

# MARCHING AHEAD STRONG AND STEADY



The Board of Directors is pleased to announce the audited results of the Bank for the year ended 31st December 2012

## I: STATEMENT OF FINANCIAL POSITION AS AT

	31st Dec, 2012 Shs'000 (Audited)	31st Dec, 2011 Shs'000 (Audited)
<b>A ASSETS</b>		
1 Cash ( both Local & Foreign)	223,276	189,731
2 Balances due from Central Bank of Kenya	1,852,943	1,602,245
3 Kenya Government securities	8,834,098	8,767,639
4 Foreign Currency Treasury Bills & Bonds	-	-
5 Deposits and balances due from local banking institutions	311	582,602
6 Deposits and balances due from banking institutions abroad	195,680	62,373
7 Kenya Government and other securities held for dealing purposes	12,038,050	5,307,081
8 Tax recoverable	118,109	162,934
9 Loans and advances to customers (net)	21,922,597	19,144,038
10 Investment securities	308,173	348,824
11 Balances due from group companies	-	-
12 Investments in associates	-	-
13 Investments in subsidiary companies	-	-
14 Investments in joint ventures	-	-
15 Investment properties	24,760	24,145
16 Property and equipment	159,672	131,177
17 Prepaid lease rentals	-	-
18 Intangible assets	5,192	4,898
19 Deferred tax asset	65,767	47,542
20 Retirement benefit asset	-	-
21 Other assets	389,149	325,568
22 <b>TOTAL ASSETS</b>	<b>46,137,777</b>	<b>36,700,797</b>
<b>B LIABILITIES</b>		
23 Balances due to Central Bank of Kenya	-	-
24 Customer deposits	38,382,464	30,263,949
25 Deposits and balances due to local banking institutions	-	-
26 Deposits and balances due to foreign banking institutions	1,634,835	1,144,515
27 Other money market deposits	-	-
28 Borrowed funds	-	-
29 Balances due to group companies	-	-
30 Tax payable	-	-
31 Dividends payable	-	-
32 Deferred tax liability	-	-
33 Retirement benefit liability	-	-
34 Other liabilities	362,100	356,498
35 <b>TOTAL LIABILITIES</b>	<b>40,379,399</b>	<b>31,764,962</b>
<b>C SHAREHOLDERS' FUNDS</b>		
36 Paid up /Assigned capital	989,717	989,717
37 Share premium	-	-
38 Revaluation reserves	(285,179)	100,126
39 Retained earnings	4,646,795	3,474,447
40 Statutory loan reserves	238,793	203,293
41 Proposed dividends	168,252	168,252
42 Capital grants	-	-
43 <b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>5,758,378</b>	<b>4,935,835</b>
44 <b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>46,137,777</b>	<b>36,700,797</b>

## II: STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED

<b>1 INTEREST INCOME</b>		
1.1 Loans and advances	4,118,995	2,421,609
1.2 Government securities	1,653,687	1,457,712
1.3 Deposits and placements with banking institutions	87,588	32,007
1.4 Other Interest Income	40,897	14,541
1.5 <b>Total interest income</b>	<b>5,901,167</b>	<b>3,925,869</b>
<b>2 INTEREST EXPENSE</b>		
2.1 Customer deposits	3,720,917	1,592,885
2.2 Deposits and placement from banking institutions	32,471	46,854
2.3 Other interest expenses	-	-
2.4 <b>Total interest expenses</b>	<b>3,753,388</b>	<b>1,639,739</b>
<b>3 NET INTEREST INCOME</b>	<b>2,147,779</b>	<b>2,286,130</b>
<b>4 OTHER OPERATING INCOME</b>		
4.1 Fees and commissions on loans and advances	-	-
4.2 Other fees and commissions	174,703	164,693
4.3 Foreign exchange trading income	64,119	46,528
4.4 Dividend Income	423	805
4.5 Other income	80,112	(42,665)
4.6 <b>Total non-interest income</b>	<b>319,357</b>	<b>169,361</b>
<b>5 TOTAL OPERATING INCOME</b>	<b>2,467,136</b>	<b>2,455,491</b>
<b>6 OPERATING EXPENSES</b>		
6.1 Loan loss provision	8,278	199,349
6.2 Staff costs	384,195	284,284
6.3 Directors' emoluments	14,142	10,834
6.4 Rental charges	106,683	71,195
6.5 Depreciation charge on property and equipment	54,986	27,731
6.6 Amortisation charges	1,653	1,225
6.7 Other operating expenses	230,499	184,490
6.8 <b>Total operating expenses</b>	<b>800,436</b>	<b>779,108</b>
<b>7 Profit before tax and exceptional items</b>	<b>1,666,700</b>	<b>1,676,383</b>
8 Exceptional items	-	-
<b>9 Profit after exceptional items</b>	<b>1,666,700</b>	<b>1,676,383</b>
10 Current tax	308,825	317,080
11 Deferred tax	(18,225)	(4,578)
<b>12 Profit after tax and exceptional items</b>	<b>1,376,100</b>	<b>1,363,881</b>
<b>13 EARNINGS PER SHARE- BASIC &amp; DILUTED</b>	<b>27.81</b>	<b>27.56</b>
<b>14 DIVIDEND PER SHARE -DECLARED</b>	<b>3.40</b>	<b>3.40</b>

