

**UNAUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30TH SEPTEMBER 2015**

I STATEMENT OF FINANCIAL POSITION	Bank				
	30th Sep 2014 Shs. '000' Unaudited	31st Dec 2014 Shs. '000' Audited	31st March 2015 Shs. '000' Unaudited	30th June 2015 Shs. '000' Unaudited	30th Sept 2015 Shs. '000' Unaudited
<b>A ASSETS</b>					
1 Cash (both Local & Foreign)	78,278	112,354	83,463	111,411	96,465
2 Balances due from Central Bank of Kenya	1,585,820	1,342,371	2,644,658	1,135,665	1,247,184
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:	19,581,551	19,520,483	19,638,955	21,084,762	21,178,355
a. Kenya Government securities	19,581,551	19,520,483	19,638,955	21,084,762	21,178,355
b) Other securities					
b. Available for sale:	389,654	399,352	391,437	399,102	391,654
a. Kenya Government securities	389,654	399,352	391,437	399,102	391,654
b. Other securities					
6 Deposits and balances due from local banking institutions	175,000			98,639	-
7 Deposits and balances due from banking institutions abroad	258,993	386,363	269,669	481,358	659,881
8 Tax recoverable		19,426		4,426	
9 Loans and advances to customers (net)	11,628,949	12,375,611	13,415,995	13,362,230	13,676,268
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	127,518	128,728	123,316	125,788	147,422
16 Prepaid lease rentals					
17 Intangible assets	2,711	1,407	1,407	1,407	1,407
18 Deferred tax asset	31,938	38,126	38,126	38,126	38,126
19 Retirement benefit asset					
20 Other assets	137,782	46,201	49,556	56,347	91,012
<b>21 TOTAL ASSETS</b>	<b>33,998,194</b>	<b>34,370,422</b>	<b>36,656,582</b>	<b>36,899,261</b>	<b>37,527,774</b>
<b>B LIABILITIES</b>					
22 Balances due to Central Bank of Kenya					
23 Customer deposits	25,527,520	24,668,023	26,770,143	26,395,882	26,043,310
24 Deposits and balances due to local banking institutions		200,000		200,000	325,000
25 Deposits and balances due to foreign banking institutions	2,560,466	3,246,125	3,326,109	3,535,297	4,060,293
26 Other money market deposits					
27 Borrowed funds					
28 Balances due to banking institutions in the group					
29 Tax payable	2,048		60,574		15,574
30 Dividends payable					
31 Deferred tax liability					
32 Retirement benefit liability	84,861	97,232	97,232	97,232	97,232
33 Other liabilities	90,291	84,241	97,345	90,735	105,304
<b>34 TOTAL LIABILITIES</b>	<b>28,285,186</b>	<b>28,295,621</b>	<b>30,351,403</b>	<b>30,319,146</b>	<b>30,646,713</b>
<b>C SHAREHOLDERS' FUNDS</b>					
35 Paid up /Assigned capital	450,000	450,000	450,000	450,000	450,000
36 Share premium/(discount)					
37 Revaluation reserves	(2,000)	-	-	-	-
38 Retained earnings/Accumulated losses	5,154,508	5,489,801	5,710,179	5,984,115	6,281,061
39 Statutory/loan loss reserves	130,500	135,000	145,000	146,000	150,000
40 Other Reserves					
41 Proposed dividends					
42 Capital grants					
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>5,733,008</b>	<b>6,074,801</b>	<b>6,305,179</b>	<b>6,580,115</b>	<b>6,881,061</b>
<b>44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>33,998,194</b>	<b>34,370,422</b>	<b>36,656,582</b>	<b>36,899,261</b>	<b>37,527,774</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>					
