

BARCLAYS KENYA POSTS RECORD PROFITS OF KSHS 13,553 MILLION – UP 51 %

Nairobi, 22 February 2011: Barclays Bank of Kenya Ltd (“Barclays Kenya”) today announced a 51% increase in profits for the year ended 31 December 2010. The record profits of Kshs 13,553 million (2009: Kshs 9,002 million) was boosted by a Kshs 3,544 million gain from the sale of its custody business. Total income increased by 11% to Kshs 26,023 million (2009: Kshs 23,397 million).

Commenting on the results, Mr. Adan Mohamed, Managing Director, said:

“Barclays strong financial performance was largely driven by revenue growth, and tight management of operating costs offset by an increase in impairment for non performing consumer loans. There also was a one-off restructuring charge on a recently announced staff restructuring exercise.

“We enhanced our customer value proposition, targeting corporate and business banking as well as local and consumer businesses. Our ability to reach customers and serve them better was strengthened with new products and additional channels, including Internet Banking which compliments our Hello Money mobile banking service and is supported by our 24/7 Contact Centre,” said Mr. Mohamed.

Highlights of the financial results for Barclays Kenya:

- Profit before tax up 51% to Kshs 13,553 million (2009: Kshs 9,002 million). Underlying profits excluding custody sale up 20% to Kshs 10,775 million.
- Total income up to Kshs 26,023 million (2009: Kshs 23,397 million)
- Provisions for loan impairments up to Kshs 1,199 million (2009: Kshs 512 million), reflecting impact of a maturing retail loan portfolio
- Total operating expenses, excluding one off restructuring costs of Kshs 767 million, increased by 1% to Kshs 14,048 million.
- Total assets strengthened to Kshs 172,415 million (2009: Kshs 164,875 million)
- Stable customer deposit base at Kshs 123,826 million
- Growth in shareholder value with earnings per share at Kshs 7.80 (2009: Kshs 4.50)

In addition to the record financial performance in 2010, Barclays during the year successfully implemented a new banking technology platform that will significantly improve the Bank’s interaction with customers and enhance its operational efficiencies.

The Board of Directors resolved to recommend to shareholders a final dividend of Kshs. 4.70 per share, bringing the total dividend payout to Kshs. 5.45 per share for the year, up 118% on 2009. At the same time, subject to shareholder and regulatory approvals, the Board resolved to recommend to shareholders a share split of 4 for every 1 of the existing ordinary shares held, making Barclays shares more available on the Nairobi Stock Exchange.

Looking forward, Mr. Mohamed said: "We remain optimistic about opportunities ahead and having made the necessary investments in technology, people, and our distribution network during the last three years, we have an unparalleled advantage to propel our growth into the future."

Mr. Mohamed concluded by thanking the Board, regulators and all Barclays employees, as well as Barclays valued customers for the support they continue to lend over the years.

(Ends)

NOTE TO EDITORS

On 16 February 2011, Barclays Plc announced its Full Year Results 2010 to the market, covering performance to 31 December, 2010. The full report can be accessed at www.barclays.com/investorrelations.

FOOTNOTES

About Barclays Bank of Kenya:

Founded in Kenya in 1916, Barclays is the leading financial services provider in the country, serving customers at 119 outlets, 12 Sales Centres and 231 ATMs. The Bank's performance and leadership position was recognized during the year with several industry and business awards. These include: Best Bank in Kenya; Best Commercial Bank; and Company of the Year (COYA) – First Runner Up.

