

# KENYA POST OFFICE SAVINGS BANK

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POSTBANK

## ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31st DECEMBER, 2004



**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON  
THE FINANCIAL STATEMENTS OF KENYA POST OFFICE SAVINGS BANK  
FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2004**

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## DIRECTORS' REPORT AND ACCOUNTS 31st DECEMBER 2004

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I am pleased to present the Annual Report and Financial Statements of Kenya Post Office Savings Bank for the year ended 31<sup>st</sup> December 2004.

## ECONOMIC OVERVIEW

Kenya's economy grew by 4.3 percent in 2004 up from the earlier estimate of 2.4 percent and compared to 1.8 percent in 2003. The key export sectors particularly Tourism, Horticulture, Tea and Textile registered high growth rates as compared to other sectors of the economy.

The overall inflation ranged from 12 percent to 18 percent in 2004. This was eased by the short rains towards the end of the year and the effects of restored stability in international oil prices. On the whole, inflation remained relatively high on account of the effects of drought and the ripples of political transition. The government budgetary operations improved significantly compared to the previous period. There were also wide ranging reform initiatives to restore good governance in the public sector and to improve investment climate in the country. However, interest on government short term securities declined to an all-time-low of 0.83 percent in September 2003 and rose steadily to 8.04 percent by the end of 2004. The low interest rate regime led to unprecedented rush for unsecured personal loans from commercial banks. This reduced the propensity to save.

## THE BANKING SECTOR

The banking sector remained very competitive. It comprised of 44 Commercial Banks, 1 Non-Bank Financial Institution, 2 Mortgage Finance Companies and 2 Building Societies. The foreign exchange bureaus increased significantly following the lifting of moratorium to license them by the Central Bank. During the same period, there was significant increase in loans and advances, comprising over 60 percent of the total assets, mainly in unsecured personal lending and mortgage financing by Commercial Banks.

The stock of Non-Performing Loans (NPLs) continued to be a nightmare in the banking industry with estimates putting it at over Kshs.71 billion (approx 20 percent of total loans). However, recoveries and write-offs continue to be made. The Government, on the other hand, is reportedly seeking to address this problem through the creation of a bank restructuring unit at the Treasury to spearhead the restructuring of state owned banks where the bulk of NPLs are concentrated. The banking sector remained relatively well capitalized mainly through retention of profits.

## POSTBANK'S CHALLENGES

Postbank continued to face a number of challenges in its endeavour to improve service to its customers.

These are: -

1. The growing need to improve Information and Communication Technology (ICT) throughout the branch network. All over the world, technology is increasingly changing the way people live and do business.
2. The dynamic nature of the business environment in which the Bank is operating.
3. The restrictive Kenya Post Office Savings Bank Act which continue to curtail the range of services the Bank can offer.
4. Limited capital base that hinders the bank from exploiting its potential.

## YEAR 2004 RESULTS

The Bank's gross income increased from Kshs.2.0 billion in 2003 to Kshs.2.1 billion in 2004, a 5 percent increase, while the net income decreased from Kshs.209 million in 2003 to Kshs.192.9 million in 2004. Customer deposits recorded an 8 percent growth to reach over Ksh.10.2 billion. This places the bank to medium size category, after moving beyond the Ksh.10 billion threshold. The accelerated growth was largely driven by strengthened staff capacity and focused marketing. However, the Bank is putting in place strategic measures in order to improve its future performance. The main focus is closely on managing the cost base while enhancing revenue generation.

To this end, we shall continue to enhance operational efficiencies through the implementation of appropriate cost control measures. Further, we shall seek to improve productivity and efficiency of our staff as well as increase customer satisfaction by enhancing appropriate technology-based service delivery channels. This is now possible with the installation of a new host server which has given the bank a higher processing capacity.

## HUMAN RESOURCE

Our staff continue to be our most valuable resource. During the year the Bank conducted many courses and workshops and sponsored staff to professional courses with a view to empower them. By so doing, the Bank sought to achieve improved communication, customer service efficiency, cost control and greater respect for all employees' ideas and contributions.

## BRANCH NETWORK

During the year, 13 sub branches were upgraded and relocated from Postal Corporation of Kenya to our own rented premises. Also, 5 additional branches were opened. This made a great difference in how and where we serve our customers.

## THE BOARD

In the period under review, Mr Thomas Mutugu was appointed a director of the Bank. He replaced Mr John Felix Kamau who passed away in June 2004. Mr Mutugu's appointment further strengthens the resourcefulness of the Board. We take the opportunity to welcome him.

## CORPORATE GOVERNANCE

We are committed to good and sound standards of corporate governance. The Board carries out some of its duties by delegating to Board committees who meet regularly and make recommendations to the main Board while ensuring continued high performance. The Board Committees constitute a major organ in ensuring better corporate governance and adherence to corporate policies and strategies.

## CORPORATE SOCIAL RESPONSIBILITY

The Bank continues to be involved in corporate social responsibility activities through making substantial commitment in time, energy and resources. During the year under review, the Bank provided financial and material support to a number of activities and charities. In particular and together with Western Union, our business partners, Postbank donated text books to 212 schools in North Eastern Province in a "helping hands project". The bank also participated in encouraging entrepreneurship in University students through contribution and participation in Student In Free Enterprise (SIFE) competition involving 15 local universities and 38 universities globally.

## PERFORMANCE CONTRACTS

Postbank was among the 16 state corporations selected by the Government to spearhead the implementation of Performance Contracts on a pilot basis as their operations affect the entire economy. The Performance Contracts articulate agreed targets between the Government and the state corporations and forms a basis against which actual performance is evaluated. The Performance Contract between the Government and the Bank was signed on 21<sup>st</sup> December 2004 and provides the performance benchmarks for 2005.

## THE FUTURE

With ever changing customer needs, the bank's resolve is to be more customer-centric and more focused to offering market-led solutions to these needs. The bank is confident to benefit from its existing and planned strategic measures including product diversification and optimal use of its enhanced information technology. Service delivery channels will continue to be developed to meet customer expectations.

