

**UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR PERIOD ENDED 30<sup>TH</sup> JUNE 2017**

I STATEMENT OF FINANCIAL POSITION		30th June 2016	31st December 2016	31st March 2017	30th June 2017
		Shs. '000'	Shs. '000'	Shs. '000'	Shs. '000'
		Unaudited	Audited	Unaudited	Unaudited
<b>A ASSETS</b>					
1	Cash ( both Local & Foreign)	59,963	56,732	73,879	62,964
2	Balances due from Central Bank of Kenya	1,271,897	1,545,201	1,414,207	1,242,026
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	22,863,449	24,461,781	26,254,571	27,307,314
	b. Other securities	22,863,449	24,461,781	26,254,571	27,307,314
	b) Available for sale:				
	a. Kenya Government securities	-	-	-	-
	b. Other securities	-	-	-	-
6	Deposits and balances due from local banking institutions	707,715	1,112,429	1,133,000	2,889,081
7	Deposits and balances due from banking institutions abroad	308,065	382,818	422,710	439,785
8	Tax recoverable	11,422	-	-	-
9	Loans and advances to customers (net)	17,424,940	19,246,080	19,445,225	24,018,211
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	1,005,052	971,430	955,383	971,589
16	Prepaid lease rentals	-	-	-	-
17	Intangible assets	-	-	-	-
18	Deferred tax asset	38,931	-	-	-
19	Retirement benefit asset	-	-	-	-
20	Other assets	26,028	38,604	37,128	25,627
<b>21</b>	<b>TOTAL ASSETS</b>	<b>43,717,462</b>	<b>47,815,075</b>	<b>49,736,103</b>	<b>56,956,597</b>
<b>B LIABILITIES</b>					
22	Balances due to Central Bank of Kenya	-	-	-	-
23	Customer deposits	25,229,294	26,726,390	27,744,001	28,366,417
24	Deposits and balances due to local banking institutions	-	-	-	-
25	Deposits and balances due to foreign banking institutions	9,830,173	11,267,540	11,557,383	17,933,281
26	Other money market deposits	-	-	-	-
27	Borrowed funds	-	-	-	-
28	Balances due to banking institutions in the group	-	-	-	-
29	Tax payable	-	91,446	251,446	21,592
30	Dividends payable	-	-	-	-
31	Deferred tax liability	-	1,497	1,497	1,497
32	Retirement benefit liability	91,569	99,250	99,250	99,250
33	Other liabilities	111,842	92,608	103,534	121,970
<b>34</b>	<b>TOTAL LIABILITIES</b>	<b>35,262,878</b>	<b>38,278,731</b>	<b>39,757,111</b>	<b>46,544,007</b>
<b>C SHAREHOLDERS' FUNDS</b>					
35	Paid up /Assigned capital	450,000	1,000,000	1,000,000	1,000,000
36	Share premium/(discount)	-	-	-	-
37	Revaluation reserves	814,689	753,792	743,180	743,180
38	Retained earnings/Accumulated losses	6,999,895	5,753,552	8,025,812	8,418,410
39	Statutory loan loss reserves	190,000	209,000	210,000	251,000
40	Other Reserves	-	-	-	-
41	Proposed dividends	-	-	-	-
42	Capital grants	-	-	-	-
<b>43</b>	<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>8,454,584</b>	<b>9,536,344</b>	<b>9,978,992</b>	<b>10,412,590</b>
<b>44</b>	<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>43,717,462</b>	<b>47,815,075</b>	<b>49,736,103</b>	<b>56,956,597</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>					
1.0	INTEREST INCOME				
1.1	Loans and advances	916,775	1,801,327	436,835	937,309
1.2	Government securities	1,196,320	2,573,093	724,306	1,483,383
1.3	Deposits and placements with banking institutions	24,139	47,917	10,114	24,544
1.4	Other Interest Income	-	-	-	-
<b>1.5</b>	<b>Total interest income</b>	<b>2,137,234</b>	<b>4,422,337</b>	<b>1,171,255</b>	<b>2,445,236</b>
2.0	INTEREST EXPENSE				
2.1	Customer deposits	871,957	1,766,955	432,564	872,548
2.2	Deposits and placement from banking institutions	80,274	177,215	60,212	148,907
2.3	Other interest expenses	-	-	-	-
<b>2.4</b>	<b>Total interest expenses</b>	<b>952,231</b>	<b>1,944,170</b>	<b>492,776</b>	<b>1,021,455</b>
<b>3.0</b>	<b>NET INTEREST INCOME/(LOSS)</b>	<b>1,185,003</b>	<b>2,478,167</b>	<b>678,479</b>	<b>1,423,781</b>
4.0	NON-INTEREST INCOME				
4.1	Fees and commissions on loans and advances	46,136	98,348	28,906	62,037
4.2	Other fees and commissions	30,737	67,040	20,997	40,467
4.3	Foreign exchange trading income/(Loss)	13,000	27,452	6,939	12,670
4.4	Dividend Income	-	-	-	-
4.5	Other income	16,276	80,345	20,667	27,423
<b>4.6</b>	<b>Total Non-interest income</b>	<b>106,149</b>	<b>273,185</b>	<b>77,509</b>	<b>142,597</b>
