

UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR PERIOD ENDED 30TH SEPTEMBER 2017

| I STATEMENT OF FINANCIAL POSITION | | 30 th Sept 2016 | 31 st Dec 2016 | 31 st Mar 2017 | 30 th June 2017 | 30 th Sept 2017 |
|---|--|----------------------------|---------------------------|---------------------------|----------------------------|----------------------------|
| | | Shs. '000' Unaudited | Shs. '000' Audited | Shs. '000' Unaudited | Shs. '000' Unaudited | Shs. '000' Unaudited |
| A ASSETS | | | | | | |
| 1 | Cash (both Local & Foreign) | 91,764 | 56,732 | 73,879 | 62,964 | 93,643 |
| 2 | Balances due from Central Bank of Kenya | 1,322,556 | 1,545,201 | 1,414,207 | 1,242,026 | 2,131,325 |
| 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.1 | Kenya Government securities | 23,740,424 | 24,461,781 | 26,254,571 | 27,307,314 | 28,443,157 |
| a.2 | Other securities | 23,740,424 | 24,461,781 | 26,254,571 | 27,307,314 | 28,443,157 |
| b) | Available for sale: | | | | | |
| b.1 | Kenya Government securities | - | - | - | - | - |
| b.2 | Other securities | - | - | - | - | - |
| 6 | Deposits and balances due from local banking institutions | 1,515,140 | 1,112,429 | 1,133,000 | 2,889,081 | 774,354 |
| 7 | Deposits and balances due from banking institutions abroad | 536,986 | 382,818 | 422,710 | 439,785 | 543,834 |
| 8 | Tax recoverable | - | - | - | - | - |
| 9 | Loans and advances to customers (net) | 18,126,116 | 19,246,080 | 19,445,225 | 24,018,211 | 24,277,256 |
| 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 | 984,340 | 971,430 | 955,383 | 971,589 | 968,935 |
| 16 | Prepaid lease rentals | - | - | - | - | - |
| 17 | Intangible assets | - | - | - | - | - |
| 18 | Deferred tax asset | 38,931 | - | - | - | - |
| 19 | Retirement benefit asset | - | - | - | - | - |
| 20 | Other assets | 54,469 | 38,604 | 37,128 | 25,627 | 64,968 |
| 21 TOTAL ASSETS | | 46,410,726 | 47,815,075 | 49,736,103 | 56,956,597 | 57,297,472 |
| B LIABILITIES | | | | | | |
| 22 | Balances due to Central Bank of Kenya | - | - | - | - | - |
| 23 | Customer deposits | 26,120,806 | 26,726,390 | 27,744,001 | 28,366,417 | 30,341,702 |
| 24 | Deposits and balances due to local banking institutions | - | - | - | - | - |
| 25 | Deposits and balances due to foreign banking institutions | 10,881,639 | 11,267,540 | 11,557,383 | 17,933,281 | 15,778,550 |
| 26 | Other money market deposits | - | - | - | - | - |
| 27 | Borrowed funds | - | - | - | - | - |
| 28 | Balances due to banking institutions in the group | - | - | - | - | - |
| 29 | Tax payable | 27,616 | 91,446 | 251,446 | 21,592 | 51,593 |
| 30 | Dividends payable | - | - | - | - | - |
| 31 | Deferred tax liability | - | 1,497 | 1,497 | 1,497 | 1,497 |
| 32 | Retirement benefit liability | 98,449 | 99,250 | 99,250 | 99,250 | 106,049 |
| 33 | Other liabilities | 105,440 | 92,608 | 103,534 | 121,970 | 97,683 |
| 34 TOTAL LIABILITIES | | 37,233,950 | 38,278,731 | 39,757,111 | 46,544,007 | 46,377,074 |
| C SHAREHOLDERS' FUNDS | | | | | | |
| 35 | Paid up /Assigned capital | 450,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| 36 | Share premium/(discount) | - | - | - | - | - |
| 37 | Revaluation reserves | 804,077 | 753,792 | 743,180 | 743,180 | 743,180 |
