance Institutions</b>									
1 Kenya Women Finance Trust Ltd		-	-	-	576,412	2,385	578,797	-	
2 Faulu Kenya Ltd		176,317	36	176,353	342,861	789	343,650	94.9%	
<b>Totals</b>		<b>176,317</b>	<b>36</b>	<b>176,353</b>	<b>919,273</b>	<b>3,174</b>	<b>922,447</b>	<b>423.1%</b>	
<b>GRAND TOTALS</b>		<b>8,001,585</b>	<b>655,905</b>	<b>8,657,490</b>	<b>12,026,566</b>	<b>776,995</b>	<b>12,803,561</b>	<b>47.9%</b>	

Source: Banks Published Financial Statements.

BANKING SECTOR PROTECTED DEPOSITS Ksh.M							
BANKS	Peer Group	INSURED	CUSTOMER	INSURED	CUSTOMER	CHANGE in	CHANGE in
		DEPOSITS	DEPOSITS	DEPOSITS	DEPOSITS	INSURED	CUSTOMER
		2009	2009	2010	2010	DEPOSITS	DEPOSITS
1 Barclays Bank of Kenya Ltd	Large	17,736	125,869	17,333	123,826	-2.3%	-1.6%
2 CFCStanbic Bank Ltd	Large	3,141	55,786	1,966	72,778	-37.4%	30.5%
3 Co-operative Bank of Kenya Ltd	Large	13,956	91,553	19,480	124,012	39.6%	35.5%
4 Equity Bank Ltd	Large	29,470	65,825	36,988	95,204	25.5%	44.6%
5 Kenya Commercial Bank Ltd	Large	18,108	137,968	20,984	163,189	15.9%	18.3%
6 Standard Chartered Bank Ltd	Large	7,411	86,774	7,439	100,504	0.4%	15.8%
7 Bank of Africa Ltd	Medium	330	12,405	729	19,784	121.0%	59.5%
8 Bank of Baroda Ltd	Medium	1,598	18,634	1,796	25,600	12.4%	37.4%
9 Bank of India Ltd	Medium	634	13,005	675	16,076	6.5%	23.6%
10 Chase Bank Ltd	Medium	4,919	10,117	7,362	16,880	49.7%	66.8%
11 Citibank N.A.	Medium	201	33,247	198	38,215	-1.5%	14.9%
12 Commercial Bank of Africa Ltd	Medium	1,665	44,273	1,571	53,195	-5.6%	20.2%
13 Diamond Trust Bank Ltd	Medium	1,656	36,274	1,984	44,904	19.8%	23.8%
14 Ecobank Ltd	Medium	1,190	10,819	1,563	16,494	31.3%	52.5%
15 Family Bank Ltd	Medium	4,615	10,490	5,731	15,731	24.2%	50.0%
16 Imperial Bank Ltd	Medium	844	12,270	1,116	13,678	32.2%	11.5%
17 I & M Bank Ltd	Medium	1,785	34,799	2,071	45,995	16.0%	32.2%
18 National Bank of Kenya Ltd	Medium	5,720	41,995	5,959	47,805	4.2%	13.8%
19 NIC Bank Ltd	Medium	1,480	36,977	1,675	45,318	13.2%	22.6%
20 Prime Bank Ltd	Medium	759	19,184	868	25,512	14.4%	33.0%
21 African Banking Corporation Ltd	Small	476	7,208	510	8,353	7.1%	15.9%
22 Charterhouse Bank Ltd	Small						
23 Consolidated Bank of Kenya Ltd	Small	703	4,882	790	8,008	12.4%	64.0%
24 Credit Bank Ltd	Small	192	2,793	197	3,258	2.8%	16.7%
25 Development Bank of Kenya Ltd	Small	58	2,411	74	4,105	27.3%	70.3%
26 Dubai Bank Ltd	Small	89	986	116	1,206	30.4%	22.3%
27 Equatorial Bank Ltd	Small	92	3,522	354	8,037	284.5%	128.2%
28 Fidelity Commercial Bank Ltd	Small	189	4,888	246	7,204	30.2%	47.4%
29 Fina Bank Ltd	Small	702	9,986	749	11,590	6.7%	16.1%
30 First Community Bank Ltd	Small	516	3,642	722	5,611	39.8%	54.1%
31 Giro Commercial Bank Ltd	Small	387	5,943	482	8,308	24.6%	39.8%
32 Guardian Bank Ltd	Small	383	5,760	332	6,971	-13.3%	21.0%
33 GulfAfrican Bank Ltd	Small	1,015	6,425	782	8,163	-23.0%	27.0%
34 Habib A.G. Zurich	Small	402	5,839	407	6,672	1.2%	14.3%
35 Habib Bank Ltd	Small	265	3,525	273	3,933	3.0%	11.6%
36 Jamii Bora Bank Ltd	Small	17	155	454	532	2567.9%	243.5%
37 K-Rep Bank Ltd	Small	2,616	4,436	2,716	5,454	3.8%	23.0%
38 Middle East Bank Ltd	Small	90	1,893	129	2,527	43.3%	33.5%
39 Oriental Commercial Bank Ltd	Small	146	2,012	167	3,266	14.2%	62.3%
40 Paramount Universal Bank Ltd	Small	187	2,547	403	3,562	115.5%	39.9%
41 Southern Credit Banking Corporation Ltd	Small	381	4,308	0	0	-100.0%	-100.0%
42 Trans-National Bank Ltd	Small	290	1,857	407	3,037	40.4%	63.6%
43 UBA Kenya Bank Ltd	Small	16	189	38	1,168	138.1%	518.2%
44 Victoria Commercial Bank Ltd	Small	197	4,073	218	4,935	10.5%	21.2%
<b>Totals</b>		<b>126,627</b>	<b>987,544</b>	<b>148,053</b>	<b>1,220,603</b>	<b>16.9%</b>	<b>23.6%</b>
<b>Mortgage Finance Companies</b>							
45 Savings and Loan Ltd	Small	623	6,243	-	-	-	-
46 Housing Finance Company of Kenya Ltd	Medium	1,434	12,235	1,557	15,945	8.6%	30.3%
<b>Totals</b>		<b>2,057</b>	<b>18,478</b>	<b>1,557</b>	<b>15,945</b>	<b>-24.3%</b>	<b>-13.7%</b>
<b>Micro-Finance Institutions</b>							
1 Kenya Women Finance Trust Ltd		-	-	5,753	6,094	100.0%	100.0%
2 Faulu Kenya Ltd		76	82	1,656	1,855	2078.9%	2161.6%
<b>Totals</b>		<b>76</b>	<b>82</b>	<b>7,409</b>	<b>7,948</b>	<b>9648.7%</b>	<b>9593.3%</b>
<b>GRAND TOTALS</b>		<b>128,760</b>	<b>1,006,104</b>	<b>157,019</b>	<b>1,244,497</b>	<b>21.9%</b>	<b>23.7%</b>

Source: Banks Published Financial Statements.

<b>CENTRAL BANK CIRCULARS ISSUED IN 2010</b>			
<b>Circular No.</b>	<b>Date</b>	<b>Title</b>	<b>Subject</b>
1	24 <sup>th</sup> March 2010	Review of Central Bank Rate (CBR)	The Monetary Policy Committee revised the Central Bank Rate from 7% to 6.75%
2	30 <sup>th</sup> April 2010	Guidelines on Agent Banking	The guideline prescribes the manner in which agent banking should be carried out with effect from 1 <sup>st</sup> May 2010.
3	11 <sup>th</sup> June 2010	Electronic submission of returns to the Central Bank of Kenya	Forex bureaus are required to submit all statutory returns electronically only with effect from 1 <sup>st</sup> July 2010
4	12 <sup>th</sup> July 2010	Roll out of credit information sharing under the Banking Act	With effect from 31 <sup>st</sup> July 2010 all financial institutions are required to submit to all licensed CRBs credit information.
5	29 <sup>th</sup> July 2010	Review of Central Bank Rate (CBR)	The Monetary Policy Committee revised the Central Bank Rate from 6.75% to 6%.

