

**AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31ST DECEMBER 2018**

**I STATEMENT OF FINANCIAL POSITION**

**BANK**

	31.12.2017 Shs. '000'	31.12. 2018 Shs. '000'
<b>A ASSETS</b>	<b>Audited</b>	<b>Audited</b>
1 Cash ( both Local & Foreign)	69,114	69,666
2 Balances due from Central Bank of Kenya	2,145,709	2,059,558
3 Kenya Government and other securities held for dealing purposes		
4 Financial Assets at fair value through profit and loss		
5 Investment Securities:		
a) Held to Maturity:	30,079,138	-
a. Kenya Government securities	30,079,138	-
b. Other securities	-	-
b) Available for sale:		38,620,202
a. Kenya Government securities		38,620,202
b. Other securities		-
6 Deposits and balances due from local banking institutions	2,064,634	-
7 Deposits and balances due from banking institutions abroad	587,022	2,168,351
8 Tax recoverable	23,242	143,510
9 Loans and advances to customers (net)	20,641,381	18,426,559
10 Balances due from banking institutions in the group		
11 Investments in associates		
12 Investments in subsidiary companies		
13 Investments in joint ventures		
14 Investment properties		
15 Property and equipment	915,152	862,950
16 Prepaid lease rentals		
17 Intangible assets		
18 Deferred tax asset		214,051
19 Retirement benefit asset		
20 Other assets	105,264	124,287
<b>21 TOTAL ASSETS</b>	<b>56,630,656</b>	<b>62,689,134</b>
<b>B LIABILITIES</b>		
22 Balances due to Central Bank of Kenya		
23 Customer deposits	31,285,769	40,636,396
24 Deposits and balances due to local banking institutions		
25 Deposits and balances due to foreign banking institutions	13,538,960	8,619,992
26 Other money market deposits		
27 Borrowed funds		
28 Balances due to banking institutions in the group		
29 Tax payable		
30 Dividends payable		
31 Deferred tax liability	2,841	-
32 Retirement benefit liability	97,789	82,807
33 Other liabilities	80,782	158,561
<b>34 TOTAL LIABILITIES</b>	<b>45,005,641</b>	<b>49,497,756</b>
<b>C SHAREHOLDERS' FUNDS</b>		
35 Paid up /Assigned capital	1,000,000	1,000,000
36 Share premium/(discount)		
37 Revaluation reserves	742,014	730,530
38 Retained earnings/Accumulated losses	9,665,001	11,460,848
39 Statutory loan loss reserves	218,000	-
40 Other Reserves		
41 Proposed dividends		
42 Capital grants		
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>11,625,015</b>	<b>13,191,378</b>
44 Minority Interest		
<b>45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>56,630,656</b>	<b>62,689,134</b>

**II STATEMENT OF COMPREHENSIVE INCOME**

<b>1.0 INTEREST INCOME</b>		
1.1 Loans and advances	1,992,411	1,826,969
1.2 Government securities	3,127,370	3,879,392
1.3 Deposits and placements with banking institutions	65,436	87,484
1.4 Other Interest Income		
<b>1.5 Total interest income</b>	<b>5,185,217</b>	<b>5,793,845</b>
<b>2.0 INTEREST EXPENSE</b>		
2.1 Customer deposits	1,845,574	2,286,580
2.2 Deposits and placement from banking institutions	327,433	348,054
2.3 Other interest expenses		
2.4 Total interest expenses	2,173,007	2,634,634
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>3,012,210</b>	<b>3,159,211</b>
<b>4.0 NON-INTEREST INCOME</b>		
4.1 Fees and commissions on loans and advances	112,803	76,570
4.2 Other fees and commissions	83,634	66,079
4.3 Foreign exchange trading income/(Loss)	27,280	37,274
4.4 Dividend income		
4.5 Other income	104,079	31,251
<b>4.6 Total Non-interest income</b>	<b>327,796</b>	<b>211,174</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>3,340,006</b>	<b>3,370,385</b>
<b>6.0 OTHER OPERATING EXPENSES</b>		
6.1 Loan loss provision	94,393	268,633
6.2 Staff costs	273,178	275,744
6.3 Directors' emoluments		
6.4 Rental charges	35,720	36,291
6.5 Depreciation charge on property and equipment	62,025	60,613
6.6 Amortisation charges		
6.7 Other operating expenses	199,509	281,186
<b>6.8 Total Other Operating Expenses</b>	<b>664,825</b>	<b>922,473</b>
<b>7.0 Profit/(loss) before tax and exceptional items</b>	<b>2,675,181</b>	<b>2,447,912</b>
8.0 Exceptional items		
<b>9.0 Profit/(loss) after exceptional items</b>	<b>2,675,181</b>	<b>2,447,912</b>
10.0 Current tax	585,165	508,441
11.0 Deferred tax	1,245	14,358
<b>12.0 Profit/(loss) after tax and exceptional items</b>	<b>2,088,671</b>	<b>1,935,113</b>
13.0 Minority Interest		
<b>14.0 Profit/(loss) after tax, exceptional items and Minority Interest</b>	<b>2,088,671</b>	<b>1,935,113</b>
<b>15.0 Other Comprehensive Income</b>		
15.1 Gains/(Losses) from translating the financial statements of foreign operations		
15.2 Fair value changes in available for sale financial assets		
15.3 Revaluation surplus on Property, plant and equipment		
15.4 Share of other comprehensive income of associates		
15.5 Income tax relating to components of other comprehensive income		
16.0 Other Comprehensive Income for the year net of tax		
<b>17.0 Total comprehensive income for the year</b>	<b>2,088,671</b>	<b>1,935,113</b>
18.0 EARNINGS PER SHARE- BASIC & DILUTED		
19.0 DIVIDEND PER SHARE -DECLARED		

