



PRESS RELEASE

BANK SUPERVISION ANNUAL REPORT 2012

Nairobi, Kenya (on 10th May 2013) – The Central Bank of Kenya (CBK) released the Bank Supervision Annual Report for 2012. The report which can be downloaded from www.centralbank.go.ke reviews the performance of the banking sector in 2012 and also highlights other significant developments. Releasing the report, the Governor of the Central Bank of Kenya, Professor Njuguna Ndung'u noted that, "The banking sector sustained its growth momentum in 2012. The assets base of the sector increased by 15.3 percent from Ksh. 2.02 trillion in December 2011 to Ksh. 2.33 trillion in December 2012. The sector also registered an increase in pre-tax profit by 20.6 percent to stand at Ksh. 107.9 billion in 2012. This performance was achieved notwithstanding the turbulences in the macroeconomic environment".

During the year ended December 2012, Kenyan banks enhanced operations nationally and regionally. This was evidenced by the increase in the number of banks branches from 1,161 in December 2011 to 1,272 in December 2012. Banks now have a presence in all 47 counties. In 2012, an additional 111 branches were opened across the country. 53 of the branches were opened in Nairobi. With the implementation of the devolved system of government, it is anticipated that banks will open more branches in the counties. On the regional front, 11 Kenyan banks with 282 branches had operations in the EAC Partner States and South Sudan. In 2012, Kenyan banks opened an additional 59 branches outside Kenya.

The report also highlights other notable developments in the legal and regulatory framework in 2012. The Proceeds of Crime and Anti-Money Laundering (Amendment) Act 2012 strengthened the provisions of the Proceeds of Crime and Anti-Money Laundering Act 2009. In addition, the Financial Reporting Centre (FRC), Kenya's financial intelligence unit was operationalized.

Commenting on the sector's outlook for 2013, the Governor indicated that, "the sector's growth momentum is expected to be supported by the increased regional expansion of Kenyan banks and exploitation of untapped huge domestic potential as the devolved county government system takes effect".

The Central Bank will continue on its policy path of ensuring macroeconomic stability to foster a safe, sound and inclusive financial system.

For more information please contact:

Communications Manager, Central Bank of Kenya

E-mail: comms@centralbank.go.ke

Tel: 286 1371/3940