<b>5.0</b>	<b>TOTAL OPERATING INCOME</b>	<b>1,291,152</b>	<b>2,751,352</b>	<b>755,988</b>	<b>1,566,378</b>
6.0	OTHER OPERATING EXPENSES				
6.1	Loan loss provision	3,814	44,558	814	70,038
6.2	Staff costs	121,242	239,850	74,125	138,252
6.3	Directors' emoluments	-	-	-	-
6.4	Rental charges	15,591	32,592	8,799	17,748
6.5	Depreciation charge on property and equipment	11,313	22,669	5,488	21,014
6.6	Amortisation charges	-	-	-	-
6.7	Other operating expenses	120,688	226,323	53,501	102,467
<b>6.8</b>	<b>Total Other Operating Expenses</b>	<b>272,648</b>	<b>565,992</b>	<b>142,727</b>	<b>349,519</b>
7.0	Profit/(loss) before tax and exceptional items	1,018,504	2,185,360	613,261	1,216,859
8.0	Exceptional items	-	-	-	-
<b>9.0</b>	<b>Profit/(loss) after exceptional items</b>	<b>1,018,504</b>	<b>2,185,360</b>	<b>613,261</b>	<b>1,216,859</b>
10.0	Current tax	260,000	543,700	160,000	330,000
11.0	Deferred tax	-	755	-	-
<b>12.0</b>	<b>Profit/(loss) after tax and exceptional items</b>	<b>758,504</b>	<b>1,640,905</b>	<b>453,261</b>	<b>886,859</b>
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	-	-	-	-
13.3	Revaluation surplus on Property, plant and equipment	-	793,465	-	-
13.4	Share of other comprehensive income of associates	-	-	-	-
13.5	Income tax relating to components of other comprehensive income	-	(39,673)	-	-
14.0	Other Comprehensive Income for the year net of tax	-	753,792	-	-
<b>15.0</b>	<b>Total comprehensive income for the year</b>	<b>758,504</b>	<b>2,394,697</b>	<b>453,261</b>	<b>886,859</b>
<b>16.0</b>	<b>EARNINGS PER SHARE- BASIC &amp; DILUTED</b>				
<b>17.0</b>	<b>DIVIDEND PER SHARE- DECLARED</b>				
<b>III OTHER DISCLOSURES</b>					
1.0	NON-PERFORMING LOANS AND ADVANCES				
(a)	Gross Non-performing loans and advances	396,896	272,457	229,080	598,460
(b)	Less: Interest in Suspense	10,611	4,128	4,170	16,360
(c)	<b>Total Non-Performing Loans and Advances (a-b)</b>	<b>386,285</b>	<b>268,329</b>	<b>224,910</b>	<b>582,100</b>
(d)	Less: Loan Loss Provision	116,694	104,016	93,720	162,863
(e)	Net Non-Performing Loans and Advances(c-d)	269,591	164,313	131,190	419,237
(f)	Discounted Value of Securities	269,591	164,313	131,190	419,237
(g)	Net NPLs Exposure (e-f)	-	-	-	-
2.0	INSIDER LOANS AND ADVANCES				
(a)	Directors, Shareholders and Associates	-	-	-	-
(b)	Employees	58,819	63,056	64,522	68,677
(c)	<b>Total Insider Loans and Advances and other facilities</b>	<b>58,819</b>	<b>63,056</b>	<b>64,522</b>	<b>68,677</b>
3.0	OFF-BALANCE SHEET ITEMS				
(a)	Letters of credit, guarantees, acceptances	2,011,540	1,471,680	1,762,130	1,621,465
(b)	Forwards, swaps and options	-	-	-	-
(c)	Other contingent liabilities	1,102,968	1,198,289	1,211,300	1,177,812
(d)	<b>Total Contingent Liabilities</b>	<b>3,114,508</b>	<b>2,669,969</b>	<b>2,973,430</b>	<b>2,799,277</b>
4.0	CAPITAL STRENGTH				
(a)	Core capital	7,031,712	8,573,552	8,759,509	8,935,308
(b)	Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
(c)	Excess/(Deficiency) (a-b)	6,031,712	7,573,552	7,759,509	7,935,308
(d)	Supplementary Capital	393,672	397,448	405,713	446,713
(e)	<b>Total Capital (a+d)</b>	<b>7,425,384</b>	<b>8,971,000</b>	<b>9,165,222</b>	<b>9,382,021</b>
(f)	Total risk weighted assets	18,254,321	19,614,938	20,671,731	20,494,361
(g)	Core Capital/Total deposits Liabilities	23.8%	26.9%	26.7%	26.0%
(h)	Minimum statutory Ratio	8.0%	10.5%	8.0%	8.0%
(i)	Excess/(Deficiency) (g-h)	15.8%	16.4%	18.7%	18.0%
(j)	Core Capital / total risk weighted assets	38.5%	43.7%	42.4%	43.6%
(k)	Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%
(l)	Excess (Deficiency) (j-k)	28.0%	33.2%	31.9%	33.1%
(m)	<b>Total Capital/total risk weighted assets</b>	<b>40.7%</b>	<b>45.7%</b>	<b>44.3%</b>	<b>45.8%</b>
(n)	Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%
(o)	Excess/(Deficiency) (m-n)	26.2%	31.2%	29.8%	31.3%
5	LIQUIDITY				
(a)	Liquidity Ratio	61.0%	61.0%	63.9%	49.4%
(b)	Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
(c)	Excess (Deficiency) (a-b)	41.0%	41.0%	43.9%	29.4%

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