

UN-AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 31 MARCH 2018
I STATEMENT OF FINANCIAL POSITION

	31 March 2017 Shs '000 (Un-audited)	31 December 2017 Shs '000 (Audited)	31 March 2018 Shs '000 (Un-audited)
A ASSETS			
1 Cash (both local and foreign)	717,945	787,076	658,938
2 Balances with Central Bank of Kenya	3,461,054	4,365,815	2,773,255
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	5,579,964	4,842,043	5,107,311
b. Other Securities	108,853	77,823	75,383
b) Available for sale	-	-	-
a. Kenya Government securities	-	-	-
b. Other Securities	568,246	567,987	549,204
6 Deposits and balances due from local banking institutions	332,928	1,101,782	1,509,973
7 Deposits and balances due from banking institutions abroad	3,019,468	5,495,454	2,155,432
8 Tax recoverable	-	98,594	111,296
9 Loans and advances to customers (net)	31,085,990	27,388,460	23,890,792
10 Balances due from banking institutions in the group	8,838,688	2,959,813	3,187,484
11 Investments in associates	1,229,985	1,318,576	1,308,516
12 Investments in subsidiary companies	-	-	-
13 Investments in joint ventures	-	-	-
14 Investment properties	-	-	-
15 Property, plant and equipment	2,477,674	2,353,256	2,322,305
16 Prepaid lease rentals	-	-	-
17 Intangible assets	62,166	50,746	45,275
18 Deferred tax asset	1,250,435	1,682,208	1,682,207
19 Retirement benefit asset	-	-	-
20 Other assets	1,188,507	1,101,558	1,283,950
21 TOTAL ASSETS	59,921,903	54,191,291	46,661,321
B LIABILITIES			
22 Balances due to Central Bank of Kenya	-	-	-
23 Customer deposits	37,293,209	31,572,432	29,075,837
24 Deposits and balances due to local banking institutions	38	1,761,275	37
25 Deposits and balances due to banking institutions abroad	61,187	814	4,149
26 Other money market deposits	-	-	-
27 Borrowed Funds	9,123,547	5,662,402	5,482,296
28 Balances due to banking institutions in the group	4,035,144	6,136,430	5,215,185
29 Tax payable	222,483	-	-
30 Dividends payable	-	-	-
31 Deferred tax liability	-	-	-
32 Retirement benefit liability	-	-	-
33 Other liabilities	752,096	590,233	676,235
34 TOTAL LIABILITIES	51,487,704	45,723,586	40,453,739
C SHAREHOLDERS' FUNDS			
35 Paid up/ Assigned capital	6,404,949	6,404,949	6,404,949
36 Share premium/ (discount)	1,980,356	1,980,356	1,980,356
37 Revaluation reserves	-	-	-
38 Retained earnings/ (Accumulated losses)	(1,531,911)	(1,869,341)	(1,902,266)
39 Statutory loan loss reserve	1,755,889	2,152,182	-
40 Other reserves	(175,084)	(200,441)	(275,457)
41 Proposed dividends	-	-	-
42 Capital grants	-	-	-
43 TOTAL SHAREHOLDERS' FUNDS	8,434,199	8,467,705	6,207,582
44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	59,921,903	54,191,291	46,661,321

