

**AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31.12.2014**

I STATEMENT OF FINANCIAL POSITION		BANK	
		31st December 2013	31st December 2014
		Shs. '000 Audited	Shs. '000 Audited
<b>A ASSETS</b>			
1	Cash ( Both Local & Foreign)		
2	Balances due from Central Bank of Kenya		
3	Kenya Government, and other securities held for dealing purposes	88,363	112,354
4	Financial Assets at fair value through profit and loss	1,213,844	1,342,371
5	Investment Securities:		
a)	Held to Maturity:		
a	Kenya Government securities	17,850,570	19,520,483
b	Other securities	17,850,570	19,520,483
b)	Available for sale:		
a	Kenya Government securities	386,352	399,352
b	Other securities	386,352	399,352
6	Deposits and balances due from local banking institutions		
7	Deposits and balances due from banking institutions abroad	293,731	386,363
8	Tax recoverable	20,581	19,426
9	Loans and advances to customers (net)	10,672,752	12,375,611
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	128,728
16	Prepaid lease rentals		
17	Intangible assets	2,711	1,407
18	Deferred tax asset	31,938	38,126
19	Retirement benefit asset		
20	Other assets	27,173	46,201
21	<b>TOTAL ASSETS</b>	<b>30,721,440</b>	<b>34,370,422</b>
<b>B LIABILITIES</b>			
22	Balances due to Central Bank of Kenya		
23	Customer deposits	22,778,336	24,668,023
24	Deposits and balances due to local banking institutions	250,000	200,000
25	Deposits and balances due to foreign banking institutions	2,445,201	3,246,125
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	84,861	97,232
32	Retirement benefit liability	76,163	84,241
33	Other liabilities		
34	<b>TOTAL LIABILITIES</b>	<b>25,634,561</b>	<b>28,295,621</b>
<b>C SHAREHOLDERS' FUNDS</b>			
35	Paid up /Assigned capital	450,000	450,000
36	Share premium/(discount)		
37	Revaluation reserves	(13,000)	-
38	Retained earnings/Accumulated losses	4,532,879	5,489,801
39	Statutory loan loss reserves	117,000	135,000
40	Other Reserves		
41	Proposed dividends		
42	Capital grants		
43	<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>5,086,879</b>	<b>6,074,801</b>
44	<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>30,721,440</b>	<b>34,370,422</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>			
1.0	<b>INTEREST INCOME</b>		
1.1	Loans and advances	1,253,658	1,337,641
1.2	Government securities	1,658,322	1,873,721
1.3	Deposits and placements with banking institutions	63,854	29,026
1.4	Other Interest Income	482	1,200
1.5	<b>Total interest income</b>	<b>2,976,316</b>	<b>3,241,588</b>
2.0	<b>INTEREST EXPENSE</b>		
2.1	Customer deposits	1,504,727	1,716,663
2.2	Deposits and placement from banking institutions	47,809	37,281
2.3	Other interest expenses		
2.4	<b>Total interest expenses</b>	<b>1,552,536</b>	<b>1,753,944</b>
3.0	<b>NET INTEREST INCOME/(LOSS)</b>	<b>1,423,780</b>	<b>1,487,644</b>
4.0	<b>NON-INTEREST INCOME</b>		
4.1	Fees and commissions on loans and advances	66,717	80,308
4.2	Other fees and commissions	64,113	62,930
4.3	Foreign exchange trading income/(Loss)	28,716	27,595
4.4	Dividend income		
4.5	Other income	36,501	44,490
4.6	<b>Total Non-interest income</b>	<b>196,047</b>	<b>215,323</b>
5.0	<b>TOTAL OPERATING INCOME</b>	<b>1,619,827</b>	<b>1,702,967</b>
6.0	<b>OTHER OPERATING EXPENSES</b>		
6.1	Loan loss provision	1,844	(15,701)
6.2	Staff costs	171,660	190,372
