

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31ST DECEMBER 2019

I STATEMENT OF FINANCIAL POSITION		BANK	
		31 st Dec 2018	31 st Dec 2019
		Shs. '000'	Shs. '000'
		Audited	Audited
A ASSETS			
1	Cash (both Local & Foreign)	69,666	95,903
2	Balances due from Central Bank of Kenya	2,059,558	2,573,276
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		
b.	Other securities		
b)	Available for sale:	38,620,202	43,252,190
a.	Kenya Government securities	38,620,202	43,252,190
b.	Other securities		
6	Deposits and balances due from local banking institutions		
7	Deposits and balances due from banking institutions abroad	2,168,351	2,338,661
8	Tax recoverable	143,510	249,384
9	Loans and advances to customers (net)	18,426,559	12,870,025
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	862,950	800,492
16	Prepaid lease rentals		
17	Intangible assets		
18	Deferred tax asset	214,051	209,933
19	Retirement benefit asset		
20	Other assets	124,287	153,380
21 TOTAL ASSETS		62,689,134	62,543,244
B LIABILITIES			
22	Balances due to Central Bank of Kenya		
23	Customer deposits	40,636,396	46,557,568
24	Deposits and balances due to local banking institutions		
25	Deposits and balances due to foreign banking institutions	8,619,992	197,513
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		
32	Retirement benefit liability	82,807	61,735
33	Other liabilities	158,561	193,959
34 TOTAL LIABILITIES		49,497,756	47,010,775
C SHAREHOLDERS' FUNDS			
35	Paid up /Assigned capital	1,000,000	1,000,000
36	Share premium/(discount)		
37	Revaluation reserves	730,530	719,334
38	Retained earnings/Accumulated losses	11,460,848	13,801,939
39	Statutory loan loss reserves		
40	Other Reserves		11,196
41	Proposed dividends		
42	Capital grants		
43 TOTAL SHAREHOLDERS' FUNDS		13,191,378	15,532,469
44	Minority Interest		
45 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		62,689,134	62,543,244
II STATEMENT OF COMPREHENSIVE INCOME			
1.0 INTEREST INCOME			
1.1	Loans and advances	1,826,969	1,470,148
1.2	Government securities	3,879,392	4,318,697
1.3	Deposits and placements with banking institutions	87,484	105,662
1.4	Other Interest Income		
1.5 Total interest income		5,793,845	5,894,507
2.0 INTEREST EXPENSE			
2.1	Customer deposits	2,286,580	2,511,193
2.2	Deposits and placement from banking institutions	348,054	144,676
2.3	Other interest expenses		1,670
2.4 Total interest expenses		2,634,634	2,657,539
3.0 NET INTEREST INCOME/(LOSS)		3,159,211	3,236,968
4.0 NON-INTEREST INCOME			
4.1	Fees and commissions on loans and advances	76,570	76,052
4.2	Other fees and commissions	66,079	80,305
4.3	Foreign exchange trading income/(Loss)	37,274	22,948
4.4	Dividend Income		
4.5	Other income	31,251	91,783
4.6 Total Non-interest income		211,174	271,088
5.0 TOTAL OPERATING INCOME		3,370,385	3,508,056
6.0 OTHER OPERATING EXPENSES			
6.1	Loan loss provision	268,633	147,647
6.2	Staff costs	275,744	258,732
6.3	Directors' emoluments		
6.4	Rental charges	36,295	34,776
6.5	Depreciation charge on property and equipment	60,615	58,455
6.6	Amortisation charges		
6.7	Other operating expenses	281,186	209,826
6.8 Total Other Operating Expenses		922,473	709,436
7.0 Profit/(loss) before tax and exceptional items		2,447,912	2,798,620
8.0	Exceptional items		
9.0 Profit/(loss) after exceptional items		2,447,912	2,798,620
10.0	Current tax	508,441	453,411
11.0	Deferred tax	4,358	4,118
