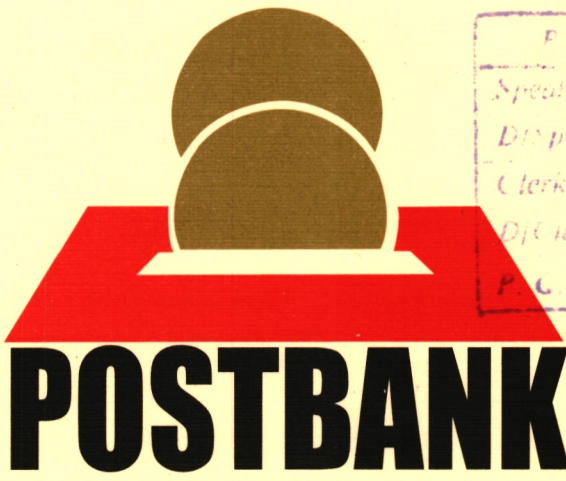


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KENYA POST OFFICE SAVINGS BANK
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31ST DECEMBER 2001



**REPORT OF THE CONTROLLER AND
AUDITOR GENERAL ON THE ACCOUNTS OF
THE KENYA POST OFFICE SAVINGS BANK
FOR THE YEAR ENDED 31 DECEMBER, 2001**

KENYA NATIONAL ASSEMBLY
Accession: 10012982

Call No: 657-45 KPSB



POST BANK
Head Office:
Post Bank House
Banda Street
P.O. Box 30311
Tel: (02) 229551-6

KENYA POST OFFICE SAVINGS BANK

**DIRECTOR’S REPORT AND ACCOUNTS
31ST DECEMBER 2001**

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KENYA POST OFFICE SAVINGS BANK

DIRECTOR'S REPORT

AND

ACCOUNTS

31 DECEMBER, 2001

KENYA POST OFFICE SAVINGS BANK

CHAIRMAN'S STATEMENT 31 DECEMBER 2001

It is with great pleasure that I present to you the 2001 annual Report and Accounts for the Bank.

No doubt 2001 was a year of constrained economic growth in Kenya. Overall, economic growth has fallen from 1.8% in 1998, 1.4% in 1999, to 0.4 % in 2000 and a marginal growth of 0.8% in 2001. Most sectors realised a slight growth including the banking industry.

The Bank's gross income increased from Kshs.1,114.6 million in 2000 to Kshs.1,501.5 million in 2001. This was mainly attributed to the customers confidence in the bank and increased commission based agency business.

The results for the year increased by Kshs.140.6 million from a loss of Kshs.92.9 million in 2000 to a profit of Kshs.47.7 million in 2001. This was because of slight improvement in investment rates and increased provision of commission based services.

During the year, the Bank opened a new branch at Kilifi and upgraded Malindi Sub Branch to a Branch. This has gone a long way in improving and extending services to customers.

During the year, several members of staff were sponsored to various management and professional courses. Several workshops and seminars involving most of the staff were held with an objective of improving their skills and work performance.

The Bank attaches great importance to Information Technology to improve Customer Service. Head Office, Cannon House, Nakuru, Savani House, Kisumu and Moi Avenue branches are computerised and linked to the Central Processing Unit at the Head Office. Plans are under way to computerise other branches so as to improve on speed and processing of customer information. A new Symbols Banking software under implementation is at an advanced stage. It is expected to improve efficiency in customer service and attract more business.

The General Ledger for the Financial Management System and Payroll was computerised except for the Fixed Assets Register which is in progress.

A significant figure of Kshs.723.2 million representing accumulated losses which by virtue of section 13 (1) of Kenya Post Office Savings Bank Act Cap 493 (B) of the Laws of Kenya is recoverable from the consolidated fund, continues to be reflected as an asset. An amount of Kshs.489 million has already been released by the Government.

I sincerely thank all our esteemed customers for their continued patronage. I must also acknowledge the tireless efforts and devotion to duty of the Board of Directors, Management and Staff without whom efficient customer service would not have been offered.



**DR. JENIFFER RIRIA
CHAIRPERSON**

28TH FEBRUARY, 2003

KENYA POST OFFICE SAVINGS BANK
REPORT OF THE DIRECTORS
YEAR ENDED 31 DECEMBER 2001

The Directors have pleasure in presenting their report and audited accounts for the year ended 31 December 2001.

PRINCIPAL ACTIVITY

The Bank is primarily engaged in the mobilisation of savings for national development and operates under the Kenya Post Office Savings Bank Act Cap 493B. In addition, through its financial services division, the bank offers local and international money transfer services and visa credit services.

RESULTS

The results for the year are set out on page 8

DIRECTORS

The directors who served during the year to the date of this report were:-

Dr. J. Riria	- Chairperson	- Appointed 23-09-2002
A. S. Dahir	- Chairman	- Ceased 23-09-2002
E. C. A. Saina	- Managing Director	- Appointed 01-04-2001
I. F. Kiplagat	- Managing Director	- Ceased 20-04-2001
L. Radoli	-	Appointed 25-4-2000
D. Kipkorir	-	Appointed 25-4-2000
D. A. Chabeda	-	Re-appointed 25-4-2000
Mwaghazi Mwachofi	- Permanent Secretary, Ministry of Finance	-Appointed 29-03-2001
J. K. Kinyua	- Permanent Secretary, Ministry of Finance	-Appointed 30-08-2002
Mwaghazi Mwachofi	- Permanent Secretary, Ministry of Finance	-Ceased 30-08-2002
M. L. Oduor-Otieno	- Permanent Secretary, Ministry of Finance	-Ceased 29-03-2001
J. M. Oyula	- Alt. Representing PS. Ministry of Finance	-Appointed 24-11-2000

AUDITORS

The auditors, Auditor General Corporation , have expressed their willingness to continue in office.

By order of the Board.

M.N. KAGIRI - MBIJIWE (MRS)
COMPANY SECRETARY

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE ACCOUNTS OF THE KENYA POST OFFICE SAVINGS BANK FOR THE YEAR ENDED 31 DECEMBER 2001

I have examined the accounts of the Kenya Post Office Savings Bank for the year ended 31 December, 2001 in accordance with the provisions of Section 29 of the Exchequer and Audit Act (Cap. 412). I have obtained all the information and explanations considered necessary for the purpose of the audit. Proper books of Account have been kept, and the Accounts, which have been prepared under the historical cost convention as modified by the re-valuation of certain fixed assets, are in agreement therewith and comply with the Kenya Post Office Savings Bank Act. (Cap. 493B).

Except for the matters referred to herebelow, the Accounts when read together with the Notes thereon, give a true and fair view of the Bank's financial state of affairs as at 31 December 2001 and of its surplus and cash flows for the year then ended.