## DIRECTORY

### 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: Small  
 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, 3275200  
 Fax: +254-20-2211477  
 Email: headoffice@boakenya.com  
 Website: [www.boakenya.com](http://www.boakenya.com)  
 Physical Address: Re-Insurance Plaza, Ground Floor -Taifa Rd.  
 Date Licenced: 1980  
 Peer Group: Medium  
 Branches: 18
- 3. Bank of Baroda (K) Ltd**  
 Managing Director: Mr. Arun Shrivastava  
 Postal Address: P.O Box 30033 – 00100 Nairobi  
 Telephone: +254-20-2248402/12, 2226416, 2220575, 2227869  
 Fax: +254-20-316070  
 Email: [ho.kenya@bankofbaroda.com](mailto:ho.kenya@bankofbaroda.com)  
 Website: [www.bankofbaroda.kenya.com](http://www.bankofbaroda.kenya.com)  
 Physical Address: Baroda House, Koinange Street  
 Date Licenced: 7/1/1953  
 Peer Group: Medium  
 Branches: 11
- 4. Bank of India**  
 Chief Executive Officer: Mr. Maganbhai B. Dhodia  
 Postal Address: P.O Box 30246 - 00100 Nairobi  
 Telephone: +254-20-2221414 /5 /6 /7  
 Fax: +254-20-2221417  
 Email: [cekenya@boikenya.com](mailto:cekenya@boikenya.com)  
 Website: [www.bankofindia.com](http://www.bankofindia.com)  
 Physical Address: Bank of India Building, Kenyatta Avenue.  
 Date Licenced: 6/5/1953  
 Peer Group: Medium  
 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](mailto:barclays.kenya@barclays.com)  
 Website: [www.barclayskenya.co.ke](http://www.barclayskenya.co.ke)  
 Physical Address: Barclays Plaza, Loita Street.  
 Date Licenced: 6/5/1953  
 Peer Group: Large  
 Branches: 118

**6. CFC Stanbic Bank Ltd**

Managing Director: Mr. Greg Brackenridge  
 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](mailto: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: 20

**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](mailto:info@charterhouse-bank.com)  
 Website:  
 Physical Address: Longonot Place. 6th Floor, Kijabe Street.  
 Date Licensed: 11/11/1996  
 Peer Group: Small  
 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](mailto: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: 14

**9. Citibank N.A Kenya**

Chief Executive Officer: Mr. Daniel Joseph Connelly  
 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: Medium  
 Branches: 4

**10. 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](mailto:iqueries@cba.co.ke)  
 Website: [www.cba.co.ke](http://www.cba.co.ke)  
 Physical Address: CBA Building, Mara / Ragati Road, Upper Hill  
 Date Licenced: 1/1/1967  
 Peer Group: Medium  
 Branches: 20

**11. Consolidated Bank of Kenya Ltd**

Chief Executive Officer: 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](mailto:headoffice@consolidated-bank.com)  
 Website: [www.consolidated-bank.com](http://www.consolidated-bank.com)  
 Physical Address: Consolidated Bank House, 6th Floor, Koinange Street.  
 Date Licenced: 12/18/1989  
 Peer Group: Small  
 Branches: 13

**12. Co-operative Bank of Kenya Ltd**

Managing Director: Mr. Gideon M. Muriuki  
 Postal Address: P.O Box 48231 - 00100 Nairobi  
 Telephone: +254-20-3276000, 0711-049000  
 Fax: +254-20-2245506  
 Email: [md@co-opbank.co.ke](mailto:md@co-opbank.co.ke)  
 Website: [www.co-opbank.co.ke](http://www.co-opbank.co.ke)  
 Physical Address: Co-operative House, 4th Floor Annex, Haile Selassie Avenue.  
 Date Licenced: 1/1/1965  
 Peer Group: Large  
 Branches: 87



**13. Credit Bank Ltd**

Chief Executive Officer: Mr. Nok Bwonditi  
 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: www.ceditbank.co.ke  
 Physical Address: Mercantile House, Ground Floor, Koinange Street  
 Date Licenced: 5/14/1986  
 Peer Group: Small  
 Branches: 6

**14. Development Bank of Kenya Ltd**

Chief Executive Officer: 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: Small  
 Branches: 3

**15. Diamond Trust Bank Kenya 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: info@dtbafrica.com  
 Website: http://www.diamondtrust-bank.com  
 Physical Address: Nation Centre. 8th Floor, Kimathi Street.  
 Date Licenced: 1/1/1946  
 Peer Group: Medium  
 Branches: 36

**16. Dubai Bank Kenya Ltd**

Chief Executive Officer: 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.co.ke  
 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: 5



**17. Ecobank Kenya Ltd**

Managing Director: Mr. Tonny Okpanachi  
 Postal Address: P.O Box 49584- 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, Muindi Mbingu Street.  
 Date Licenced: 01/11/2005  
 Peer Group: Medium  
 Branches: 20

**18. Equatorial Commercial Bank Ltd**

Managing Director: Mr. Peter Harris  
 Postal Address: P.O Box 52467-00200 Nairobi  
 Telephone: +254-20-2710455, 4981000, 4981301, 4981405  
 Fax: +254-20-2710366 / 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: 12

**19. Equity Bank Ltd**

Managing Director & CEO: Dr. James N. Mwangi  
 Postal Address: P.O Box 75104-00200, Nairobi  
 Telephone: +254-20- 2262000  
 Fax: +254-20-2711439  
 Email: info@equitybank.co.ke  
 Website: http://www.equity bank .co.ke  
 Physical Address: Equity Centre, 9th Floor, - Hospital Road-Upper Hill  
 Date Licenced: 28/12/2004  
 Peer Group: Large  
 Branches: 123

**20. Family Bank Ltd**

Managing Director: 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: 52

**21. 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: Small

Branches: 8

**22. Fina Bank Ltd**

Executive Director: 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, 342024

Email: banking@finabank.com

Website: www.finabank.com

Physical Address: Fina House, Kimathi Street.

Date Licenced: 1/1/1986

Peer Group: Small

Branches: 15

**23. First Community Bank Ltd**

Managing Director Mr. Nathif J. Adam

Postal Address: P.O Box 26219-00100 Nairobi

Telephone: +254-20-2843000 -3, 0726-736833, 0738-407521

Fax: +254-20-344101

Email: info@fcb.co.ke

Website: www.firstcommunitybak.co.ke

Physical Address: Prudential Assurance Building, 1st Floor, Wabera Street

Date Licenced: 29.04.2008

Peer Group: Small

Branches: 18

**24. 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: +254-20-2210679

Email: girobank@girobankltd.com

Website:

Physical Address: Giro House, Kimathi Street.

Date Licenced: 12/17/1992

Peer Group: Small

Branches: 7

**25. Guardian Bank Ltd**

Managing Director: Mr. Vasant K. Shetty

Postal Address: P.O Box 67681 – 00200 Nairobi

Telephone: +254-020-2226771, 2226774, 2226341, 222483, 0722-282213, 0722938629, 0733-888060

Fax: +254-020 -2216633

Email: biashara@guardian-bank.com

Website: www.guardian-bank.com

Physical Address: Guardian Centre, Biashara Street

Date Licenced: 12/17/1992

Peer Group: Small

Branches: 7

**26. Gulf African Bank Ltd**

Chief Executive Officer: Mr. Najmul Hassan

Postal Address: P.O Box 43683 – 00100, Nairobi

Telephone: +254-20-2740000, 2718608/9, 2740111

Fax: +254-20-2715655

Email: info@gulfafricanbank.com

Website: www.gulfafricanbank.com

Physical Address: Gemina Insurance Plaza, Kilimanjaro Avenue, Upper Hill

Date Licenced: 1/11/2007

Peer Group: Small

Branches: 15

**27. 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: Habib House, Koinange Street.

Date Licenced: 1/7/1978

Peer Group: Small

Branches: 5

**28. 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@hblafrika.com

Website: www.hbl.com

Physical Address: Exchange Building, Koinange Street.