It must be appreciated however that the prospects for economic growth will be largely determined by political stability and implementation of necessary reforms.

## APPRECIATION

Special thanks go to our esteemed customers and business partners for their continued support, to management and staff for their dedication which has enabled us achieve these great results in a difficult economic environment, and last and by no means the least, to my fellow Directors for their continued support and guidance. We look forward to working together towards meeting and surpassing our customer and shareholder's expectations in the coming year.

A handwritten signature in black ink, appearing to read "Jeniffer N. Riria".

DR. JENIFFER N. RIRIA  
CHAIRMAN

14 / 6/ 2006

# REPORT OF THE DIRECTORS

## YEAR ENDED 31<sup>ST</sup> DECEMBER 2004

The Directors have pleasure in presenting their report and final draft of accounts for the year ended 31<sup>st</sup> December 2004.

### 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 as set out on page 9

### DIRECTORS

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

Dr. Jeniffer N. Riria	- Chairperson - Re-appointed 23-09-2005
A. Nyambura Koigi	- Managing Director - Appointed 01-07-2005
Esther Koimett	- Managing Director - Retired 14-02-2005
Mathew P. N. Sisenda	- Appointed 18-12-2003
Stephen Kituku	- Appointed 18-12-2003
John Felix Kamau	- Appointed 18-12-2003 -Ceased June 2004
Joseph Kinyua	- Permanent Secretary, Ministry of Finance -Appointed May 2004
Njeru Kirira	- Alt. Representing PS. Ministry of Finance -Appointed May 2004
Joseph Magari	- Permanent Secretary, Ministry of Finance -Retired May 2004
J. M. Oyula	- Alt. Representing PS. Ministry of Finance -Retired May 2004
Thomas Mutugu	- Appointed 20-12-2004

### AUDITORS

The auditors are the Kenya National Audit Office.

By order of the Board.



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

# STATEMENT OF DIRECTORS' RESPONSIBILITIES



The State Corporation's Act requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Bank as at the end of the financial year and of the operating results for that year. It also requires the directors to ensure the Bank keep proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the Bank. They are also responsible for safeguarding the assets of the Bank.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the State Corporation's Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Bank and of its operating results. The directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Bank will not remain a going concern for at least the next twelve months from the date of this statement.

Chairman: *[Signature]*

Managing Director: *[Signature]*

Date: 14 6 2006



# STATEMENT OF CHANGES IN RESERVES

	Capital Reserves Kshs.	Revenue Reserves Kshs.	TOTALS 2004 Kshs.	TOTALS 2003 Kshs.
<b>At 1<sup>st</sup> January 2004</b>				
Balance brought forward	472,195,171.00	765,704,124.00	1,237,899,295.00	988,510,282.00
Prior year Expense Adjustment		2,503.00	2,503.00	27,012,176.00
Write back on Provisions		1,557,096.00	1,557,096.00	1,642,904.00
Profit/(Loss) for the year		192,984,082.00	192,984,082.00	209,489,834.00
USAID Grants			0.00	3,422,089.00
Revaluation Surplus - Assets			0.00	351,000.00
<b>Balance carried forward at 31<sup>st</sup> December 2004</b>	<b>472,195,171.00</b>	<b>960,247,805.00</b>	<b>1,432,442,976.00</b>	<b>1,230,428,285.00</b>

Capital reserve arose out of revaluation of land and buildings done in 2002 (see note 9a). Write back on provisions relate to City Finance & Consolidated Bank. Prior year adjustment for year 2003 is for Fire Extinguishers Ksh.887,354.00 previously expensed in 2002 and depreciation charge Ksh.2,923.00 and Kshs.26,121,899.00 on Forex loss on MTS transactions for year 2002 overstated. For year 2004, fringe benefit of Kshs.89.04 & Medical expense Kshs.2,802.94 overstated, and Cheque payment charge income of Kshs.300.00 overstated in 2004.

## ON THE FINANCIAL STATEMENTS OF KENYA POST OFFICE SAVINGS BANK FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2004

I have audited the financial statements of Kenya Post Office Savings Bank for the year ended December 2004 in accordance with Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of the audit. The financial statements are in agreement with the books of account.

Respective Responsibilities of the Directors and Controller and Auditor General

As set out in the statement of directors' responsibilities, the directors are responsible for the preparation of financial statements which give a true and fair view of the bank's state of affairs and its operating results. My responsibility is to express an independent opinion on the financial statements based on my audit.

### Basis of opinion

The audit was conducted in accordance with the International Standards on Auditing. Those standards require that the audit be planned and performed with a view to obtaining reasonable assurance that the financial statements are free from material misstatement. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. It also includes an assessment of the accounting policies used and significant estimates made by the directors, as well as an evaluation of the overall presentation of the financial statements. I believe my audit provides a reasonable basis for my opinion.

### Comments

#### 1. Debtors

Included in the balance sheet debtors prepayment and other assets figure of Kshs.1,449,696,163 as at 31<sup>st</sup> December 2004 is Kshs.717,142,792 due from Postal Corporation of Kenya which did not have relevant supporting schedules and thus could not be vouched and verified for accuracy. No response was received from the debtors circularization procedures carried out. Consequently, the existence and validity of the debtor's figure of Kshs.1,449,696,163 due from Postal Corporation of Kenya could not be confirmed in the absence of adequate reconciliations and supporting documentation.