1. DEFERRED ASSET

The total assets of Kshs. 9,175,637,071 as at 31 December 2001 include a deferred asset of KShs. 723,183,721 which represents accumulated losses incurred by the Bank over the years. Although Section 13 (1) of the Kenya Post Office Savings Bank Act Cap. 493 B provides that if in any year the revenue of the Bank is insufficient to defray the interest due to depositors and all expenses under the Act, such deficiency shall be charged upon and paid out of the Consolidated Fund, the accumulated losses incurred by the Bank may have represented gross financial mismanagement. In the circumstances, therefore, it is not possible to confirm the propriety of the losses or that they are chargeable on the Consolidated Fund.

2. FIXED ASSETS

The Fixed Assets figure of Kshs. 994,432,351 includes Kshs. 27,390,255 being the value of a parcel of land LR No. 209/11908 and the building thereon at Upper Hill, Nairobi, which the Bank took over from Thabiti Finance company to offset the value of an investment totalling Kshs. 15,435,411 that the Bank held in the company (now in liquidation). Available information, however, indicates that although the court vested this property to the bank in July 1994, the Bank has not been able to have the title deed for the property transferred, because of a caveat placed on the property by the individual. In addition the property has, so far been claimed by a private individual who claims to have been allocated the property in 1993. The claimant sued the Bank and the case is pending in court. Consequently, it is not possible to confirm the ownership of the property.

3. DEPOSITS HELD IN UNSTABLE AND COLLAPSED BANKS AND FINANCIAL INSTITUTIONS

A review of the Bank's investment Portfolio indicated that the Bank held deposits totalling Kshs. 547,818,479 in 13 Banks/Financial institutions whose operations were suspended by the Central Bank of Kenya. Five out of these have since been put under receivership while the remaining ones with deposits totalling Kshs. 441,593,947 have since been put under liquidation. Apart from the fact that the Bank has not produced any evidence to show what efforts have been made to recover the amounts, the full provision for bad and doubtful debts of Kshs. 559,362,440 made in the accounts is an indication that recoverability is doubtful and the debts may eventually be written off.

4. SALE OF PROPERTY

In June 1999 the Bank engaged, through their lawyer, the services of a firm of Auctioneers to sell, by public auction, a property belonging to Kenya Projects and Investment Ltd., a subsidiary of Allied Credit Limited so as to recover a deposit of Kshs. 32,926,975 inclusive of accrued interest that the bank had deposited with Allied Credit Ltd. According to the highest bidder, the property was offered for Kshs. 35 million on behalf of the Kenya Post Office Savings Bank Pension Fund. The highest bidder was asked to pay a deposit of Kshs. 8,750,000 which they failed to pay. Available information further indicates that for unexplained reasons the Bank instead advanced the bidder Kshs. 8,750,000 representing 25% of the bid price so as to be able to pay the deposit. The Bank however paid the amount to Valley Auctioneers who was supposed to pay the same to the Bank on behalf of the Pension Fund. The Auctioneers did not pay the amount back to the Bank, but instead transferred the property to the Pension Fund on 4th December, 2000 after the Bank paid a further sum of Kshs. 1,400,000 in respect of transfer fees and Kshs. 1,223,904 in respect of water bills. Apart from the fact that evidence was not seen to confirm that the loan repayment terms under which the Bank advanced the pension Fund of Kshs. 8,750,000 deposit, there is no indication of the balance of Kshs. 26,250,000 having been demanded before the property was transferred to the Fund. The transaction, therefore, means that the Bank has to date not been able to recover the sales proceeds of Kshs. 35,000,000 from both the Fund and Auctioneers and no indication has been given as to how the total amount of Kshs. 43,750,000 will eventually be recovered from both the Fund and the Auctioneer. In addition no justification has been provided as to why the Bank had to pay Kshs. 1,223,904 to cover water bills when such expenditure should have been met by those who used the water. Consequently the payment of Kshs. 1,223,904 is irregular and not a proper charge to the Bank.

5. PURCHASE OF MOTOR VEHICLE

In November 1995 the Bank placed an order for two vehicles with a private individual who was a motor vehicle dealer at a total cost of Kshs. 6,825,000, and made an advance payment of Kshs. 3,412,500 being 50% of the cost price for the two vehicles. However, the advance payment of Kshs. 3,412,500 was inexplicably converted to payment of full price of an apparently second hand vehicle whose cost was quoted as 3,300,000 inclusive of freight, duty, VAT and delivery charges from the port to the Bank offices. However, the supplier did not refund the excess amount of Kshs. 112,500 paid over and above the cost quoted for this one vehicle which was Kshs. 3,300,000. One year later in August 1996, the bank made further payments totalling Kshs. 2,051,763 without any justification to cater for the following charges even though the advance payment had included the same costs:

	KSHS.
DUTY/VAT	1,599,604
Customs/Excise duty plus 20% penalty cater for Local inspection Fee as the vehicle was not inspected in the country of origin	252,159
Fines for non payment	100,000
Clearance Charges	50,000
Registration	50,000
Total	<u>2,051,763</u>

However, it was noted that these charges had earlier been included in the advance payment. The Bank, on realising the double payment sued the company for Kshs. 2,164,263 made up of the additional cost of Kshs. 2,051,763 and the balance of the advance of Kshs. 112,500. Judgment was made in favour of the Bank for

Kshs. 2,164,263. However, from the date of judgement in 1997 only a sum of Kshs. 700,000 has since been paid to the Bank and the recoverability of the balance is still in doubt.

6. AVOIDABLE EXPENDITURE

The Bank entered into an agreement with a foreign company, Progeny Ventures, to act between it and the Western Union regarding money transfers. Under the Agreement, the Commission was to be shared among the parties as follows:-

Post Bank	54%
Progeny Ventures	36%
Deposit to Account	
Designed Market	
Development Fund	10%
	<u>100%</u>

Although Western Union Money Transfers paid Commission totalling Kshs. 617,976,448 to be shared according to the above agreed ratios, the Bank, for an unknown reasons, paid Progeny Ventures only 8.5% of the proceeds amounting to Kshs. 52,499,920 as at 31.12.2001 thus illegally retaining Kshs. 169,971,601 to itself. Progeny Ventures therefore sued the Bank for recovery of the balance. Consequently, the Bank incurred a total of Kshs. 20,850,638 while defending the case as follows:

	Kshs.
Payment to overseas lawyers	12,729,341
Arbitration expenses	3,324,760
Payment to Local lawyers	1,581,955
Staff expenses to and from	
Nairobi to USA	3,214,582
Total Expenditure	<u>20,850,638</u>

Had the Bank not breached the Agreement the total expenditure of Kshs. 20,850,638 could have been avoided.