Date Licenced: 2/3/1956

Peer Group: Small

Branches: 4

**29. Imperial Bank Ltd**

Managing Director: 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, 2719498  
 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: Medium  
 Branches: 16

**30. I & M Bank Ltd**

Chief Executive Officer: Mr. Arun S. Mathur  
 Postal Address: P.O Box 30238 – 00100 Nairobi  
 Telephone: +254-20-310105, 2711994-8, 3221200/2  
 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: Medium  
 Branches: 15

**31. Jamii Bora Bank Ltd**

Managing Director: Mrs. Minnie Mbue  
 Postal Address: P.O Box 22741 – 00400 Nairobi  
 Telephone: +254-20- 2224238/9, 2214976, 2219626, 2210338/9, 0722-201112  
 Fax: +254-20-341825/2245223/2214534  
 Email: info@jamiiborabank.co.ke  
 Website: http://www.jamiiborabank.co.ke  
 Physical Address: Jamii Bora House, Koinange Street.  
 Date Licenced: 9/10/1984  
 Peer Group: Small  
 Branches: 1

**32. Kenya Commercial Bank Ltd**

Chief Executive Officer: Dr. Martin Luke Oduor -Otieno  
 Postal Address: P.O Box 48400 – 00100 Nairobi  
 Telephone: +254-20-3270000, 2851000, 2852000, 250802  
 Fax: +254-20-2242408  
 Email: kcbhq@kcb.co.ke  
 Website: http://www.kcbbankgroup.com  
 Physical Address: Kencom House, 8th Floor, Moi Avenue.  
 Date Licenced: 1/1/1896  
 Peer Group: Large  
 Branches: 165

**33. K-Rep Bank Ltd**

Managing Director: Mr. Albert Ruturi

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: Small

Branches: 31

**34. Middle East Bank (K) 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 Road.

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, 2nd Floor, Harambee Avenue.

Date Licenced: 1/1/1968

Peer Group: Medium

Branches: 53

**36. NIC Bank Ltd**

Group Managing Director: Mr. James W. Macharia

Postal Address: P.O Box 44599 - 00100 Nairobi

Telephone: +254-20-2888000, 2888600, 4849000, 0722-203885 /6 /7, 0711041000

Fax: +254-20-2888505/13

Email: info@nic-bank.com

Website: http://www.nic-bank.com

Physical Address: N.I.C House, Masaba Road.- Upper Hill

Date Licenced: 9/17/1959

Peer Group: Medium

Branches: 21

**37. Oriental Commercial Bank Ltd**

Chief Executive Officer: Mr. R. B. Singh  
 Postal Address: P.O BOX 14357-00800, Nairobi  
 Telephone: +254-20-3743278/87, 3743289/98, 0714611466, 0733610410  
 Fax: +254-20-3743270  
 Email: info@orientalbank.co.ke  
 Website: www.orientalbank.co.ke  
 Physical Address: Apollo Centre, 2nd Floor, Ring Road- Westlands.  
 Date Licenced: 8/2/1991  
 Peer Group: Small  
 Branches: 6

**38. Paramount Universal Bank Ltd**

Chief Executive Officer: 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 Officer: 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.primebankkenya.com  
 Physical Address: Prime Bank Building, Chiromo Lane / Riverside Drive.-Junction, Westlands  
 Date Licenced: 3/1/1992  
 Peer Group: Medium  
 Branches: 14

**40. Standard Chartered Bank Kenya Ltd**

Chief Executive Officer: Mr. Richard Etemesi  
 Postal Address: P.O Box 30003 - 00100 Nairobi  
 Telephone: +254-20-3293000, 3293900  
 Fax: +254-20-3747880  
 Email: Talk-Us@sc.com  
 Website: www.standardchartered .com  
 Physical Address: Stanbank House, Moi Avenue.  
 Date Licenced: 10/1/1910  
 Peer Group: Large  
 Branches: 33

**41. Trans-National Bank Ltd**

Chief Executive Officer: Mr. Sammy Langat  
 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: info@tnbl.co.ke  
 Website: www.tnbl.co.ke  
 Physical Address: Transnational Plaza, City Hall Way.  
 Date Licenced: 8/1/1985  
 Peer Group: Small  
 Branches: 18

**42. UBA Kenya Bank Ltd**

Managing Director: Mr. Muiywa Akinyemi  
 Postal Address: P.O Box 34154 - 00100 Nairobi  
 Telephone: +254-020- 3612000 /1 / 2, 3740814  
 Fax: +: +254-020-3612049  
 Email: muiywa.akinyemi@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

**43. 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, Mezzanine Floor, Kilimanjaro Avenue. Upper Hill  
 Date Licenced: 6/1/1987  
 Peer Group: Small  
 Branches: 2

**B: NON-BANKING FINANCIAL INSTITUTIONS (NBFIs)****44. 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. 2nd Floor, Kenyatta Avenue. / Koinange Street - Junction.  
 Date Licenced: 5/7/1965  
 Peer Group: Medium  
 Branches: 11

**C: DEPOSIT TAKING MICROFINANCE INSTITUTION****45. Faulu Kenya DTM Ltd**

Managing Director: 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: 26

**46. Kenya Women Finance Trust DTM Ltd**

Managing Director: Mr. James Mwangi Githaiga  
 Postal Address: P.O Box 4179-00506, Nairobi  
 Telephone: +254-20- 2470272-5, 2715334/5, 2755340/42  
 Fax:  
 Email: info@kwftdtm.com  
 Website: www.kwftdtm.com  
 Physical Address: Woodlands Business Park, Kiambere Road, Upper Hill,  
 Date Licenced: 31.03.2010  
 Branches: 11

**47. Remu DTM Ltd**

General Manager: Mrs. Lydia Kibaara  
 Postal Address: P.O Box 20833-00100 Nairobi  
 Telephone: 2214483/2215384/ 2215387/8/9, 0733-554555  
 Fax:  
 Email: info@remultd.co.ke  
 Website: www.remultd.co.ke  
 Physical Address: Finance House, 14th Floor, Loita Street  
 Date Licensed: 31.12.2010  
 Branches: 2

**48. SMEP DTM Ltd**

Chief Executive Officer: Mrs. Phyllis Mbungu  
 Postal Address: P.O Box 64063-00620 Nairobi  
 Telephone: 020-3572799 / 26733127 / 3870162 / 3861972 / 2055761  
 Fax: +254-20-3870191  
 Email: info@smep.co.ke  
 Website: www.smep.co.ke  
 Physical Address: SMEP Building - Kirichwa Road, Off Argwings Kodhek Road  
 Date Licensed: 14th December 2010  
 Branches: 6



**49. UWEZO DTM Ltd**

Chief Executive Officer: Mr. Anthony Githinji  
 Postal Address: P.O Box 1654-00100 Nairobi  
 Telephone: 2212917 / 9  
 Fax: -  
 Email: info@uwezodtm.com  
 Website: www.uwezodtm.com  
 Physical Address: Park Plaza Building, Ground Floor, Moktar Daddah Street  
 Date Licensed: 08.11.2010  
 Branches: 2

**D: REPRESENTATIVE OFFICES****50. HDFC Bank Ltd**

Chief Representative Officer: Mr. Dhiraj Kumar Baghel  
 Purshottam Place, 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

**51. NEDBANK Ltd**

Chief Representative Officer: Mr. Steward Laird Henderson  
 Nairobi Business Park, Ngong Road  
 2nd floor Unit B, Nairobi  
 P.o Box 1063-00502, Nairobi Kenya  
 Tel: +254 20 801 0774/5  
 Telfax (254) 20 8045102  
 Email: contact@nedbankkea.com

**52. The Hongkong Shangai Banking Corporation (HSBC) LTD**

Chief Representative Officer: Mr. Jacob Van Luijk  
 Arlington Building, 4th Floor  
 14th Riverside Drive, Nairobi  
 P.O Box 38613-00623 Parklands, Nairobi Kenya

