

# BANK OF AFRICA KENYA LIMITED

## AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 31 DECEMBER 2022

**I STATEMENT OF FINANCIAL POSITION**

	31 December 2021 Shs '000 (Audited)	31 December 2022 Shs '000 (Audited)
<b>A ASSETS</b>		
1 Cash (both local and foreign)	599,814	653,890
2 Balances with from Central Bank of Kenya	4,277,149	3,185,023
3 Kenya Government and other securities held for dealing purposes	-	-
4 Financial Assets at fair value through profit and loss	-	-
5 Investment securities	-	-
a) Held to Maturity	-	-
a. Kenya Government securities	9,720,189	14,079,226
b. Other Securities	-	-
b) Available for sale	-	-
a. Kenya Government securities	509,486	483,738
b. Other Securities	9,674	9,674
6 Deposits and balances due from local banking institutions	2,054,260	2,053,484
7 Deposits and balances due from banking institutions abroad	903,495	968,368
8 Tax recoverable	435,093	434,702
9 Loans and advances to customers (net)	15,555,984	18,833,312
10 Balances due from banking institutions in the group	3,642,491	2,827,536
11 Investments in associates	-	-
12 Investments in subsidiary companies	-	-
13 Investments in joint ventures	-	-
14 Investment properties	-	-
15 Property, plant and equipment	1,660,088	1,683,445
16 Prepaid lease rentals	-	-
17 Intangible assets	198,183	173,134
18 Deferred tax asset	2,756,824	2,679,915
19 Retirement benefit asset	-	-
20 Other assets	1,026,912	783,143
<b>21 TOTAL ASSETS</b>	<b>43,349,642</b>	<b>48,848,588</b>
<b>B LIABILITIES</b>		
22 Balances due to Central Bank of Kenya	-	-
23 Customer deposits	26,592,519	32,733,380
24 Deposits and balances due to local banking institutions	1,199,293	485,315
25 Deposits and balances due to banking institutions abroad	4,251	518,548
26 Other money market deposits	-	-
27 Borrowed Funds	970,873	1,001,911
28 Balances due to banking institutions in the group	8,096,579	7,348,418
29 Tax payable	-	-
30 Dividends payable	-	-
31 Deferred tax liability	-	-
32 Retirement benefit liability	-	-
33 Other liabilities	864,842	961,614
<b>34 TOTAL LIABILITIES</b>	<b>37,728,357</b>	<b>43,049,186</b>
<b>C SHAREHOLDERS' FUNDS</b>		
35 Paid up/ Assigned capital	7,927,449	7,927,449
36 Share premium/ (discount)	1,980,356	1,980,356
37 Revaluation reserves	-	-
38 Retained earnings/ (Accumulated losses)	(5,082,101)	(5,098,769)
39 Statutory loan loss reserve	877,941	1,089,679
40 Other reserves	(82,360)	(99,313)
41 Proposed dividends	-	-
42 Capital grants	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>5,621,285</b>	<b>5,799,402</b>
<b>44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>43,349,642</b>	<b>48,848,588</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>		
<b>1 INTEREST INCOME</b>		
1.1 Loans and advances	1,637,957	1,718,761
1.2 Government securities	923,921	1,298,083
1.3 Deposits and placements with banking institutions	144,629	204,833
1.4 Other interest income	209	8,583
<b>1.5 Total interest income</b>	<b>2,706,716</b>	<b>3,230,260</b>
<b>2 INTEREST EXPENSES</b>		
2.1 Customer deposits	957,661	1,090,033
2.2 Deposits and placements from banking institutions	74,712	69,606
2.3 Other interest expense	311,141	319,511
<b>2.4 Total interest expenses</b>	<b>1,343,514</b>	<b>1,479,150</b>
<b>3 NET INTEREST INCOME/(LOSS)</b>	<b>1,363,202</b>	<b>1,751,110</b>
<b>4 OTHER OPERATING INCOME</b>		
4.1 Fees and commissions on loans and advances	123,090	108,604
4.2 Other fees and commissions	382,622	370,692
4.3 Foreign exchange trading income (loss)	525,294	762,743
4.4 Dividend income	-	11,205
4.5 Other income	588,079	64,920
<b>4.6 Total other operating income</b>	<b>1,619,085</b>	<b>1,318,164</b>
<b>5 Total operating income</b>	<b>2,982,287</b>	<b>3,069,274</b>
<b>6 OPERATING EXPENSES</b>		
6.1 Loan loss provision	654,437	636,745
6.2 Staff costs	820,270	814,113
6.3 Directors emoluments	56,985	54,040
6.4 Rental charges	49,184	57,869
6.5 Depreciation charge on property and equipment	300,816	264,833
6.6 Amortisation charges	54,579	63,389
6.7 Other operating expenses	756,402	895,697
<b>6.8 Total operating expenses</b>	<b>2,692,673</b>	<b>2,786,686</b>
<b>7 Profit / (Loss) before tax and exceptional expenses</b>	<b>289,614</b>	<b>282,588</b>
8 Exceptional items	-	-
<b>9 Profit / (Loss) before tax</b>	<b>289,614</b>	<b>282,588</b>
10 Current tax	-	-
11 Deferred tax	(71,441)	(87,518)
<b>12 Profit / (Loss) after tax</b>	<b>218,173</b>	<b>195,070</b>