| 38 | Retained earnings/Accumulated losses | 7,724,699 | 7,573,552 | 8,025,812 | 8,418,410 | 8,926,218 |
| 39 | Statutory loan loss reserves | 198,000 | 209,000 | 210,000 | 251,000 | 251,000 |
| 40 | Other Reserves | - | - | - | - | - |
| 41 | Proposed dividends | - | - | - | - | - |
| 42 | Capital grants | - | - | - | - | - |
| 43 TOTAL SHAREHOLDERS' FUNDS | | 9,176,776 | 9,536,344 | 9,978,992 | 10,412,590 | 10,920,398 |
| 44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS | | 46,410,726 | 47,815,075 | 49,736,103 | 56,956,597 | 57,297,472 |
| II STATEMENT OF COMPREHENSIVE INCOME | | | | | | |
| 1.0 INTEREST INCOME | | | | | | |
| 1.1 | Loans and advances | 1,367,466 | 1,801,327 | 436,835 | 937,309 | 1,462,235 |
| 1.2 | Government securities | 1,870,753 | 2,573,093 | 724,306 | 1,483,383 | 2,285,891 |
| 1.3 | Deposits and placements with banking institutions | 34,108 | 47,917 | 10,114 | 24,544 | 41,374 |
| 1.4 | Other Interest Income | - | - | - | - | - |
| 1.5 Total interest income | | 3,272,327 | 4,422,337 | 1,171,255 | 2,445,236 | 3,789,500 |
| 2.0 INTEREST EXPENSE | | | | | | |
| 2.1 | Customer deposits | 1,321,865 | 1,766,955 | 432,564 | 872,548 | 1,341,001 |
| 2.2 | Deposits and placement from banking institutions | 126,419 | 177,215 | 60,212 | 148,907 | 237,678 |
| 2.3 | Other interest expenses | - | - | - | - | - |
| 2.4 Total interest expenses | | 1,448,284 | 1,944,170 | 492,776 | 1,021,455 | 1,578,679 |
| 3.0 NET INTEREST INCOME/(LOSS) | | 1,824,043 | 2,478,167 | 678,479 | 1,423,781 | 2,210,821 |
| 4.0 NON-INTEREST INCOME | | | | | | |
| 4.1 | Fees and commissions on loans and advances | 71,748 | 98,348 | 28,906 | 62,037 | 93,208 |
| 4.2 | Other fees and commissions | 50,213 | 67,040 | 20,997 | 40,467 | 62,377 |
| 4.3 | Foreign exchange trading income/(Loss) | 21,554 | 27,452 | 6,939 | 12,670 | 21,409 |
| 4.4 | Dividend Income | - | - | - | - | - |
| 4.5 | Other income | 23,047 | 80,345 | 20,667 | 27,423 | 34,509 |
| 4.6 Total Non-interest income | | 166,562 | 273,185 | 77,509 | 142,597 | 211,503 |
| 5.0 TOTAL OPERATING INCOME | | 1,990,605 | 2,751,352 | 755,988 | 1,566,378 | 2,422,324 |
| 6.0 OTHER OPERATING EXPENSES | | | | | | |
| 6.1 | Loan loss provision | (9,114) | 44,558 | 814 | 70,038 | 94,264 |
| 6.2 | Staff costs | 182,526 | 239,850 | 74,125 | 138,252 | 213,998 |
| 6.3 | Directors' emoluments | - | - | - | - | - |
| 6.4 | Rental charges | 23,976 | 32,592 | 8,799 | 17,748 | 26,732 |
| 6.5 | Depreciation charge on property and equipment | 16,701 | 22,669 | 5,488 | 21,014 | 36,711 |
| 6.6 | Amortisation charges | - | - | - | - | - |
| 6.7 | Other operating expenses | 176,555 | 226,323 | 53,501 | 102,467 | 145,952 |
| 6.8 Total Other Operating Expenses | | 390,644 | 565,992 | 142,727 | 349,519 | 517,657 |
| 7.0 | Profit/(loss) before tax and exceptional items | 1,599,961 | 2,185,360 | 613,261 | 1,216,859 | 1,904,667 |
| 8.0 | Exceptional items | - | - | - | - | - |
| 9.0 Profit/(loss) after exceptional items | | 1,599,961 | 2,185,360 | 613,261 | 1,216,859 | 1,904,667 |
| 10.0 | Current tax | 410,000 | 543,700 | 160,000 | 330,000 | 510,000 |
| 11.0 | Deferred tax | - | 755 | - | - | - |
| 12.0 Profit/(loss) after tax and exceptional items | | 1,189,961 | 1,640,905 | 453,261 | 886,859 | 1,394,667 |
| 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 | - | (39,673) | - | - | - |