Opinion

Except for any adjustments that would be necessary arising from the matters set out in the preceding paragraph, in my opinion proper books of account have been kept and the financial statements give a true and fair view of the state of the financial affairs of the bank as at 31<sup>st</sup> December 2004 and of its profit and cash flows for the year then ended and comply with International Financial Reporting Standards and Kenya Post Office Savings Bank Act (Cap 439B)



E.N.MWAI  
CONTROLLER AND AUDITOR GENERAL

Nairobi

04 July 2006

# BALANCE SHEET AS AT 31st DECEMBER 2004

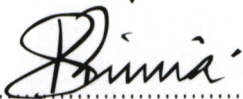
ASSETS	NOTE	2004 Kshs	2003 Kshs
Bank and cash balances		1,050,192,541.00	809,098,213.00
Investments in Treasury Bills and Bonds	2	9,734,352,541.00	8,509,339,226.00
Funds on call and short notice	3	4,000,000.00	36,085,810.00
Other investments	4	29,678,500.00	22,024,515.00
Debtors, prepayments and other assets	5	1,449,696,163.00	1,550,424,715.00
Deferred asset	6	202,153,998.00	202,153,998.00
Investment in subsidiary	7	-	20.00
Capital work-in-progress	8	156,857,488.00	117,538,342.00
Fixed assets	9	955,837,184.00	973,672,953.00
		<b>13,592,768,415.00</b>	<b>12,220,337,792.00</b>
<b>LIABILITIES</b>			
Creditors	10	1,353,786,568.00	859,643,173.00
Premium Bonds		55,484,656.00	65,924,106.00
Customers savings and deposit accounts	11	10,291,051,601.00	9,524,339,613.00
Bearer Bonds	12	220,002,615.00	220,002,615.00
EADB Loan		240,000,000.00	320,000,000.00
		<b>12,160,325,440.00</b>	<b>10,989,909,507.00</b>
<b>NET ASSETS</b>		<b>1,432,442,975.00</b>	<b>1,230,428,285.00</b>
REPRESENTED BY:			
Capital Reserves	13	472,195,171.00	472,195,171.00
Revenue Reserves	13	960,247,804.00	758,233,114.00
		<b>1,432,442,975.00</b>	<b>1,230,428,285.00</b>

The accounts were approved by the Directors on .....14..6..2006.....

and signed on its behalf by:

.....  


) Directors

.....  


# PROFIT AND LOSS ACCOUNT



FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2004

INCOME	NOTE	2004 Kshs.	2003 Kshs.
Interest on placement with banks		1,454,865.00	10,847,483.00
Interest on Government securities		888,312,763.00	763,651,602.00
Fees and commissions	14	1,038,654,699.00	1,041,817,357.00
Interest on KP&TC balances		58,057,348.00	48,524,565.00
Interest on PCK Deposits		22,081,405.00	13,801,702.00
Interest on staff loans		11,314,268.00	9,199,594.00
Rental income		10,887,364.00	12,733,363.00
Interest on Visa balances (Local & International)		14,002,756.00	20,523,459.00
Forex Gain on Money Transfer		71,753,051.00	63,743,399.00
Other Income	15	27,567,520.00	52,244,301.00
		<b>2,144,086,039.00</b>	<b>2,037,086,824.00</b>
<b>DIRECT EXPENSES</b>			
Interest expenses	16	142,088,731.00	154,362,151.00
Operating Stationery		48,343,576.00	39,813,294.00
Bonus, Prizes		4,832,361.00	4,840,686.00
Visa charges		3,397,825.00	3,267,720.00
Shared cost		50,235.00	572,675.00
Premium paid (commissions)		44,745,752.00	52,626,387.00
<b>Total Direct Expenses</b>		<b>243,458,480.00</b>	<b>255,482,913.00</b>
<b>GROSS PROFIT</b>		<b>1,900,627,559.00</b>	<b>1,781,603,911.00</b>
<b>OTHER EXPENSES</b>			
Administration	17	994,824,349.00	912,676,787.00
Establishment	18	371,387,239.00	325,826,185.00
Selling	19	36,351,204.00	41,125,492.00
Depreciation		105,889,361.00	89,363,115.00
Research & Development		3,500.00	16,200.00
Financial Expenses	20	50,214,530.00	65,319,606.00
Write off & Charge off		1,667,271.00	
Bad and doubtful debts	21	147,306,023.00	137,786,692.00
<b>Total Other Expenses</b>		<b>1,707,643,477.00</b>	<b>1,572,114,077.00</b>
<b>NET PROFIT</b>	<b>22</b>	<b>192,984,082.00</b>	<b>209,489,834.00</b>

**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2004**

	<b>2004</b> Kshs.	<b>2003</b> Kshs.
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the year	192,984,082.00	209,489,834.00
Adjustments for:-		
Depreciation	105,889,361.00	89,363,115.00
Rental Income	-10,887,364.00	-12,733,364.00
Dividend income	-49,170.00	-40,733.00
Dividend from Postbank Credit Limited	0.00	-826,650.00
Dividend from Trust Bank Limited	-538,964.00	0.00
Appreciation in value of quoted investments	-182,975.00	-301,550.00
<b>Operating profit before working capital changes</b>	<b>287,214,970.00</b>	<b>284,950,652.00</b>
Deferred asset	0.00	297,549,273.00
Debtors	100,728,552.00	-82,726,629.00
Creditors	494,143,395.00	452,471,565.00
Customer deposits and Premium Bonds	756,272,538.00	929,653,671.00
<b>Net cash from operations</b>	<b>1,638,359,455.00</b>	<b>1,881,898,532.00</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	-88,227,567.00	-28,353,309.00
Capital work in progress	-39,319,146.00	-53,749,428.00
Purchase of EADB Bonds	-110,000,000.00	0.00
Dividend from Trust Bank Limited	538,964.00	0.00
Proceeds from Financial Institutions - Non Performing	23,642,904.00	84,081,020.00
Proceeds from Shelter Afrique – MTN	10,000,000.00	10,000,000.00
Proceeds from government stock	0.00	15,000,000.00
Proceeds from EADB Bonds	0.00	44,750,000.00
Rental income	10,887,364.00	12,733,364.00
Dividend Income	49,170.00	40,733.00
Dividend from Postbank Credit Limited	0.00	826,650.00
<b>Net cash from investing activities</b>	<b>-192,428,311.00</b>	<b>85,329,030.00</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
EADB Loan	- 80,000,000.00	- 80,000,000.00
<b>Net cash from financing activities</b>	<b>-80,000,000.00</b>	<b>-80,000,000.00</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,365,931,144.00</b>	<b>1,887,227,562.00</b>
Cash and cash equivalents at the beginning of the year	9,272,555,359.00	7,385,327,797.00
<b>Cash and cash equivalents at the end of the year (note 23)</b>	<b>10,638,486,503.00</b>	<b>9,272,555,359.00</b>

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2004**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(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 on accrual basis.