7. DEBTORS AND PREPAYMENTS

The Debtors and prepayments figure of Kshs. 1,122,29,491 as at 31st December, 2001 includes debts totalling Kshs. 515,034,705 claimed as due from the Postal Corporation but which has been disputed by the Corporation and the Corporation has therefore declined to confirm the existence of the total debt of Kshs. 515,034,705. Further the debtors and prepayments figure includes Directors and Staff Loans totalling Kshs. 251,867,731 arrived at as follows:-

	(Kshs.)
Directors loans	12,694,221
Staff loans	239,173,510
Total	<u>251,867,731</u>

Out of this amount Kshs. 11,394,524 was noted to be outstanding against 2 Directors and 2 employees who are no longer in the service of the Bank including the immediate former Managing Director who held a loan of

Kshs. 4,046,461. In addition schedules produced for audit verification in support of Visa Card debtors showed total debtors of Kshs. 65,376,151 while in difference of Kshs. 35,029,516. The analyses and supporting schedules in respect of these debtors were not provided for audit verification. Consequently, it has not been possible to confirm the recoverability of the Visa Card debtors amount of Kshs. 100,405,667 and the accuracy of the debtors and prepayment figure of Kshs. 1,222,229,491 as at 31st December, 2001.



D.G. NJOROGE
CONTROLLER AND AUDITOR GENERAL

Nairobi
29TH OCTOBER 2003

KENYA POST OFFICE SAVINGS BANK

BALANCE SHEET AS AT 31 DECEMBER 2001

ASSETS	NOTE	2001 TOTALS Kshs	2000 TOTALS Kshs
Bank and cash balances		680,024,916.00	760,582,944.00
Investments in treasury bills and bonds	2	5,324,148,757.00	3,598,734,688.00
Funds on call and short notice	3	244,532,112.00	530,754,699.00
Other investments	4	50,108,731.00	49,709,022.00
Debtors, prepayments and other assets	5	1,122,229,491.00	649,368,860.00
Deferred asset	6	723,183,721.00	865,180,648.00
Investment in subsidiary	7	20.00	20.00
Capital work-in-progress	8	36,976,972.00	175,876,687.00
Fixed assets	9	<u>994,432,351.00</u>	<u>857,325,535.00</u>
		<u>9,175,637,071.00</u>	<u>7,487,533,103.00</u>
LIABILITIES			
Creditors	10	450,390,305.00	158,375,198.00
Premium Bonds		87,157,337.00	78,445,947.00
Customers' savings and deposit accounts	11	7,763,200,298.00	6,723,755,948.00
Bearer Bonds	12	<u>220,002,615.00</u>	<u>220,002,615.00</u>
		<u>8,520,750,555.00</u>	<u>7,180,579,708.00</u>
NET ASSETS		<u>654,886,516.00</u>	<u>306,953,395.00</u>
REPRESENTED BY:			
Capital Reserves	13	310,495,524.00	306,953,395.00
Revenue Reserves	13	<u>344,390,992.00</u>	-
		<u>654,886,516.00</u>	<u>306,953,395.00</u>

The final accounts were approved by the Directors on 28th February, 2003 for audit purposes and signed on its behalf by:



**DR. JENIFFER RIRIA
CHAIRPERSON**



**E.C.A. SAINA
MANAGING DIRECTOR**

KENYA POST OFFICE SAVINGS BANK

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001**

INCOME	NOTE	2001 TOTAL Kshs.	2000 TOTAL Kshs.
Interest on placement with banks		62,694,540.00	91,744,851.00
Interest on Government securities		625,169,392.00	373,518,103.00
Fees and commissions	14	597,188,115.00	218,297,691.00
Interest on KP&TC balances		33,260,006.00	16,486,222.00
Interest on PCK Deposits		26,343,258.00	22,229,361.00
Interest on staff loans		8,259,318.00	8,404,081.00
Rental income		16,912,392.00	15,649,353.00
Interest on outbound bal. Local & International		25,157,800.00	0.00
MTS Forex Gain		58,245,203.00	0.00
Other income	15	48,306,588.00	32,136,119.00
Financial Services income	1(i)	0.00	247,434,603.00
Special Products income	1(i)	<u>0.00</u>	<u>88,651,609.00</u>
		<u>1,501,536,612.00</u>	<u>1,114,551,993.00</u>
DIRECT EXPENSES			
Interest expenses	16	111,248,165.00	69,835,109.00
Operating Stationery		20,953,398.00	17,421,046.00
Agency Fee		0.00	19,027,551.00
Bonus, Prizes		15,118,581.00	0.00
Visa charges		3,410,811.00	0.00
Shared cost, commissions		144,533,515.00	0.00
Financial services expenses	1(i)	0.00	24,370,774.00
Special Products Expenses	1(i)	0.00	39,040,217.00
Total Direct Expenses		<u>295,264,470.00</u>	<u>169,694,699.00</u>
GROSS PROFIT		<u>1,206,272,142.00</u>	<u>944,857,295.00</u>
OTHER EXPENSES			
Administration	17	737,354,160.00	560,392,413.00
Establishment	18	224,732,640.00	95,516,853.00
Selling	19	20,095,644.00	6,073,993.00
Depreciation		113,004,239.00	71,860,697.00
Research & Development		642,355.00	0.00
Financial charges	20	26,237,854.00	16,664,048.00
Bad and doubtful debts	21	31,627,725.00	174,182,790.00
Amortisation of preliminary expenses	22	4,913,661.00	4,913,661.00
Financial Services expenses	1(i)	0.00	75,254,442.00
Special Products expenses	1(i)	<u>0.00</u>	<u>32,939,724.00</u>
Total Other Expenses		<u>1,158,608,278.00</u>	<u>1,037,798,620.00</u>
NET PROFIT / (LOSS)	23	<u>47,663,864.00</u>	<u>-92,941,325.00</u>

KENYA POST OFFICE SAVINGS BANK

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2001

	2001 Total Kshs.	2000 Total Kshs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) for the year	47,663,864.00	-92,941,325.00
Adjustments for:-		
Depreciation	113,004,239.00	71,860,697.00
Rental Income	-16,912,392.00	-15,649,353.00
Dividend income	-1,182,960.00	-1,803,901.00
Dividend from Postbank Credit Limited	-6,600,000.00	-2,000,000.00
Gain on disposal of fixed assets	-2,670,510.00	-
Amortisation of preliminary expenses	4,913,661.00	4,913,661.00
Appreciation/ Diminution in value of quoted investments	<u>-399,708.00</u>	<u>1,550,525.00</u>
Operating profit before working capital changes	137,816,194.00	-34,069,696.00
Other investments	399,708.00	-11,989,475.00
Deferred asset	439,546,200.00	54,118,028.00
Debtors	-472,860,631.00	68,414,090.00
Creditors	292,015,107.00	55,828,388.00
Customer deposits and premium bonds	1,048,155,740.00	919,738,899.00
Net cash from operations	1,445,072,318.00	1,052,040,234.00
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-250,111,056.00	-53,507,520.00
Capital work in progress	138,899,716.00	-71,409,976.00
Proceeds from disposal of fixed assets	2,670,510.00	-
Proceeds from government stock	17,595,000.00	-
Rental income	16,912,392.00	15,649,353.00
Dividend Income	1,182,960.00	1,803,901.00
Dividend from Postbank Credit Limited	6,600,000.00	2,000,000.00
Net cash from investing activities	-66,250,478.00	-105,464,242.00
Net increase in cash and cash equivalents	1,378,821,840.00	946,575,992.00
Cash and cash equivalents at the beginning of the year	4,699,689,813.00	3,753,113,821.00
Cash and cash equivalents at the end of the year (note 24)	6,078,511,653.00	4,699,689,813.00

