



**BANK OF AFRICA**

BMCE GROUP



# Financial Statements 2021

## Kenya



BENIN BURKINA FASO BURUNDI

CONGO COTE D'IVOIRE DJIBOUTI

DRC ETHIOPIA FRANCE

GHANA KENYA MADAGASCAR

MALI NIGER RWANDA

SENEGAL TANZANIA

TOGO UGANDA

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Integrated into BOA network in 2004



Capital as at 31/12/2021  
Kenya Shillings (KES)  
7.927 billion

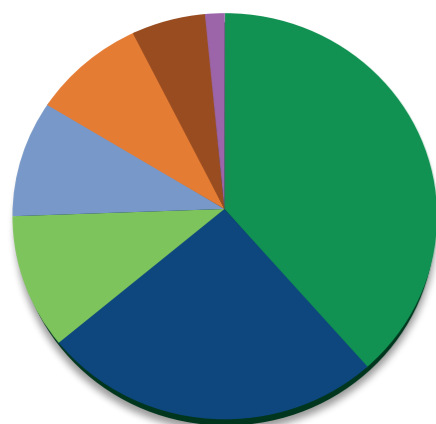


Auditors  
KPMG KENYA



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## Shareholding as at 31/12/2021



BOA GROUP S.A.	38.60%
BANK OF AFRICA – BENIN	25.32%
NETHERLANDS DEVELOPMENT FINANCE COMPANY (FMO)	10.51%
BANK OF AFRICA – MADAGASCAR	9.41%
BANK OF AFRICA - COTE D'IVOIRE	8.89%
BANK OF AFRICA - MER ROUGE	5.68%
AGORA S.A.	1.58%

## Presentation of results

In the year ended 31 December 2021, the Bank recorded a net profit of KES 218 million compared to a net loss of KES 393 million as at 31 December 2020, +155.4% increase. The improved profitability is primarily due to;

- Improving of net interest income.
- Improving of foreign exchange income
- Reducing of operating expenses
- Reducing of Cost of risk

The Banks capital ratios improved after the disposal of its shareholding in BOA-UGANDA and BOA-TANZANIA boosting its capital by Kes 560 million.

The Bank has had to manage the financial year with the below actions;

Increase of margins through pricing of loans under the risk-based model

- Reducing of its interest expense by shedding off expensive term deposits
- Growth in non-risk assets (Government securities)
- Shedding off of non-core assets
- Reducing of operating expenses through staff rationalization
- Good recoveries

The balance sheet size reduced by 3% in 2021 reflecting efforts made on short term strategies above which were largely geared towards balance sheet optimization. Loans and advances grew to 36% of total assets from 33% in December 2020. Government securities improved to 23.5% of total assets up from 19% due to the need to grow non-risk assets (government securities) so as to increase interest income with nil impact on capital.

On the liability side, customer deposits have decreased by 5% in 2021 attributed to low capital headroom to grow deposits liabilities.

## 2021 Key figures

(in KES million)

Activity	2020	2021	Variation
Deposits	27,977	26,593	-4.9%
Loans	15,009	15,556	3.6%
Number of branches	29	25	-13.8%

## Structure

Total Assets	44,917	43,350	-3.5%
Shareholders' equity	5,419	5,621	3.7%
Number of employees	414	343	-17.1%

## Income

Operating income	2,009	2,465	22.7%
Operating expenses (including depreciation and amortization)	2,259	2,038	-9.8%
Net operating Profit	-249	403	-261.8%
Cost of risk in value (*)	431	137	68.2%
Profit after tax	-393	218	155.4%
Operating ratio	112%	83%	
Cost of risk	2.9%	0.7%	
Return on Assets (ROA)	-0.9%	0.2%	
Return on Equity (ROE)	-7.3%	2.0%	

## Capital Adequacy Ratio

Tier 1	2,246	2,543
Tier 2	1,238	1,212
Risk Weighted Asset (RWA)	21,331	21,403
Tier 1 + Tier 2 / RWA	16.3%	17.5%

(\*) Including general provision.



## Board of Directors as at 31/12/2021



A. Dennis AWORI  
Chairman



Abdelkadir BENNANI



Amine BOUABID



Susan KASINGA



Ghali LAHLOU



Ronald MARAMBII



Eunice MBOGO



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BOA-KENYA Head office



## Significant performances

(in KES billion)

### Net Operating Income

2.5 +22.7%

2021

2020

2.0

### Net Income

0.2 +155.4%

2021

-0.4

2020

## Stock information

(in KES)

	2019	2020	2021	AAGR*
Net earnings per share	-318	-50	28	
Equity per share	668	684	709	3.1%
Dividend per share				

(\*) Average annual growth rate

## Highlights

### September

- Participation in the 2021 BANK OF AFRICA Director's Meetings, in Istanbul, Turkey.

### October

- Celebration of service week activities driven under the theme «Driving Customer inclusion».