**(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, other buildings and other fixed assets are stated at a professional valuation done in year 2002 by Highland Valuers. The basis of valuation was 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 buildings	2.5 % p.a.
Show stands	20.0 % p.a.
Motor vehicles	25.0 % p.a.
Furniture and fittings	12.5 % p.a.
Electronic office equipment	20.0 %p.a.
Non-electronic office equipment	12.5 %p.a.
Computer hardware	20.0 %p.a.
Computer software	20.0 %p.a.

**(e) Stocks**

Stocks comprises of stationery and drugs which are valued at cost.

**(f) Foreign currency transactions**

Foreign currency transactions during the year were 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 transaction 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.

**NOTES TO THE ACCOUNTS (continued)  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2004**

**2. INVESTMENT IN TREASURY BILLS & BONDS**

	<b>2004</b> Kshs.	<b>2003</b> Kshs.
East African Development Bank Bonds	110,000,000.00	0.00
Government Bonds and Treasury Bills	9,624,352,541.00	8,499,339,226.00
Shelter Afrique	0.00	10,000,000.00
	<b>9,734,352,541.00</b>	<b>8,509,339,226.00</b>

**3. FUNDS ON CALL AND SHORT NOTICE**

	<b>2004</b> Kshs.	<b>2003</b> Kshs.
Funds on call and short notice	14,000,000.00	37,642,906.00
Less: Provision for bad and doubtful debts	-	1,557,096.00
	<b>14,000,000.00</b>	<b>36,085,810.00</b>

Funds on call and short notice represent short term deposits with commercial banks and financial institutions.

(a) Kshs.22,000,000.20 with Consolidated Bank of Kenya Limited being balance of the principal amount of Ksh.104,438,116 held in that institution since 1989 was received during the year.

(b) Kshs.1,642,904.10 due from City Finance Bank Limited being balance of deposits held in that institution which reopened its door in the year 2000 after being under Central Bank of Kenya management was repaid during the year and Kshs.1,557,096.00 written back. The restructuring arrangement called for conversion of 80% of the deposit into shares and the balance payable.

(c) Interest on deposits held in non performing banks and financial institutions has been suspended as follows:-

	<b>2004</b> Kshs.	<b>2003</b> 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
	<b>24,848,547.00</b>	<b>24,848,547.00</b>
Others in liquidation:-		
Prudential Bank Limited	9,154,932.00	9,154,932.00
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
	<b>54,315,678.00</b>	<b>54,315,678.00</b>

**4. OTHER INVESTMENTS**

	<b>2004</b> Kshs.	<b>2003</b> Kshs.
Quoted investments	2,055,638.00	2,055,638.00
Unquoted investment	13,540,000.00	13,540,000.00
Investment in property	27,390,225.00	27,390,225.00
	<b>42,985,863.00</b>	<b>42,985,863.00</b>
Less: Provision for diminution in market value of quoted investments	13,307,363.00	20,961,348.00
	<b>29,678,500.00</b>	<b>22,024,515.00</b>

**NOTES TO THE ACCOUNTS (continued)  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2004**

(i) The quoted investments were valued at Kshs.934,275.00 (2003 -Kshs.751,300.00) using the stock market price for the same category. Thus an appreciation in market value of Kshs182,975.00.

(ii) The unquoted investment represents 80% of deposits in City Finance Bank converted into shares following the restructuring of the Bank in year 2000. However, 90% of the unquoted investment i.e Ksh.12,186,000 is provided for in these accounts to reflect the market value of these shares.

(iii) The investment in property represents a piece of land with a building taken over by the bank from Thabiti Finance Ltd which was holding deposits for the bank but failed to pay the same on maturity. Title to the property is in dispute. The current occupant of the premises is claiming allottees 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 intention of selling.

**5. DEBTORS, PREPAYMENTS AND OTHER ASSETS**

	<b>2004 Kshs.</b>	<b>2003 Kshs.</b>
PCK	717,142,792.00	636,801,335.00
KP&TC	360,045,490.00	301,720,704.00
Debtors and Prepayments	136,725,823.00	151,932,170.00
Accrued interest	210,057,797.00	127,804,186.00
Directors loans	15,618,314.00	13,805,271.00
Staff loans	256,445,305.00	263,883,836.00
Staff Imprest	6,561,983.00	5,404,085.00
Visa Card debtors	116,637,704.00	122,109,333.00
MTS Trade Debtors	45,680,531.00	74,236,381.00
Stocks of stationery & drugs	25,655,347.00	24,413,625.00
Amount due from Govt	-	-157,122.00
Amount due from subsidiary (PCL)	155,619,436.00	155,619,436.00
Fixed deposits in ailing financial institutions	441,125,925.00	441,662,583.00
Commission Receivable	11,889,600.00	5,899,650.00
Citibank GoK Pension Cheques Receivable	6,684,738.00	6,684,738.00
Premium on Treasury Bonds (Prepaid)	147,433,500.00	246,830,080.00
	<b>2,653,324,285.00</b>	<b>2,578,650,291.00</b>
Provision for bad and doubtful debts:		
Trade	-481,059,624.00	-355,657,057.00
Amounts due from subsidiary and deposits in ailing financial institutions	-668,252,820.00	-618,252,840.00
Suspended interest (note 3(c) above)	-54,315,678.00	-54,315,678.00
	<b>1,449,696,163.00</b>	<b>1,550,424,715.00</b>

The ailing financial institutions refer to those institutions placed under statutory management of CBK (receivership and in liquidation).