## FOREX BUREAUS DIRECTORY

No	Name of Bureau	Location	E-mail Address & Fax
1.	ABC Place Forex Bureau Ltd P. O. Box 63533 – 00619 Nairobi, Tel: 4450445/6/7, 4450005/6	ABC Place, Waiyaki Way, Nairobi	<a href="mailto:abcforex@yahoo.com">abcforex@yahoo.com</a> <b>Fax: 254-2-4446163</b>
2.	<b>Alok Bureau De Change Limited</b> P. O. Box 10166 – 00100 Nairobi Tel: 020-240788/9, 343304,	3rd Floor, Lyric House, Kimathi Street , Nairobi	<a href="mailto:askus@alokbureau.com">askus@alokbureau.com</a>
3.	<b>Alpha Forex Bureau Ltd</b> P. O. Box 476 – 00606,Nairobi Tel: 4451435/7 Nairobi	Pamstech House, Woodvale Grove, Westlands	<a href="mailto:Alpha-forex@yahoo.com">Alpha-forex@yahoo.com</a> <a href="mailto:Mital@dvlexx.com">Mital@dvlexx.com</a> Fax: 254-2-4451436
4.	<b>Amal Express Forex Bureau Ltd</b> P. O. Box 3165 – 00100 Nairobi Tel: 6765141 Cell: 0722725667	Amal Plaza, 1st Avenue ,Eastleigh, Nairobi	<a href="mailto:amalforexbureau@hotmail.com">amalforexbureau@hotmail.com</a> <a href="mailto:migoori786@yahoo.com">migoori786@yahoo.com</a> <b>Fax: 254-2-6765141</b>
5.	<b>Amana Forex Bureau Ltd</b> P. O. Box 68578 – 00622 Nairobi Tel: 6761296	Amana shopping complex, Captain Mungai Street, Eastleigh, Nairobi	<a href="mailto:Amanaexpress236@hotmail.com">Amanaexpress236@hotmail.com</a> <a href="mailto:amanaforex@hotmail.com">amanaforex@hotmail.com</a> <b>Fax: 254-2-6760137</b>
6.	<b>Amazon Forex Bureau Limited</b> P. O. Box 43109 – 00100 Nairobi Tel: 2213000/1/2	Salama House, Mama Ngina Street, Nairobi	<a href="mailto:amazonforex@gmail.com">amazonforex@gmail.com</a> <b>Fax: 254 -2 – 344081</b>
7.	<b>Amex Forex Bureau Ltd</b> P. O. Box 45448 – 00100 Nairobi Tel: 2246469/2243495/2245157 Cell: 0733-561938/ 0722-230391	Ground Floor, IPS Building, Standard Street, Nairobi	<a href="mailto:info@amex.co.ke">info@amex.co.ke</a> <b>Fax: 254-2-244668</b>
8.	<b>Arcade Forex Bureau Ltd</b> P. O. Box 21646 – 00505 Nairobi Tel: 2189121 Cell: 0724 – 613891, 0723 - 922946	Adams Arcade, Ngong Road, Nairobi	<a href="mailto:arcadeforex@yahoo.com">arcadeforex@yahoo.com</a> <b>Fax: 254-2-571924</b>
9.	<b>Aristocrats Forex Bureau Ltd</b> P. O. Box 10884 – 00400 Nairobi Tel: 245247/228080	Kenindia House, Loita Street, Nairobi	<a href="mailto:aristoforex@nbi.ispkenya.com">aristoforex@nbi.ispkenya.com</a> <a href="mailto:aristocratsforex@gmail.com">aristocratsforex@gmail.com</a> <b>Fax: +254 – 2- 342453</b>
10.	<b>Avenue Forex Bureau Ltd,</b> (formerly Qadisias Forex Bureau Ltd) P. O. Box 1755 – 80100 Mombasa	Motor Mart Building, Moi Avenue, Mombasa	<a href="mailto:avenueforex@gmail.com">avenueforex@gmail.com</a>

11.	<b>Bakaal Express Forex Bureau Ltd</b> P. O. Box 71248 – 00622 Nairobi Tel: 020 – 2462345/2463456 Cell : 0726 - 455838	Amco Shopping Mall, Door S14, 1st Avenue, Eastleigh, Nairobi	<a href="mailto:bakaalnbi@hotmail.com">bakaalnbi@hotmail.com</a>
12.	<b>Bamburi Forex Bureau Ltd</b> P. O. Box 97803 Mombasa Tel: 041-5486950, 0722-412649 Cell: 0733-466729	Nakumatt Nyali, Mombasa	<a href="mailto:Bamburiforex@yahoo.com">Bamburiforex@yahoo.com</a> <a href="mailto:bamburiforex@hotmail.com">bamburiforex@hotmail.com</a> Fax: 254-41-5486948
13.	<b>Bay Forex Bureau Ltd</b> P.O. Box 46154 – 00100 Nairobi Nairobi Tel: 2244186/ 2248289/2244188	The Stanley Bldg. Kenyatta Avenue, Nairobi	<a href="mailto:info@bayforexbureau.com">info@bayforexbureau.com</a> <a href="mailto:bayforex@swiftkenya.com">bayforex@swiftkenya.com</a> Fax: 254-2-229665/248676
14.	<b>Blue Nile Forex Bureau De Change Kenya Limited</b> P. O. Box 47740 – 00100 Nairobi Tel: 2224100/2221927	I & M Towers, Ground Floor, Muindi Mbingu Street, Nairobi	<a href="mailto:bluenile@wananchi.com">bluenile@wananchi.com</a> Fax: 254-2-222721
15.	<b>Bogani Forex Bureau Limited</b> P. O. Box 15069 – 00500 Nairobi Cell: 0722-601424/ 0732-601424	Langata Link Building, Langata South, Nairobi	<a href="mailto:boganiforex@hotmail.com">boganiforex@hotmail.com</a>
16.	<b>Cannon Forex Bureau Limited</b> P. O. Box 4599 – 00100 (GPO) Nairobi Tel: 2214723 /2214724	Telposta Towers, Ground Floor, Nairobi	<a href="mailto:cannonforex@gmail.com">cannonforex@gmail.com</a> Fax: 254-2-2214722
17.	<b>Capital Bureau De Change Ltd</b> P. O. Box 54210 – 00200 Nairobi Tel: 2251704/8	Jubilee Insurance House, Nairobi	<a href="mailto:capital_bureau@yahoo.com">capital_bureau@yahoo.com</a> Fax: 254-2-241307
18.	<b>Capital Hill Forex Bureau Ltd</b> P. O. Box 20373 – 00200 Nairobi Tel: 2733594/2733593 Cell: 0722- 410550	1st Floor, NHIF Building, Ngong Road, Nairobi	<a href="mailto:capitalhillforex@gmail.com">capitalhillforex@gmail.com</a> Fax: 254-2-2733594
19.	<b>Cash Africa Bureau De Change Ltd</b> P. O. Box 14256 – 00800 Nairobi Tel. 552875/6, 3521030	Bamburi Road, Industrial Area, Nairobi	Fax: No.254 - 2- 552877
20.	<b>Cashline Forex Bureau Ltd</b> P. O. Box 64672 – 00619 Nairobi Tel: 4452296/97/98	Sound Plaza, Westlands, Nairobi	<a href="mailto:cash@cashlinefx.co.ke">cash@cashlinefx.co.ke</a> Fax: 254-20-4452299
21.	<b>CBD Forex Bureau Limited</b> P. O. Box 10964 – 00400 Tel: 316123 Nairobi	Clyde House, Kimathi Street, Nairobi	Fax: 254-2-318895

22.	<b>Central Forex Bureau Ltd</b> P. O. Box 43966 – 00100 Nairobi Tel: 2226777/ 2224729/317217 Cell: 0720226777	I. P. S. Building, Ground Floor, Kaunda Street, Nairobi	<a href="mailto:centralforex@swiftkenya.com">centralforex@swiftkenya.com</a> <b>Fax: 254-2-249016</b>
23.	<b>Chase Bureau De Change Ltd</b> P. O. Box 45746 – 00100 Nairobi Tel: 2227777/2244491	Gilfillan House, Kenyatta Ave./ Banda Street, Nairobi	<a href="mailto:chasefx@chasecyber.com">chasefx@chasecyber.com</a> <a href="mailto:chasefx@gmail.com">chasefx@gmail.com</a> <b>Fax: 254-2-244651</b>
24.	<b>City Centre Forex Bureau Ltd</b> P. O. Box 40253 – 00100 Nairobi Tel: 2246694 Cell: 0729-888555	Nginyo Towers, Ground Floor, Koinange Street Nairobi	<a href="mailto:info@citycentreforex.co.ke">info@citycentreforex.co.ke</a> <b>Fax No: 254-02-246696</b>
25.	<b>Classic Forex Bureau Limited</b> P.O. Box 76694 – 00508 Nairobi Tel: 3862343/4 Nairobi	Prestige Plaza, 1st Floor, Ngong Rd,	<a href="mailto:info@classicforex.co.ke">info@classicforex.co.ke</a> <b>Fax No. 3862346</b>
26.	<b>Coast Forex Bureau Ltd</b> P. O. Box 89413 – 80100 Mombasa Tel: 041- 2225140/2224980 Cell: 0720755500	City House, Moi Avenue, Fontanella, Mombasa	<a href="mailto:info@coastforex.com">info@coastforex.com</a> <b>Fax: 254-41-230268</b>
27.	<b>Commercial Forex Bureau Limited</b> P. O. Box 47452 – 00100 Nairobi Tel. 020-2210307/8	Vedic House, Mama Ngina Street, Nairobi	<a href="mailto:Commercialfx08@yahoo.com">Commercialfx08@yahoo.com</a>
28.	<b>Conference Forex Bureau Limited</b> P. O. Box 32268 – 00600 Nairobi Tel. 3581293, 020-3586802 / 2219617	KICC, Ground Floor, Nairobi	<a href="mailto:cfbltd@akarim.com">cfbltd@akarim.com</a> <b>Fax: 254 – 2- 224126</b>
29.	<b>Connection Forex Bureau Ltd</b> P. O. Box 63533 – 00619 Nairobi Tel: 883535/6/7 Cell: 0720-711111, 0735-711111	Karen Connection, Lower Plain's Road, Off-Karen Road, Nairobi	<a href="mailto:connectionforex@yahoo.com">connectionforex@yahoo.com</a> <b>Fax:254-2-883558</b>
30.	<b>Continental Forex Bureau Ltd</b> P. O. Box 49580 – 00400 Nairobi Tel: 2222140, 3168025/330883	Old Mutual Building, Kimathi Street, Nairobi	<a href="mailto:cfbbusiness@yahoo.com">cfbbusiness@yahoo.com</a> <b>Fax: 254 2-216163</b>
31.	<b>Cosmos Forex Bureau Ltd</b> P. O. Box 10284 – 00100 Nairobi Tel: 250582/5	Rehema House, Nairobi	<a href="mailto:cosmosforex@yahoo.com">cosmosforex@yahoo.com</a> <b>Fax: 254-2-250591</b>