12.0 Profit/(loss) after tax and exceptional items		1,935,113	2,341,091
13.0	Minority Interest		
14.0 Profit/(loss) after tax, exceptional items and Minority Interest		1,935,113	2,341,091
15.0	Other Comprehensive Income		
15.1	Gains/(Losses) from translating the financial statements of foreign operations		
15.2	Fair value changes in available for sale financial assets		
15.3	Revaluation surplus on Property, plant and equipment		
15.4	Share of other comprehensive income of associates		
15.5	Income tax relating to components of other comprehensive income		
16.0	Other Comprehensive Income for the year net of tax		
17.0 Total comprehensive income for the year		1,935,113	2,341,091
18.0 EARNINGS PER SHARE - BASIC & DILUTED			
19.0 DIVIDEND PER SHARE -DECLARED			
III OTHER DISCLOSURES			
1.0 NON-PERFORMING LOANS AND ADVANCES			
(a)	Gross Non-performing loans and advances	1,346,790	1,212,460
(b)	Less: Interest in Suspense	32,100	8,348
(c) Total Non-Performing Loans and Advances (a-b)		1,314,690	1,204,112
(d)	Less: Loan Loss Provision	694,435	729,470
(e) Net Non-Performing Loans and Advances(c-d)		620,255	474,642
(f)	Discounted Value of Securities	620,255	474,642
(g)	Net NPLs Exposure (e-f)		
2.0 INSIDER LOANS AND ADVANCES			
(a)	Directors, Shareholders and Associates		
(b)	Employees	68,940	73,540
(c) Total Insider Loans and Advances and other facilities		68,940	73,540
3.0 OFF-BALANCE SHEET ITEMS			
(a)	Letters of credit, guarantees, acceptances	1,378,897	1,282,043
(b)	Forwards, swaps and options		
(c)	Other contingent liabilities	824,419	708,636
(d) Total Contingent Liabilities		2,203,316	1,990,679
4.0 CAPITAL STRENGTH			
(a)	Core capital	12,460,848	14,813,135
(b)	Minimum Statutory Capital	1,000,000	1,000,000
(c)	Excess/(Deficiency) (a-b)	11,460,848	13,813,135
(d)	Supplementary Capital	182,633	179,834
(e) Total Capital (a+d)		12,643,481	14,992,969
(f)	Total risk weighted assets	28,787,492	30,964,343
(g) Core Capital/Total deposits Liabilities		30.7%	31.8%
(h)	Minimum statutory Ratio	8.0%	8.0%
(i)	Excess/(Deficiency) (g-h)	22.7%	23.8%
(j) Core Capital / total risk weighted assets		43.3%	47.8%
(k)	Minimum Statutory Ratio	10.5%	10.5%
(l)	Excess (Deficiency) (j-k)	32.8%	37.3%
(m) Total Capital/total risk weighted assets		43.9%	48.4%
(n)	Minimum statutory Ratio	14.5%	14.5%
(o)	Excess/(Deficiency) (m-n)	29.4%	33.9%
(p)	Adjusted Core Capital/Total Deposit Liabilities*	31.8%	32.9%
(q)	Adjusted Core Capital/Total Risk Weighted Assets*	44.8%	49.5%
(r)	Adjusted Total Capital/Total Risk Weighted Assets*	45.5%	50.1%
5 LIQUIDITY			
(a)	Liquidity Ratio	84.4%	103.2%
(b)	Minimum Statutory Ratio	20.0%	20.0%
(c)	Excess (Deficiency) (a-b)	64.4%	83.2%

Notes: * The Adjusted Capital Ratios includes the expected credit loss provisions added back to Capital in line with the CBK Guidance Note issued in April 2018 on implementation of IFRS 9. These financial statements are extracts from the books of the institution as audited by RSM Eastern Africa LLP and received unqualified opinion. The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the institution's website www.boikenya.com They may be accessed at the institution's Head Office located at: BANK OF INDIA BUILDING, KENYATTA AVENUE NAIROBI

Signed: **S. K. GUPTA**
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Signed: **S. B. RAI**
 CHIEF EXECUTIVE
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