**NOTES TO THE ACCOUNTS (continued)**  
**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2004**

Included in the figure of debtors, prepayments and other assets is an amount of Kshs.35 million due from KPOSB Staff Pension Fund 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, which was paid to the bank lawyer, being 25% of the auction proceeds. The total amount will be paid by the fund and the lawyers respectively.

<b>6. DEFERRED ASSET</b>	<b>2004</b>	<b>2003</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Balance brought forward	202,153,998.00	500,529,921.00
Receipts from Treasury	0.00	-297,549,273.00
Recovery made (Postbank Credit Limited)	0.00	-826,650.00
Balance carried forward	<b>202,153,998.00</b>	<b>202,153,998.00</b>

This amount represent accumulated losses which by virtue of section 13 (1) of the Kenya Post Office Savings Bank Act Cap 493B are recoverable from the Central Government Consolidated Fund.

The amount has not been reduced by profits of subsequent years except for recoveries of debts previously provided for.

<b>7. INVESTMENT IN SUBSIDIARY</b>	<b>2004</b>	<b>2003</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Shares in Postbank Credit Limited	-	50,000,000.00
Less:- Provision	-	-49,999,980.00
	-	<b>20.00</b>

Postbank Credit Limited, which was a wholly owned subsidiary of the bank, is under liquidation. In 2004, the balances were transferred to the debtor's account- note 5.

<b>8. CAPITAL WORK IN PROGRESS</b>	<b>2004</b>	<b>2003</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Capital Work in Progress	156,857,488.00	117,538,342.00

The amount represents cost of computer hardware, software and its implementation costs which shall eventually be capitalized for the SYMBOLS computer system currently under implementation and renovation of proposed new branches.

NOTES TO THE ACCOUNTS (continued)  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2004

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. 2004	143,000,000.00	667,600,000.00	3,100,000.00	32,722,640.00	38,291,827.71	22,161,873.40	41,104,712.37	67,324,006.28	186,508,868.54	1,201,813,928.30
ADDITIONS					12,661,297.54	4,348,847.75	2,959,177.00	68,043,973.36	214,270.91	88,227,566.56
DISPOSALS										
COST 31.12.2004	143,000,000.00	667,600,000.00	3,100,000.00	32,722,640.00	50,953,125.25	26,510,721.15	44,063,889.37	135,367,979.64	186,723,139.45	1,290,041,494.86
DEPRECIATION										
DEPRE. 31.01..04		33,380,000.00	1,240,000.00	16,361,320.00	9,143,672.72	7,917,063.85	9,954,828.62	24,076,574.78	126,241,488.18	228,314,948.15
CHARGED 2004		16,690,000.00	620,000.00	8,180,660.00	6,369,140.66	5,302,144.23	5,507,986.17	27,073,595.93	36,145,833.84	105,889,360.83
DISPOSALS										
DEPRE. 31.12.04		50,070,000.00	1,860,000.00	24,541,980.00	15,512,813.38	13,219,208.08	15,462,814.79	51,150,170.71	162,387,322.02	334,204,308.98
NBV 31.12.004	143,000,000.00	617,530,000.00	1,240,000.00	8,180,660.00	35,440,311.87	13,291,513.07	28,601,074.58	84,217,808.93	24,335,817.43	955,837,185.88
NBV 31.12.2003	143,000,000.00	634,220,000.00	1,860,000.00	16,361,320.00	29,148,654.83	14,244,809.46	31,149,882.46	43,247,431.77	60,440,854.36	973,672,952.88



**NOTES TO THE ACCOUNTS (continued)  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2004**

**9 (b) LAND AND BUILDING (continued)**

COST OR VALUATION			2004	2003
	Land Kshs.	Buildings Kshs.	Total Kshs.	Total Kshs.
Long-term leasehold	122,000,000	634,700,000	736,910,000.00	736,910,000.00
Short-term leasehold	21,000,000	36,000,000	57,000,000.00	57,000,000.00
	<b>143,000,000</b>	<b>670,700,000</b>	<b>793,910,000.00</b>	<b>793,910,000.00</b>

Included in short-term leasehold land and building is a property purchased in Mombasa. It is valued at Kshs.45 million subject to extension of lease period by another 45 years from the current 10 years. Procedures towards extension of the lease are in progress.

The figures used in the fixed assets schedule relate to 2002 valuation report carried out by the professional firm, Highland Valuers. In the valuation report, freehold and long-term leasehold is combined as the Bank do not possess freehold land and buildings.

**10. CREDITORS**

	2004 Kshs.	2003 Kshs.
Trade creditors	77,562,232.00	43,540,934.00
PCK Services rendered- OSS	171,720,005.00	157,453,863.00
PCK Services rendered- GoK Pension	508,843,566.00	386,075,280.00
Transitorial Accounts	300,408,707.00	68,719,658.00
GoK Pension - Own	66,415,637.00	58,099,710.00
Other creditors and accrued charges	228,836,421.00	145,753,728.00
	<b>1,353,786,568.00</b>	<b>859,643,173.00</b>

PCK Services rendered- GoK Pension refers to amount claimable by Postal Corporation of Kenya on disbursement of pension to pensioners.

Transitorial account is a holding account for money held by the Bank on behalf of third party pending disbursement.

**11. CUSTOMER SAVINGS AND DEPOSIT ACCOUNTS**

	2004 Kshs.	2003 Kshs.
Premium Savings Scheme	375,381,504.00	351,342,297.00
Ordinary Savings Scheme	8,867,195,739.00	8,623,020,380.00
Bidii Savings Account	717,537,866.00	231,635,707.00
Fixed Deposit Scheme	113,146,764.00	127,133,786.00
Save-As-You-Earn	217,525,120.00	191,062,413.00
MTS-Intra bound	264,608.00	145,030.00
	<b>10,291,051,601.00</b>	<b>9,524,339,613.00</b>

**NOTES TO THE ACCOUNTS (continued)  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2004**

	<b>2004 Kshs.</b>	<b>2003 Kshs.</b>
<b>12. BEARER BONDS</b>	<b>220,002,615.00</b>	<b>220,002,615.00</b>
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) for 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.		