About Barclays PLC:

Barclays is a major global financial services provider engaged in retail banking, credit cards, corporate banking, investment banking, wealth management and investment management services, with an extensive international presence in Europe, the Americas, Africa and Asia. With over 300 years of history and expertise in banking, Barclays operates in over 50 countries and employs approximately 147,000 people. Barclays moves, lends, invests and protects money for over 48 million customers and clients worldwide. For further information about Barclays, please visit our website www.barclays.com

For further information please contact:

Kenya Media Contact (Nairobi)

Nuru Mugambi
Head of Corporate Affairs
Barclays Bank of Kenya Ltd
Mobile: +254 738-40-7715
Email: Nuru.mugambi@barclays.com

Barclays Group Media Contact (London)

Alistair Smith
Director, Media Relations
Barclays PLC
Phone: +44 (0)207 116 6132
Email: alistair.smith@barclays.com

Consolidated statement of cash flows

	Notes	2010 Shs million	2009 Shs million
Cash flows from operating activities			
Interest receipts		16,884	17,735
Interest payments		(1,666)	(2,875)
Net fee and commission receipts		7,317	6,257
Other income received		6,764	2,158
Recoveries from loans previously written off	16	291	365
Payments to employees and suppliers		(13,638)	(12,524)
Tax paid		(3,154)	(2,844)
		<hr/>	<hr/>
Cash flows from operating activities before changes in operating assets and liabilities		12,798	8,272
Changes in operating assets and liabilities:			
- loans and advances		6,411	13,870
- other assets		(1,487)	1,996
- CBK cash reserve requirement	34	(32)	816
- government securities maturing after 90 days		(15,173)	(13,420)
- lines of credit		(34)	(255)
- customer deposits		(1,863)	(413)
- other liabilities		3,407	(1,146)
- amounts due to group companies		(2,416)	(5,897)
		<hr/>	<hr/>
Net cash from operating activities		1,611	3,823
Cash flows from investing activities			
Purchase of property and equipment		(287)	(3,241)
Purchase of intangibles		(1,102)	(346)
Proceeds from sale of property and equipment		1	5
		<hr/>	<hr/>
Net cash used in investing activities		(1,388)	(3,582)
Cash flows from financing activities			
Dividends paid		(3,734)	(2,716)
		<hr/>	<hr/>
Net cash used in financing activities		(3,734)	(2,716)
		<hr/>	<hr/>
Net decrease in cash and cash equivalents		(3,511)	(2,475)
Cash and cash equivalents at beginning of year	34	12,151	14,626
		<hr/>	<hr/>
Cash and cash equivalents at end of year	34	8,640	12,151
		<hr/> <hr/>	<hr/> <hr/>

Consolidated statement of changes in equity

	Notes	Share capital	Retained earnings	Statutory loan loss reserve	Revaluation reserve on available-for-sale securities	Proposed dividend	Total equity
		Shs million	Shs million	Shs million	Shs million	Shs million	Shs million
Year ended 31 December 2009							
At start of year		2,716	15,325	632	(247)	2,037	20,463
Comprehensive income:							
Profit for the year		-	6,091	-	-	-	6,091
Net change in available-for-sale securities	14	-	-	-	372	-	372
Securities							
Transfer to statutory loan loss reserve		-	(1,139)	1,139	-	-	-
Total comprehensive income		-	4,952	1,139	372	-	6,463
Transactions with owners							
Dividends:							
- final for 2008 paid		-	-	-	-	(2,037)	(2,037)
- interim for 2009 paid		-	(679)	-	-	-	(679)
- proposed final for 2009	12	-	(2,716)	-	-	2,716	-
At end of year		2,716	16,882	1,771	125	2,716	24,210
Year ended 31 December 2010							
At start of year		2,716	16,882	1,771	125	2,716	24,210
Comprehensive income							
Profit for the year		-	10,599	-	-	-	10,599
Net change in available-for-sale securities	14	-	-	-	390	-	390
Transfer to statutory loan loss reserve		-	(755)	755	-	-	-
Total comprehensive income		-	9,844	755	390	-	10,989
Transactions with owners							
Dividends:							
- final for 2009 paid		-	-	-	-	(2,716)	(2,716)
- interim for 2010 paid		-	(1,018)	-	-	-	(1,018)
- proposed final for 2010	12	-	(6,382)	--	--	6,382	--
At end of year		2,716	19,326	2,526	515	6,382	31,465

