

**UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR PERIOD ENDED 30<sup>TH</sup> JUNE 2016**

STATEMENT OF FINANCIAL POSITION		30 <sup>th</sup> June 2015	31 <sup>st</sup> Dec 2015	31 <sup>st</sup> March 2016	30 <sup>th</sup> June 2016
		Shs. '000'	Shs. '000'	Shs. '000'	Shs. '000'
		Unaudited	Audited	Unaudited	Unaudited
<b>A</b>	<b>ASSETS</b>				
1	Cash ( both Local & Foreign)	111,411	107,155	68,879	59,963
2	Balances due from Central Bank of Kenya	1,135,665	1,418,390	1,827,522	1,271,897
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	21,084,762	20,838,671	20,511,015	22,863,449
a.2)	Other securities	21,084,762	20,838,671	20,511,015	22,863,449
b)	Available for sale:				
a.1)	Kenya Government securities	399,102	399,352	-	-
a.2)	Other securities	399,102	399,352	-	-
6	Deposits and balances due from local banking institutions	98,639	920,803	1,216,007	707,715
7	Deposits and balances due from banking institutions abroad	481,358	363,836	269,448	308,065
8	Tax recoverable	4,426	-	-	11,422
9	Loans and advances to customers (net)	13,362,230	17,857,613	17,284,400	17,424,940
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	125,788	177,165	176,749	1,005,052
16	Prepaid lease rentals				
17	Intangible assets	1,407	-	-	-
18	Deferred tax asset	38,126	38,931	38,931	38,931
19	Retirement benefit asset				
20	Other assets	56,347	41,031	34,495	26,028
<b>21</b>	<b>TOTAL ASSETS</b>	<b>36,899,261</b>	<b>42,162,947</b>	<b>41,427,446</b>	<b>43,717,462</b>
<b>B</b>	<b>LIABILITIES</b>				
22	Balances due to Central Bank of Kenya				
23	Customer deposits	26,395,882	24,613,215	23,017,587	25,229,294
24	Deposits and balances due to local banking institutions	200,000	550,000	-	-
25	Deposits and balances due to foreign banking institutions	3,535,297	9,584,101	10,437,334	9,830,173
26	Other money market deposits				
27	Borrowed funds				
28	Balances due to banking institutions in the group				
29	Tax payable	-	42,979	152,979	-
30	Dividends payable				
31	Deferred tax liability				
32	Retirement benefit liability	97,232	104,219	91,569	91,569
33	Other liabilities	90,735	85,695	130,477	111,842
<b>34</b>	<b>TOTAL LIABILITIES</b>	<b>30,319,146</b>	<b>34,980,209</b>	<b>33,829,946</b>	<b>35,262,878</b>
<b>C</b>	<b>SHAREHOLDERS' FUNDS</b>				
35	Paid up /Assigned capital	450,000	450,000	450,000	450,000
36	Share premium/(discount)				
37	Revaluation reserves				814,689
38	Retained earnings/Accumulated losses	5,984,115	6,536,738	6,958,500	6,999,895
39	Statutory loan loss reserves	146,000	196,000	189,000	190,000
40	Other Reserves				
41	Proposed dividends				
42	Capital grants				
<b>43</b>	<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>6,580,115</b>	<b>7,182,738</b>	<b>7,597,500</b>	<b>8,454,584</b>
<b>44</b>	<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>36,899,261</b>	<b>42,162,947</b>	<b>41,427,446</b>	<b>43,717,462</b>
<b>II</b>	<b>STATEMENT OF COMPREHENSIVE INCOME</b>				
<b>1.0</b>	<b>INTEREST INCOME</b>				
1.1	Loans and advances	747,582	1,576,186	469,716	916,775
1.2	Government securities	995,652	2,122,025	587,165	1,196,320
1.3	Deposits and placements with banking institutions	19,503	44,256	9,048	24,139
1.4	Other Interest Income		265	-	-
<b>1.5</b>	<b>Total interest income</b>	<b>1,762,737</b>	<b>3,742,732</b>	<b>1,065,929</b>	<b>2,137,234</b>
<b>2.0</b>	<b>INTEREST EXPENSE</b>				
2.1	Customer deposits	938,081	1,893,784	441,955	871,957
2.2	Deposits and placement from banking institutions	9,926	40,168	38,696	80,274
2.3	Other interest expenses				
<b>2.4</b>	<b>Total interest expenses</b>	<b>948,007</b>	<b>1,933,952</b>	<b>480,651</b>	<b>952,231</b>
<b>3.0</b>	<b>NET INTEREST INCOME/(LOSS)</b>	<b>814,730</b>	<b>1,808,780</b>	<b>585,278</b>	<b>1,185,003</b>
<b>4.0</b>	<b>NON-INTEREST INCOME</b>				
4.1	Fees and commissions on loans and advances	30,426	112,241	30,547	46,136
4.2	Other fees and commissions	28,651	53,208	17,359	30,737
4.3	Foreign exchange trading income/(Loss)	17,154	17,586	6,634	13,000
