

**UN-AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30 JUNE 2018**

	30 June 2017 Shs '000 (Un-audited)	31 December 2017 Shs '000 (Audited)	31 March 2018 Shs '000 (Un-audited)	30 June 2018 Shs '000 (Un-audited)
<b>I STATEMENT OF FINANCIAL POSITION</b>				
<b>A ASSETS</b>				
1 Cash (both local and foreign)	722,358	787,076	658,938	704,352
2 Balances with from Central Bank of Kenya	2,061,625	4,365,815	2,773,255	2,373,214
3 Deposits and balances due from 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	7,368,812	4,842,043	5,107,311	6,953,417
p. Kenya Government securities	95,041	77,823	75,383	60,506
b. Other securities	-	-	-	-
b) Available for sale	5,688,246	3,564,220	4,331,928	5,992,911
p. Kenya Government securities	568,246	567,987	549,204	492,991
b. Other securities	5,119,999	2,996,233	3,782,724	5,499,920
6 Deposits and balances due from local banking institutions	3,985,212	5,495,454	2,155,432	2,466,246
7 Deposits and balances due from banking institutions abroad	287,478	98,594	111,296	239,815
8 Tax recoverable	29,803,804	27,388,463	23,890,492	23,914,975
9 Loans and advances to customers (net)	6,120,866	1,318,576	1,308,516	1,168,179
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, plant and equipment	2,452,965	2,353,256	2,322,305	2,313,411
16 Prepaid lease rentals	-	-	-	-
17 Intangible assets	57,093	50,746	45,275	41,449
18 Deferred tax asset	1,250,433	1,682,208	1,682,208	1,682,208
19 Retirement benefit asset	-	-	-	-
20 Other assets	1,463,515	1,101,558	1,283,949	1,292,618
<b>21 TOTAL ASSETS</b>	<b>59,626,808</b>	<b>54,191,291</b>	<b>46,661,321</b>	<b>45,594,970</b>
<b>B LIABILITIES</b>				
22 Balances due to Central Bank of Kenya	-	-	-	-
23 Customer deposits	30,681,145	31,572,432	29,075,837	30,753,562
24 Deposits and balances due to local banking institutions	200,125	1,761,275	1,307,337	1,694,939
25 Deposits and balances due to banking institutions abroad	1,423	814	4,149	5,939
26 Other money market deposits	-	-	-	-
27 Borrowed Funds	5,502,300	5,662,402	5,482,296	4,588,730
28 Balances due to banking institutions in the group	13,793,802	6,136,430	5,215,185	1,672,383
29 Tax payable	-	-	-	-
30 Dividends payable	-	-	-	-
31 Deferred tax liability	-	-	-	-
32 Retirement benefit liability	-	-	-	-
33 Other liabilities	1,000,044	590,233	676,235	780,414
<b>34 TOTAL LIABILITIES</b>	<b>51,178,843</b>	<b>45,723,586</b>	<b>40,453,739</b>	<b>39,495,648</b>
<b>C SHAREHOLDERS' FUNDS</b>				
35 Paid up/ Assigned capital	6,404,949	6,404,949	6,404,949	6,404,949
36 Share premium/ (discount)	1,980,356	1,980,356	1,980,356	1,980,356
37 Revaluation reserves	-	-	-	-
38 Retained earnings/ (Accumulated losses)	(1,508,993)	(1,869,341)	(1,902,266)	(1,863,618)
39 Statutory loan loss reserve	1,555,889	2,152,181	-	-
40 Other reserves	(184,236)	(200,441)	(275,457)	(422,365)
41 Proposed dividends	-	-	-	-
42 Capital grants	-	-	-	-
<b>43 TOTAL SHAREHOLDERS' FUNDS</b>	<b>8,447,965</b>	<b>8,467,705</b>	<b>6,207,582</b>	<b>6,099,322</b>