32.	<b>Crater Forex Bureau Ltd</b> P. O. Box 7357– 20100 Nakuru Tel: 051- 2214183, 2216524	Fax: 254-2-250591 George Morara Avenue, Nakuru	<a href="mailto:craterforex@wananchi.com">craterforex@wananchi.com</a> <b>Fax: 254-51-2214183</b>
33.	<b>Crossroads Forex Bureau Limited</b> P. O. Box 871 – 00502 Nairobi, 020884131/2 Cell: 0729-888444	Crossroads Shopping Centre, Karen, Nairobi	<a href="mailto:info@crossroadsforex.co.ke">info@crossroadsforex.co.ke</a>
34.	<b>Crown Bureau De Change Ltd</b> P. O. Box 22515– 00400 Nairobi Tel: 2250720/1/2	Corner House, Mama Ngina Street, Nairobi	<a href="mailto:info@crown.co.ke">info@crown.co.ke</a> <b>Fax: 254-2-252365</b>
35.	<b>Dahab Shill Forex Bureau Ltd</b> P. O. Box 10422 – 00100 Nairobi Tel: 2218105, 252641	2nd Floor, Lonrho House, Standard Street, Nairobi	<a href="mailto:dahabtown@hotmail.com">dahabtown@hotmail.com</a> <b>Fax: 254-2-252642/342947</b>
36.	<b>Dale Ventures Forex Bureau Limited</b> P. O. Box 615 – 00606 Nairobi Tel: 020 – 4449780/4228202 Cell: 0722 – 293610, 0722-877857	Thigiri Ridge Shopping Centre, Nairobi	<a href="mailto:dale@dvforex.com">dale@dvforex.com</a>
37.	<b>Dalmar Exchange Bureau Ltd</b> P. O. Box 16381 – 00610 Nairobi Tel: 6761628/6760476	2nd Floor, Al Habib Centre 1st Ave. Eastleigh, Nairobi	<a href="mailto:dalmarforex@gmail.com">dalmarforex@gmail.com</a> <b>Fax: 254-2-6760470</b>
38.	<b>Dollar Forex Bureau Ltd</b> P. O. Box 1722 Malindi Tel: 042-30602/71/31979	FN Centre, Malindi Municipality	<a href="mailto:Dollarforex@swiftmalindi.com">Dollarforex@swiftmalindi.com</a> <b>Fax: 254-42-31976</b>
39.	<b>Downtown Cambio Forex Bureau Ltd</b> P. O. Box 42444 – 00100 Nairobi Tel: 6007721/608659/609547/607721	Wilson Airport, Nairobi	<b>Fax: 254-2-608354</b>
40.	<b>Euro Dollar Bureau De Change Ltd</b> P. O. Box 13946 – 00800 Nairobi Tel: 4448501/2	Mpaka House, Westlands, Nairobi	<a href="mailto:info@eurodollar.co.ke">info@eurodollar.co.ke</a> <b>Fax: 254-2-4447729</b>
41.	<b>Fairdeal Forex Bureau Limited</b> P. O. Box 16915 – 00100 Nairobi Tel: 2211196/7/8, 2211192	Cameo Cinema Building, Ground Floor, Kenyatta Avenue, Nairobi.	<a href="mailto:fairdealforex@swiftkenya.com">fairdealforex@swiftkenya.com</a> <b>Fax: 254-2-2211191</b>
42.	<b>Finerate Forex Bureau Ltd</b> P. O. Box 10733 – 00100 Nairobi Tel: 2250406/7, 2250412 Cell: 0733 – 634733	Bruce House, Ground Floor, Nairobi	<a href="mailto:fineforex@yahoo.com">fineforex@yahoo.com</a> <b>Fax: 254-2-2250407</b>

43.	<b>Forex Bureau Afro Ltd</b> P. O. Box 14353 – 00800 Nairobi Tel: 2247041/2250676/222950	Jamia Plaza, Kigali Street, Nairobi	<b>Fax: 254-2-2251078</b>
44.	<b>Fort Jesus Forex Bureau Ltd</b> P. O. Box 89991 – 80100 Mombasa Tel: 041-2230114/5/6 Cell: 0733-634733/0722-203358	Old Mombasa Road, Mombasa	<a href="mailto:fortjesusforex@hotmail.com">fortjesusforex@hotmail.com</a> <b>Fax: 254-41-2316717</b>
45.	<b>Fulus Bureau De Change Ltd</b> P. O. Box 90206 – 80100 Mombasa Tel: 041-2222273/2222283 Cell: 0723-918166	Nkrumah Road, Mombasa	<a href="mailto:fulus_bureau@yahoo.com">fulus_bureau@yahoo.com</a> <b>Fax: 254-41-2222283</b>
46.	<b>Gateway Forex Bureau Ltd</b> P. O. Box 11500 – 00100 Nairobi Tel: 2212955/45/49, 0700-003435 Cell: 0722-970897	Town House, Kaunda Street, Nairobi	<a href="mailto:info@gatewayforex.co.ke">info@gatewayforex.co.ke</a> <b>Fax: 254-20-2212942</b>
47.	<b>Giant Forex Bureau de Change Ltd</b> P. O. Box 56947 – 00200 Nairobi Tel: 827970	JKIA, Unit 1- Departure, Nairobi	<a href="mailto:giantforex@mitsuminet.com">giantforex@mitsuminet.com</a> <b>Fax: 254-2-825327</b>
48.	<b>Give and Take Forex Bureau Ltd</b> P. O. Box 51463 – 00200 Nairobi Tel: 7120581/3562152	Gigiri, China Garden 1st Floor, Nairobi	<a href="mailto:givetakeforex@wananchi.com">givetakeforex@wananchi.com</a> <b>Fax: 254-2-7120046</b>
49.	<b>Gigiri Forex Bureau Ltd</b> P.O. Box 4852 – 00506 Nairobi Nairobi Tel: 7121515/7120498/ Mobile: 0737104492	Gigiri Shopping Centre, Nairobi	<a href="mailto:gigiriforex@yahoo.com">gigiriforex@yahoo.com</a> <a href="mailto:info@amex.co.ke">info@amex.co.ke</a> <b>Fax: 254-2-244886</b>
50.	<b>Global Forex Bureau Ltd</b> P. O. Box 47583 – 00100 Nairobi Tel: 6762982 Nairobi	2nd Floor, Taisir Complex, 1st Ave. Eastleigh,	<a href="mailto:globalforex@hotmail.com">globalforex@hotmail.com</a>
51.	<b>Glory Forex Bureau Ltd</b> P. O. Box 42909 – 00100 Nairobi Tel: 2244333/2241164/2243115	Norwich Union House, Kimathi Street, Nairobi	<a href="mailto:gloryforex@yahoo.com">gloryforex@yahoo.com</a> <b>Fax: 252-2-245614</b>
52.	<b>GNK Forex Bureau Ltd</b> P. O. Box 14297 – 00100 Nairobi Tel: 020 – 2461598/ 890303/891243/891848/892048;	Jubilee Centre, Karen, Nairobi	<a href="mailto:gnkforex@swiftkenya.com">gnkforex@swiftkenya.com</a> <b>Fax: 254-2-892266</b>