KENYA POST OFFICE SAVINGS BANK
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

SIGNIFICANT ACCOUNTING POLICIES

1. (a) **Basis of accounting**
The accounts are prepared under the historical cost convention as modified by the revaluation of certain fixed assets.
- (b) **Revenue recognition**
Income from investments and rent is recognised as it accrues.
- (c) **Investments**
Investments are stated at the lower of cost and net realisable value.
- (d) **Fixed assets and depreciation**
Leasehold properties for which the lease has 99 years or more to run are stated at cost or valuation and are not depreciated.
Postbank House is stated at a 1997 professional valuation.
Other buildings are stated at 1997 and 1998 professional valuations.
Other fixed assets are stated at a 1987 professional valuation with subsequent additions at cost, less depreciation. The basis of valuation is open market value.

Depreciation is calculated on the straight line basis, at rates estimated to write off the assets over their expected useful lives.

The following depreciation rates are used:

Postbank house	2.5 % p.a.
Other buildings	2.5 % p.a.
Show stands	20.0 % p.a.
Motor vehicles	25.0 % p.a.
Furniture and fittings	12.5 % p.a.
Office equipment	20.0 %p.a.
Data processing equipment	20.0 %p.a.
Computer software	20.0 %p.a.

Excess depreciation on the revaluation surplus is transferred from the capital reserve to revenue reserve.

- (e) **Stocks**
Stocks comprises of stationery and drugs. They are valued at cost.
- (f) **Foreign currency transactions**
Foreign currency transactions during the year are converted into Kenya shillings at rates ruling at the transactions dates. Assets and liabilities at the balance sheet date which are expressed in foreign currencies are translated into Kenya shillings at the rates ruling at the date. The resulting differences from conversion and translation are dealt with in the profit and loss account in the year in which they arise.
- (g) **Retirement benefit costs**
The contributions made by the bank to the defined scheme and to the provident fund are charged to the profit and loss account in the year of contribution.
- (h) **Provision for doubtful debts**
Specific provision is made on debtors that are considered to be doubtful. Bad debts are written off when all reasonable steps to recover them have been taken without success.
- (i) **Change in presentation of Profit & loss accounts**
During the year the results of Financial services and Special products units were consolidated instead of showing them as segments as in previous years.

**KENYA POST OFFICE SAVINGS BANK
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2001**

2. INVESTMENT IN TREASURY BILLS & BONDS	2001	2000
	Kshs.	Kshs.
East African Development Bank Bonds	134,250,000.00	223,750,000.00
Government Bonds and Treasury bills	5,155,236,257.00	3,342,727,188.00
Shelter Afrique	20,000,000.00	-
Government stocks	<u>14,662,500.00</u>	<u>32,257,500.00</u>
	<u>5,324,148,757.00</u>	<u>3,598,734,688.00</u>

3. FUNDS ON CALL AND SHORT NOTICE	2001	2000
	Kshs.	Kshs.
Funds on call and short notice	258,175,923.00	712,961,018.00
Less: Provision for bad and doubtful debts	<u>13,643,811.00</u>	<u>182,206,319.00</u>
	<u>244,532,112.00</u>	<u>530,754,699.00</u>

Funds on call and short notice represent short term deposits with commercial banks and financial institutions. Included in this amount is the following:-

- (a) Kshs. 104,438,116 with Consolidated Bank of Kenya Limited which has been outstanding since 1989. The repayment schedule has not been agreed on by the two institutions and Kenya Post Office Savings Bank has sued to enforce payment. Interest up to the year 1996 has been received. Thereafter interest has been suspended.
- (b) Kshs. 16 million due from City Finance Bank Limited which reopened its door in the year 2000 after being under Central Bank of Kenya management. A provision of Kshs. 3.2 million was made in 1998 against the principal. The restructuring arrangement called for concessions of 80% of the deposit into shares with the balance being paid in the year 2002 and 2003.
- (c) Interest on deposits held in non performing banks and financial institutions has been suspended as follows:-

	2001	2000
	Kshs.	Kshs.
Consolidated Bank of Kenya Limited	23,375,670.00	23,375,670.00
City Finance Bank Limited	1,472,877.00	1,472,877.00
Prudential Bank Limited	9,154,932.00	9,154,932.00
	<u>34,003,479.00</u>	<u>34,003,479.00</u>
Others in liquidation:-		
Middle Africa Finance Company Limited	2,798,466.00	2,798,466.00
International Finance Company Limited	9,150,246.00	9,150,246.00
Inter-African Credit Finance Limited	4,568,931.00	4,568,931.00
United Trustee Finance Co. Limited	3,794,556.00	3,794,556.00
	<u>54,315,678.00</u>	<u>54,315,678.00</u>

Excluded in this amount is the following:-

- (a) Deposits of Kshs. 98,562,507.30 held in Trust Bank limited which is now transferred to debtors (note 5) as part of amount held in Fixed deposits in Ailing Institutions now fully provided as well as Provision for bad and doubtful debts in Ailing Institutions.
- (b) The provision of Kshs. 70,000,000.00 in respect to Prudential Bank is now shown as Provision for bad and doubtful debts in Ailing Institutions in these accounts as the amount in Fixed deposit in Ailing Institution was transferred in year 2000.

