

BANK OF AFRICA KENYA LIMITED

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES AS AT 31ST DECEMBER 2012

I	BALANCE SHEET	BANK		GROUP	
		31 December 2011 Shs '000 (Audited)	31 December 2012 Shs '000 (Audited)	31 December 2011 Shs '000 (Audited)	31 December 2012 Shs '000 (Audited)
A	ASSETS				
1	Cash (both local and foreign)	549,528	850,466	1,390,457	1,943,903
2	Balances due from Central Banks	2,339,474	5,316,680	3,132,478	6,171,871
3	Kenya Government securities	9,014,580	8,567,568	10,705,570	11,165,696
4	Foreign Currency Treasury bills and bonds	-	-	-	-
5	Deposits and balances due from local banking institutions	939,196	300,633	939,196	300,633
6	Deposits and balances due from banking institutions abroad	1,163,295	902,435	2,640,646	1,713,308
7	Government and other securities held for dealing purposes	50,100	52,288	63,604	52,288
8	Tax recoverable	8,589	-	32,058	11,664
9	Loans and advances to customers (net)	21,639,691	29,882,472	29,982,267	37,587,836
10	Investment securities	-	-	-	-
11	Balances due from group companies	923,688	811,892	1,196,385	1,091,608
12	Investments in associates	344,600	377,018	344,600	377,018
13	Investments in subsidiary companies	632,875	632,875	-	-
14	Investments in joint ventures	-	-	-	-
15	Investment properties	-	-	-	-
16	Property and equipment	526,576	578,526	1,107,105	1,094,210
17	Prepaid lease rentals	4,864	4,779	4,864	4,779
18	Intangible assets	72,876	66,122	104,935	129,057
19	Goodwill	-	-	15,610	15,610
20	Deferred tax asset	32,043	44,539	74,665	158,872
21	Retirement benefit asset	-	-	-	-
22	Other assets	492,245	569,632	1,133,210	840,692
23	TOTAL ASSETS	38,734,220	48,957,925	52,867,650	62,659,045
B	LIABILITIES				
24	Balances due to Central Bank of Kenya	-	-	-	-
25	Customer deposits	23,986,396	35,099,546	33,545,076	44,710,247
26	Deposits and balances due to local banking institutions	2,303,203	1,909,644	2,303,203	1,909,644
27	Deposits and balances due to banking institutions abroad	771,538	1,157,159	2,096,292	1,703,637
28	Other money market deposits	-	-	-	-
29	Borrowed Funds	926,688	878,422	2,701,674	2,926,962
30	Balances due to group companies	5,505,369	4,568,934	5,904,445	4,750,308
31	Tax payable	-	13,161	-	13,161
32	Dividends payable	-	-	-	-
33	Deferred tax liability	-	-	-	-
34	Retirement benefit liability	-	-	-	-
35	Other liabilities	569,008	321,297	646,005	471,744
36	TOTAL LIABILITIES	34,062,202	43,948,164	47,196,696	56,485,704
C	SHAREHOLDERS' FUNDS				
37	Paid up/ Assigned capital	3,400,000	3,400,000	3,400,000	3,400,000
38	Share premium/ (discount)	421,200	421,200	421,200	421,200
39	Revaluation reserves	-	-	-	-
40	Translation reserves	-	-	(41,263)	(133,932)
41	Retained earnings/ (Accumulated losses)	503,578	662,305	743,983	1,019,310
42	Statutory loan loss reserve	211,240	289,384	253,598	339,646
43	Proposed dividends	136,000	236,872	136,000	236,872
44	Capital grants	-	-	-	-
45	TOTAL SHAREHOLDERS' FUNDS	4,672,018	5,009,761	4,913,518	5,283,096
46	Non-Controlling interest	-	-	757,436	890,245
47	TOTAL EQUITY	4,672,018	5,009,761	5,670,954	6,173,341
47	TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	38,734,220	48,957,925	52,867,650	62,659,044
II	PROFIT AND LOSS ACCOUNT				
		Period Ended 31 December 2011 Shs '000 (Audited)	Period Ended 31 December 2012 Shs '000 (Audited)	Period Ended 31 December 2011 Shs '000 (Audited)	Period Ended 31 December 2012 Shs '000 (Audited)
1	INTEREST INCOME				
1.1	Loans and advances	2,256,054	4,455,766	3,420,496	6,147,315
1.2	Government securities	755,816	792,292	975,339	1,062,432
1.3	Deposits and placements with banking institutions	106,996	315,627	101,438	349,076
1.4	Other interest income	(106,135)	70,783	(106,135)	70,783
1.5	Total interest income	3,012,731	5,634,468	4,391,138	7,629,606
2	INTEREST EXPENSES				
2.1	Customer deposits	1,384,572	3,390,390	1,776,313	4,008,116
2.2	Deposits and placements from banking institutions	204,368	312,703	311,433	526,981
2.3	Other interest expense	52,937	290,799	177,325	343,300
2.4	Total interest expenses	1,641,877	3,993,892	2,265,072	4,878,397
3	NET INTEREST INCOME/(LOSS)	1,370,853	1,640,576	2,126,066	2,751,209
4	OTHER OPERATING INCOME				
4.1	Fees and commissions on loans and advances	63,152	215,682	135,765	368,203
4.2	Other fees and commissions	263,620	253,937	551,563	576,808
4.3	Foreign exchange trading income (Loss)	256,323	172,321	387,173	260,767
4.4	Dividend income/ Income from associates	52,109	76,146	25,832	32,418
4.5	Other income	(101,192)	13,281	(44,589)	24,097
4.6	Total other operating income	534,013	731,368	1,055,744	1,262,295
5	Total operating income	1,904,866	2,371,944	3,181,810	4,013,504
6	OPERATING EXPENSES				
6.1	Loan loss provision	45,048	86,301	172,667	302,924
6.2	Staff costs	607,109	755,694	1,049,806	1,310,721
6.3	Directors emoluments	2,061	8,942	8,894	32,615
6.4	Rental charges	163,343	208,881	247,821	309,354
6.5	Depreciation charge on property and equipment	86,693	110,029	172,802	213,867
6.6	Amortisation Charges	18,346	22,958	37,440	28,566
6.7	Other operating expenses	427,716	543,122	774,092	922,219
6.8	Total operating expenses	1,350,316	1,735,927	2,463,522	3,120,266
7	Profit / (Loss) before tax and exceptional expenses	554,550	636,016	718,288	893,238
8	Exceptional items	-	-	-	-
9	Profit / (Loss) before tax	554,550	636,016	718,288	893,238
10	Current tax	(142,582)	(174,769)	(175,523)	(224,570)
11	Deferred tax	20,757	12,496	34,488	92,879
12	Profit / (Loss) after tax	432,725	473,743	577,254	761,548