<b>1.0 INTEREST INCOME</b>					
1.1 Loans and advances	995,331	1,337,641	364,202	747,582	1,148,831
1.2 Government securities	1,379,066	1,873,721	475,838	995,652	1,541,214
1.3 Deposits and placements with banking institutions	19,850	29,026	8,117	19,503	35,311
1.4 Other interest income	555	1,200			
<b>1.5 Total interest income</b>	<b>2,394,802</b>	<b>3,241,588</b>	<b>848,157</b>	<b>1,762,737</b>	<b>2,725,356</b>
<b>2.0 INTEREST EXPENSE</b>					
2.1 Customer deposits	1,283,234	1,716,663	459,026	938,081	1,412,426
2.2 Deposits and placement from banking institutions	32,843	37,281	5,006	9,926	19,738
2.3 Other interest expenses					
<b>2.4 Total interest expenses</b>	<b>1,316,077</b>	<b>1,753,944</b>	<b>464,032</b>	<b>948,007</b>	<b>1,432,164</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>1,078,725</b>	<b>1,487,644</b>	<b>384,125</b>	<b>814,730</b>	<b>1,293,192</b>
<b>4.0 NON-INTEREST INCOME</b>					
4.1 Fees and commissions on loans and advances	55,416	80,308	26,671	30,426	44,007
4.2 Other fees and commissions	44,672	62,930	15,166	28,651	45,071
4.3 Foreign exchange trading income/(Loss)	18,824	27,595	8,212	17,154	27,037
4.4 Dividend Income					
4.5 Other income	36,622	44,490	10,162	19,238	27,373
<b>4.6 Total Non-interest income</b>	<b>155,534</b>	<b>215,323</b>	<b>60,212</b>	<b>95,469</b>	<b>143,488</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>1,234,259</b>	<b>1,702,967</b>	<b>444,336</b>	<b>910,199</b>	<b>1,436,680</b>
<b>6.0 OTHER OPERATING EXPENSES</b>					
6.1 Loan loss provision	(324)	(15,701)	1,150	2,550	8,150
6.2 Staff costs	133,927	190,372	57,233	108,881	167,162
6.3 Directors' emoluments					
6.4 Rental charges	15,918	23,465	5,503	14,306	28,652
6.5 Depreciation charge on property and equipment	10,611	14,618	4,348	7,360	11,318
6.6 Amortisation charges					
6.7 Other operating expenses	168,997	205,953	65,724	106,798	155,138
<b>6.8 Total Other Operating Expenses</b>	<b>329,129</b>	<b>418,707</b>	<b>133,958</b>	<b>239,885</b>	<b>370,420</b>
<b>7.0 Profit/(loss) before tax and exceptional items</b>	<b>905,130</b>	<b>1,284,260</b>	<b>310,378</b>	<b>670,314</b>	<b>1,066,260</b>
8.0 Exceptional items					
<b>9.0 Profit/(loss) after exceptional items</b>	<b>905,130</b>	<b>1,284,260</b>	<b>310,378</b>	<b>670,314</b>	<b>1,066,260</b>
10.0 Current tax	240,000	269,155	80,000	165,000	260,000
11.0 Deferred tax		(6,188)			
<b>12.0 Profit/(loss) after tax and exceptional items</b>	<b>665,130</b>	<b>1,021,293</b>	<b>230,378</b>	<b>505,314</b>	<b>806,260</b>
<b>13.0 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	11,800	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					
<b>14.0 Other Comprehensive Income for the year net of tax</b>	<b>11,800</b>	<b>13,000</b>	<b>230,378</b>	<b>505,314</b>	<b>806,260</b>
<b>15.0 Total comprehensive income for the year</b>	<b>676,130</b>	<b>1,034,293</b>	<b>230,378</b>	<b>505,314</b>	<b>806,260</b>
<b>16.0 EARNINGS PER SHARE - BASIC &amp; DILUTED</b>					