KENYA POST OFFICE SAVINGS BANK

**NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2001**

4. <u>OTHER INVESTMENTS</u>	2001	2000
	Kshs.	Kshs.
Quoted investments	18,255,404.00	18,255,404.00
Unquoted investment	13,540,000.00	42,553,973.00
Investment in property	<u>27,390,225.00</u>	<u>27,390,225.00</u>
	59,185,629.00	88,199,602.00
Less: Provision for diminution in market value of quoted investments	<u>9,076,898.00</u>	<u>38,490,580.00</u>
	50,108,731.00	49,709,022.00

- (i) The quoted investments were valued at Kshs. 9,178,504.00 (2000-Kshs.8,778,796.00) using the stock market price. The appreciation in value of Ksh.399,708 is now adjusted from the provisions.
- (ii) The unquoted investment represents 20% and 80% of deposits in Trust Bank Limited and City Finance Bank converted into shares following the restructuring of the Banks in 1999 and 2000 respectively. The investment in shares and provision of Kshs. 29,013,973.00 in respect to Trust Bank Limited shares is now transferred to Fixed deposits held in Ailing Institutions and provision for bad debts in Ailing Institution (note 5) in these accounts.
- (iii) The investment property represents a piece of land with a building taken over by the bank from Thabiti Finance Ltd which was holding deposits but failed to pay the same on maturity. Title to the property is disputed. The current occupant of the premises is claiming allottee's interest absolutely. The case is in court and the bank expects a favourable outcome since it has a vesting right in the property and is holding it with an intension of selling it.

5. DEBTORS, PREPAYMENTS AND OTHER ASSETS

	2001	2000
	Kshs.	Kshs.
KP&TC/PCK	515,034,705.00	346,437,691.00
Debtors and Prepayments	243,018,162.00	100,200,117.00
Accrued interest	180,840,819.00	115,050,878.00
Directors' loans	12,694,221.00	8,580,673.00
Staff loans	239,173,510.00	222,349,180.00
Staff Imprest	1,571,184.00	-
Visa Card debtors	110,289,530.00	114,876,923.00
Stocks of stationery	38,715,406.00	17,711,706.00
Amount due from Govt	-157,122.00	-
Amount due from subsidiary (PCL)	160,046,086.00	1,135,004.00
Fixed deposits in ailing financial institutions	385,772,393.00	267,347,508.00
Preliminary expenses (note 22)	0.00	4,913,660.00
	1,886,998,895.001	1,198,603,341.00
Provision for bad and doubtful debts:		
Trade	-151,091,286.00	-133,132,844.00
Amounts due from subsidiary and deposits in ailing financial institutions	-559,362,440.00	-361,785,959.00
Suspended interest (note 3(d) above)	-54,315,678.00	-54,315,678.00
	1,122,229,491.00	649,368,860.00

KENYA POST OFFICE SAVINGS BANK

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2001

The ailing financial institutions refer to those institutions under receivership and in liquidation.

Included in the 2001 debtors and prepayments is an amount of Kshs. 35 million due from Valley Auctioneers arising from the sale of property held as security for deposits in Allied Credit Limited. Also included is an amount of Kshs. 8.75 million advanced to the KPOSB pension fund in the normal course of business. The total amount will certainly be paid by the pension fund since the trustees of the fund are employees of the bank.

6. DEFERRED ASSET	2001	2000
	Kshs.	Kshs.
Balance brought forward	865,180,648.00	919,298,676.00
Receipts from Treasury	-439,546,200.00	-50,000,000.00
Transfer of losses for 1999/2000	297,549,273.00	-
Recovery made (Postbank Credit Limited)	-	4,118,028.00
Balance carried forward	723,183,721.00	865,180,648.00

This amount represent accumulated losses which by virtue of section 13 (1) of the Kenya Post Office Savings Bank Act are recoverable from the Central Government Consolidated Fund. The account balance as at 31 December 1992 was transferred from the profit and loss account to a deferred asset account. The amount has not been reduced by profits of subsequent years except for recoveries of debts previously provided for.

7. INVESTMENT IN SUBSIDIARY	2001	2000
	Kshs.	Kshs.
Shares in Postbank Credit Limited	50,000,000.00	50,000,000.00
Less:- Provision	-49,999,980.00	-49,999,980.00
	<u>20.00</u>	<u>20.00</u>

Postbank Credit Limited, a wholly owned subsidiary of the bank, is under liquidation.

8. CAPITAL WORK IN PROGRESS	2001	2000
	Kshs.	Kshs.
Capital Work in Progress	36,976,972.00	175,876,687.00

The amount represents cost of computer hardware, software and implementation costs for the SYMBOLS computer system which is currently under testing. A total of Ksh 163,486,181.00 being cost of Phase I was capitalised during the year.

KENYA POST OFFICE SAVINGS BANK
 NOTES TO THE ACCOUNTS (Continued)
 FOR THE YEAR ENDED 31st DECEMBER 2001

9. FIXED ASSETS

a. Cost or valuation	LAND	BUILDING	LEASEHOLD	MOTOR VEHICLES	FURNITURE & FITTINGS	ELECTRONIC OFFICE EQPMT	NON ELECTRONIC OFFICE EQPMT	COMPUTER HARDWARE	COMPUTER SOFTWARE	TOTAL
At 1 Jan. 2001	172,500,000.00	581,090,572.94	3,549,998.00	50,360,943.63	177,003,704.52	35,051,075.15	36,004,698.05	90,555,743.28	33,321,835.00	1,179,438,570.57
ADDITIONS		17,195,935.85		13,839,683.25	11,357,083.06	2,281,330.15	2,197,582.89	56,775,749.77	146,463,690.93	250,111,055.90
DISPOSALS				-8,616,249.00		-700,000.00				-9,316,249.00
COST 31.12.2001	172,500,000.00	598,286,508.79	3,549,998.00	55,584,377.88	188,360,787.58	36,632,405.30	38,202,280.94	147,331,493.05	179,785,525.93	1,420,233,377.47
DEPRECIATION										
DEPRE. 31.12.00		29,054,531.38	1,419,998.00	45,762,397.38	106,011,387.22	30,016,010.64	27,567,910.65	60,721,074.97	21,559,725.95	322,113,036.19
CHARGED 2001		14,957,162.72	710,000.00	5,067,044.06	23,545,105.36	4,551,150.37	4,775,291.29	26,338,516.58	33,059,968.66	113,004,239.04
DISPOSALS		-	-	-8,616,249.00	-	-700,000.00	-	-	-	-9,316,249.00
DEPRE. 31.12.01		44,011,694.10	2,129,998.00	42,213,192.44	129,556,492.58	33,867,161.01	32,343,201.94	87,059,591.55	54,619,694.61	425,801,026.23
NBV 31.12.2001	172,500,000.00	554,274,814.69	1,420,000.00	13,371,185.44	58,804,295.00	2,765,244.29	5,859,079.00	60,271,901.50	125,165,831.32	994,432,351.24
NBV 31.12.2000	172,500,000.00	552,036,045.35	2,130,000.00	4,598,502.00	70,992,370.95	5,035,060.67	8,478,503.03	29,834,674.02	11,720,433.10	857,325,589.12

KENYA POST OFFICE SAVINGS BANK

**NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2001
9(b) LAND AND BUILDING (continued)**

COST OR VALUATION			2001	2000
	Land Kshs.	Buildings Kshs.	Total Kshs.	Total Kshs.
Freehold	77,500,000	91,090,573	168,590,573	168,590,573
Long leasehold	74,000,000	454,000,000	528,000,000	528,000,000
Short leasehold	21,000,000	36,000,000	57,000,000	57,000,000
	172,500,000	581,090,573	753,590,573	753,590,573

Included in short leasehold land and building is a property purchased in Mombasa. It is valued at Kshs.41 million subject to extension of lease period by another 45 years from the current 13 years. Procedures towards extension of the lease are in progress.