53.	<b>Goldfield Forex Bureau Kenya Ltd.</b> P. O. Box 40317 – 00100 Nairobi Tel: 332565/2244554/ 310303/248713/4	Fedha Towers, Kaunda Street, Nairobi	<a href="mailto:goldfield@swiftkenya.com">goldfield@swiftkenya.com</a> <b>Fax: 254-2-2223761</b>
54.	<b>Green Exchange Forex Bureau Ltd</b>  P. O. Box 20809 – 00100 Nairobi Tel: 020-2214547/8/9	Emperor Plaza,  Ground Floor, Koinange Street, Nairobi	<a href="mailto:greenexchangeforexbureau@hotmail.com">greenexchangeforexbureau@hotmail.com</a> <b>Fax: 254-2-2214550</b>
55.	<b>Greenspan Forex Bureau Limited</b> P. O. Box 46975 – 00100 Nairobi	Moi International Airport, Mombasa	
56.	<b>Hodan Global Forex Bureau Ltd,</b> P. O. Box 68811 – 00622 Nairobi Tel: 6763035, 020 - 2084862 Cell : 0722 – 839744/ 0723 – 931081	Hong Kong Shopping Mall, 2nd Fl, Kipanga Athumani St, Eastleigh, Nairobi	<a href="mailto:hodanglobal@hotmail.com">hodanglobal@hotmail.com</a> <a href="mailto:hodanforex2008@hotmail.com">hodanforex2008@hotmail.com</a> <b>Fax: 254-2-6763035</b>
57.	<b>Hurlingham Forex Bureau Ltd</b> P. O. Box 11123 – 00400 Nairobi Tel. 2724409, 2727662/3	China Centre, Ngong Road, Nairobi	<a href="mailto:Hurlinghamforex@hotmail.com">Hurlinghamforex@hotmail.com</a> <b>Fax: 254-2-2731981</b>
58.	<b>Jodeci Bureau De Change Ltd</b> P. O. Box 21819 – 00400 Nairobi Tel: 827306/822845/822850 /827553/822504 Cell: 0733570970	Unit 1, JKIA, Nairobi	<b>Fax: 254-2-245741</b>
59.	<b>Junction Forex Bureau Limited</b> P. O. Box 43888 – 00100 Nairobi Tel: 3861268/9,2011124 Cell: 0725-852840/	The Junction of Ngong Road /Dagoreti Corner, Nairobi	<a href="mailto:junctionforexbureauLtd@yahoo.com">junctionforexbureauLtd@yahoo.com</a> <a href="mailto:junctionforexbureauLtd@gmail.com">junctionforexbureauLtd@gmail.com</a>
60.	<b>Industrial Area Forex Bureau Ltd</b> P. O. Box 45746 – 00100 Nairobi Tel: 551186/551198	Bunyala Road, Industrial Area, Nairobi	<b>Fax: 254-2-551186</b>
61.	<b>Island Forex Bureau Ltd</b> P. O. Box 84300 - 80100 Mombasa Tel: 041-2223988/ 2229626	Abdulasul Inst. Building, Makadara Road, Moi Avenue, Mombasa	<a href="mailto:islandforex@hotmail.com">islandforex@hotmail.com</a> <b>Fax: 254-41-2227057</b>
62.	<b>Kaah Forex Bureau Ltd</b> P. O. Box 10327 – 00400 Nairobi Tel: 6767494/6760504	Eastleigh, 8th Street, Nairobi	<a href="mailto:mobash33@yahoo.com">mobash33@yahoo.com</a> <b>Fax: 254-2-6767543</b>



63.	<b>Karen Bureau De Change Ltd</b> P. O. Box 24673 – 00502 Nairobi Tel: 884674; 884675	Karen Provision Stores, Corner Lang'ata/ Ngong Rd, Nairobi.	<b>Fax: 254-2-884675</b>
64.	<b>Kenza Exchange Bureau Ltd</b> P. O. Box 21819 – 00400 Nairobi Tel: 822504/ 2245863/ 827608/822504/827608	JKIA, Arrival Unit 1, Nairobi	<b>Fax: 254-2-827304</b>
65.	<b>La'che Forex Bureau Ltd</b> P. O. Box 45191 – 00100 Nairobi Tel : 2221305/827608/3752109	Laico Regency Hotel, Loita Street, Nairobi	<a href="mailto:info@lache.co.ke">info@lache.co.ke</a> <a href="mailto:forexlache@yahoo.com">forexlache@yahoo.com</a> <b>Fax: 254-2-2221306</b>
66.	<b>Lavington Forex Bureau Limited</b> P. O. Box 25559 – 00603 Nairobi Tel: 0202017750, 0202518955/ 57 Cell: 0724 – 752228, 0736 -752228	Lavington Green Shopping Centre, Nairobi	<b>Fax: 254 -2-4348563</b> <b>/254– 2 – 4348832</b>
67.	<b>Leo Forex Bureau Ltd</b> P. O. Box 3073– 80100 Mombasa Tel: 041-2230396/7/8; 2230399	Nkrumah Road, T. S. S. Towers, Mombasa	<a href="mailto:leoforex@swiftmombasa.com">leoforex@swiftmombasa.com</a> <b>Fax: 254-41-230399</b>
68.	<b>Link Forex Bureau Ltd</b> P. O. Box 11659 – 00400 Nairobi Tel: 2213619/21 Cell: 0724-256480	Uganda House, Kenyatta Avenue, Nairobi	<a href="mailto:Link-forex@yahoo.com">Link-forex@yahoo.com</a> <a href="mailto:linkforexbureau@yahoo.com">linkforexbureau@yahoo.com</a> Fax: 254-2-213620
69.	<b>Loki Forex Bureau Ltd.</b> P. O. Box 12523 – 00100 Nairobi Cell: 0723-886999	Lokichogio	<a href="mailto:nfbwesternunion@yahoo.com">nfbwesternunion@yahoo.com</a>
70.	<b>Magnum Forex Bureau De Change Ltd</b> P. O. Box 46434 – 00100 Nairobi Tel: 652 532 Cell : 0732736575	Uhuru Highway, Nakumatt Mega, Nairobi	<a href="mailto:magnumkenya@gmail.com">magnumkenya@gmail.com</a> <b>Fax: 254-2-652559</b>
71.	<b>Maritime Forex Bureau Ltd</b> Cell: 0724 – 244644 P. O. Box 43296 – 80100 Mombasa Tel: 041- 2319175/6/7	Hassanali Building, Nkrumah Road, Mombasa	<b>Fax: 254-41-2319178</b>
72.	<b>Maxfair Forex Bureau Ltd</b> P. O. Box 10334 – 00100 Nairobi Tel: 2226212/ 2228842	Ground Floor, Standard Building, Wabera Street, Nairobi	<a href="mailto:maxfair@swiftkenya.com">maxfair@swiftkenya.com</a> <a href="mailto:maxfair008@hotmail.com">maxfair008@hotmail.com</a> <b>Fax: 254-2-227299</b>

