



Kenya Branches
Relationships Beyond Banking
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UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30TH JUNE 2010

A: BALANCE SHEET	BANK		BANK	
	30th June 2009 Un-Audited Shs '000	31st Dec, 2009 Audited Shs '000	31st March, 2010 Un-Audited Shs '000	30th June 2010 Un-Audited Shs '000
1 ASSETS				
1.1 Cash (both Local & Foreign)	34,566	41,654	21,636	45,643
1.2 Balances due from Central Bank of Kenya	572,595	646,205	674,170	671,143
1.3 Kenya Government securities	7,847,057	8,769,118	9,088,355	9,603,571
1.4 Foreign Currency Treasury Bills & Bonds	-	-	-	-
1.5 Deposits and balances due from local banking institutions	600,000	-	539,582	199,410
1.6 Deposits and balances due from banking institutions abroad	557,457	263,148	309,760	302,274
1.7 Kenya Government and other securities held for dealing purposes	-	-	-	-
1.8 Tax recoverable	-	15,080	-	-
1.9 Loans and advances to customers (net)	4,622,017	5,439,539	5,675,085	5,662,417
1.10 Investment securities	-	-	-	-
1.11 Balances due from group companies	-	-	-	-
1.12 Investments in associates	-	-	-	-
1.13 Investments in subsidiary companies	-	-	-	-
1.14 Investments in joint ventures	-	-	-	-
1.15 Investment properties	-	-	-	-
1.16 Property and equipment	106,731	104,300	102,513	102,377
1.17 Prepaid lease rentals	6	6	6	6
1.18 Intangible assets	68	68	68	68
1.19 Deferred tax asset	2,919	33,644	33,644	33,644
1.20 Retirement benefit asset	-	-	-	-
1.21 Other assets	230,341	81,809	79,662	110,817
1.22 TOTAL ASSETS	14,573,757	15,394,571	16,524,481	16,731,370
2 LIABILITIES				
2.1 Balances due to Central Bank of Kenya	-	-	-	-
2.2 Customer deposits	12,323,003	13,004,715	13,880,583	13,939,984
2.3 Deposits and balances due to local banking institutions	160,000	97,767	77,331	-
2.4 Deposits and balances due to foreign banking institutions	53,913	73,407	67,488	204,559
2.5 Other money market deposits	-	-	-	-
2.6 Borrowed funds	-	-	-	-
2.7 Balances due to group companies	-	-	-	-
2.8 Tax payable	897	-	52,920	390
2.9 Dividends payable	-	-	-	-
2.10 Deferred tax liability	-	-	-	-
2.11 Retirement benefit liability	-	-	86,222	86,222
2.12 Other liabilities	159,774	149,672	55,908	49,842
2.13 TOTAL LIABILITIES	12,697,587	13,325,561	14,220,452	14,280,997
3 SHAREHOLDERS' FUNDS				
3.1 Paid up /Assigned capital	450,000	450,000	450,000	450,000
3.2 Share premium	-	-	-	-
3.3 Revaluation reserves	-	-	-	-
3.4 Retained earnings	1,426,170	1,559,010	1,794,029	1,940,373
3.5 Statutory loan reserves	-	60,000	60,000	60,000
3.6 Proposed dividends	-	-	-	-
3.7 Capital grants	-	-	-	-
3.8 TOTAL SHAREHOLDERS' FUNDS	1,876,170	2,069,010	2,304,029	2,450,373
3.9 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	14,573,757	15,394,571	16,524,481	16,731,370
B: PROFIT AND LOSS ACCOUNT				
4 INTEREST INCOME				
4.1 Loans and advances	326,565	672,669	183,202	375,234
4.2 Government securities	405,300	876,049	250,431	512,713
4.3 Deposits and placements with banking institutions	5,332	17,556	2,941	4,913
4.4 Other Interest Income	5,955	10,127	823	1,456
4.5 Total interest income	743,152	1,576,401	437,397	894,316
5 INTEREST EXPENSE				
5.1 Customer deposits	361,637	785,005	218,782	437,252
5.2 Deposits and placement from banking institutions	2,121	3,213	382	1,082
5.3 Other interest expenses	107	-	139	186
5.4 Total interest expenses	363,865	788,218	219,303	438,520
5.5 NET INTEREST INCOME	379,287	788,183	218,094	455,796
6 OTHER OPERATING INCOME				
6.1 Fees and commissions on loans and advances	23,774	52,983	9,190	18,852
