



Kenya Branches
Relationship Beyond Banking
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UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR PERIOD ENDED 30TH JUNE 2011

A: BALANCE SHEET	BANK		BANK	
	30 th Jun. 2010 Shs '000	31 st Dec. 2010 Shs '000	31 st Mar. 2011 Shs '000	30 th Jun. 2011 Shs '000
1 ASSETS				
1.1 Cash (both Local & Foreign)	45,643	52,170	51,399	41,246
1.2 Balances due from Central Bank of Kenya	671,143	1,060,530	805,994	854,003
1.3 Kenya Government securities	9,603,571	12,178,280	13,763,305	14,051,384
1.4 Foreign Currency Treasury Bills & Bonds	-	-	-	-
1.5 Deposits and balances due from local banking institutions	199,410	-	-	-
1.6 Deposits and balances due from banking institutions abroad	302,274	271,375	203,051	303,792
1.7 Kenya Government and other securities held for dealing purposes	-	-	-	-
1.8 Tax recoverable	-	-	-	-
1.9 Loans and advances to customers (net)	5,662,417	5,923,970	5,986,638	6,252,898
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	102,377	98,944	97,614	102,815
1.17 Prepaid lease rentals	6	-	-	-
1.18 Intangible assets	68	68	68	68
1.19 Deferred tax asset	33,644	31,178	31,178	31,178
1.20 Retirement benefit asset	-	-	-	-
1.21 Other assets	110,817	54,941	105,474	137,337
1.22 TOTAL ASSETS	16,731,370	19,671,456	21,044,721	21,774,721
2 LIABILITIES				
2.1 Balances due to Central Bank of Kenya	-	-	-	-
2.2 Customer deposits	13,939,984	16,076,467	16,669,827	17,529,858
2.3 Deposits and balances due to local banking institutions	-	-	110,000	53,000
2.4 Deposits and balances due to foreign banking institutions	204,559	686,506	1,078,971	945,151
2.5 Other money market deposits	-	-	-	-
2.6 Borrowed funds	-	-	-	-
2.7 Balances due to group companies	-	-	-	-
2.8 Tax payable	390	31,497	121,497	5,993
2.9 Dividends payable	-	-	-	-
2.10 Deferred tax liability	-	-	-	-
2.11 Retirement benefit liability	86,222	82,488	82,488	82,488
2.12 Other liabilities	49,842	38,380	64,697	49,166
2.13 TOTAL LIABILITIES	14,280,997	16,915,338	18,127,480	18,665,656
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	-	-	-	54,000
3.4 Retained earnings	1,940,373	2,244,118	2,405,241	2,541,065
3.5 Statutory loan reserves	60,000	62,000	62,000	64,000
3.6 Proposed dividends	-	-	-	-
3.7 Capital grants	-	-	-	-
3.8 TOTAL SHAREHOLDERS' FUNDS	2,450,373	2,756,118	2,917,241	3,109,065
3.9 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	16,731,370	19,671,456	21,044,721	21,774,721
B: PROFIT AND LOSS ACCOUNT				
4 INTEREST INCOME				
4.1 Loans and advances	375,234	749,608	174,296	354,855
4.2 Government securities	512,713	1,080,607	311,239	648,665
4.3 Deposits and placements with banking institutions	4,913	11,030	757	2,339
4.4 Other Interest Income	1,456	-	121	909
4.5 Total interest income	894,316	1,841,245	486,413	1,006,768
5 INTEREST EXPENSE				
5.1 Customer deposits	437,252	873,040	216,173	436,922
5.2 Deposits and placement from banking institutions	1,082	4,498	2,935	7,516
5.3 Other interest expenses	186	-	-	-
5.4 Total interest expenses	438,520	877,538	219,108	444,438
5.5 NET INTEREST INCOME	455,796	963,707	267,305	562,330
6 OTHER OPERATING INCOME				
6.1 Fees and commissions on loans and advances	18,852	54,356	13,145	30,109
6.2 Other fees and commissions	39,422	62,861	13,412	24,413
6.3 Foreign exchange trading income	14,924	32,254	18,835	18,924