6.3	Directors' emoluments		
6.4	Rental charges	14,466	23,465
6.5	Depreciation charge on property and equipment	14,906	14,618
6.6	Amortisation charges		
6.7	Other operating expenses	164,247	205,953
6.8	<b>Total Other Operating Expenses</b>	<b>367,123</b>	<b>418,707</b>
7.0	<b>Profit/(loss) before tax and exceptional items</b>	<b>1,252,704</b>	<b>1,284,260</b>
8.0	Exceptional items		
9.0	<b>Profit/(loss) after exceptional items</b>	<b>1,252,704</b>	<b>1,284,260</b>
10.0	Current tax	243,369	269,155
11.0	Deferred tax	(123)	(6,188)
12.0	<b>Profit/(loss) after tax and exceptional items</b>	<b>1,009,458</b>	<b>1,021,293</b>
13.0	<b>Other Comprehensive Income</b>		
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	13,000
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	<b>Other Comprehensive Income for the year net of tax</b>	<b>14,000</b>	<b>13,000</b>
15.0	<b>Total comprehensive income for the year</b>	<b>1,023,458</b>	<b>1,034,293</b>
16.0	<b>EARNINGS PER SHARE- BASIC &amp; DILUTED</b>		
17.0	<b>DIVIDEND PER SHARE -DECLARED</b>		
<b>III OTHER DISCLOSURES</b>			
1.0	<b>NON-PERFORMING LOANS AND ADVANCES</b>		
(a)	Gross Non-performing loans and advances	107,418	71,069
(b)	Less: Interest in Suspense	340	1,861
(c)	<b>Total Non-Performing Loans and Advances (a-b)</b>	<b>107,078</b>	<b>69,208</b>
(d)	Less: Loan Loss Provision	76,510	60,809
(e)	<b>Net Non-Performing Loans and Advances (c-d)</b>	<b>30,568</b>	<b>8,399</b>
(f)	Discounted Value of Securities	30,568	8,399
(g)	<b>Net NPLs Exposure (e-f)</b>	-	-
2.0	<b>INSIDER LOANS AND ADVANCES</b>		
(a)	Directors, Shareholders and Associates		
(b)	Employees	31,929	49,855
(c)	<b>Total Insider Loans and Advances and other facilities</b>	<b>31,929</b>	<b>49,855</b>
3.0	<b>OFF-BALANCE SHEET ITEMS</b>		
(a)	Letters of credit, guarantees, acceptances	1,556,122	1,740,612
(b)	Forwards, swaps and options		
(c)	Other contingent liabilities	534,704	879,606
(d)	<b>Total Contingent Liabilities</b>	<b>2,090,826</b>	<b>2,620,218</b>
4.0	<b>CAPITAL STRENGTH</b>		
(a)	Core capital	4,950,941	5,901,675
(b)	Minimum Statutory Capital	1,000,000	1,000,000
(c)	Excess/(Deficiency) (a-b)	3,950,941	4,901,675
(d)	Supplementary Capital	117,000	135,000
(e)	<b>Total Capital (a+d)</b>	<b>5,067,941</b>	<b>6,036,675</b>
(f)	Total risk weighted assets	12,205,480	15,316,073
(g)	<b>Core Capital/Total deposits Liabilities</b>	<b>21.7%</b>	<b>23.9%</b>
(h)	Minimum statutory Ratio	10.5%	10.5%
(i)	Excess/(Deficiency) (g-h)	11.2%	13.4%
(j)	<b>Core Capital / total risk weighted assets</b>	<b>40.6%</b>	<b>38.5%</b>
(k)	Minimum Statutory Ratio	10.5%	10.5%
(l)	Excess/(Deficiency) (j-k)	30.1%	28.0%
(m)	<b>Total Capital/total risk weighted assets</b>	<b>41.5%</b>	<b>39.4%</b>
(n)	Minimum statutory Ratio	14.5%	14.5%
(o)	Excess/(Deficiency) (m-n)	27.0%	24.9%
5	<b>LIQUIDITY</b>		
(a)	<b>Liquidity Ratio</b>	<b>75.2%</b>	<b>74.2%</b>
(b)	Minimum Statutory Ratio	20.0%	20.0%
(c)	Excess/(Deficiency) (a-b)	55.2%	54.2%

These financial statements are extracts from the books of the institution as audited by Grant Thornton 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

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

Signed:

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KENYA BRANCHES

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