The Board of Directors of Barclays Bank of Kenya Limited is pleased to announce the audited group results for the period ended 31 December 2010
BARCLAYS BANK OF KENYA LIMITED
FINANCIAL STATEMENTS

BALANCE SHEET - BANK
AS AT 31 DECEMBER 2010

	December 2009 Shs '000 Audited	December 2010 Shs '000 Audited
A ASSETS		
1 Cash balances (both local and foreign)	4,103,088	5,642,799
2 Balances due from Central Bank of Kenya	5,648,411	7,488,558
3 Government securities	43,861,201	55,995,929
4 Foreign Currency Treasury Bills and bonds	-	-
5 Deposits and balances due from banking Institutions (Local)	100,000	-
6 Deposits and balances due from banking Institutions (Foreign)	101,402	100,338
7 Government and other securities held for dealing	-	-
8 Tax recoverable	-	-
9 Loans and advances to customers	93,542,609	87,146,982
10 Investment Securities	-	-
11 Balances due from group companies	6,245,677	3,284,553
12 Investment in Associates	-	-
13 Investment in Subsidiary Companies	275,678	275,678
14 Investment in joint Ventures	-	-
15 Investment properties	-	-
16 Property and equipment	5,920,825	3,243,637
17 Prepaid Operating Rental Leases	61,633	60,999
18 Intangible assets	685,666	3,449,293
19 Deferred Tax	-	-
20 Retirement Benefit Asset	1,837,047	1,538,740
21 Other assets	2,767,813	4,463,409
22 Total assets	165,151,050	172,690,915
B LIABILITIES		
23 Balances due to Central Bank	1,503,000	3,105,000
24 Customers' deposits	125,868,585	123,826,442
25 Deposits and balances due to Banking institutions (Local)	167,590	-
26 Deposits and balances due to Banking institutions (Foreign)	93,905	92,352
27 Other money market deposits	-	-
28 Borrowed Funds	34,198	-
29 Amounts due to group companies	4,259,423	1,843,347
30 Tax payable	118,198	195,876
31 Dividends payable	-	-
32 Deferred tax liability	618,786	508,486
33 Retirement Benefit Liability	-	-
34 Other liabilities	8,277,337	11,654,478
35 Total liabilities	140,941,022	141,225,981
C Shareholders' Funds		
36 Paid up / Assigned capital	2,715,767	2,715,767
37 Share premium / (discount)	-	-
38 Revaluation reserves	124,847	514,709
39 Retained earnings / (Accumulated losses)	16,883,071	19,326,331
40 Statutory loan loss reserve	1,770,575	2,526,072
41 Proposed dividend	2,715,768	6,382,055
42 Capital Grants	-	-
43 Total shareholders' funds	24,210,028	31,464,934
44 Total liabilities and total shareholders funds	165,151,050	172,690,915