## III: OTHER DISCLOSURES

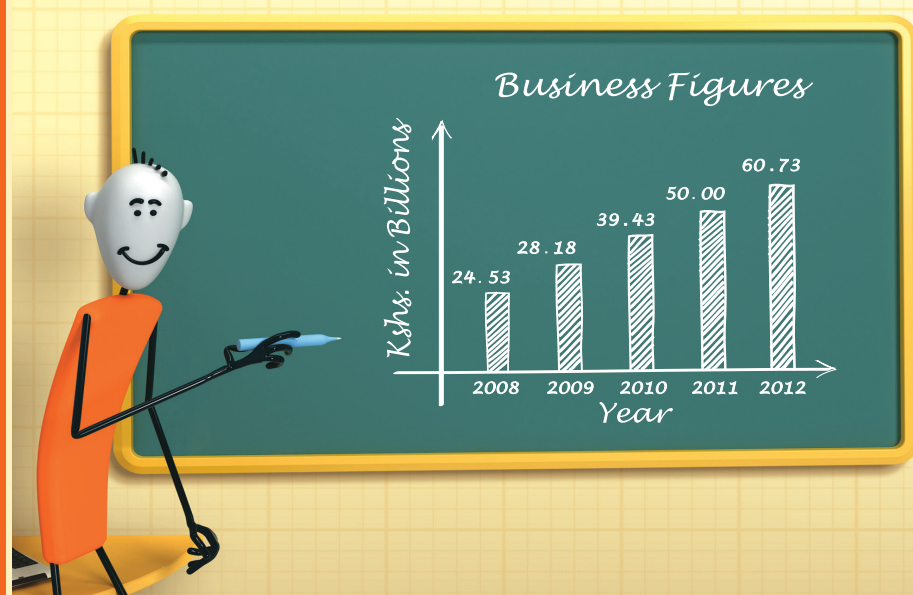
	31st Dec, 2012 Shs'000 (Audited)	31st Dec, 2011 Shs'000 (Audited)
<b>1 NON-PERFORMING LOANS AND ADVANCES</b>		
a) Gross Non-performing loans and advances	583,766	648,851
b) Less Interest in Suspense	71,520	64,606
c) <b>Total Non-Performing Loans and Advances (a-b)</b>	<b>512,246</b>	<b>584,245</b>
d) Less Loan Loss Provision	359,181	529,597
e) <b>Net Non-Performing Loans and Advances(c-d)</b>	<b>153,065</b>	<b>54,648</b>
f) Discounted Value of Securities	153,065	54,648
g) <b>Net NPLs Exposure (e-f)</b>	<b>-</b>	<b>-</b>
<b>2 INSIDER LOANS AND ADVANCES</b>		
h) Directors, Shareholders and Associates	31,680	6,881
i) Employees	127,499	99,198
j) <b>Total Insider Loans and Advances and other facilities</b>	<b>159,179</b>	<b>106,079</b>
<b>3 OFF-BALANCE SHEET ITEMS</b>		
a) Letters of credit, guarantees, acceptances	6,599,881	5,443,195
b) Other contingent liabilities	849,136	1,287,841
c) <b>Total Contingent Liabilities</b>	<b>7,449,017</b>	<b>6,731,036</b>
<b>4 CAPITAL STRENGTH</b>		
a) Core capital	5,636,512	4,464,164
b) Minimum Statutory Capital	1,000,000	700,000
c) Excess (a-b)	4,636,512	3,764,164
d) Supplementary Capital	238,793	203,293
e) <b>Total Capital (a+d)</b>	<b>5,875,305</b>	<b>4,667,457</b>
f) Total risk weighted assets	24,951,471	21,812,452
g) <b>Core Capital/Total deposits Liabilities</b>	<b>14.7%</b>	<b>14.8%</b>
h) Minimum statutory Ratio	8.0%	8.0%
i) Excess	6.7%	6.8%
j) <b>Core Capital / total risk weighted assets</b>	<b>22.6%</b>	<b>20.5%</b>
k) Minimum Statutory Ratio	8.0%	8.0%
l) Excess (j-k)	14.6%	12.5%
m) <b>Total Capital/total risk weighted assets</b>	<b>23.5%</b>	<b>21.4%</b>
n) Minimum statutory Ratio	12.0%	12.0%
o) Excess (m-n)	11.5%	9.4%
<b>5 LIQUIDITY</b>		
a) <b>Liquidity Ratio</b>	<b>55.8%</b>	<b>49.2%</b>
b) Minimum Statutory Ratio	20.0%	20.0%
c) Excess (a-b)	35.8%	29.2%

## MESSAGE FROM THE DIRECTORS

- a) These financial statements are extracts from audited books of the institution.  
b) The financial statements were audited by M/s PKF Kenya and received an unqualified opinion.  
c) The full set of published financial statements will be available at our offices once they are approved by the shareholders at the Annual General Meeting.  
d) The Directors recommend payment of Dividend of Kshs. 3.40 per share subject to approval by the shareholders at the Annual General Meeting.  
e) The accounts were approved by the Board of Directors on 28th February 2013 and signed on behalf of the Board by:

(Sunil K. Srivastava)  
Director

(Vindhya Ramesh)  
Managing Director



BRANCHES:- **NAIROBI**: KOINANGE STREET, SARIT CENTRE & INDUSTRIAL AREA; **MOMBASA**: DIGO ROAD & NYALI; **KISUMU**, **ELDORET**, **THIKA**, **NAKURU** & **KAKAMEGA**.



# Bank of Baroda (Kenya) Ltd.