

Financial Statements 2023

BENIN • BURKINA FASO • BURUNDI • 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 31/12/2023
Kenya Shillings (KES)
7.927 billion

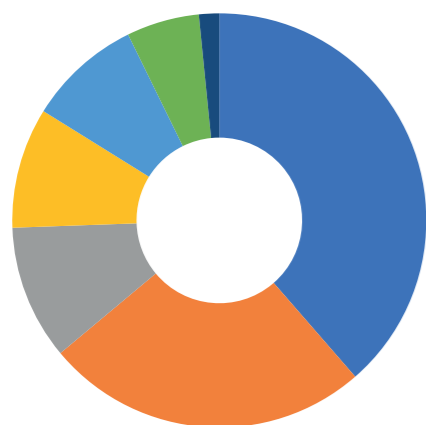


Auditors
KPMG KENYA



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Shareholding as at 31/12/2023



BOA GROUP S.A.	38.60%
BANK OF AFRICA – BENIN	25.32%
SOCIÉTÉ FINANCIÈRE NÉERLANDAISE POUR LE DÉVELOPPEMENT (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

The balance sheet grew by 6% growth amidst a tight liquidity environment that pushed the interbank rates to a high of 17.38%. The bank capitalised on this by diversifying excess cash to interbank market. This is despite a decline in Key interest earning assets i.e., loans and advances reduced from Kes 18.8 Bn to Kes 16.8 Bn in December 2023 due to larger than normal repayment of existing loans. Investment in government securities decreased from Kes 14.5 Bn to Kes 12.9 Bn in December 2023. The volatility in interest rates within the economy continues to create uncertainty in the investment environment which saw the bank shy away from investing in long term Government securities mainly Treasury Bonds.

The funding side of the balance sheet improved as deposits increased from Kes 32.7 Bn to Kes 33.1 Bn as at December 2023. However, with the volatility in interest rates hence an increase in interest expense on deposit, the bank has had to adjust its funding strategies.

The Net Interest income grew by 21% due to increased interest income from loans and interbank placements despite an increase in interest expense by 24% due to volatility in interest rates. Investments made in the interbank market helped cushion the interest income against the budget expectations. This is explained by the slow growth of both investments in government securities and in loans and advances given the current economic situation.

Non-Interest income declined by 3 percent from Kes 1.31Bn to Kes 1.27Bn in December 2023. This is attributed to cessation of charging processing fees on adoption of risk-based pricing model. This is despite an increase in branch operations commission from Kes 286Mn to Kes 335Mn within the same period.

Operating expenses have remained relatively stable with a marginal 3% increase attributed to weakening of shilling against major world currencies that affected FCY denominated invoices.

On the bad debt's provisions, The Bank continues to provide for legacy debts as per agreed provision plan in place and in adherence to the required capital ratios. For the year 2023, the bank made provisions of Kes 803 Mn on the non-performing loans portfolio against Kes 637 Mn in year 2022.

PBT (prof grew by 33% as a result of rising interest rates, NFI (Non funded income) mainly driven by foreign exchange income & continued economic recovery. The bank is compliant on all key capital ratios thus ensuring resilience against unexpected risks & losses.

2023 key figures

(en millions de KES)

Activity	2022	2023	Variation
Deposits	32,733	33,129	1.2%
Loans	18,833	16,833	-10.6%
Number of branches	24	23	

Structure

Total Assets	48,849	51,724	5.9%
Shareholders' equity	5,799	6,054	4.4%
Number of employees	336	352	

Ratios

Solvency ratio (min 14.5%)	15.8%	18.2%
Tier 1	2,602	2,933
Tier 2	1,242	1,593
Risk Weighted Asset (RWA)	24,342	24,923
Large exposures ratios (max 25%)	24.1%	20.4%
Liquididy ratio (min 20%)	48.1%	60.1%

Income

Net operating income	3,028	3,339	10.3%
Operating expenses (including depreciation and amortization)	2,150	2,214	3.0%
Gross operating profit	878	1,125	28.1%
Cost of risk in value (*)	596	749	25.7%
Profit after tax	195	281	44.0%
Operating ratio (%)	71.0%	66.3%	
Cost of risk (%)	3.5%	4.2%	
Return on Assets (ROA%)	0.4%	0.6%	
Return on Equity (ROE%)	3.4%	4.7%	

(*) Including general provision.



Board of Directors as at 31/12/2023



A. Dennis AWORI
Chairman



Abdelkadir BENNANI



Amine BOUABID



Nita SHAH



Ronald MARAMBII



Kennedy M. WANDERI



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Tree planting campaign

Significant performances

(in KES billion)

Total Assets

51.7 +5.9%

2023

2022 48.8

Net income

0.3 +44.0%

2023

2022 0.2

Stock information

(in KES)

	2021	2022	2023	CAGR*
Earning per share	28	25	35	11.8%
Equity per share	709	732	764	3.8%
Dividend per share	-	-	-	

(*) Average annual growth rate



Lewa Education Program

Highlights

March

• Organization of SME Workshop for Landlords Association to showcase the Bank’s products tailored for contractors.

August

• The Bank was sponsored a dinner event organized by Asset Finance partners; URBAN DRIVE AUTOS LTD with key stakeholders in the Kenyan Motor industry.

September

• Organization of an exclusive Investor cocktail in partnership with Purple Dot International Limited, a residential and commercial real estate development company to showcase investment opportunities within the property and real estate sectors to a select group of clients.