9 (c) FULLY DEPRECIATED ASSETS

Computer hardware and computer software with original cost of Kshs.20,433,025 and Kshs. 5,115,065 respectively, have been fully depreciated. The depreciation charge for the year on these assets would have been Kshs. 4,086,605 for the computer hardware and Kshs. 1,023,013 for the computer software.

10	CREDITORS	2001 Kshs.	2000 Kshs.
	Trade creditors	43,805,112.00	55,358,323.00
	Progency Ventures Incorporated	166,970,211.00	-
	PCK Services rendered	127,715,494.00	-
	Other creditors and accrued charges	111,899,488.00	103,016,875.00
		450,390,305.00	158,375,198.00

11 CUSTOMER SAVINGS AND DEPOSIT ACCOUNTS

	2001 Kshs.	2000 Kshs.
Premium savings scheme	278,067,998.00	259,719,040.00
Ordinary savings scheme	7,217,846,848.00	6,229,744,312.00
Fixed deposit scheme	90,533,551.00	82,139,690.00
Save-As-You-Earn	175,916,124.00	152,161,226.00
MTS-Intra bound	835,777.00	-8,320.00
	7,763,200,298.00	6,723,755,948.00

KENYA POST OFFICE SAVINGS BANK

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2001

	2001	2000
	Kshs.	Kshs.
12 BEARER BONDS	220,002,615.00	220,002,615.00

These were collections from the public for sales of Bearer Bonds on behalf of Central Bank of Kenya (CBK). The funds were banked in Postbank Credit Limited (PCL) before onward transmission to the CBK.

PCL was closed and put under liquidation by the CBK before the money was paid over to the latter. The amount will be paid over to the CBK once these are received from the liquidator while settling PCL liabilities.

13 RESERVES	Capital Reserves	Revenue Reserves	TOTALS 2001	TOTALS 2000
	Kshs.	Kshs.	Kshs.	Kshs.
Balance brought forward	310,495,524.00	-822,145.00	309,673,379.00	398,187,870.00
Transfer of 1999/2000 Losses		297,549,273.00	297,549,273.00	-
Profit/(Loss) for the year		47,663,864.00	47,663,864.00	-92,941,325.00
USAID Grants		-	-	1,706,850.00
Balance carried forward	310,495,524.00	344,390,992.00	654,886,516.00	306,953,395.00

The capital reserve arose out of the revaluation of land and buildings over the year. The latest valuation was done in 1998 (see note 9a)

14. FEES & COMMISSIONS	2001	2000
	Kshs.	Kshs.
Ledger fees	271,213,199.00	139,432,832.00
Salary crediting fees	36,387,197.00	31,531,097.00
Continuation fees	16,240,999.00	11,277,390.00
Premature withdrawal fees	24,642,851.00	18,961,258.00
Visa fees	22,275,790.00	0.00
MTS- Inbound & Inbound commission	190,502,125.00	0.00
Commission from Higher Education Loans Board	6,253,245.00	-
Citibank commission	2,199,984.00	-
Miscellaneous fees (other fees)	27,472,725.00	17,095,114.00
	597,188,115.00	218,297,691.00

15. OTHER INCOME		
Rental income- notional	20,563,770.00	21,480,505.00
Gain on disposal of fixed assets	2,670,510.00	-
Dividend income	1,182,960.00	1,803,901.00
Bonus from Western Union	9,392,173.00	-
Writeback on Provision	3,010,307.00	-
Interest on bank accounts	5,941,229.00	3,534,900.00
Citibank commission	-	141,086.00
Commission from sale of revenue stamps	-	9,860.00
Commission from Higher Education Loans Board	-	4,603,800.00
Others	5,545,639.00	562,066.00
	48,306,588.00	32,136,119.00

KENYA POST OFFICE SAVINGS BANK**NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2001**

16. DIRECT EXPENSES	2001	2000
	Kshs.	Kshs.
Interest on:-		
Ordinary Savings Accounts	90,011,395.00	69,835,109.00
Premium Savings Account	15,590,912.00	0.00
Fixed Deposit Savings Account	554,355.00	0.00
Save As You Earn Account	5,091,503.00	0.00
	111,248,165.00	69,835,109.00
17. ADMINISTRATION EXPENSES		
Directors fees	4,540,553.00	2,011,726.00
Staff costs	623,106,804.00	473,975,019.00
Printing and stationery	11,074,078.00	9,666,332.00
Postage, telephone and telegram	57,855,020.00	39,488,221.00
Computer charges	4,600,826.00	4,756,398.00
Fuel and oils	7,674,050.00	6,412,119.00
Audit fees	2,000,000.00	3,354,677.00
Donations and subscriptions	2,569,491.00	4,544,197.00
Legal and professional fees	12,524,096.00	4,755,660.00
Miscellaneous expenses	0.00	149,704.00
Electricity and water	4,683,800.00	4,857,660.00
Cleaning and Sanitation	4,065,997.00	3,440,815.00
Special Projects Launching	1,418,346.00	-35,652.00
Symbols implementation	0.00	2,175,149.00
Newspapers and Periodicals	717,391.00	834,594.00
Procurement Costs	523,708.00	5,825.00
	737,354,160.00	560,392,413.00
18 ESTABLISHMENT EXPENSES	2001	2000
	Kshs.	Kshs.
Security and Escort	24,447,467.00	22,529,283.00
Insurances	14,883,712.00	8,444,985.00
Office rent	40,019,961.00	39,200,026.00
Land rent and rates	204,326.00	1,504,489.00
Repairs and maintenance	11,669,973.00	12,598,432.00
Service charge	9,459,991.00	7,720,190.00
Accommodation Costs-PCK	3,276,934.00	3,086,880.00
Administrative Costs -PCK	4,511,224.00	-
Agency fees - PCK/Others	114,327,977.00	-
Licences	1,253,540.00	220,070.00
Flower maintenance	677,535.00	212,497.00
	224,732,640.00	95,516,853.00

KENYA POST OFFICE SAVINGS BANK

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2001

19. SELLING EXPENSES	2001	2000
	Kshs.	Kshs.
Publicity and advertising	18,163,412.00	5,129,308.00
ASK show expenses	1,932,232.00	944,685.00
	20,095,644.00	6,073,993.00

20. FINANCIAL EXPENSES	2001	2000
	Kshs.	Kshs.
Bank charges	25,803,833.00	16,464,394.00
Interest on overdraft	434,021.00	199,654.00
	26,237,854.00	16,664,048.00

21. PROVISION FOR BAD AND DOUBTFUL DEBTS	2001	2000
	Kshs.	Kshs.
Visa card debtors	17,027,433.00	14,410,328.00
Progeny Ventures	-	10,000,000.00
Staff loans	-	719,512.00
Overdrawn customers accounts (OSS)	4,600,292.00	2,500,000.00
Call and term deposits	-	135,002,423.00
Others	10,000,000.00	11,550,525.00
General	-	-
	31,627,725.00	174,182,790.00

22 PRELIMINARY EXPENSES

These relate to expenses incurred in the re-launch of premium bonds during the year. The total amount will be amortised over three years commencing 1999.