III	OTHER DISCLOSURES	BANK		GROUP	
		31 December 2011 Shs '000 (Audited)	31 December 2012 Shs '000 (Audited)	31 December 2011 Shs '000 (Audited)	31 December 2012 Shs '000 (Audited)
1	NON-PERFORMING LOANS AND ADVANCES				
a	Gross non-performing loans and advances (a)	379,332	685,329	417,438	1,306,222
b	Interest in suspense (b)	22,299	45,319	28,865	74,948
c	Total non-performing loans and advances (a-b)	357,033	640,010	388,574	1,231,274
d	Loan loss provisions	39,303	86,437	71,669	440,741
e	Net non-performing loans (c-d)	317,730	553,573	316,904	790,533
f	Discounted value of securities	(317,730)	(553,573)	(664,124)	(556,331)
g	Net NPLs Exposure (e-f)	-	-	(347,220)	234,202
2	INSIDER LOANS AND ADVANCES				
a	Shareholders, Directors, and their associates	606,632	1,202,087	607,594	1,217,883
b	Employees	429,080	593,449	528,795	736,602
c	Total insider loans and advances	1,035,711	1,795,536	1,136,389	1,954,485
3	OFF-BALANCE SHEET ITEMS				
a	Letters of credit, guarantees and acceptances	6,501,068	6,211,142	9,552,222	8,982,243
b	Other contingent liabilities	8,379,508	3,508,182	8,837,471	4,234,754
c	Total contingent liabilities	14,880,576	9,719,324	18,389,693	13,216,997
4	CAPITAL STRENGTH				
a	Core capital	3,408,254	3,566,981		
b	Minimum statutory capital	700,000	1,000,000		
c	Excess/ (Deficiency)	2,708,254	2,566,981		
d	Supplementary Capital	894,599	980,088		
e	Total capital	4,302,853	4,547,069		
f	Total risk weighted assets	26,887,646	34,542,845		
g	Core capital/total deposit liabilities	11.0%	8.4%		
h	Minimum statutory ratio	8.0%	8.0%		
i	Excess/ (Deficiency)	3.0%	0.4%		
j	Core capital/total risk weighted assets	12.7%	10.3%		
k	Minimum statutory ratio	8.0%	8.0%		
l	Excess/ (Deficiency)	4.7%	2.3%		
m	Total capital /total risk weighted assets	16.0%	13.2%		
n	Minimum statutory ratio	12.0%	12.0%		
o	Excess/ (Deficiency)	4.0%	1.2%		
5	LIQUIDITY				
a	Liquidity ratio	26.1%	25.6%		
b	Minimum statutory ratio	20.0%	20.0%		
c	Excess/(Deficiency)	6.1%	5.6%		

Message from the Directors

The above financial statements are extracts from the books of the institution.

Amb. Dennis Awori
Chairman

Kwame Ahadzi
Managing Director



BANK OF AFRICA – Kenya was recognized as the best bank in Customer Satisfaction in the Kenyan Banking Awards ceremony held in 2012. We also won the 2nd best bank award in Kenya for Technology Use.

A full set of these financial statements and other disclosures are available at our registered office at Reinsurance Plaza, Taifa Road and online at www.boakenya.com