PROFIT AND LOSS ACCOUNT - THE BANK
FOR THE PERIOD ENDING 31 DECEMBER 2010

	December 2009 Shs '000 Audited	December 2010 Shs '000 Audited
1.0 INTEREST INCOME		
1.1 Loans and advances to customers	13,643,006	13,552,480
1.2 Government securities	3,271,649	3,098,719
1.3 Deposits and placements with banking institutions	132,207	42,172
1.4 Other interest income	469,758	437,183
1.5 Total interest income	17,516,620	17,130,554
2.0 INTEREST EXPENSES		
2.1 Customer deposits	2,150,248	1,071,289
2.2 Deposits and placements with banking institutions	165,339	129,356
2.3 Other interest expenses	431,903	256,495
2.4 Total interest expenses	2,747,490	1,457,140
3.0 NET INTEREST INCOME	14,769,130	15,673,414
4.0 NON - OPERATING INCOME		
4.1 Fees and commissions income on loans & Advances	1,185,832	1,916,630
4.2 Other fees and commissions	5,070,757	5,458,001
4.3 Foreign exchange trading income	2,193,006	2,345,869
4.4 Dividend income	-	-
4.5 Other income	178,611	629,767
4.6 Total non-interest income	8,628,206	10,350,267
5.0 Total income	23,397,336	26,023,681
6.0 OPERATING EXPENSES		
6.1 Loan loss provision	512,625	1,199,741
6.2 Staff costs	7,223,254	8,398,113
6.3 Directors emoluments	8,726	12,401
6.4 Rental charge	872,464	867,585
6.5 Depreciation on property and equipment	928,795	1,176,127
6.6 Amortisation charges	-	-
6.7 Other operating expenses	4,849,006	3,594,360
7.0 Total operating expenses	14,394,870	15,248,327
Profit before tax and exceptional items	9,002,466	10,775,354
8 Exceptional items	-	2,777,348
9 Profit before tax	9,002,466	13,552,702
10 Current tax	(2,778,229)	(3,231,723)
11 Deferred tax	(133,197)	278,003
12 Profit after tax	6,091,040	10,598,982
Earnings per Share (Shs)	4.5	7.8
Dividends per share (Shs)	2.50	5.45

	December 2009 Shs '000	December 2010 Shs '000
iii OTHER DISCLOSURES		
1) Non-performing loans and advances		
a) Gross non-performing loans and advances	7,547,569	6,539,338
b) Less: Interest in suspense	71,543	-
c) Total non performing loans and advances	7,476,026	6,539,338
d) less: loan loss provisions	4,565,729	5,420,389
e) Net non performing loans(c-d)	2,910,297	1,118,949
f) Discounted value of securities	2,237,073	820,088
g) Net NPLs (Excess) / Exposure (e-f)	673,224	298,861
2) Insider loans and advances		
a) Directors ,shareholders and associates	106,901	89,942
b) Employees	6,370,086	7,460,636
c) Total insider loans and advances	6,476,987	7,550,578
3) Off Balance sheet items		
a) Letters of credit ,guarantees, acceptances	18,352,861	20,780,136
c) Other contingent liabilities	182,597,936	1,679,150
Total Contingent liabilities	200,950,797	22,459,286
4) Capital Strength		
a) Core capital	22,186,187	28,424,153
b) Minimum statutory capital	350,000	500,000
c) Excess / (Defeciency)	21,836,187	27,924,153
d) Supplementary capital	5,433,041	4,887,110
e) Total capital	27,619,228	33,311,264
f) Total risk weighted assets	115,879,973	106,928,425
g) Core capital / total deposit liabilities	17.6%	23.0%
h) Minimum statutory ratio	8.0%	8.0%
i) Excess / (Defeciency)	9.6%	15.0%
j) Core capital / total risk weighted assets	19.1%	26.6%
k) Minimum statutory ratio	8.0%	8.0%
l) Excess / (Defeciency)	11.1%	18.6%
m) Total capital / total risk weighted assets	23.8%	31.2%
n) Minimum statutory ratio	12.0%	12.0%
o) Excess / (Defeciency)	11.8%	19.2%
5 Liquidity		
a) Liquidity ratio	42.1%	54.1%
b) Minimum statutory ratio	20.0%	20.0%
c) Excess / (Defeciency)	22.1%	34.1%

Dividend and Share Split

An interim dividend of Shs 0.75 per share was paid on 8th October 2010. Subject to approval by the shareholders, the Directors have resolved to recommend to members at the forthcoming Annual General Meeting a final dividend for the year 2010 of Ksh 4.70 per share to be paid on or about 27th May 2011 to share holders registered at the close of business on Tuesday, 15th March 2011. The register of members will be closed for one day on Wednesday, 16th March 2011.

In addition, subject to approval by the shareholders and the Capital Markets Authority, the Directors have also resolved to recommend to members that the authorised shares of the Company as at 15th March 2011 be split in the ratio 4 for every 1 held and that the holding of those persons or entities shown in the Register as members of the Company as at 15th March 2011 be adjusted proportionately to reflect the split of 4 new ordinary shares for every 1 of the existing ordinary shares. The par value of the shares would consequently be adjusted from Kshs. 2 per share to Kshs. 0.50 per share.