• Participation in the 2023 BANK OF AFRICA Director’s Meetings, in Lisbon, Portugal.

October

• Organization of the “Customer Service Week”.



IT Seminar



Compared Balance Sheet for the past two fiscal years

(in thousands of KES)

ASSETS	2022	2023	VARIATION
CASH AND BALANCES WITH CENTRAL BANK	3,838,913	5,374,640	40%
GOVERNMENT SECURITIES	14,562,964	12,959,504	-11%
BALANCE DUE FROM OTHERS BANKS	3,021,850	6,956,184	130%
BALANCE DUE FROM GROUP BANKS	2,827,536	3,709,927	31%
INVESTMENTS	9,674	27,921	189%
LOANS AND ADVANCES TO CUSTOMERS	18,833,312	16,832,573	-11%
RECOVERABLE TAX	434,702	435,664	
TANGIBLE ASSETS	1,683,445	1,553,702	-8%
INTANGIBLE ASSETS	173,134	127,787	-26%
DEFERRED TAX ASSET	2,679,915	2,599,099	-3%
PREPAID LEASE RENTAL			
OTHER ASSETS	783,143	1,146,885	46%
TOTAL ASSETS	48,848,588	51,723,886	6%

OFF-BALANCE-SHEET	2022	2023	VARIATION
COMMITMENTS GIVEN	7,492,042	7,379,643	-2%
CREDIT COMMITMENTS	239,377	334,263	40%
• TO CREDIT INSTITUTIONS			
• TO CUSTOMERS	239,377	334,263	40%
GUARANTEES GIVEN	7,252,665	7,045,380	-3%
• ON BEHALF OF CREDIT INSTITUTIONS			
• ON BEHALF OF CUSTOMERS	7,252,665	7,045,380	-3%
COMMITMENTS ON SECURITIES			

At 31/12/2023, 1 euro = 173.5771125 KES

(in thousands of KES)

LIABILITIES	2022	2023	VARIATION
CUSTOMER DEPOSITS	32,733,380	33,129,039	1%
INTERBANK LIABILITIES	1,003,863	2,599,767	159%
LONG TERM DEBT	1,001,911	2,913,944	191%
INTRAGROUPE	7,348,418	6,346,405	-14%
TAX PAYABLE	961,614	680,375	-29%
OTHER LIABILITIES			
TOTAL LIABILITIES	43,049,186	45,669,530	6%
CAPITAL	7,927,449	7,927,449	
SHARE PREMIUMS	1,980,356	1,980,356	
RESERVE	990,366	999,715	1%
RETAINED EARNINGS (+ / -)	-5,098,769	-4,853,164	-5%
DIVIDEND			
TOTAL SHAREHOLDERS FUNDS	5,799,402	6,054,356	4%
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	48,848,588	51,723,886	6%



Marketing Seminar



Compared Income Statement for the past two fiscal years

(in thousands of KES)

INCOME STATEMENT	2022	2023	VARIATION
INTEREST RECEIVED	3,230,260	3,958,163	23%
INTEREST PAID	-1,479,150	-1,839,685	24%
NET MARGIN ON BANKING ACTIVITIES	1,751,110	2,118,478	21%
COMMISSIONS RECEIVED	493,740	480,984	-3%
COMMISSIONS PAID	-14,444	-18,211	26%
NET COMMISSIONS AND OTHER	479,296	462,773	-3%
INCOME OF CHANGE OPERATIONS	762,743	738,657	-3%
OTHERS OPERATING INCOME	35,279	19,327	-45%
TOTAL OPERATING INCOME	3,028,428	3,339,235	10%
OPERATING EXPENSES	-2,149,941	-2,214,087	3%
NET OPERATING INCOME	878,487	1,125,148	28%
IMPAIRMENT CHARGES	-595,899	-749,332	26%
PROFIT ON INVESTMENT			
PROFIT BEFORE TAX	282,588	375,816	33%
INCOME TAX EXPENSE	-87,518	-94,850	8%
PROFIT AFTER TAX	195,070	280,966	44%

Corporate Social Responsibility

BANK OF AFRICA - KENYA continues to focus on the three Corporate Social Responsibility pillars: health, education and social.

Health

The flagship initiative of the Bank is the “Angaza Kifafa” campaign which focuses on educating the community at large, conducting refresher courses on epilepsy for health professionals and seminars for Community Health Volunteers.

- Sponsoring of the Secretary National Epilepsy Coordination Committee (NECC), for the International Epilepsy Awards and Congress in Dublin, Ireland. The event attracted over 3,000 healthcare & scientific professionals from across the global epilepsy community.
- Partnership with counties for the training of community health promoters (CHPs) on the causes, identification, and first aid. This roadshow creates also awareness through both the media and one-on-one interactions in targeted towns. This has successfully taken place in 20 out of 47 counties so far.

Education

- The Bank in partnership with the Education for All Children (EFAC) foundation to contribute towards the scholarship fund to support 4 needy students.
- The bank partnered with the Lewa Education Programme (LEP) to contribute towards the scholarship fund and participated in mentorship session for the university & college students, whose topics included financial literacy, saving, budgeting, financial accountability and discipline and entrepreneurship.

Social

- Donation of 1,000 avocado tree seedlings to 100 farmers in partnership with Miti Alliance, a registered social enterprise in Kenya which focuses on environmental education.



Farewell ceremony for the Regional Manager



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