

**AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31ST DECEMBER 2017**

	BANK	
	31st Dec 2016 Shs. '000' Audited	31st Dec 2017 Shs. '000' Audited
<b>I STATEMENT OF FINANCIAL POSITION</b>		
<b>A ASSETS</b>		
1 Cash (both Local & Foreign)		
2 Balances due from Central Bank of Kenya	56,732	69,114
3 Kenya Government and other securities held for dealing purposes	1,545,201	2,145,709
4 Financial Assets at fair value through profit and loss		
5 Investment Securities:		
a) Held to Maturity:	24,461,781	30,079,138
a. Kenya Government securities	24,461,781	30,079,138
b. Other securities		
b) Available for sale:	-	-
a. Kenya Government securities	-	-
b. Other securities		
6 Deposits and balances due from local banking institutions	1,112,429	2,064,634
7 Deposits and balances due from banking institutions abroad	382,818	587,022
8 Tax recoverable		23,242
9 Loans and advances to customers (net)	19,246,080	20,641,381
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	971,430	915,152
16 Prepaid lease rentals		
17 Intangible assets	-	-
18 Deferred tax asset		
19 Retirement benefit asset		
20 Other assets	38,604	105,264
<b>21 TOTAL ASSETS</b>	<b>47,815,075</b>	<b>56,630,656</b>
<b>B LIABILITIES</b>		
22 Balances due to Central Bank of Kenya		
23 Customer deposits	26,726,390	31,285,769
24 Deposits and balances due to local banking institutions	-	-
25 Deposits and balances due to foreign banking institutions	11,267,540	13,538,960
26 Other money market deposits		
27 Borrowed funds		
28 Balances due to banking institutions in the group		
29 Tax payable	91,446	-
30 Dividends payable		
31 Deferred tax liability	1,497	2,841
32 Retirement benefit liability	99,250	97,789
33 Other liabilities	92,608	80,282
<b>34 TOTAL LIABILITIES</b>	<b>38,278,731</b>	<b>45,005,641</b>
<b>C SHAREHOLDERS' FUNDS</b>		
35 Paid up /Assigned capital	1,000,000	1,000,000
36 Share premium/(discount)		
37 Revaluation reserves	753,792	742,014
38 Retained earnings/Accumulated losses	7,573,552	9,665,001
39 Statutory loan loss reserves	209,000	218,000
40 Other Reserves		
41 Proposed dividends		
42 Capital grants		
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>9,536,344</b>	<b>11,625,015</b>
<b>44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>47,815,075</b>	<b>56,630,656</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>		
<b>1.0 INTEREST INCOME</b>		
1.1 Loans and advances	1,801,327	1,992,411
1.2 Government securities	2,573,093	3,127,370
1.3 Deposits and placements with banking institutions	47,917	65,436
1.4 Other Interest Income	-	-
<b>1.5 Total interest income</b>	<b>4,422,337</b>	<b>5,185,217</b>
<b>2.0 INTEREST EXPENSE</b>		
2.1 Customer deposits	1,766,955	1,845,574
2.2 Deposits and placement from banking institutions	177,215	327,433
2.3 Other interest expenses		
<b>2.4 Total interest expenses</b>	<b>1,944,170</b>	<b>2,173,007</b>
<b>3.0 NET INTEREST INCOME/(LOSS)</b>	<b>2,478,167</b>	<b>3,012,210</b>
<b>4.0 NON-INTEREST INCOME</b>		
4.1 Fees and commissions on loans and advances	98,348	112,803
4.2 Other fees and commissions	67,040	83,634
4.3 Foreign exchange trading income/(Loss)	27,452	27,280
4.4 Dividend Income		
4.5 Other income	80,345	104,079