<b>13. RESERVES</b>	<b>Capital Reserves Kshs.</b>	<b>Revenue Reserves Kshs.</b>	<b>TOTALS 2004 Kshs.</b>	<b>TOTALS 2003 Kshs.</b>
Balance brought forward	472,195,171.00	765,704,124.00	1,237,899,295.00	988,510,282.00
Prior year Expense Adjustment		2,503.00	2,503.00	27,012,176.00
Write back on Provisions		1,557,096.00	1,557,096.00	1,642,904.00
Profit/(Loss) for the year		192,984,082.00	192,984,082.00	209,489,834.00
USAID Grants			0.00	3,422,089.00
Revaluation Surplus - Assets	0.00		0.00	351,000.00
Balance carried forward	<b>472,195,171.00</b>	<b>960,247,805.00</b>	<b>1,432,442,976.00</b>	<b>1,230,428,285.00</b>

Capital reserve arose out of revaluation of land and buildings done in 2002 (see note 9a). Write back on provisions relate to City Finance & Consolidated Bank. Prior year adjustment for year 2003 is for Fire Extinguishers Ksh.887,354.00 previously expensed in 2002 and depreciation charge Ksh.2,923 and Kshs.26,121,899.00 on Forex loss on MTS transactions for year 2002 overstated. For year 2004, fringe benefit of Kshs.89.04 & Medical expense Kshs.2,802.94 overstated, and Cheque payment charge income of Kshs.300.00 overstated in 2004.

<b>14. FEES &amp; COMMISSIONS</b>	<b>2004 Kshs.</b>	<b>2003 Kshs.</b>
Account maintenance fees	576,289,824.00	623,945,005.00
Salary crediting fees	35,180,638.00	37,528,078.00
Continuation fees	21,370,109.00	19,427,179.00
Premature withdrawal fees	33,511,119.00	30,765,850.00
Visa fees	22,224,986.00	23,609,472.00
MTS- Inbound & Intra-bound commission	188,008,174.00	176,229,533.00
Commission from Higher Education Loans Board	7,494,390.00	5,280,915.00
Citibank commission	8,011,141.00	6,811,712.00
Pension commission	93,076,200.00	87,103,050.00
Miscellaneous fees (others)	53,488,118.00	31,116,563.00
	<b>1,038,654,699.00</b>	<b>1,041,817,357.00</b>

<b>15. OTHER LOSSES/ INCOME</b>		
Rental income- notional	20,563,770.00	20,563,770.00
Dividend income	49,170.00	40,733.00
Bonus from Western Union	4,518,721.00	43,460,912.00
Writeback on Provision	7,156,070.00	4,604,664.00
Interest on bank accounts	572,880.00	2,506,384.00
Gain/(loss) on revaluation of assets	0.00	2,171,292.00
Realised gain/loss on sale of Forex	(9,095,806.00)	(24,449,169.00)
Consultancy fees	706,200.00	591,903.00
Tender fees	2,055,617.00	1,413,000.00
Appreciation in value of quoted investments	182,975.00	301,550.00
Others	857,923.00	1,039,262.00
	<b>27,567,520.00</b>	<b>52,244,301.00</b>

**NOTES TO THE ACCOUNTS (continued)  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2004**

**16. DIRECT EXPENSES**

	<b>2004</b>	<b>2003</b>
	<b>Kshs.</b>	<b>Kshs</b>
Interest on:-		
Ordinary Savings Accounts	121,243,448.00	132,077,561.00
Premium Savings Account	6,776,895.00	10,841,561.00
Fixed Deposit Savings Account	2,291,096.00	3,019,667.00
Save As You Earn Account	4,456,622.00	5,457,537.00
Bidii Savings Account	7,320,670.00	2,965,825.00
	<b>142,088,731.00</b>	<b>154,362,151.00</b>

**17. ADMINISTRATION EXPENSES**

Directors fees	4,269,043.00	1,632,614.00
Staff costs	886,477,280.00	800,338,925.00
Printing and stationery	11,628,531.00	26,532,679.00
Debt collections	87,081.00	157,223.00
Postage, telephone and telegram	48,359,346.00	44,473,025.00
Computer charges	7,196,607.00	6,955,474.00
Fuel and oils	8,888,861.00	7,059,542.00
Audit fees	2,000,000.00	2,000,000.00
Donations and subscriptions	2,063,399.00	2,972,469.00
Legal and professional fees	8,117,881.00	6,675,706.00
Electricity and water	4,805,640.00	4,272,325.00
Cleaning and Sanitation	7,772,980.00	7,500,600.00
Special Projects Launching	70,724.00	34,136.00
Newspapers and Periodicals	697,247.00	579,883.00
Procurement Costs	2,199,729.00	0.00
Transportation Costs	190,000.00	-
Symbols Implementation	-	1,492,186.00
	<b>994,824,349.00</b>	<b>912,676,787.00</b>

**18. ESTABLISHMENT EXPENSES**

Security and Escort	39,337,511.00	27,682,281.00
Insurances	19,231,975.00	22,637,847.00
Office rent	60,820,025.00	57,676,141.00
Land rent and rates	1,109,589.00	162,697.00
Repairs and maintenance	28,761,726.00	32,325,959.00
Service charge	10,037,206.00	9,551,505.00
Agency fees - PCK/Others	195,919,261.00	165,592,133.00
Licences	16,131,040.00	10,144,223.00
Flower maintenance	38,906.00	53,400.00
	<b>371,387,239.00</b>	<b>325,826,185.00</b>

**NOTES TO THE ACCOUNTS (continued)  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2004**

**19. SELLING EXPENSES**

	<b>2004</b>	<b>2003</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Publicity and advertising	35,610,356.00	40,150,378.00
ASK show expenses	740,848.00	975,113.00
	<b>36,351,204.00</b>	<b>41,125,492.00</b>