**13 Other Comprehensive Income**

	31 December 2021 Shs '000 (Audited)	31 December 2022 Shs '000 (Audited)
13.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-
13.2 Fair value changes in available-for-sale financial assets	(19,769)	(24,218)
13.3 Revaluation Surplus on Property, plant and equipment	-	-
13.4 Share of other comprehensive income of associates	-	-
13.5 Income tax relating to components of other comprehensive income	3,494	7,265
<b>14 Other comprehensive income for the year net of tax</b>	<b>(16,275)</b>	<b>(16,953)</b>

**15 Total comprehensive income for the year**

	31 December 2021 Shs '000 (Audited)	31 December 2022 Shs '000 (Audited)
<b>15 Total comprehensive income for the year</b>	<b>201,898</b>	<b>178,117</b>

**III OTHER DISCLOSURES****1 NON-PERFORMING LOANS AND ADVANCES**

	31 December 2021 Shs '000 (Audited)	31 December 2022 Shs '000 (Audited)
a Gross non-performing loans and advances (a)	8,352,330	5,320,769
b Interest in suspense (b)	2,929,549	1,526,665
<b>c Total non-performing loans and advances (a-b)</b>	<b>5,422,781</b>	<b>3,794,104</b>
d Loan loss provisions	3,412,606	1,928,844
<b>e Net non-performing loans (c-d)</b>	<b>2,010,175</b>	<b>1,865,260</b>
f Discounted value of securities	(1,187,048)	(1,502,109)
<b>g Net NPLs Exposure (e-f)</b>	<b>823,127</b>	<b>363,151</b>

**2 INSIDER LOANS AND ADVANCES**

	31 December 2021 Shs '000 (Audited)	31 December 2022 Shs '000 (Audited)
a Shareholders, Directors, and their associates	6,114	6,587
b Employees	626,586	563,849
<b>c Total insider loans and advances</b>	<b>632,700</b>	<b>570,435</b>

**3 OFF-BALANCE SHEET ITEMS**

	31 December 2021 Shs '000 (Audited)	31 December 2022 Shs '000 (Audited)
a Letters of credit, guarantees and acceptances	8,289,367	7,492,042
b Forwards, swaps and options	42,174	47,165
c Other contingent liabilities	463,136	876,437
<b>d Total contingent liabilities</b>	<b>8,794,677</b>	<b>8,415,644</b>

**4 CAPITAL STRENGTH**

	31 December 2021 Shs '000 (Audited)	31 December 2022 Shs '000 (Audited)
a Core capital	2,543,216	2,601,790
b Minimum statutory capital	1,000,000	1,000,000
<b>c Excess/ (Deficiency)</b>	<b>1,543,216</b>	<b>1,601,790</b>
d Supplemental Capital	1,212,129	1,241,541
<b>e Total capital</b>	<b>3,755,345</b>	<b>3,843,331</b>
f Total risk weighted assets	21,403,155	24,342,466
<b>g Core capital/total deposit liabilities</b>	<b>9.2%</b>	<b>7.8%</b>
h Minimum statutory ratio	8.0%	8.0%
i Excess/ (Deficiency)	1.2%	-0.2%
<b>j Core capital/total risk weighted assets</b>	<b>11.9%</b>	<b>10.7%</b>
k Minimum statutory ratio	10.5%	10.5%
l Excess/ (Deficiency)	1.4%	0.2%
<b>m Total capital/total risk weighted assets</b>	<b>17.5%</b>	<b>15.8%</b>
n Minimum statutory ratio	14.5%	14.5%
o Excess/ (Deficiency)	3.0%	1.3%
Adjusted Core Capital/Total Deposit Liabilities*	9.6%	8.1%
Adjusted Core Capital/Total Risk Weighted Assets*	12.4%	11.2%
Adjusted Total Capital/Total Risk Weighted Assets*	18.1%	16.3%

**5 LIQUIDITY**

	31 December 2021 Shs '000 (Audited)	31 December 2022 Shs '000 (Audited)
<b>a Liquidity ratio</b>	<b>46.0%</b>	<b>48.1%</b>
b Minimum statutory ratio	20.0%	20.0%
c Excess/(Deficiency)	26.0%	28.1%

These financial statements are extracts from the books of the institution as audited by KPMG Kenya and received an unqualified opinion. The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the institution's website [www.boakenya.com](http://www.boakenya.com). They may also be accessed at the institution's head office located at BOA House, School lane, Westlands, Nairobi. The financial statements were approved by the Board of Directors and were signed on its behalf by:

 AMB. DENNIS AWORI  
 CHAIRMAN

 RONALD MARAMBII  
 MANAGING DIRECTOR

 EUNICE MBOGO  
 DIRECTOR

 ANNE GITAU  
 COMPANY SECRETARY