73.	<b>Metropolitan Bureau De Change Ltd</b> P. O. Box 7080 – 00300 Nairobi Tel: 827963	Departure, Unit 2 JKIA, Nairobi	<b>Fax: 254-2-252116</b>
74.	<b>Middletown Forex Bureau Ltd</b> P. O. Box 41830 – 00100 Nairobi Tel: 2211227/211798	Westminister House, Kaunda Street, Nairobi	<a href="mailto:mtforex@iconnect.co.ke">mtforex@iconnect.co.ke</a> <a href="mailto:mtforex@yahoo.com">mtforex@yahoo.com</a> <b>Fax: 254-2-332534</b>
75.	<b>Mint Bureau De Change Ltd.</b> P. O. Box 13580 – 00800 Nairobi Tel: 891703/447204/5/6	Merchantile House, Loita Street, Nairobi	<b>Fax: 254-2-443859</b>
76.	<b>Mombasa Forex Bureau Limited</b> P. O. Box 3714 – 80100 Mombasa Tel: 041-2319918/9, Cell:0718-300300	Ambalal House, Ground Floor, Nkrumah Road, Nairobi	<b>Fax: 254-41-2319927</b>
77.	<b>Mona Bureau De Change Ltd</b> P. O. Box 46180 – 00100 Nairobi Tel: 828111/2 Cell: 0733-744348	Panari Sky Centre, Mombasa Road, Nairobi	<a href="mailto:monaforex@Kwachunet.com">monaforex@Kwachunet.com</a> <b>Fax: 254-2-828113</b>
78.	<b>Moneypoint Forex Bureau Ltd</b> P. O. Box 3338-00100 Nairobi Tel No. 020-2211346/7	ANSH Plaza, Kimathi street/ Tubman Road, Nairobi	<a href="mailto:moneypointforex@hotmail.com">moneypointforex@hotmail.com</a> <b>Fax : 254-2 - 2211342</b>
79.	<b>Morgan Forex Bureau De Change Ltd</b> P. O. Box 79012 – 00400 Nairobi Tel No. 020-4444073	Kipro Centre, Westlands, Nairobi	<a href="mailto:morgankenya@gmail.com">morgankenya@gmail.com</a> <b>Fax: 254 -2-4444074</b>
80.	<b>Mustaqbal Forex Bureau Ltd</b> P. O. Box 100745 – 00101 Nairobi Tel : 020 – 6766651/2497344	Mosque house 1st avenue, 6th street Eastleigh, Nairobi	<a href="mailto:mustaqbalforex@yahoo.com">mustaqbalforex@yahoo.com</a> <b>Fax: 254-2-6766650</b>
81.	<b>Muthaiga Forex Bureau Ltd</b> P. O. Box 63533 – 00619 Nairobi Tel: 3748883/6512/ 3750331/ 386 Cell: 0722-362666, 0722-362999	Muthaiga Shopping Centre, Nairobi	<a href="mailto:muthaigaforex@hotmail.com">muthaigaforex@hotmail.com</a> <b>Fax: 254-2-3746512, 3750331</b>
82.	<b>Nairobi Bureau De Change Ltd</b> P. O. Box 644 – 00624, Village Mkt Nairobi Tel: 822158 Cell: 0717- 110231	Unit 2 JKIA, Nairobi	<a href="http://www.nairobibureau.com">www.nairobibureau.com</a> <b>Fax: 254-2-822884</b>
83.	<b>Nairobi Forex Bureau Ltd</b> P. O. Box 12523 – 00100 Nairobi Tel: 2244767/2223039	Gujarat House, Junction of Biashara and Muindi Mbingu Street, Nairobi	<a href="mailto:Nfbwesternunion@yahoo.com">Nfbwesternunion@yahoo.com</a> <b>Fax: 254-2-244767</b>

84.	<b>Namanga Forex Bureau Ltd</b> P. O. Box 12577 – 00100 Nairobi Tel: 02-213642/ 045-5132476 Cell :0735 791 714	Namanga	<a href="mailto:namangaforexbureau@yahoo.com">namangaforexbureau@yahoo.com</a>
85.	<b>Nature Forex Bureau Ltd</b> P. O. Box 18213 – 00100 Nairobi Tel: 6761986/6768047/ 48/ 49 Cell: 0722-682218	Shariff Shopping Complex, Opposite Garissa Lodge, Eastleigh 1st Avenue, Nairobi	<a href="mailto:nnuradiin2001@hotmail.com">nnuradiin2001@hotmail.com</a> <a href="mailto:natureforexbureaultd@gmail.com">natureforexbureaultd@gmail.com</a> <b>Fax: 254 -2 – 6768047</b>
86.	<b>Nawal Forex Bureau Ltd</b> P. O. Box 43888 – 00100 Nairobi Tel: 2720111 Cell: 0720342578	Chaka Place, Chaka Road, Nairobi	<a href="mailto:nawalforexbureau@yahoo.com">nawalforexbureau@yahoo.com</a> <b>Fax: 254-2-272011</b>
87.	<b>Nevada Forex Bureau Limited</b> P. O. Box 1544 – 00606 Nairobi Tel: 020 – 2113898 Cell: 0722-519399	Westlands Square, Nairobi	
88.	<b>Net Forex Bureau Ltd</b> P. O .Box 102348-00101 Nairobi Tel : 020-3599134/2212781 Cell: 0737 – 664688, 0717 – 157175, 0752- 299572	Avenue House, Kenyatta Avenue, Nairobi	<a href="mailto:netforexbureau@yahoo.com">netforexbureau@yahoo.com</a> Fax: 254-2-2212781
89.	<b>Offshore Forex Bureau Limited</b> P. O. Box 26650 – 00100 Nairobi Tel: 020 – 310837/8	Cianda House, Ground Floor, Koinange Street, Nairobi	<b>Fax: 254-02-310839</b>
90.	<b>Overseas Forex Bureau Ltd</b> P. O. Box 66864 – 00800 Nairobi Tel: 2216250/ 2249657/8/9	View Ground Floor, Park Towers, Monrovia/Utalii Street, Nairobi	<a href="mailto:ofb@wanachi.com">ofb@wanachi.com</a> <b>Fax: 254-2-213027</b>
91.	<b>Pacific Forex Bureau Limited</b> P. O. Box 24273 – 00100 Nairobi Tel. 310880, 310882/3 <a href="mailto:pacific@sahannet.com">pacific@sahannet.com</a>	Lonhro House, Standard Street, Nairobi	
92.	<b>Peaktop Exchange Bureau Ltd</b> P. O. Box 13074 – 00100 Nairobi Tel: 2244371/313438 Cell:0722 – 332518	20th Century, on Mama Ngina/ Kaunda Streets, Nairobi	<a href="mailto:peaktopbureau@gmail.com">peaktopbureau@gmail.com</a> <b>Fax: 254-2-210210</b>
93.	<b>Pearl Forex Bureau Ltd</b> P. O. Box 58059 – 00200 Nairobi Tel: 2724769/ 2724778	Hurlingham Shopping Centre, Nairobi	<b>Fax: 254-2-2724770</b>

94.	<b>Pel Forex Bureau Ltd</b> P. O. Box 957 – 40100 Kisumu Tel: 057-2024134/2044425 /2020399	Allmamra Plaza Oginga Odinga Road, Kisumu	<a href="mailto:pel@swiftkisumu.com">pel@swiftkisumu.com</a> <a href="mailto:pel@vicweb.com">pel@vicweb.com</a> <b>Fax: 254-57-2022495</b>
95.	<b>Penguin Forex Bureau Ltd</b> P. O. Box 3438 – 80100 Mombasa Tel: 041- 2228201/2228170	Nkrumah Road, Mombasa	<a href="mailto:info@penguinforex.co.ke">info@penguinforex.co.ke</a> <b>Fax: 254-41-2228194</b>
96.	<b>Pinnacle Forex Bureau Ltd</b> P. O. Box 10020 – 00400 Nairobi Tel: 2219240/249283/2249284	Corner House, Kimathi Street, Nairobi	<a href="mailto:pinacleforex@yahoo.com">pinacleforex@yahoo.com</a> <b>Fax: 254-2-214832</b>
97.	<b>Princess Forex Bureau Limited</b> P. O. Box 1634 Mombasa Tel: 020-2535333/0721548964	Nkrumah Road, Mombasa	<a href="mailto:Kenya.forex@yahoo.com">Kenya.forex@yahoo.com</a> <b>Fax:254-41-2011990</b>
98.	<b>Pwani Forex Bureau Ltd</b> P. O. Box 41572 – 80100 Mombasa Tel: 041-2221727/2221734/2221845/ Cell: 0733-831218	Mombasa Block 404, XV11/M1 Abdel Nasseiz, Mombasa	<a href="mailto:forex@pwaniforex.com">forex@pwaniforex.com</a> <b>Fax: 254-41-2221734</b>
99.	<b>Rainbow Forex Bureau Limited</b> P. O. Box 5781 – 80200 Malindi Tel: 042-2120173/4	Vera Cruz Shopping Complex, Lamu Road, Malindi	
100.	<b>Real Value Forex Bureau Limited</b> P. O. Box 2903 – 00100 Nairobi Tel: 236044/55/66/77	Shariff Complex, 5th Avenue, Eastleigh, Nairobi	<a href="mailto:Hudaifa-04@hotmail.com">Hudaifa-04@hotmail.com</a>
101.	<b>Regional Forex Bureau Limited</b> P. O. Box 634 – 00100, Nairobi Tel. 313479/80,311953	Kimathi House, Kimathi Street, Nairobi	Fax No. 312296
102.	<b>Rift Valley Forex Bureau Ltd</b> P. O. Box 12165 - 20100 Nakuru Tel: 051-2212495/2210174	Merica Hotel Building, Court Road, Nakuru	<a href="mailto:rftvalleyforex@yahoo.com">rftvalleyforex@yahoo.com</a> <b>Fax: 254-51-2210174</b>
103.	<b>Safari Forex Bureau Ltd</b> P. O. Box 219 - 30100 Eldoret Tel: 053-2063347	KVDA Plaza, Eldoret	<a href="mailto:safariforex@africaonline.co.ke">safariforex@africaonline.co.ke</a> <b>Fax: 254-053-2063995</b>
104.	<b>Satellite Forex Bureau Ltd</b> P. O. Box 43617– 00100 Nairobi Tel: 2218140/1 Cell: 0721-411300	Standard Street, City House, Nairobi	<a href="mailto:satelliteforex@swiftkenya.com">satelliteforex@swiftkenya.com</a> <a href="mailto:satellitefb@hotmail.com">satellitefb@hotmail.com</a> <b>Fax: 254-20-230630</b>