| 13.5 | Income tax relating to components of other comprehensive income | - | - | - | - | - |
| 14.0 | Other Comprehensive Income for the year net of tax | - | 753,792 | - | - | - |
| 15.0 Total comprehensive income for the year | | 1,189,961 | 2,394,697 | 453,261 | 886,859 | 1,394,667 |
| 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 | 272,661 | 272,457 | 229,080 | 598,460 | 753,124 |
| (b) | Less: Interest in Suspense | 4,122 | 4,128 | 4,170 | 16,360 | 18,432 |
| (c) | Total Non-Performing Loans and Advances (a-b) | 268,539 | 268,329 | 224,910 | 582,100 | 734,692 |
| (d) | Less: Loan Loss Provision | 103,767 | 104,016 | 93,720 | 162,863 | 186,695 |
| (e) | Net Non-Performing Loans and Advances (c-d) | 164,772 | 164,313 | 131,190 | 419,237 | 547,999 |
| (f) | Discounted Value of Securities | 164,772 | 164,313 | 131,190 | 419,237 | 547,999 |
| (g) | Net NPLs Exposure (e-f) | - | - | - | - | - |
| 2.0 INSIDER LOANS AND ADVANCES | | | | | | |
| (a) | Directors, Shareholders and Associates | 63,357 | 63,056 | 64,522 | 68,677 | 70,340 |
| (b) | Employees | 63,357 | 63,056 | 64,522 | 68,677 | 70,340 |
| (c) | Total Insider Loans and Advances and other facilities | 63,357 | 63,056 | 64,522 | 68,677 | 70,340 |
| 3.0 OFF-BALANCE SHEET ITEMS | | | | | | |
| (a) | Letters of credit,guarantees, acceptances | 1,653,063 | 1,471,680 | 1,762,130 | 1,621,465 | 1,722,813 |
| (b) | Forwards, swaps and options | - | - | - | - | - |
| (c) | Other contingent liabilities | 1,081,626 | 1,198,289 | 1,211,300 | 1,177,812 | 1,309,360 |
| (d) | Total Contingent Liabilities | 2,734,689 | 2,669,969 | 2,973,430 | 2,799,277 | 3,032,173 |
| 4.0 CAPITAL STRENGTH | | | | | | |
| (a) | Core capital | 7,540,788 | 8,573,552 | 8,759,509 | 8,935,308 | 9,189,212 |
| (b) | Minimum Statutory Capital | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| (c) | Excess/(Deficiency)(a-b) | 6,540,788 | 7,573,552 | 7,759,509 | 7,935,308 | 8,189,212 |
| (d) | Supplementary Capital | 399,019 | 397,448 | 405,713 | 446,713 | 446,713 |
| (e) | Total Capital (a-d) | 7,939,807 | 8,971,000 | 9,165,222 | 9,382,021 | 9,635,925 |
| (f) | Total risk weighted assets | 19,107,951 | 19,614,938 | 20,671,731 | 20,494,361 | 20,424,152 |
| (g) | Core Capital/Total deposits Liabilities | 24.5% | 26.9% | 26.7% | 26.0% | 30.3% |
| (h) | Minimum statutory Ratio | 8.0% | 10.5% | 8.0% | 8.0% | 8.0% |
| (i) | Excess/(Deficiency) (g-h) | 16.5% | 16.4% | 18.7% | 18.0% | 22.3% |
| (j) | Core Capital / total risk weighted assets | 39.5% | 43.7% | 42.4% | 43.6% | 45.0% |
| (k) | Minimum Statutory Ratio | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% |
| (l) | Excess (Deficiency) (j-k) | 29.0% | 33.2% | 31.9% | 33.1% | 34.5% |
| (m) | Total Capital/total risk weighted assets | 41.6% | 45.7% | 44.3% | 45.8% | 47.2% |
| (n) | Minimum statutory Ratio | 14.5% | 14.5% | 14.5% | 14.5% | 14.5% |
| (o) | Excess/(Deficiency) (m-n) | 27.1% | 31.2% | 29.8% | 31.3% | 32.7% |
| 5 LIQUIDITY | | | | | | |
| (a) | Liquidity Ratio | 62.5% | 61.0% | 63.9% | 49.4% | 53.4% |
| (b) | Minimum Statutory Ratio | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% |
| (c) | Excess (Deficiency) (a-b) | 42.5% | 41.0% | 43.9% | 29.4% | 33.4% |

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