Annual General Meeting

Notice is hereby given that the thirty-second Annual General Meeting of the shareholders of Barclays Bank of Kenya Limited will be held at the Tsavo Ball Room, Kenyatta International Conference Centre on Friday 27th May 2011.

Message from the Directors

The above statement of financial position and income statement are extracts from the Company's financial statements approved by the Board of Directors on 21 February 2011. The financial statements have been audited by PricewaterhouseCoopers and have received an unqualified opinion. A full set of these financial statements will be available at our registered office at Barclays Plaza for inspection after approval by members at the Annual General Meeting.

By order of the Board

Judy Nyaga
Company Secretary

BARCLAYS BANK OF KENYA LIMITED
FINANCIAL STATEMENTS

BALANCE SHEET - GROUP
AS AT 31 DECEMBER 2010

	December 2009 Shs '000 Audited	December 2010 Shs '000 Audited
A ASSETS		
1 Cash balances (both local and foreign)	4,103,088	5,642,799
2 Balances due from Central Bank of Kenya	5,648,411	7,488,558
3 Government securities	43,861,201	55,995,929
4 Foreign Currency Treasury Bills and bonds	-	-
5 Deposits and balances due from banking Institutions (Local)	100,000	-
6 Deposits and balances due from banking Institutions (Foreign)	101,402	100,338
7 Government and other securities held for dealing	-	-
8 Tax recoverable	-	-
9 Loans and advances to customers	93,542,609	87,146,982
10 Investment Securities	-	-
11 Balances due from group companies	6,245,677	3,284,553
12 Investment in Associates	-	-
13 Investment in Subsidiary Companies	-	-
14 Investment in joint Ventures	-	-
15 Investment properties	-	-
16 Property and equipment	5,920,825	3,243,637
17 Prepaid Operating Rental Leases	61,633	60,999
18 Intangible assets (Goodwill)	685,666	3,449,293
19 Deferred Tax	-	-
20 Retirement Benefit Asset	1,837,047	1,538,740
21 Other assets	2,767,813	4,463,409
22 Total assets	164,875,372	172,415,237
B LIABILITIES		
23 Balances due to Central Bank	1,503,000	3,105,000
24 Customers' deposits	125,868,585	123,826,442
25 Deposits and balances due to Banking institutions (Local)	167,590	-
26 Deposits and balances due to Banking institutions (Foreign)	93,905	92,352
27 Other money market deposits	-	-
28 Borrowed Funds	34,198	-
29 Amounts due to group companies	3,986,491	1,570,662
30 Tax payable	115,205	192,883
31 Dividends payable	-	-
32 Deferred tax liability	618,786	508,486
33 Retirement Benefit Liability	-	-
34 Other liabilities	8,277,584	11,654,478
35 Total liabilities	140,665,344	140,950,303
C Shareholders' Funds		
36 Paid up / Assigned capital	2,715,767	2,715,767
37 Share premium / (Discount)	-	-
38 Revaluation reserves	124,847	514,709
39 Retained earnings / accumulated losses	16,883,071	19,326,331
40 Statutory loan loss reserve	1,770,575	2,526,072
41 Proposed dividend	2,715,768	6,382,055
42 Capital grants	-	-
43 Total shareholders' funds	24,210,028	31,464,934
44 Total liabilities and total shareholders funds	164,875,372	172,415,237

