

**BANK OF AFRICA KENYA LIMITED**

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 31 DECEMBER 2023

**I STATEMENT OF FINANCIAL POSITION**

	31 December 2022 Shs '000 (Audited)	31 December 2023 Shs '000 (Audited)
<b>A ASSETS</b>		
1 Cash (both local and foreign)	653,890	673,883
2 Balances with from Central Bank of Kenya	3,185,023	4,700,757
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	14,079,226	12,532,702
b. Other Securities	-	-
b) Available for sale	-	-
a. Kenya Government securities	483,738	426,802
b. Other Securities	9,674	27,921
6 Deposits and balances due from local banking institutions	2,053,484	2,909,414
7 Deposits and balances due from banking institutions abroad	968,366	4,046,770
8 Tax recoverable	434,702	435,664
9 Loans and advances to customers (net)	18,833,312	16,832,573
10 Balances due from banking institutions in the group	2,827,536	3,709,927
11 Investments in associates	-	-
12 Investments in subsidiary companies	-	-
13 Investments in joint ventures	-	-
14 Investment properties	-	-
15 Property, plant and equipment	1,683,445	1,553,702
16 Prepaid lease rentals	-	-
17 Intangible assets	173,134	127,787
18 Deferred tax asset	2,679,915	2,599,099
19 Retirement benefit asset	-	-
20 Other assets	783,143	1,146,885
<b>21 TOTAL ASSETS</b>	<b>48,848,588</b>	<b>51,723,886</b>
<b>B LIABILITIES</b>		
22 Balances due to Central Bank of Kenya	-	-
23 Customer deposits	32,733,380	33,129,039
24 Deposits and balances due to local banking institutions	485,315	550,652
25 Deposits and balances due to banking institutions abroad	518,548	2,049,115
26 Other money market deposits	-	-
27 Borrowed Funds	1,001,911	2,913,944
28 Balances due to banking institutions in the group	7,348,418	6,346,405
29 Tax payable	-	-
30 Dividends payable	-	-
31 Deferred tax liability	-	-
32 Retirement benefit liability	-	-
33 Other liabilities	961,614	680,375
<b>34 TOTAL LIABILITIES</b>	<b>43,049,186</b>	<b>45,669,530</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)	(5,098,769)	(4,853,164)
39 Statutory loan loss reserve	1,089,679	1,125,040
40 Other reserves	(99,313)	(125,325)
41 Proposed dividends	-	-
42 Capital grants	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>5,799,402</b>	<b>6,054,356</b>
<b>44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>48,848,588</b>	<b>51,723,886</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>		
<b>1 INTEREST INCOME</b>		
1.1 Loans and advances	1,718,761	1,997,733
1.2 Government securities	1,298,083	1,501,973
1.3 Deposits and placements with banking institutions	204,833	445,813
1.4 Other interest income	8,583	12,644
<b>1.5 Total interest income</b>	<b>3,230,260</b>	<b>3,958,163</b>
<b>2 INTEREST EXPENSES</b>		
2.1 Customer deposits	1,090,033	1,211,412
2.2 Deposits and placements from banking institutions	69,606	112,793
2.3 Other interest expense	319,511	515,480
<b>2.4 Total interest expenses</b>	<b>1,479,150</b>	<b>1,839,685</b>
<b>3 NET INTEREST INCOME/(LOSS)</b>	<b>1,751,110</b>	<b>2,118,478</b>
<b>4 OTHER OPERATING INCOME</b>		
4.1 Fees and commissions on loans and advances	108,604	51,889
4.2 Other fees and commissions	370,692	410,884
4.3 Foreign exchange trading income (loss)	762,743	738,657
4.4 Dividend income	11,205	-
4.5 Other income	64,920	72,810
<b>4.6 Total other operating income</b>	<b>1,318,164</b>	<b>1,274,240</b>
<b>5 Total operating income</b>	<b>3,069,274</b>	<b>3,392,718</b>
<b>6 OPERATING EXPENSES</b>		
6.1 Loan loss provision	636,745	802,815
6.2 Staff costs	814,113	895,059
6.3 Directors emoluments	54,040	57,157
6.4 Rental charges	57,869	45,087
6.5 Depreciation charge on property and equipment	264,833	255,860
6.6 Amortisation charges	63,389	70,074
6.7 Other operating expenses	895,697	890,850
<b>6.8 Total operating expenses</b>	<b>2,786,686</b>	<b>3,016,902</b>
<b>7 Profit / (Loss) before tax and exceptional expenses</b>	<b>282,588</b>	<b>375,816</b>
8 Exceptional items	-	-
<b>9 Profit / (Loss) before tax</b>	<b>282,588</b>	<b>375,816</b>
10 Current tax	(3,344)	(2,886)
11 Deferred tax	(84,174)	(91,964)
<b>12 Profit / (Loss) after tax</b>	<b>195,070</b>	<b>280,966</b>