6.2 Other fees and commissions	33,095	61,289	20,966	39,422
6.3 Foreign exchange trading income	14,968	30,946	8,271	14,924
6.4 Dividend Income	-	-	-	-
6.5 Other income	21,331	30,217	129,621	159,160
6.6 Total non-interest income	93,168	175,435	168,048	232,358
6.7 TOTAL OPERATING INCOME	472,455	963,618	386,142	688,154
7 OPERATING EXPENSES				
7.1 Loan loss provision	32,736	104,921	7,249	20,531
7.2 Staff costs	64,380	138,973	43,089	72,396
7.3 Directors' emoluments	-	-	-	-
7.4 Rental charges	6,373	8,235	1,697	4,423
7.5 Depreciation charge on property and equipment	6,176	11,290	2,513	4,740
7.6 Amortisation charges	-	-	-	-
7.7 Other operating expenses	45,438	91,308	28,575	58,701
7.8 Total operating expenses	155,103	354,727	83,123	160,791
7.9 Profit before tax and exceptional items	317,352	608,891	303,019	527,363
7.10 Exceptional items	-	7,000	-	-
7.11 Profit after exceptional items	317,352	615,891	303,019	527,363
7.12 Current tax	131,000	237,319	68,000	146,000
7.13 Deferred tax	-	(21,627)	-	-
7.14 Profit after tax and exceptional items	186,352	400,199	235,019	381,363
8 EARNINGS PER SHARE- BASIC & DILUTED	-	-	-	-
9 DIVIDEND PER SHARE -DECLARED	-	-	-	-
C: OTHER DISCLOSURES				
10 NON-PERFORMING LOANS AND ADVANCES				
10.1 (a) Gross Non-performing loans and advances	223,812	199,181	102,494	116,299
10.2 (b) Less Interest in Suspense	603	190	190	157
10.3 (c) Total Non-Performing Loans and Advances (a-b)	223,209	198,991	102,304	116,142
10.4 (d) Less Loan Loss Provision	112,697	191,482	99,262	81,888
10.5 (e) Net Non-Performing Loans and Advances(c-d)	110,512	7,509	3,042	34,254
10.6 (f) Discounted Value of Securities	110,512	7,509	3,042	34,254
10.7 (g) Net NPLs Exposure (e-f)	-	-	-	-
11 INSIDER LOANS AND ADVANCES				
11.1 (a) Directors, Shareholders and Associates	-	-	-	-
11.2 (b) Employees	41,533	38,559	36,973	33,923
11.3 (c) Total Insider Loans and Advances and other facilities	41,533	38,559	36,973	33,923
12 OFF-BALANCE SHEET ITEMS				
12.1 (a) Letters of credit, guarantees, acceptances	744,923	904,553	979,362	1,347,799
12.2 (b) Other contingent liabilities	455,302	521,129	485,423	799,321
12.3 (c) Total Contingent Liabilities	1,200,225	1,425,682	1,464,785	2,147,120
13 CAPITAL STRENGTH				
13.1 (a) Core capital	1,782,994	2,009,010	2,126,520	2,199,692
13.2 (b) Minimum Statutory Capital	250,000	350,000	350,000	350,000
13.3 (c) Excess (a-b)	1,532,994	1,659,010	1,776,520	1,849,692
13.4 (d) Supplementary Capital	-	60,000	60,000	60,000
13.5 (e) Total Capital (a+d)	1,782,994	2,069,010	2,186,520	2,259,692
13.6 (f) Total risk weighted assets	5,225,625	5,968,616	6,505,545	7,132,063
13.7 (g) Core Capital/Total deposits Liabilities	14.5%	15.4%	15.32%	15.78%
13.8 (h) Minimum statutory Ratio	8.0%	8.0%	8.0%	8.0%
13.9 (i) Excess	6.5%	7.4%	7.3%	7.8%
13.10 (j) Core Capital / total risk weighted assets	34.1%	33.7%	32.7%	30.8%
13.11 (k) Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.0%
13.12 (l) Excess (j-k)	26.1%	25.7%	24.7%	22.8%
13.13 (m) Total Capital/total risk weighted assets	34.1%	34.7%	33.6%	31.7%
13.14 (n) Minimum statutory Ratio	12.0%	12.0%	12.0%	12.0%
13.15 (o) Excess (m-n)	22.1%	22.7%	21.6%	19.7%
14 LIQUIDITY				
14.1 (a) Liquidity Ratio	78.8%	73.9%	76.8%	77.1%
14.2 (b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
14.3 (c) Excess (a-b)	58.8%	53.9%	56.8%	57.1%

a) The above balance sheet and profit and loss account are extracts from Unaudited financial statements.

Signed:

D. P. MISHRA
CHIEF EXECUTIVE
KENYA BRANCHES

R. K. LENKA
CHIEF MANAGER
NAIROBI BRANCH