

**AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES
FOR THE YEAR ENDED 31ST DECEMBER 2013**

I STATEMENT OF FINANCIAL POSITION		Bank	
	31st December 2013	31st December 2012	
	Shs. '000'	Shs. '000'	
	Audited	Audited	
A ASSETS			
1 Cash (both Local & Foreign)	88,363	42,260	
2 Balances due from Central Bank of Kenya	1,213,844	1,001,989	
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:			
a. Kenya Government securities	17,850,570	12,759,169	
b. Other securities	17,850,570	12,759,169	
b) Available for sale:			
a. Kenya Government securities	386,352	473,564	
b. Other securities	386,352	473,564	
6 Deposits and balances due from local banking institutions			
7 Deposits and balances due from banking institutions abroad	293,731	116,123	
8 Tax recoverable	20,581	263,950	
9 Loans and advances to customers (net)	10,672,752	10,014,941	
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	133,425	106,889	
16 Prepaid lease rentals			
17 Intangible assets	2,711	3,459	
18 Deferred tax asset	31,938	31,815	
19 Retirement benefit asset			
20 Other assets	27,173	62,665	
21 TOTAL ASSETS	30,721,440	24,876,824	
B LIABILITIES			
22 Balances due to Central Bank of Kenya			
23 Customer deposits	22,778,336	18,282,186	
24 Deposits and balances due to local banking institutions	250,000	120,000	
25 Deposits and balances due to foreign banking institutions	2,445,201	2,239,051	
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			
32 Retirement benefit liability	84,861	86,988	
33 Other liabilities	76,163	85,179	
34 TOTAL LIABILITIES	25,634,561	20,813,404	
C SHAREHOLDERS' FUNDS			
35 Paid up /Assigned capital	450,000	450,000	
36 Share premium/(discount)			
37 Revaluation reserves	(13,000)	(27,000)	
38 Retained earnings/Accumulated losses	4,532,879	3,539,420	
39 Statutory loan loss reserves	117,000	101,000	
40 Other Reserves			
41 Proposed dividends			
42 Capital grants			
43 TOTAL SHAREHOLDERS' FUNDS	5,086,879	4,063,420	
44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	30,721,440	24,876,824	
II STATEMENT OF COMPREHENSIVE INCOME			
1.0 INTEREST INCOME			
1.1 Loans and advances	1,253,658	1,317,879	
1.2 Government securities	1,658,322	1,497,747	
1.3 Deposits and placements with banking institutions	63,854	24,085	
1.4 Other interest income	482	540	
1.5 Total interest income	2,976,316	2,840,251	
2.0 INTEREST EXPENSE			
2.1 Customer deposits	1,504,727	2,010,837	
2.2 Deposits and placement from banking institutions	47,809	48,538	
2.3 Other interest expenses			
2.4 Total interest expenses	1,552,536	2,059,375	
3.0 NET INTEREST INCOME/(LOSS)	1,423,780	780,876	
4.0 NON-INTEREST INCOME			
4.1 Fees and commissions on loans and advances	66,717	79,356	
4.2 Other fees and commissions	64,113	54,924	
4.3 Foreign exchange trading income/(Loss)	28,716	25,399	
4.4 Other income			
4.5 Total Non-interest income	36,501	25,598	
5.0 TOTAL OPERATING INCOME	1,619,827	966,153	
6.0 OTHER OPERATING EXPENSES			
6.1 Loan loss provision	1,844	18,899	
6.2 Staff costs	171,660	172,132	
6.3 Directors' emoluments			
6.4 Rental charges	14,466	13,078	
6.5 Depreciation charge on property and equipment	14,906	12,761	
6.6 Amortisation charges			
6.7 Other operating expenses	164,247	142,196	
6.8 Total Other Operating Expenses	367,123	355,066	
7.0 Profit/(loss) before tax and exceptional items	1,252,704	607,087	
8.0 Exceptional items			
9.0 Profit/(loss) after exceptional items	1,252,704	607,087	
10.0 Current tax	243,369	39,139	
11.0 Deferred tax	(123)	(492)	
12.0 Profit/(loss) after tax and exceptional items	1,009,458	568,440	
13.0 Other Comprehensive Income			
13.1 Gains/(Losses) from translating the financial statements of foreign operations			
13.2 Fair value changes in available for sale financial assets	14,000	117,000	
13.3 Revaluation surplus on Property, plant and equipment			
13.4 Share of other comprehensive income of associates			
13.5 Income tax relating to components of other comprehensive income			
14.0 Other Comprehensive Income for the year net of tax	14,000	117,000	
15.0 Total comprehensive income for the year	1,023,458	685,440	
16.0 EARNINGS PER SHARE- BASIC & DILUTED			
17.0 DIVIDEND PER SHARE -DECLARED			
III OTHER DISCLOSURES			
1.0 NON-PERFORMING LOANS AND ADVANCES			
(a) Gross Non-performing loans and advances	107,418	157,993	
(b) Less: Interest in Suspense	340	-	
(c) Total Non-Performing Loans and Advances (a-b)	107,078	157,653	
(d) Less: Loan Loss Provision	76,510	116,740	
(e) Net Non-Performing Loans and Advances(c-d)	30,568	40,913	
(f) Discounted Value of Securities	30,568	40,913	
(g) Net NPLs Exposure (e-f)	-	-	
2.0 INSIDER LOANS AND ADVANCES			
(a) Directors, Shareholders and Associates			
(b) Employees	31,929	30,066	
(c) Total Insider Loans and Advances and other facilities	31,929	30,066	
3.0 OFF-BALANCE SHEET ITEMS			
(a) Letters of credit, guarantees, acceptances			
(b) Forwards, swaps and options	1,556,122	2,149,148	
(c) Other contingent liabilities	534,704	509,468	
(d) Total Contingent Liabilities	2,090,826	2,658,616	
4.0 CAPITAL STRENGTH			
(a) Core capital	4,950,941	3,989,421	
(b) Minimum Statutory Capital	1,000,000	1,000,000	
(c) Excess/(Deficiency)/(a-b)	3,950,941	2,989,421	
(d) Supplementary Capital	117,000	101,000	
(e) Total Capital (a+d)	5,067,941	4,090,421	
(f) Total risk weighted assets	12,205,480	10,095,613	
(g) Core Capital/total deposits Liabilities	21.7%	21.8%	
(h) Minimum statutory Ratio	10.5%	8.0%	
(i) Excess/(Deficiency) (g-h)	11.2%	13.8%	
(j) Core Capital / total risk weighted assets	40.6%	39.5%	
(k) Minimum Statutory Ratio	10.5%	8.0%	
(l) Excess (Deficiency) (j-k)	30.1%	31.5%	
(m) Total Capital/total risk weighted assets	41.5%	40.5%	
(n) Minimum statutory Ratio	14.5%	12.5%	
(o) Excess/(Deficiency) (m-n)	27.0%	28.5%	
5 LIQUIDITY			
(a) Liquidity Ratio	75.2%	65.9%	
(b) Minimum Statutory Ratio	20.0%	20.0%	
(c) Excess (Deficiency) (a-b)	55.2%	45.9%	

These financial statements are extracts from the books of the institution as audited by PKF Kenya and received unqualified opinion. The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the institutions website: www.boikeny.com

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

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