II STATEMENT OF COMPREHENSIVE INCOME

1 INTEREST INCOME			
1.1 Loans and advances	829,372	3,359,127	793,058
1.2 Government securities	101,769	474,418	93,833
1.3 Deposits and placements with banking institutions	36,593	269,096	34,376
1.4 Other interest income	4,907	22,608	8,326
1.5 Total interest income	972,641	4,125,249	929,593
2 INTEREST EXPENSES			
2.1 Customer deposits	461,343	1,735,681	402,050
2.2 Deposits and placements from banking institutions	36,129	126,263	23,139
2.3 Other interest expense	238,179	1,008,270	106,320
2.4 Total interest expenses	735,651	2,870,214	531,509
3 NET INTEREST INCOME/(LOSS)	236,990	1,255,035	398,084
4 OTHER OPERATING INCOME			
4.1 Fees and commissions on loans and advances	42,916	240,017	24,032
4.2 Other fees and commissions	125,231	464,555	119,112
4.3 Foreign exchange trading income (loss)	231,679	510,022	80,763
4.4 Dividend income	58,809	222,250	45,808
4.5 Other income	267,440	954,240	165,384
4.6 Total other operating income	667,266	2,185,411	389,291
5 Total operating income	904,256	3,440,446	787,375
6 OPERATING EXPENSES			
6.1 Loan loss provision	290,983	768,335	234,281
6.2 Staff costs	291,194	1,207,969	281,425
6.3 Directors emoluments	14,272	61,502	17,436
6.4 Rental charges	63,175	259,352	46,943
6.5 Depreciation charge on property and equipment	58,809	222,250	45,808
6.6 Amortisation charges	6,004	24,050	9,463
6.7 Other operating expenses	193,532	861,793	152,187
6.8 Total operating expenses	914,999	3,405,261	783,543
7 Profit / (Loss) before tax and exceptional expenses	(10,743)	35,185	3,832
8 Exceptional items	-	-	-
9 Profit / (Loss) before tax	(10,743)	35,185	3,832
10 Current tax	19,497	(399,223)	12,702
11 Deferred tax	-	431,656	-
12 Profit / (Loss) after tax	8,754	67,618	16,534
13 Other Comprehensive Income			
13.1 Gains/(Losses) arising from the financial statements of foreign operations	9,545	(15,671)	(56,233)
13.2 Fair value changes in available-for-sale financial assets	(2,087)	(2,345)	(18,783)
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	-	117	-
14 Other comprehensive income for the year net of tax	7,458	(17,899)	(75,016)
15 Total comprehensive income for the year	16,212	49,719	(58,482)

III OTHER DISCLOSURES

1 NON-PERFORMING LOANS AND ADVANCES			
a Gross non-performing loans and advances (a)	10,478,678	10,571,028	10,479,880
b Interest in suspense (b)	2,721,649	2,858,236	3,067,516
c Total non-performing loans and advances (a-b)	7,757,028	7,712,792	7,412,364
d Loan loss provisions	3,742,501	3,342,776	3,443,031
e Net non-performing loans (c-d)	4,014,527	4,370,017	3,969,333
f Discounted value of securities	(3,246,353)	(3,288,446)	(3,414,800)
g Net NPLs Exposure (e-f)	668,174	581,571	554,530
2 INSIDER LOANS AND ADVANCES			
a Shareholders, Directors, and their associates	20,566	19,762	19,378
b Employees	1,130,001	890,491	768,694
c Total insider loans and advances	1,150,608	840,203	787,994
3 OFF-BALANCE SHEET ITEMS			
a Letters of credit, guarantees and acceptances	9,687,526	9,947,575	9,180,977
b Forwards, swaps and options	51,243	41,445	62,196
c Other contingent liabilities	1,713,546	4,090,390	1,311,223
d Total contingent liabilities	11,452,316	14,079,410	10,554,396
4 CAPITAL STRENGTH			
a Core capital	5,278,836	4,945,786	3,712,844
b Minimum statutory capital	1,000,000	1,000,000	1,000,000
c Excess/ (Deficiency)	4,278,836	3,945,786	2,712,844
d Supplementary Capital	2,097,250	2,040,498	1,487,065
e Total capital	7,376,086	6,986,284	5,199,909
f Total risk weighted assets	47,135,653	44,274,616	34,995,026
g Core capital/total deposit liabilities	13.4%	13.8%	11.6%
h Minimum statutory ratio	8.0%	8.0%	8.0%
i Excess/ (Deficiency)	5.4%	5.8%	3.6%
j Core capital/total risk weighted assets	11.2%	11.2%	10.6%
k Minimum statutory ratio	10.5%	10.5%	10.5%
l Excess/ (Deficiency)	0.7%	0.7%	0.1%
m Total capital/total risk weighted assets	15.6%	15.8%	14.9%
n Minimum statutory ratio	14.5%	14.5%	14.5%
o Excess/ (Deficiency)	1.1%	1.3%	0.4%
p Adjusted Core Capital/Total Deposit Liabilities*	-	-	11.6%
q Adjusted Core Capital/Total Risk Weighted Assets*	-	-	10.5%
r Adjusted Total Capital/Total Risk Weighted Assets*	-	-	17.0%
5 LIQUIDITY			
a Liquidity ratio	46.9%	36.3%	34.3%
b Minimum statutory ratio	20.0%	20.0%	20.0%
c Excess/(Deficiency)	26.9%	16.3%	14.3%

The adjusted capital ratios include the expected credit loss provisions added back to capital in line with the Central Bank of Kenya guidance note issued in April 2018 on implementation of IFRS 9.

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 institution's website www.boakenya.com. They may also be accessed at the institution's head office located at BOA House, School lane, Westlands, Nairobi.

Amb. Dennis Awori
Chairman

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