4.4	Dividend Income				
4.5	Other income	19,238	43,661	6,860	16,276
<b>4.6</b>	<b>Total Non-interest income</b>	<b>95,469</b>	<b>226,696</b>	<b>61,400</b>	<b>106,149</b>
<b>5.0</b>	<b>TOTAL OPERATING INCOME</b>	<b>910,199</b>	<b>2,035,476</b>	<b>646,678</b>	<b>1,291,152</b>
<b>6.0</b>	<b>OTHER OPERATING EXPENSES</b>				
6.1	Loan loss provision	2,550	52,072	(29,934)	3,814
6.2	Staff costs	108,881	236,831	64,679	121,242
6.3	Directors' emoluments	-	-	-	-
6.4	Rental charges	14,306	38,136	7,133	15,591
6.5	Depreciation charge on property and equipment	7,360	18,479	5,440	11,313
6.6	Amortisation charges	-	-	-	-
6.7	Other operating expenses	106,788	220,421	74,598	120,688
<b>6.8</b>	<b>Total Other Operating Expenses</b>	<b>239,885</b>	<b>565,939</b>	<b>121,916</b>	<b>272,648</b>
7.0	Profit/(loss) before tax and exceptional items	670,314	1,469,537	524,762	1,018,504
8.0	Exceptional items				
<b>9.0</b>	<b>Profit/(loss) after exceptional items</b>	<b>670,314</b>	<b>1,469,537</b>	<b>524,762</b>	<b>1,018,504</b>
10.0	Current tax	165,000	362,405	110,000	260,000
11.0	Deferred tax	-	(805)	-	-
<b>12.0</b>	<b>Profit/(loss) after tax and exceptional items</b>	<b>505,314</b>	<b>1,107,937</b>	<b>414,762</b>	<b>758,504</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				
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				
<b>15.0</b>	<b>Total comprehensive income for the year</b>	<b>505,314</b>	<b>1,107,937</b>	<b>414,762</b>	<b>758,504</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</b>	<b>OTHER DISCLOSURES</b>				
<b>1.0</b>	<b>NON-PERFORMING LOANS AND ADVANCES</b>				
(a)	Gross Non-performing loans and advances	70,954	363,819	162,917	396,896
(b)	Less: Interest in Suspense	1,996	2,244	2,329	10,611
(c)	Net Non-Performing Loans and Advances (a-b)	68,958	361,575	160,588	386,285
(d)	Less: Loan Loss Provision	63,358	112,881	82,947	116,694
(e)	Net Non-Performing Loans and Advances(c-d)	5,600	248,694	77,641	269,591
(f)	Discounted Value of Securities	5,600	248,694	77,641	269,591
(g)	Net NPLs Exposure (e-f)	-	-	-	-
<b>2.0</b>	<b>INSIDER LOANS AND ADVANCES</b>				
(a)	Directors, Shareholders and Associates				
(b)	Employees	53,661	56,981	60,598	58,819
(c)	Total Insider Loans and Advances and other facilities	53,661	56,981	60,598	58,819
<b>3.0</b>	<b>OFF-BALANCE SHEET ITEMS</b>				
(a)	Letters of credit, guarantees, acceptances	1,575,237	2,122,717	2,269,931	2,011,540
(b)	Forwards, swaps and options				
(c)	Other contingent liabilities	773,568	1,173,942	1,040,836	1,102,968
(d)	Total Contingent Liabilities	2,348,805	3,296,659	3,310,767	3,114,508
<b>4.0</b>	<b>CAPITAL STRENGTH</b>				
(a)	Core capital	6,143,332	6,947,807	7,162,188	7,031,712
(b)	Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000
(c)	Excess/(Deficiency) (a-b)	5,143,332	5,947,807	6,162,188	6,031,712
(d)	Supplementary Capital	146,000	196,000	189,000	393,672
(e)	Total Capital (a+d)	6,289,332	7,143,807	7,351,188	7,425,384
(f)	Total risk weighted assets	16,363,591	16,888,917	17,490,335	18,254,321
(g)	Core Capital/Total deposits Liabilities	23.3%	26.1%	26.4%	23.8%
(h)	Minimum statutory Ratio	8.0%	8.0%	8.0%	8.0%
(i)	Excess/(Deficiency) (g-h)	15.3%	18.1%	18.4%	15.8%
(j)	Core Capital / total risk weighted assets	37.5%	41.1%	40.9%	38.5%
(k)	Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%
(l)	Excess (Deficiency) (j-k)	27.0%	30.6%	30.4%	28.0%
(m)	Total Capital/total risk weighted assets	38.4%	42.3%	42.0%	40.7%
(n)	Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%
(o)	Excess/(Deficiency) (m-n)	23.9%	27.8%	27.5%	26.2%
<b>5</b>	<b>LIQUIDITY</b>				
(a)	Liquidity Ratio	74.2%	56.5%	58.5%	61.0%
(b)	Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%
(c)	Excess (Deficiency) (a-b)	54.2%	36.5%	38.5%	41.0%

These financial statements are extracts from the books of the institution. The complete set of quarterly 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

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