PROFIT AND LOSS ACCOUNT - GROUP

	December 2009 Shs 000 Audited	December 2010 Shs 000 Audited
1.0 INTEREST INCOME		
1.1 Loans and advances to customers	13,643,006	13,552,480
1.2 Government securities	3,271,649	3,098,719
1.3 Deposits and placements with banking institutions	132,207	42,172
1.4 Other interest income	469,758	437,183
1.5 Total interest income	17,516,620	17,130,554
2.0 INTEREST EXPENSES		
2.1 Customer deposits	2,150,248	1,071,289
2.2 Deposits and placements with banking institutions	165,339	129,356
2.3 Other interest expenses	431,903	256,495
2.4 Total interest expenses	2,747,490	1,457,140
3.0 NET INTEREST INCOME	14,769,130	15,673,414
4.0 OTHER OPERATING INCOME		
4.1 Fees and commissions income on loans and advances	1,185,832	1,916,630
4.2 Other fees and commissions	5,070,757	5,458,001
4.3 Foreign exchange trading income	2,193,006	2,345,869
4.4 Dividend income	-	-
4.5 Other income	178,611	629,767
4.6 Total non-interest income	8,628,206	10,350,267
5.0 Total income	23,397,336	26,023,681
6.0 OPERATING EXPENSES		
6.1 Loan loss provision	512,625	1,199,741
6.2 Staff costs	7,223,254	8,398,113
6.3 Directors emoluments	8,726	12,401
6.4 Rental Charges	872,464	867,585
6.6 Depreciation on property and equipment	928,795	1,176,127
6.7 Amortisation	-	-
6.8 Other operating expenses	4,849,006	3,594,360
7.0 Total operating expenses	14,394,870	15,248,327
Profit before tax and exceptional items	9,002,466	10,775,354
8.0 Exceptional items		
9.0 Profit before tax	9,002,466	13,552,702
10.0 Current tax	(2,778,229)	(3,231,723)
11.0 Deferred tax	(133,197)	278,003
12.0 Profit after tax	6,091,040	10,598,982
Earnings per Share	4	7.8
Dividends per share	2.5	5.45

BARCLAYS BANK OF KENYA LIMITED
FINANCIAL STATEMENTS

	December 2009 Shs 000	December 2010 Shs 000
iii OTHER DISCLOSURES		
1) Non-performing loans and advances		
a) Gross non-performing loans and advances	7,547,569	6,539,338
b) Less: Interest in suspense	71,543	-
c) Total non performing loans and advances	7,476,026	6,539,338
d) less: loan loss provisions	4,565,729	5,420,389
e) Net non performing loans	2,910,297	1,118,949
f) Discounted value of securities	2,237,073	820,088
d) Net NPLs (Excess) / Exposure	673,224	298,861
2) Insider loans and advances		
a) Directors ,shareholders and associates	106,901	89,942
b) Employees	6,370,086	7,460,636
c) Total insider loans and advances	6,476,987	7,550,578
3) Off Balance sheet items		
a) Letters of credit ,guarantees, acceptances	18,352,861	20,780,136
c) Other contingent liabilities	182,597,936	1,679,150
Total Contingent liabilities	200,950,797	22,459,286
4) Capital Strength		
a) Core capital	22,186,187	28,424,153
b) Minimum statutory capital	350,000	500,000
c) Excess / (Defecency)	21,836,187	27,924,153
d) Supplementary capital	5,433,041	4,887,110
e) Total capital	27,619,228	33,311,264
f) Total risk weighted assets	115,879,973	106,928,425
g) Core capital / total deposit liabilities	17.6%	23.0%
h) Minimum statutory ratio	8.0%	8.0%
i) Excess / (Defecency)	9.6%	15.0%
j) Core capital / total risk weighted assets	19.1%	26.6%
k) Minimum statutory ratio	8.0%	8.0%
l) Excess / (Defecency)	11.1%	18.6%
m) Total capital / total risk weighted assets	23.8%	31.2%
n) Minimum statutory ratio	12.0%	12.0%
o) Excess / (Defecency)	11.8%	19.2%
5 Liquidity		
a) Liquidity ratio	42.1%	54.1%
b) Minimum statutory ratio	20.0%	20.0%
c) Excess / (Defecency)	22.1%	34.1%