### November

- Celebration of Diwali: «The festival of light», a major festivals celebrated by Hindus who form a large part of the Bank portfolio.



Diwali Festival celebration


**Compared income statement for the past two fiscal years (in thousands of KES)**

ASSETS	2020	2021	VARIATION
CASH AND BALANCE DUE FROM CENTRAL BANK	8,061,820	4,876,963	-40%
GOVERNMENT SECURITIES	8,911,970	10,229,675	15%
BALANCE DUE FROM OTHERS BANKS	4,164,412	2,957,755	-29%
BALANCE DUE FROM GROUP BANKS	1,766,478	3,642,491	106%
INVESTMENTS	570,261	9,674	-98%
LOANS AND ADVANCES TO CUSTOMERS	15,009,358	15,555,984	4%
RECOVERABLE TAX	438,004	435,093	-1%
TANGIBLES ASSETS	1,416,964	1,257,100	-11%
INTANGIBLES ASSETS	202,580	198,183	-2%
DEFERRED TAX ASSET	2,831,857	2,756,824	-3%
PREPAID LEASE RENTAL			
OTHERS ASSETS	1,543,621	1,429,900	-7%
<b>TOTAL ASSETS</b>	<b>44,917,325</b>	<b>43,349,642</b>	<b>-3%</b>

OFF-BALANCE-SHEET	2020	2021	VARIATION
<b>COMMITMENTS GIVEN</b>	<b>6,669,371</b>	<b>8,121,642</b>	<b>22%</b>
<b>* CREDIT COMMITMENTS</b>	<b>483,124</b>	<b>463,136</b>	<b>-4%</b>
• TO CREDIT INSTITUTIONS			
• TO CUSTOMERS	483,124	463,138	-4%
<b>* GUARANTEES GIVEN</b>	<b>6,186,247</b>	<b>7,658,506</b>	<b>24%</b>
• ON BEHALF OF CREDIT INSTITUTIONS			
• ON BEHALF OF CUSTOMERS	6,186,247	7,658,506	24%
<b>* COMMITMENTS ON SECURITIES</b>			