**20. FINANCIAL EXPENSES**

	<b>2004</b>	<b>2003</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Bank charges	31,222,996.00	30,017,107.00
Interest on overdraft	3,768,025.00	4,023,562.00
Interest on borrowed funds (EADB)	15,223,509.00	31,278,937.00
	<b>50,214,530.00</b>	<b>65,319,606.00</b>

**21. PROVISION FOR BAD AND DOUBTFUL DEBTS**

	<b>2004</b>	<b>2003</b>
	<b>Kshs.</b>	<b>Kshs.</b>
Visa card debtors	14,896,413.00	31,146,366.00
Overdrawn customers accounts (OSS)	17,062,621.00	29,658,729.00
KP&TC Interest Receivable	58,057,348.00	48,524,565.00
KP&TC Excess Deposits	46,248,939.00	-
PCK Interest Receivable	11,040,702.00	-
General Business Risk	-	10,000,000.00
City Finance	-	12,186,000.00
Suspense Accounts	-	4,750,633.00
Cash Shortage (NBK Bundles)	-	14,950.00
Deferred Loans	-	1,505,449.00
	<b>147,306,023.00</b>	<b>137,786,692.00</b>

Suspense accounts are the ones whose details are under investigations due to incomplete customer account particulars.

**NOTES TO THE ACCOUNTS (continued)  
FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2004**

**22. PROFIT/(LOSS) FOR THE YEAR**

	<b>2004 Kshs.</b>	<b>2003 Kshs.</b>
The profit for the year is stated after charging		
Directors fees	4,269,043.00	1,632,614.00
Audit fees	2,000,000.00	2,000,000.00
Depreciation	105,889,361.00	89,363,115.00
Provision for overdrawn customers accounts (OSS)	-	29,658,729.00
Provident fund contribution	2,342,138.00	2,508,708.00
Pension scheme contribution and after crediting: -	53,259,295.00	47,863,943.00
Dividends	49,170.00	40,733.00
Appreciation in value of quoted investments	182,975.00	301,550.00

**23. CASH AND CASH EQUIVALENTS**

	<b>2004 Kshs.</b>	<b>2003 Kshs.</b>
Bank and cash balances (net)	1,050,192,541.00	809,098,213.00
Deposits in banks and Financial Institutions	14,000,000.00	36,085,810.00
Shelter Afrique	-	10,000,000.00
Treasury Bills and Bonds	9,464,293,962.00	8,417,371,336.00
East African Development Bank bonds	110,000,000.00	0.00
	<b>10,638,486,503.00</b>	<b>9,272,555,359.00</b>

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

1. Bank and cash balances.
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 and placements with Shelter Afrique excluding those which are long-term.

**NOTES TO THE ACCOUNTS (continued)  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2004**

**24. 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 31<sup>st</sup> December 2001 was carried out by Alexander Forbes Financial Services (EA) Limited. The report by the actuaries revealed a past service deficit of Kshs.369.9 million as at 31<sup>st</sup> December 2001. The actuaries recommended an increase of the contributions from 11% to 16% 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 is looking into ways of financing the deficit.

The fund was made a contributory one with effect from 1<sup>st</sup> May 1999. The employees are contributing 7% of their pensionable emoluments and the banks contribution is 11% of the employees pensionable emoluments.

**(ii) KP &TC Charges for Services Rendered**

The KP&TC was claiming Kshs.35,240,661.18 owing as at 30<sup>th</sup> June 1999 (at the time it split into Telkom (K) Ltd, Communication Commission of Kenya and Postal Corporation of Kenya. 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 in progress to resolve the dispute, and the directors are of the opinion that the bank will obtain a favourable result.

**25. CAPITAL COMMITMENTS**

	<b>2004</b>	<b>2003</b>
	<b>Kshs</b>	<b>Kshs</b>
Authorised and contracted for	1,226,264.00	19,602,622.00
Authorised but not contracted for	14,406,673.00	3,404,728.00
	<b>15,632,937.00</b>	<b>23,007,350.00</b>

Capital Commitments relate to computer hardware, software and new branches.



**NOTES TO THE ACCOUNTS (Continued)  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2004**

**26. LIQUIDITY RISK**

The table below analyses assets and liabilities into relevant maturity groupings based in the remaining period as at 31st December 2004 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	1,050,192,541	-	-	-	-	-	-	-	1,050,192,541
Investment in T/bills + Bonds	-	133,657,237	1,080,450,000	676,999,888	1,570,127,903	1,648,274,698	950,071,637	3,674,771,178	9,734,352,541
Funds on call and short notice	-	14,000,000	-	-	-	-	-	-	14,000,000
Other Investment	-	-	-	-	-	-	-	29,678,500	29,678,500
Debtors, Prepayments and other Assets	311,587,907	46,446,561	26,287,026	48,790,238	51,964,149	48,954,064	47,787,884	867,878,334	1,449,696,163
Deferred Assets	-	-	-	-	-	-	-	202,153,998	202,153,998
Capital W.I.P	-	-	-	-	156,857,488	-	-	-	156,857,488
Fixed Assets	-	-	-	-	-	-	-	955,837,184	955,837,184
<b>Total Assets</b>	<b>1,361,780,448</b>	<b>194,103,798</b>	<b>1,106,737,026</b>	<b>725,790,126</b>	<b>1,778,949,540</b>	<b>1,697,228,762</b>	<b>997,859,521</b>	<b>5,730,319,194</b>	
<b>B. Liabilities and Reserves</b>									
Creditors	1,353,786,568	-	-	-	-	-	-	-	1,353,786,568
Premium Bonds	55,484,656.00	-	-	-	-	-	-	-	55,484,656.00
Customer Savings and Deposit accounts	8,112,436,481	280,021,641	342,112,078	466,290,819	528,380,544	561,810,038	-	-	10,291,051,601
EADB Loan	-	-	-	-	-	-	-	240,000,000	240,000,000
Bearer Bonds	-	-	-	-	220,002,615	-	-	-	220,002,615
Reserves	-	-	-	-	-	-	-	472,195,171	472,195,171
Retained profits	-	-	-	-	-	-	-	960,247,804	960,247,804
<b>Total Liabilities and Reserves</b>	<b>9,521,707,705</b>	<b>280,021,641</b>	<b>342,112,078</b>	<b>466,290,819</b>	<b>748,383,159</b>	<b>561,810,038</b>	<b>-</b>	<b>1,672,442,965</b>	
<b>A - B Liquidity GAP</b>	<b>-8,159,927,257</b>	<b>-85,917,843</b>	<b>764,624,948</b>	<b>259,499,307</b>	<b>1,030,566,381</b>	<b>1,135,418,724</b>	<b>997,859,521</b>	<b>4,057,876,219</b>	<b>-</b>