6.4 Dividend Income	-	-	-	-
6.5 Other income	159,160	56,427	14,853	47,526
6.6 Total non-interest income	232,358	205,898	60,245	120,972
6.7 TOTAL OPERATING INCOME	688,154	1,169,605	327,550	683,302
7 OPERATING EXPENSES				
7.1 Loan loss provision	20,531	(100,085)	4,339	7,978
7.2 Staff costs	72,396	145,145	34,089	65,684
7.3 Directors' emoluments	-	-	-	-
7.4 Rental charges	4,423	10,114	2,565	5,808
7.5 Depreciation charge on property and equipment	4,740	9,227	2,294	4,777
7.6 Amortisation charges	-	-	-	-
7.7 Other operating expenses	58,701	114,561	33,140	66,108
7.8 Total operating expenses	160,791	178,962	76,427	150,355
7.9 Profit before tax and exceptional items	527,363	990,643	251,123	532,947
7.10 Exceptional items	-	-	-	-
7.11 Profit after exceptional items	527,363	990,643	251,123	532,947
7.12 Current tax	146,000	301,069	90,000	180,000
7.13 Deferred tax	-	2,466	-	-
7.14 Profit after tax and exceptional items	381,363	687,108	161,123	352,947
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	116,299	130,652	129,594	149,005
10.2 (b) Less Interest in Suspense	157	369	369	869
10.3 (c) Total Non-Performing Loans and Advances (a-b)	116,142	130,283	129,225	148,136
10.4 (d) Less Loan Loss Provision	81,888	86,350	90,689	94,329
10.5 (e) Net Non-Performing Loans and Advances (c-d)	34,254	43,933	38,536	53,807
10.6 (f) Discounted Value of Securities	34,254	43,933	38,536	53,807
10.7 (g) Net NPLs Exposure (e-f)	-	-	-	-
11 INSIDER LOANS AND ADVANCES				
11.1 (a) Directors, Shareholders and Associates	-	-	-	-
11.2 (b) Employees	33,923	31,569	31,092	29,357
11.3 (c) Total Insider Loans and Advances and other facilities	33,923	31,569	31,092	29,357
12 OFF-BALANCE SHEET ITEMS				
12.1 (a) Letters of credit, guarantees, acceptances	1,347,799	767,525	771,264	598,120
12.2 (b) Other contingent liabilities	799,321	606,146	1,033,720	571,989
12.3 (c) Total Contingent Liabilities	2,147,120	1,373,671	1,804,984	1,170,109
13 CAPITAL STRENGTH				
13.1 (a) Core capital	2,199,692	2,694,118	2,774,680	2,814,592
13.2 (b) Minimum Statutory Capital	350,000	500,000	500,000	500,000
13.3 (c) Excess (a-b)	1,849,692	2,194,118	2,274,680	2,314,592
13.4 (d) Supplementary Capital	60,000	62,000	62,000	64,000
13.5 (e) Total Capital (a+d)	2,259,692	2,756,118	2,836,680	2,878,592
13.6 (f) Total risk weighted assets	7,132,063	6,373,445	7,062,000	7,282,483
13.7 (g) Core Capital/Total deposits Liabilities	15.78%	16.8%	16.6%	16.06%
13.8 (h) Minimum statutory Ratio	8.0%	8.0%	8.0%	8.00%
13.9 (i) Excess	7.8%	8.8%	8.6%	8.06%
13.10 (j) Core Capital / total risk weighted assets	30.8%	42.3%	39.3%	38.65%
13.11 (k) Minimum Statutory Ratio	8.0%	8.0%	8.0%	8.00%
13.12 (l) Excess (j-k)	22.8%	34.3%	31.3%	30.65%
13.13 (m) Total Capital/total risk weighted assets	31.7%	43.2%	40.2%	39.53%
13.14 (n) Minimum statutory Ratio	12.0%	12.0%	12.0%	12.00%
13.15 (o) Excess (m-n)	19.7%	31.2%	28.2%	27.53%
14 LIQUIDITY				
14.1 (a) Liquidity Ratio	77.1%	80.6%	82.7%	82.3%
14.2 (b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
14.3 (c) Excess (a-b)	57.1%	60.6%	62.7%	62.3%

The above balance sheet and profit and loss account are extracts from unaudited financial statements.

Signed:

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NAIROBI BRANCH

M. B DHODIA
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KENYA BRANCHES