At 31/12/2021, 1 euro = KES 128.1763

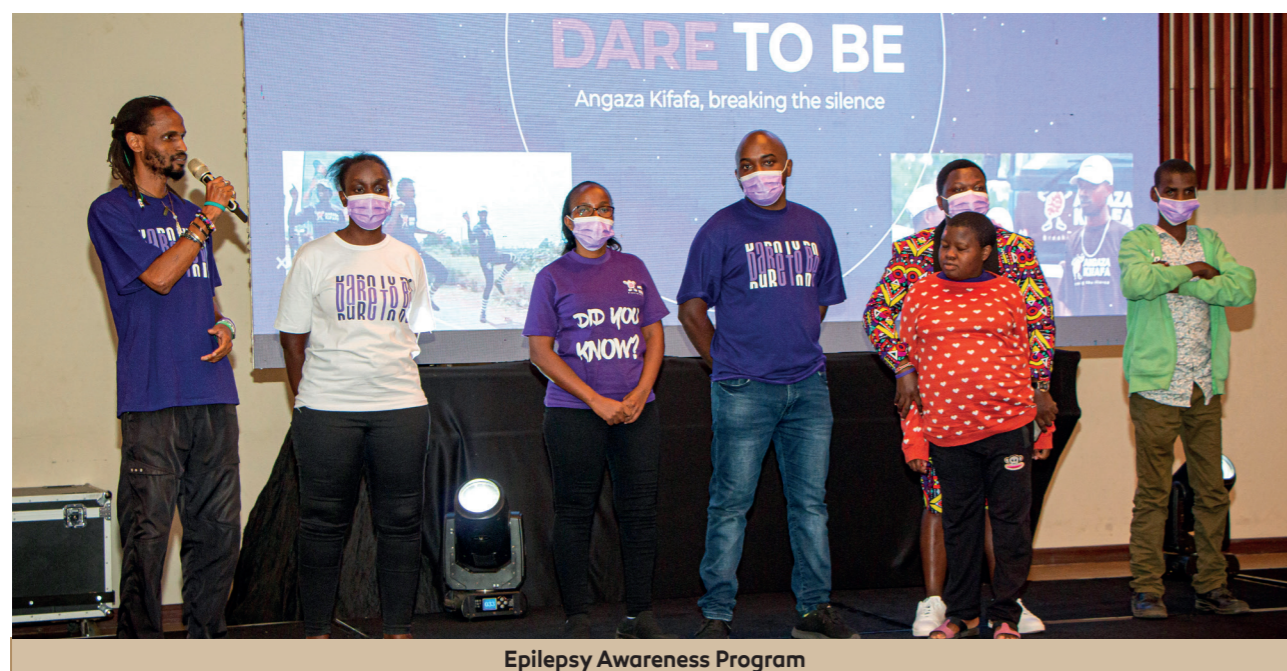
**(in thousands of KES)**

LIABILITIES	2020	2021	VARIATION
CUSTOMER DEPOSITS	27,976,537	26,592,519	-5%
INTER BANK DEBT	97	1,203,544	1,240,667%
LONG TERM DEBT	1,018,596	970,873	-5%
INTRAGROUP	9,086,816	8,096,579	-11%
TAX PAYABLE			
OTHERS LIABILITIES	1,415,892	864,842	-39%
<b>TOTAL LIABILITIES</b>	<b>39,497,938</b>	<b>37,728,357</b>	<b>-4%</b>
CAPITAL	7,927,449	7,927,449	0%
SHARE PREMIUM	1,980,356	1,980,356	0%
RESERVE	235,468	795,581	238%
RETAINED EARNINGS (+/-)	-4,723,886	-5,082,101	8%
DIVIDEND			
<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>5,419,387</b>	<b>5,621,285</b>	<b>4%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>44,917,325</b>	<b>43,349,642</b>	<b>-3%</b>



## Compared income statement for the past two fiscal years (in thousands of KES)

INCOME STATEMENT	2020	2021	VARIATION
INTEREST RECEIVED	2,689,198	2,706,716	1%
INTEREST PAID	-1,688,763	-1,343,514	-20%
<b>NET MARGIN ON BANKING ACTIVITIES</b>	<b>1,000,435</b>	<b>1,363,202</b>	<b>36%</b>
COMMISSIONS RECEIVED	523,650	517,253	-1%
COMMISSIONS PAID	8,735	-11,541	232%
<b>NET COMMISSIONS AND OTHERS</b>	<b>514,915</b>	<b>505,712</b>	<b>-2%</b>
INCOME OF CHANGE OPERATIONS	474,143	525,294	11%
OTHERS OPERATING INCOME	19,806	71,399	260%
<b>TOTAL OPERATING INCOME</b>	<b>2,009,299</b>	<b>2,465,607</b>	<b>23%</b>
OPERATING EXPENSES	-2,258,513	-2,038,236	-10%
<b>NET OPERATING INCOME</b>	<b>-249,214</b>	<b>427,371</b>	<b>-271%</b>
IMPAIRMENT CHARGES	-430,655	-137,757	-68%
PROFIT ON INVESTSEMENT			
<b>PROFIT BEFORE TAX</b>	<b>-679,869</b>	<b>289,614</b>	<b>143%</b>
INCOME TAX EXPENSE	286,404	-71,441	125%
<b>PROFIT AFTER TAX</b>	<b>-393,465</b>	<b>218,173</b>	<b>155%</b>



Epilepsy Awareness Program

## Corporate Social Responsibility

Corporate Social Responsibility is integrated into our culture at BANK OF AFRICA - KENYA'S culture, forming a large part of the bank's give back business strategy. Building relationships with employees, customers and strategic partners has led to positive development within the market that we operate in.

As part of our response to the challenge brought about by the Covid-19 pandemic, BANK OF AFRICA - KENYA has continuously affirmed its commitment to the Kenyan economy. The Covid-19 pandemic, a global health crisis affected many in their ability to meet their daily obligations.

CSR at BANK OF AFRICA - KENYA is more than an initiative. We aim to identify opportunities for change in areas that enhance socio-economic well being of our stakeholders through:

### Health

- Provision for mental health through creating awareness and management of Epilepsy. The Bank continued to create Epilepsy awareness through the flagship CSR Initiative "Angaza Kifafa". The campaign has reached over 10 million Kenyans, trained over 6,000 medics and community health volunteers and seen more than 5,000 patients referred to health facilities for proper treatment. Awareness has been spread through Roadshow Caravans and Radio Talk Shows with the key message being Epilepsy Is Manageable. The highlight was the launch of a documentary; "Dare to Be" featuring People living with Epilepsy and their care givers who the campaign has positively impacted.
- Globally, it is estimated that 1 in 100 people have epilepsy. In Kenya, an estimated 1.2 million people live with epilepsy and only 30% seek treatment.

- EFAC (Education For All Children): Sponsorship of the second cohort of four (4) secondary school students.

Notable Impacts:

- 4 students under EFAC successfully completed their secondary education and are now enrolled in university.
- Mentorship sessions held for over 60 students
- Bank of Africa staff dedicated as volunteer mentors.

Through the Covid-19 pandemic period, we have maintained communication with the students through calls and follow up of progress reports and held virtual mentorship sessions in the last 2 years.

At BANK OF AFRICA - KENYA, we remain committed to the social pillar of the economy as a socially responsible organization.

Building close relationships with all stakeholders is our promise to our customers.

### Education

Through the education pillar, we continue to provide education scholarships to 8 secondary school students.

- LEWA Conservancy: Through the LEWA Education Fund, the bank sponsored four(4) secondary school students, all who will be proceeding to university.

## BANK OF AFRICA Banking Network

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