**III OTHER DISCLOSURES**

<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>		
(a) Gross Non-performing loans and advances	435,156	1,346,790
(b) Less: Interest in Suspense	743	-
(c) Total Non-Performing Loans and Advances (a-b)	427,663	1,314,690
(d) Less: Loan Loss Provision	122,428	694,435
(e) Net Non-Performing Loans and Advances(c-d)	305,235	620,255
(f) Discounted Value of Securities	305,235	620,255
(g) Net NPLs Exposure (e-f)		
<b>2.0 INSIDER LOANS AND ADVANCES</b>		
(a) Directors, Shareholders and Associates		
(b) Employees	74,252	68,940
(c) Total Insider Loans and Advances and other facilities	74,252	68,940
<b>3.0 OFF-BALANCE SHEET ITEMS</b>		
(a) Letters of credit, guarantees, acceptances	1,659,993	1,378,897
(b) Forwards, swaps and options		
(c) Other contingent liabilities	1,078,991	824,419
(d) Total Contingent Liabilities	2,738,984	2,203,316
<b>4.0 CAPITAL STRENGTH</b>		
(a) Core capital	10,665,001	12,460,848
(b) Minimum Statutory Capital	1,000,000	1,000,000
(c) Excess/(Deficiency) (a-b)	9,665,001	11,460,848
(d) Supplementary Capital	405,504	182,633
(e) Total Capital (a+d)	11,068,505	12,643,481
(f) Total risk weighted assets	20,508,454	28,787,492
(g) Core Capital/Total deposits Liabilities	34.1%	30.7%
(h) Minimum statutory Ratio	8.0%	8.0%
(i) Excess/(Deficiency) (g-h)	26.1%	22.7%
(j) Core Capital / total risk weighted assets	52.0%	43.3%
(k) Minimum Statutory Ratio	10.5%	10.5%
(l) Excess (Deficiency) (j-k)	41.5%	32.8%
(m) Total Capital/total risk weighted assets	54.0%	43.9%
(n) Minimum statutory Ratio	14.9%	14.9%
(o) Excess/(Deficiency) (m-n)	39.5%	29.4%
(p) Adjusted Core Capital/Total Deposit Liabilities*		31.8%
(q) Adjusted Core Capital/Total Risk Weighted Assets*		44.8%
(r) Adjusted Total Capital/Total Risk Weighted Assets*		45.5%
<b>5 LIQUIDITY</b>		
(a) Liquidity Ratio	68.4%	84.4%
(b) Minimum Statutory Ratio	20.0%	20.0%
(c) Excess (Deficiency) (a-b)	48.4%	64.4%

**NOTES**

\* The Adjusted Capital Ratios includes the expected credit loss provisions added back to Capital in line with the CBK Guidance Note issued in April 2018 on implementation of IFRS 9.

These financial statements are extracts from the books of the institution as audited by RSM Eastern Africa LLP and received unqualified opinion.

The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the institutions website [www.boikenya.com](http://www.boikenya.com)

They may be accessed at the institutions Head Office located at: BANK OF INDIA BUILDING, KENYATTA AVENUE NAIROBI

Signed:  
**S. K. GUPTA**  
**CHIEF MANAGER**  
**NAIROBI BRANCH**

Signed:  
**S. B. RAI**  
**CHIEF EXECUTIVE**  
**KENYA BRANCHES**