105. <b>Shepherds Forex Bureau Ltd</b> P. O. Box 63533 – 00619 Nairobi Tel: 3754926/7/3754935, Cell: 0720-715888, 0720-220222	Mobil Plaza, Muthaiga, Nairobi	<a href="mailto:Shepherdsforex@yahoo.com">Shepherdsforex@yahoo.com</a> <a href="mailto:sfbfx@hotmail.com">sfbfx@hotmail.com</a> <b>Fax: 254-2-3761073</b>
106. <b>Simba Forex Bureau Limited</b> P. O. Box 66886 – 00800 Nairobi Tel: 020– 445995/8008844 Cell: 0722 – 703121	Moi International Airport, Mombasa	<b>Fax: 254-2- 8008844</b>
107. <b>Sky Forex Bureau Limited</b> P. O. Box 26150 – 00100 Nairobi Tel: 020-242062/3	20th Century, Mama Ngina/ Kaunda Street, Nairobi	<a href="mailto:skyforex@sahannet.com">skyforex@sahannet.com</a> <b>Fax No. 254-2-242064</b>
108. <b>Solid Exchange Bureau Ltd</b> P. O. Box 19257– 00501 Nairobi Tel: 822922/0722-853769	JKIA-Unit 2, Nairobi	<b>Fax: 254-2-822923</b>
109. <b>Speedy Forex Bureau Ltd</b> P. O. Box 45688 – 00100 Nairobi Tel: 2225941/2225641/2226529	Jubilee Insurance Exchange, Kaunda Street, Nairobi	<a href="mailto:speedyexchange@yahoo.com">speedyexchange@yahoo.com</a> <b>Fax: 254-2-221761</b>
110. <b>Sterling Forex Bureau Ltd</b> P. O. Box 43673 – 00200 Nairobi Tel: 2228923/340624	Laxmi Plaza, Biashara Street, Nairobi	<a href="mailto:info@sterlingforexbureau.com">info@sterlingforexbureau.com</a> <b>Fax: 254-2-330894</b>
111. <b>Sunny Forex Bureau Limited</b> P. O. Box 34166 – 00100 Nairobi Tel: 2252013/252079	Uniafric House, Koinange Lane, Nairobi	<a href="mailto:sunnyfoexbureau@yahoo.com">sunnyfoexbureau@yahoo.com</a> <b>Fax: 254-2-252076</b>
112. <b>Sunshine Forex Bureau Ltd</b> P. O. Box 68991– 0622 Nairobi Tel: 6762261/63 : Fax: 6762260 Nairobi	Eastleigh 1st Ave, Seven Street,	<a href="mailto:sunshineforex@hotmail.com">sunshineforex@hotmail.com</a> <b>Fax: 254-2-6762260</b>
113. <b>Taipan Forex Bureau Ltd</b> P. O. Box 42909 – 00100 Nairobi Tel: 827378 /9	JKIA, International Arrivals Terminal, Nairobi	<a href="mailto:taipanforex@yahoo.com">taipanforex@yahoo.com</a> <a href="mailto:taipan@africaonline.co.ke">taipan@africaonline.co.ke</a> <b>Fax: 254-2-827377/229665</b>
114. <b>Tawakal Forex Bureau Ltd</b> P. O. Box 71623 – 00622 Nairobi Tel: 6766171	Ubah Centre, Eastleigh, Nairobi	<a href="mailto:tfbureau@yahoo.com">tfbureau@yahoo.com</a> <b>Fax: 254-2-6765756</b>
115. <b>Trade Bureau De Change Ltd</b> P. O. Box 7080 – 00300 Nairobi Tel: 2241107/ 2241256/2252116	Cotts House, City Hall Way, Transnational Bank, Nairobi	<a href="mailto:trade@wananchi.com">trade@wananchi.com</a> <a href="mailto:tradebdc@yahoo.com">tradebdc@yahoo.com</a> <b>Fax: 254-2-317759</b>

116. <b>Travellers Forex Bureau Ltd</b> P. O. Box 13580 – 00800 Nairobi Tel: 447204/5/6	The Mall Westlands, Nairobi	<b>Fax: 254-2-443859</b>
117. <b>Travel Point Forex Bureau Limited</b> P. O. Box 75901 – 00200 Tel. 827872, 827877/827827 Nairobi	JKIA, International Arrivals Terminal, Nairobi	<a href="mailto:info@travelpoint.co.ke">info@travelpoint.co.ke</a>
118. <b>Ukay Centre Forex Bureau Ltd</b> P. O. Box 66245 – 00800 Nairobi Tel. 3748606/7	Ukay Centre, Westlands, Nairobi	<a href="mailto:ukayforex@hotmail.com">ukayforex@hotmail.com</a> <b>Fax No. 254 -2-3747336</b>
119. <b>Union Forex Bureau Ltd</b> P.O. Box 430 – 00606 Nairobi Tel: 4441855/4448327/4447618	Sarit Centre Westlands, Nairobi	<a href="mailto:unionforex@hotmail.com">unionforex@hotmail.com</a> <b>Fax: 254-2-4441855</b>
120. <b>Village Market Forex Bureau Ltd</b> P. O. Box 625 – 00621 Nairobi Tel: 7122901/7122473	Village Market Complex, Limuru Road, Nairobi	<a href="mailto:villagemarketforex@yahoo.com">villagemarketforex@yahoo.com</a> <b>Fax: 254- 2-520946</b>
121. <b>Victoria Forex Bureau De Change Ltd</b> P. O. Box 705 – 40100 Kisumu Tel :057-2025626/2021134/2023809	Sansora Building, Central Square, Kisumu	<b>Fax: 254 – 057 – 2025636</b>
122. <b>Wallstreet Bureau De Change Ltd</b> P. O. Box 6841- 30100 Eldoret Tel: 053-2062907	Bargetuny Plaza Uganda Road, Eldoret	<a href="mailto:wallstreet@jambo.co.ke">wallstreet@jambo.co.ke</a> <b>Fax: 254- 53-2062907</b>
123. <b>Wanati Forex Bureau Limited</b> P. O. Box 88309 – 80100 Mombasa Tel: 040-3202662 Cell: 0726925090/0733702668	Diani, Mombasa	<a href="mailto:wanatiforex@yahoo.com">wanatiforex@yahoo.com</a> Fax: 254-2-3202662
124. <b>Warwick Forex Bureau Ltd</b> P. O. Box 49722 – 00100 Nairobi Tel: 7124072 Cell: 0721253664	The Warwick Centre, Gigiri, Nairobi	<a href="mailto:warwickforex@wananchi.com">warwickforex@wananchi.com</a> <a href="mailto:warwickforex@gmail.com">warwickforex@gmail.com</a> <b>Fax: 254-2-520997</b>
125. <b>Westlands Forex Bureau Ltd</b> P. O. Box 45746 – 00100 Nairobi Tel: 3748786/3748785	Westgate, Westlands, Nairobi	<a href="mailto:westforex@wananchi.com">westforex@wananchi.com</a> <a href="mailto:westforex@africaonline.co.ke">westforex@africaonline.co.ke</a> <b>Fax: 254-2-3748785</b>
126. <b>Yaya Centre Exchange Bureau Ltd</b> P. O. Box 76302 – 00508 Nairobi Tel: 02-3869097	Argwings Kodhek Road, Yaya Centre, Nairobi	<b>Fax: 254-2-3870869</b>

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