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.

**NOTES TO THE ACCOUNTS (Continued)  
FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2004**

**27. CONSOLIDATION**

Consolidated Accounts are not prepared as the bank's wholly owned subsidiary, Postbank Credit Limited, is under liquidation.

**28. TAXATION**

Kenya Post Office Savings Bank is exempt from Corporation Tax under Income Tax Cap 470 of the laws of Kenya.

**29. COMPARATIVES**

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

**30. EMPLOYEES**

The average number of employees during the year was 1,255 (2003 -1,253).

**31. INCORPORATION**

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

**32. CURRENCY**

The accounts are presented in Kenya Shillings (KShs.)

# NETWORK OF BRANCHES AND SUB-BRANCHES

## HEAD OFFICE

**Post Bank House**  
Banda Street  
P.O. Box 30313  
P.O. Box 30311  
Tel: (020) 229661-6  
**NAIROBI**

## Ukunda Branch:h

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

## Wabera Branch:

P.O. Box 30311  
Tel: (020) 229551 -6 Ext 320  
**NAIROBI**

## Eastleigh Branch

P.O. Box 30313  
Tel: (020) 763843  
**NAIROBI**

## Moi Avenue, Mombasa,

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

## Busia Branch:

P.O. Box 183  
Tel: (055) 22278  
**BUSIA**

## Kikuyu Branch:

P.O. Box 30311  
Tel: (066) 33712  
**KIKUYU**

## Kisumu Branch:

Kenyatta Highway  
P.O. Box 183  
Tel: (057) 22112  
Fax: 43751

## Nyeri Branch:

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

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

## Nakuru Branch:

P.O. Box 4199  
Tel: (051) 213168, 211442  
**NAKURU**

## Cannon House Branch:

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

P.O. Box 523  
Tel: (056) 641233  
**MALINDI**

## Bomet Branch:

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**BOMET**

## Jogoo Road Branch:

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## Nyahururu Branch:

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Tel: (065) 32006  
**NYAHURURU**

## Mumias Branch:

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Tel: (056) 641233  
**MUMIAS**

## Kiambu Branch:

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Tel: (066) 22913  
**KIAMBU**

## Kitale Branch:

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Tel: (054) 30394  
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## Machakos Branch:

P.O. Box 944  
Tel: (044) 202  
**MACHAKOS**

## EPZ - Athi River Branch

P.O. Box 30311  
Tel: (045) 22026  
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## Limuru Branch:

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Tel: (066) 71293  
**LIMURU**

## Mwingi Branch:

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Tel: (044) 822308  
**MWINGI**

## Savani House, Mombasa,

Digo Road  
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Tel: (040) 3248  
Fax 226550  
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## Karatina Branch:

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Tel: (061) 72537  
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## Kilifi Branch

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Tel: (041) 522399  
**KILIFI**

## Kabarnet Branch:

P.O. Box 442  
Tel: (053) 35354  
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## Molo Branch:

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**MOLO**

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**EMBU**

## Homa Bay Branch:

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

## Siaya Branch:

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Tel: (057) 321211  
**SIAYA**

## Bungoma Branch:

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Tel: (055) 30318  
**BUNGOMA**

## Naivasha Branch:

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## Kitui Branch:

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Tel: (044) 22993  
**KITUI**

## Kisii Branch:

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**Mtwapa Branch:**

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**Madaraka Sub-Branch:**

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**Githurai Branch:**

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**Westland Branch:**

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Tel: (020) 4440581, 4450965  
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**Likoni Branch:**

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**Voi Branch:**

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**VOI**

**Market Street Branch:**

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Tel: (060) 31083  
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Tel: (041) 474333  
**MOMBASA**

**Karen Sub-Branch:**

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Tel: (020) 631927  
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**Kapsabet Sub-Branch::**

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Tel: (053) 2535  
**KAPSABET**

**Bondeni Sub-Branch:**

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P.O. Box 4199  
**NAKURU**

**Kericho Sub-Branch:**

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

**Tom Mboya Branch:**

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Tel: (020) 229551-6 Ext. 293  
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**Kenyatta Market Branch:**

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

**Kakamega Branch:**

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Tel: (056) 20165  
**KAKAMEGA**

**Meru Branch:**

P.O. Box 3270  
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**MERU**

**Customer Service Centre:**

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Tel: (020) 229551-6 Ext. 359  
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**Thika Sub-Branch:**

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**THIKA**

**Kerugoya Sub-Branch:**

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Tel: (060) 21893  
**KERUGOYA**

**Uthiru Sub-Branch:**

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Tel: (020) 229551-6 Ext. 281  
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**Ruiru Sub-Branch:**

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**Ngong Hills Sub-Branch:**

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**NGONG**

**Suna-Migori Sub-Branch**

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In addition, 338 Post Office outlets and 46 Appointed Agents also carry out our services.

NB. Branch refers to independent outlet while sub branch refers to branch within Postal Corporation of Kenya premises.





POSTBANK HEAD OFFICE:  
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