<b>17.0 DIVIDEND PER SHARE -DECLARED</b>					
<b>III OTHER DISCLOSURES</b>					
<b>1.0 NON-PERFORMING LOANS AND ADVANCES</b>					
(a) Gross Non-performing loans and advances	88,977	71,069	70,847	70,954	71,066
(b) Less: Interest in Suspense	1,918	1,861	1,890	1,996	2,108
<b>(c) Total Non-Performing Loans and Advances (a-b)</b>	<b>87,059</b>	<b>69,208</b>	<b>68,957</b>	<b>68,958</b>	<b>68,958</b>
(d) Less: Loan Loss Provision	76,436	60,809	61,958	63,358	68,958
<b>(e) Net Non-Performing Loans and Advances(c-d)</b>	<b>10,623</b>	<b>8,399</b>	<b>6,999</b>	<b>5,600</b>	<b>5,600</b>
(f) Discounted Value of Securities	10,623	8,399	6,999	5,600	5,600
<b>(g) Net NPLs Exposure (e-f)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.0 INSIDER LOANS AND ADVANCES</b>					
(a) Directors, Shareholders and Associates					
(b) Employees	47,102	49,855	50,010	53,661	53,882
<b>(c) Total Insider Loans and Advances and other facilities</b>	<b>47,102</b>	<b>49,855</b>	<b>50,010</b>	<b>53,661</b>	<b>53,882</b>
<b>3.0 OFF-BALANCE SHEET ITEMS</b>					
(a) Letters of credit, guarantees, acceptances	1,588,326	1,740,612	1,739,631	1,575,237	2,130,039
(b) Forwards, swaps and options					
(c) Other contingent liabilities	830,978	879,606	812,621	773,568	1,039,716
<b>(d) Total Contingent Liabilities</b>	<b>2,419,304</b>	<b>2,620,218</b>	<b>2,552,252</b>	<b>2,348,805</b>	<b>3,169,755</b>
<b>4.0 CAPITAL STRENGTH</b>					
(a) Core capital	5,240,005	5,901,675	6,006,864	6,143,332	6,289,805
(b) Minimum Statutory Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
(c) Excess/(Deficiency) (a-b)	4,240,005	4,901,675	5,006,864	5,143,332	5,289,805
(d) Supplementary Capital	130,500	135,000	145,000	146,000	150,000
<b>(e) Total Capital (a+d)</b>	<b>5,370,505</b>	<b>6,036,675</b>	<b>6,151,864</b>	<b>6,289,332</b>	<b>6,439,805</b>
(f) Total risk weighted assets	14,728,895	15,316,073	16,619,178	16,363,591	16,602,324
<b>(g) Core Capital/total risk weighted assets</b>	<b>20.5%</b>	<b>23.9%</b>	<b>22.4%</b>	<b>23.3%</b>	<b>24.2%</b>
(h) Minimum statutory Ratio	8.0%	8.0%	8.0%	8.0%	8.0%
(i) Excess/(Deficiency) (g-h)	12.5%	15.9%	14.4%	15.3%	16.2%
<b>(j) Core Capital / total risk weighted assets</b>	<b>35.6%</b>	<b>38.5%</b>	<b>36.1%</b>	<b>37.5%</b>	<b>37.9%</b>
(k) Minimum Statutory Ratio	10.5%	10.5%	10.5%	10.5%	10.5%
(l) Excess (Deficiency) (j-k)	25.1%	28.0%	25.6%	27.0%	27.4%
<b>(m) Total Capital/total risk weighted assets</b>	<b>36.5%</b>	<b>39.4%</b>	<b>37.0%</b>	<b>38.4%</b>	<b>38.8%</b>
(n) Minimum statutory Ratio	14.5%	14.5%	14.5%	14.5%	14.5%
(o) Excess/(Deficiency) (m-n)	22.0%	24.9%	22.5%	23.9%	24.3%
<b>5 LIQUIDITY</b>					
(a) Liquidity Ratio	76.4%	74.2%	70.6%	74.2%	73.7%
(b) Minimum Statutory Ratio	20.0%	20.0%	20.0%	20.0%	20.0%
<b>(c) Excess (Deficiency) (a-b)</b>	<b>56.4%</b>	<b>54.2%</b>	<b>50.6%</b>	<b>54.2%</b>	<b>53.7%</b>

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**M. K. SRIVASTAVA**  
CHIEF MANAGER  
NAIROBI BRANCH

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**A. K. Azad**  
CHIEF EXECUTIVE  
KENYA BRANCHES