<b>4.6 Total Non-interest income</b>	<b>273,185</b>	<b>327,796</b>
<b>5.0 TOTAL OPERATING INCOME</b>	<b>2,751,352</b>	<b>3,340,006</b>
<b>6.0 OTHER OPERATING EXPENSES</b>		
6.1 Loan loss provision	44,558	94,393
6.2 Staff costs	239,850	273,178
6.3 Directors' emoluments	-	-
6.4 Rental charges	32,592	35,720
6.5 Depreciation charge on property and equipment	22,669	62,025
6.6 Amortisation charges	-	-
6.7 Other operating expenses	226,323	199,509
<b>6.8 Total Other Operating Expenses</b>	<b>565,992</b>	<b>664,825</b>
<b>7.0 Profit/(loss) before tax and exceptional items</b>	<b>2,185,360</b>	<b>2,675,181</b>
8.0 Exceptional items		
<b>9.0 Profit/(loss) after exceptional items</b>	<b>2,185,360</b>	<b>2,675,181</b>
10.0 Current tax	543,700	585,165
11.0 Deferred tax	755	1,345
<b>12.0 Profit/(loss) after tax and exceptional items</b>	<b>1,640,905</b>	<b>2,088,671</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	-	-
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 Total comprehensive income for the year</b>	<b>2,394,697</b>	<b>2,088,671</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	272,457	435,156
(b) Less: Interest in Suspense	4,128	7,493
(c) Total Non-Performing Loans and Advances (a-b)	268,329	427,663
(d) Less: Loan Loss Provision	104,016	122,428
(e) Net Non-Performing Loans and Advances(c-d)	164,313	305,235
(f) Discounted Value of Securities	164,313	305,235
(g) Net NPLs Exposure (e-f)	-	-
<b>2.0 INSIDER LOANS AND ADVANCES</b>		
(a) Directors, Shareholders and Associates		
(b) Employees	63,056	74,252
(c) Total Insider Loans and Advances and other facilities	63,056	74,252
<b>3.0 OFF-BALANCE SHEET ITEMS</b>		
(a) Letters of credit, guarantees, acceptances	1,471,680	1,659,993
(b) Forwards, swaps and options		
(c) Other contingent liabilities	1,198,289	1,078,991
(d) Total Contingent Liabilities	2,669,969	2,738,984
<b>4.0 CAPITAL STRENGTH</b>		
(a) Core capital	8,573,552	10,665,001
(b) Minimum Statutory Capital	1,000,000	1,000,000
(c) Excess/(Deficiency)(a-b)	7,573,552	9,665,001
(d) Supplementary Capital	397,448	403,504
<b>(e) Total Capital (a+d)</b>	<b>8,971,000</b>	<b>11,068,505</b>
(f) Total risk weighted assets	19,614,938	20,508,454
<b>(g) Core Capital/Total deposits Liabilities</b>	<b>26.9%</b>	<b>34.1%</b>
(h) Minimum statutory Ratio	10.5%	10.5%
(i) Excess/(Deficiency) (g-h)	16.4%	23.6%
<b>(j) Core Capital / total risk weighted assets</b>	<b>43.7%</b>	<b>52.0%</b>
(k) Minimum Statutory Ratio	10.5%	10.5%
(l) Excess (Deficiency) (j-k)	33.2%	41.5%
<b>(m) Total Capital/total risk weighted assets</b>	<b>45.7%</b>	<b>54.0%</b>
(n) Minimum statutory Ratio	14.5%	14.5%
(o) Excess/(Deficiency) (m-n)	31.2%	39.5%
<b>5 LIQUIDITY</b>		
(a) Liquidity Ratio	61.0%	68.4%
(b) Minimum Statutory Ratio	20.0%	20.0%
(c) Excess (Deficiency) (a-b)	41.0%	48.4%

These financial statements are extracts from the books of the institution as audited by RSM Eastern Africa and received unqualified opinion. The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the institutions website [www.boikenya.com](http://www.boikenya.com) They may also be accessed at the institution's Head Office located at: BANK OF INDIA BUILDING, KENYATTA AVENUE NAIROBI.

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