	2001	2000
	Kshs.	Kshs.
Total expense	4,913,661.00	9,827,321.00
Amortisation for the year	-4,913,661.00	-4,913,661.00
Balance carried forward	0.00	4,913,660.00

KENYA POST OFFICE SAVINGS BANK

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2001

23. PROFIT/(LOSS) FOR THE YEAR	<u>2001</u>	<u>2000</u>
	Kshs.	Kshs.
The profit/(loss) for the year is stated after charging		
Directors' fee	4,540,553.00	2,011,726.00
Audit fees	2,000,000.00	3,354,677.00
Depreciation	113,004,239.00	71,860,697.00
Diminution in value of quoted investments	-	1,550,525.00
Appreciation in value of quoted investments	399,708.00	-
Provision for overdrawn customers accounts (OSS)	-	2,500,000.00
Amortisation of preliminary expenses	4,913,661.00	4,913,661.00
Provident fund contribution	2,321,682.00	1,641,997.00
Pension scheme contribution	36,357,503.00	29,586,850.00
and after crediting: -		
Dividends	1,182,960.00	1,803,900.00
Gain on sale of fixed assets	2,670,510.00	-
24. CASH AND CASH EQUIVALENTS	2001	2000
	Kshs.	Kshs.
Bank and cash balances (net)	680,024,916.00	760,582,944.00
Deposits in banks and Financial Institutions	89,000,480.00	372,629,681.00
Shelter Afrique	20,000,000.00	-
Treasury bills and bonds	5,155,236,257.00	3,342,727,188.00
East African Development Bank bonds	<u>134,250,000.00</u>	<u>223,750,000.00</u>
	<u>6,078,511,653.00</u>	<u>4,699,689,813.00</u>

For the purposes of the cash flow statement, cash and cash equivalents refer to: -

1. Bank and cash balances net of bank overdraft.
2. Deposits in banks and financial institutions less amounts not likely to be received within 12 months of the balance sheet date, and
3. Treasury Bills and bonds including EADB bonds as at the balance sheet date.

25. ORDINARY SAVINGS ACCOUNTS

There is an unreconciled difference of Kshs.0.4 million between the general ledger and the customer listings, the former being higher.

KENYA POST OFFICE SAVINGS BANK

NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2001

26. CONTINGENT LIABILITIES

(i) Kenya Post Office Savings Bank Employees Pension Trust Fund.

An actuarial valuation of the bank's funded pension Trust Fund as at 1 January 1998 was carried out by Hymans Robertson Consulting Actuaries Limited. A preliminary report by the actuaries revealed a past service deficit of Kshs.82 million as at 1 January 1998. The actuaries recommended an increase of the contributions from 9% to 18% to cover, into the future, the working lives of the existing in-service membership. No provision has been made in these accounts for the deficit as the bank has adopted the actuaries recommendation.

The fund was made a contributory one with effect from 1 May 1999. The employees are contributing 7% of their pensionable emoluments and the bank's contribution was increased from 9% to 11% of the employees' pensionable emoluments. The action taken is expected to eliminate the deficit over time.

(ii) KP &TC Charges for Services Rendered

The KP&TC was claiming Kshs.35,240,661.18 owing as at 30th June 1999 (at the time of split).The provision in the accounts then was Kshs.14,868,291.35. No provision has been made in these accounts for the difference (Kshs.20,372,370.45) as discussions are currently in progress to resolve the dispute, and the directors are of the opinion that the bank will obtain a favourable result.

27. CAPITAL COMMITMENTS

	2001	2000
	<u>Kshs</u>	<u>Kshs</u>
Authorised and contracted for	5,600,000.00	-
Authorised but not contracted for		<u>92,551,169.00</u>
	<u>104,941,675.00</u>	
	<u>98,151,169.00</u>	<u>104,941,675.00</u>

Capital Commitments relate to computer hardware and software.

28. LIQUIDITY RISK

The table below analyses assets and liabilities into relevant maturity groupings based in the remaining period at 31st December 2001 to the contractual maturity date.

A. Assets	Matured	Matured in less than a month	1 months less than 3 months	3 months less than 6 months	6 months less than 2 years	1 year less than 3 years	3 years less than 5 years	over 5 years	Total
Bank and Cash Balances	680,024,916	-	-	-	-	-	-	-	680,024,916,220
Investment in T/bills + Bonus	-	91,107,996	-	461,479,712	633,167,032	686,436,110	3,451,957,907	-	5,324,148,757
Funds on call and short notice	7,780,800	27,890,400	8,890,400	109,176,206	-	-	77,150,495	-	244,532,112
Other Investment	36,866,834	-	-	-	-	-	-	4,164,998	50,108,731
Debtors, Prepayments and other Assets	119,699,209	28,411,693	31,192,751	44,030,603	34,958,981	31,387,150	30,003,332	825,266,462	1,122,229,491
Deferred Assets	-	-	-	-	-	-	-	723,183,721	723,183,721
Investment in subsidiary	-	-	-	-	-	-	-	20	20
Capital W.I.P	-	-	-	-	36,976,972	-	-	-	36,976,972
Fixed Assets	-	-	-	-	-	-	-	-	-
Total Assets	844,371,759	147,410,089	40,083,151	614,686,521	705,102,985	717,823,260	3,559,111,734	2,547,047,552	9,175,637,071
B. Liabilities and Reserves	-	-	-	-	-	-	-	-	-
Creditors	450,390,305	-	-	-	-	-	-	-	450,390,305
Premium Bonds	21,504,005	4,378,992	13,160,274	19,014,462	11,989,437	17,110,167	-	-	87,157,337
Customer Savings and Deposit accounts	6,048,122,541	236,247,385	288,631,562	393,398,118	445,781,695	446,683,496	-	-	7,763,200,298
Bearer Bonds	-	-	-	-	220,002,615	-	-	-	220,002,615
Reserves	-	-	-	-	-	-	-	310,495,524	310,495,524
Retained profits	-	-	-	-	-	-	-	344,390,992	344,390,992
Total Liabilities and Reserves	6,520,016,851	240,626,377	301,791,836	412,412,580	677,773,747	463,793,663	-	654,886,516	9,175,370,071
A - B Liquidity GAP	(5,675,645,092)	(93,216,288)	(261,708,685)	202,273,941	27,329,238	254,029,597	3,559,111,734	1,892,161,036	-

Customers Savings and deposits accounts relate to Savings and fixed account balances. Although classified under this bank, previous experience has shown these to be stable and of long term in nature.