**13 Other Comprehensive Income**

	31 December 2022 Shs '000 (Audited)	31 December 2023 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	(24,218)	(37,160)
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	7,265	11,148
<b>14 Other comprehensive income for the year net of tax</b>	<b>(16,953)</b>	<b>(26,012)</b>
<b>15 Total comprehensive income for the year</b>	<b>178,117</b>	<b>254,954</b>

**14 Other comprehensive income for the year net of tax**
**15 Total comprehensive income for the year**
**III OTHER DISCLOSURES**
**1 NON-PERFORMING LOANS AND ADVANCES**

	31 December 2022 Shs '000 (Audited)	31 December 2023 Shs '000 (Audited)
a Gross non-performing loans and advances (a)	5,320,769	4,663,760
b Interest in suspense (b)	1,526,665	1,521,455
<b>c Total non-performing loans and advances (a-b)</b>	<b>3,794,104</b>	<b>3,142,305</b>
d Loan loss provisions	1,928,844	1,591,690
<b>e Net non-performing loans (c-d)</b>	<b>1,865,260</b>	<b>1,550,615</b>
f Discounted value of securities	(1,502,109)	(1,043,174)
<b>g Net NPLs Exposure (e-f)</b>	<b>363,151</b>	<b>507,441</b>

**2 INSIDER LOANS AND ADVANCES**

	31 December 2022 Shs '000 (Audited)	31 December 2023 Shs '000 (Audited)
a Shareholders, Directors, and their associates	6,587	-
b Employees	563,849	608,404
<b>c Total insider loans and advances</b>	<b>570,435</b>	<b>608,404</b>

**3 OFF-BALANCE SHEET ITEMS**

	31 December 2022 Shs '000 (Audited)	31 December 2023 Shs '000 (Audited)
a Letters of credit, guarantees and acceptances	7,492,042	7,379,643
b Forwards, swaps and options	47,165	280,944
c Other contingent liabilities	876,437	1,248,840
<b>d Total contingent liabilities</b>	<b>8,415,644</b>	<b>8,909,427</b>

**4 CAPITAL STRENGTH**

	31 December 2022 Shs '000 (Audited)	31 December 2023 Shs '000 (Audited)
a Core capital	2,601,790	2,932,700
b Minimum statutory capital	1,000,000	1,000,000
<b>c Excess/ (Deficiency)</b>	<b>1,601,790</b>	<b>1,932,700</b>
d Supplementary Capital	1,241,541	1,592,536
<b>e Total capital</b>	<b>3,843,331</b>	<b>4,525,236</b>
f Total risk weighted assets	24,342,466	24,922,925
<b>g Core capital/total deposit liabilities</b>	<b>7.8%</b>	<b>8.6%</b>
h Minimum statutory ratio	8.0%	8.0%
i Excess/ (Deficiency)	-0.2%	0.6%
<b>j Core capital/total risk weighted assets</b>	<b>10.7%</b>	<b>11.8%</b>
k Minimum statutory ratio	10.5%	10.5%
l Excess/ (Deficiency)	0.2%	1.3%
<b>m Total capital /total risk weighted assets</b>	<b>15.8%</b>	<b>18.2%</b>
n Minimum statutory ratio	14.5%	14.5%
o Excess/ (Deficiency)	1.3%	3.7%
Adjusted Core Capital/Total Deposit Liabilities*	8.1%	0.0%
Adjusted Core Capital/Total Risk Weighted Assets*	11.2%	0.0%
Adjusted Total Capital/Total Risk Weighted Assets*	16.3%	0.0%

**5 LIQUIDITY**

	31 December 2022 Shs '000 (Audited)	31 December 2023 Shs '000 (Audited)
<b>a Liquidity ratio</b>	<b>48.1%</b>	<b>60.1%</b>
b Minimum statutory ratio	20.0%	20.0%
c Excess/(Deficiency)	28.1%	40.1%

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.

Bank of Africa Kenya is licensed and regulated by the Central Bank of Kenya.

The financial statements were approved by the Board of Directors and were signed on its behalf by:

<b>Amb. Dennis Awori</b> Chairman	<b>Ronald Marambii</b> Managing Director	<b>Kennedy Wanderi</b> Director	<b>Anne Gitau</b> Company Secretary
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THE WORLD**

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