KENYA POST OFFICE SAVINGS BANK

**NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2001**

29. CONSOLIDATION

Consolidation accounts are not prepared as the bank's wholly subsidiary, Postbank Credit Limited, is under liquidation.

30. TAXATION

Kenya Post Office Savings Bank is exempt from income tax.

31. COMPARATIVES

Where necessary , comparative figures have been adjusted to conform with reporting under International Accounting Standards.

32. EMPLOYEES

The average number of employees during the year was 1,300 (2000 -1,282).

33. INCORPORATION

The bank is incorporated in Kenya under the Kenya Post Office Savings Bank Act (Cap 493 B).

34. CURRENCY

The accounts are presented in Kenya Shillings (KShs.)

**KENYA POST OFFICE SAVINGS BANK
NETWORK OF BRANCHES AND SUB-BRANCHES**

HEAD OFFICE

Post Bank Street
Banda Street
P.O. Box 30311
Tel: (020) 229551-6

Juja Road Sub-Branch:

P.O. Box 30313
Tel: (020) 229551-6 Ext. 214

Ukunda Sub-Branch

P.O. Box 90563
Tel: (040) 3248

Cannon House Branch:

Parliament Road
P.O. Box 30311
Tel: (020) 229551 -6 Ext. 239,319

Karen Sub-Branch

P.O. Box 30313
Tel: (020) 631927

Garissa Sub-Branch:

P.O. Box 748
Tel: (046) 2169

Savani House, Mombasa,

Digo Road
P.O. Box 90563
Tel: (041) 316944, 314424
Fax 226550

Uthiru Sub-Branch:

P.O. Box 30313
Tel: (020) 631927

Bondeni Sub-Branch:

P.O. Box 4199
Tel: (051) 212876

Moi Avenue, Mombasa,

Tel: (041) 316944, 314424
Fax 226550

Jogoo Road Branch:

P.O. Box 30313
Tel: (020) 229551-6, 552027
P.O. Box 90563

Kabarnet Sub-Branch:

P.O. Box 442
Tel: (053) 35354

Nyahururu Sub-Branch:

P.O. Box 342
Tel: (065) 32006

Kapsabet Sub-Branch:

P.O. Box 800
Tel: (053) 2535

Kisumu Branch:

Kenyatta Highway

Tel: (057) 22122
Fax: 43751

P.O. Box 183

Ruiru Sub-Branch:

P.O. Box 190
Tel: (067) 54320

Kericho Sub-Branch:

P.O. Box 1031
Tel: (052) 32115

Nyeri Branch:

Gakere Road:
P.O. Box 246
Tel: (061) 4348
Fax 4473

Thika Sub-Branch:

P.O. Box 1819
Tel: (067) 31193

Kitale Sub-Branch:

P.O. Box 821
Tel: (054) 30394

Eldoret Branch:

P.O. Box 2270
Tel: (053) 62295

EPZ - Athi River Branch

P.O. Box 30311
Tel: (045) 22026

Naivasha Sub-Branch:

P.O. Box 675
Tel: (050) 21335

Nakuru Branch:

P.O. Box 4199
Tel: (051) 213168, 211442
Fax: 211400

Limuru Sub-Branch:

P.O. Box 170
Tel: (066) 71293

Ngong Hills Sub-Branch:

P.O. Box 30313
Tel: (045) 41047

Kitui Branch:

P.O. Box 668
Tel: (044) 22993

Madaraka Sub-Branch:

P.O. Box 4560
Tel: (067) 31194

Narok Sub-Branch:

P.O. Box 634
Tel: (050) 2030

Kiambu Sub-Branch:

P.O. Box 145
Tel: (066) 22913

Murang'a Sub-Branch:

P.O. Box 12280
Tel: (060) 31083

Kisii Branch:

P.O. Box 270
Tel: (058) 30800

Homa Bay Sub-Branch:

P.O. Box 203
Tel: (059) 22388

KENYA POST OFFICE SAVINGS BANK

NETWORK OF BRANCHES AND SUB-BRANCHES

Afya Centre Branch

Tom Mboya Street
P.O. Box 30311
Tel: (020) 229551-6 Ext.322, 340-2, 330-1

Chaani Branch:

P.O. Box 90563
(041) 434077

Bungoma Sub-Branch:

P.O. Box 2200
Tel: (055) 30318

Githurai Branch:

P.O. Box 30311
Tel: (020) 811032

Likoni Sub-Branch:

P.O. Box 90563
Tel: (041) 451070

Kakamega sub-Branch:

P.O. Box 2444
Tel: (056) 30630

Tom Mboya Sub-Branch:

P.O. Box 30313
Tel: (020) 229551 - 6 Ext.293

Docks Sub-Branch:

P.O. Box 90563
Tel: (041) 227883

Embu Sub-Branch:

P.O. Box 1245
Tel: (068) 30740

Ronald Ngala Sub-Branch:

P.O. Box 30313
Tel: (020) 229551-6 Ext. 269, 349

Mtopanga Sub-Branch:

P.O. Box 90563
Tel: (041) 473955

Machakos Sub-Branch:

P.O. Box 53
Tel: (044) 20261

Ngara Sub-Branch:

P.O. Box 30313
Tel: (020) 2329551-6 Ext. 281, 366, 363

Nyali Sub-Branch:

P.O. Box 90563
Tel: (041) 474333

Meru Sub-Branch

P.O. Box 3270
Tel: (064) 30381

Westlands Sub-Branch:

P.O. Box 30313
Tel: (020) 229551-6, Ext.272

Mtwapa Branch:

P.O. Box 90563
Tel: (0722) 527869

Kerugoya Sub-Branch:

P.O. Box 1020
Tel: (060) 21893

Kenyatta Market Branch:

P.O. Box 30313
Tel: (020) 229551-6 Ext. 281, 366, 363

Voi Sub-Branch

P.O. Box 452
Tel: (043) 30253

Mwingi Branch:

P.O. Box 510
Tel: (044) 22308

Enterprise Road Sub-Branch

P.O. Box 30313
Tel: (020) 229551-6 Ext. 270

Malindi Branch:

P.O. Box 5196
Tel: (042) 30599

**In addition, All Post Office outlets
and Appointed Agents also carry
out our services**