<b>44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>59,626,808</b>	<b>54,191,291</b>	<b>46,661,321</b>	<b>45,594,970</b>
<b>II STATEMENT OF COMPREHENSIVE INCOME</b>				
<b>1 INTEREST INCOME</b>				
1.1 Loans and advances	1,850,525	3,359,127	793,058	1,563,597
1.2 Government securities	233,742	474,418	93,833	224,215
1.3 Deposits and placements with banking institutions	92,032	269,096	34,776	70,716
1.4 Other interest income	17,000	22,608	8,326	17,458
<b>1.5 Total interest income</b>	<b>2,183,735</b>	<b>4,125,249</b>	<b>929,593</b>	<b>1,876,688</b>
<b>2 INTEREST EXPENSES</b>				
2.1 Customer deposits	897,033	1,735,681	402,050	850,730
2.2 Deposits and placements from banking institutions	65,894	1,26,263	23,130	38,089
2.3 Other interest expense	551,043	1,008,270	106,320	212,175
<b>2.4 Total interest expenses</b>	<b>1,513,970</b>	<b>2,870,214</b>	<b>531,509</b>	<b>1,100,994</b>
<b>3 NET INTEREST INCOME/(LOSS)</b>	<b>671,765</b>	<b>1,255,035</b>	<b>398,084</b>	<b>775,692</b>
<b>4 OTHER OPERATING INCOME</b>				
4.1 Fees and commissions on loans and advances	112,547	240,017	24,032	74,555
4.2 Other fees and commissions	238,527	464,555	119,112	234,922
4.3 Foreign exchange trading income (loss)	384,748	510,022	80,763	198,483
4.4 Dividend income	17,000	16,577	-	-
4.5 Other income	485,033	954,240	165,384	254,439
<b>4.6 Total other operating income</b>	<b>1,237,855</b>	<b>2,185,411</b>	<b>389,291</b>	<b>762,399</b>
<b>5 Total operating income</b>	<b>1,909,620</b>	<b>3,440,446</b>	<b>787,375</b>	<b>1,538,091</b>
<b>6 OPERATING EXPENSES</b>				
6.1 Loan loss provision	626,789	768,335	234,281	349,751
6.2 Staff costs	573,597	1,207,969	281,425	560,138
6.3 Directors' emoluments	21,389	61,509	17,436	28,836
6.4 Rental charges	1,14,474	270,332	45,948	100,000
6.5 Depreciation charge on property and equipment	12,143	222,230	45,808	92,227
6.6 Amortisation charges	12,143	24,060	5,463	10,521
6.7 Other operating expenses	445,661	861,793	152,187	359,030
<b>6.8 Total operating expenses</b>	<b>1,916,519</b>	<b>3,405,261</b>	<b>783,543</b>	<b>1,498,332</b>
<b>7 Profit / (Loss) before tax and exceptional expenses</b>	<b>(6,899)</b>	<b>35,185</b>	<b>3,832</b>	<b>39,759</b>
8 Exceptional items	-	-	-	-
<b>9 Profit / (Loss) before tax</b>	<b>(6,899)</b>	<b>35,185</b>	<b>3,832</b>	<b>39,759</b>
10 Current tax	38,571	(399,223)	12,702	15,424
11 Deferred tax	-	431,656	-	-
<b>12 Profit / (Loss) after tax</b>	<b>31,672</b>	<b>67,618</b>	<b>16,534</b>	<b>55,183</b>
<b>13 Other Comprehensive Income</b>				
13.1 Gains/(Losses) from translating the financial statements of operations	393	(15,671)	(56,233)	(90,695)
13.2 Fair Value changes in available-for-sale financial assets	(2,087)	(2,345)	(18,783)	(56,213)
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	-	-
<b>14 Other comprehensive income for the year net of tax</b>	<b>(1,694)</b>	<b>(17,899)</b>	<b>(75,016)</b>	<b>(146,908)</b>
<b>15 Total comprehensive income for the year</b>	<b>29,978</b>	<b>49,719</b>	<b>(58,482)</b>	<b>(91,725)</b>
<b>III OTHER DISCLOSURES</b>				
<b>1 NON-PERFORMING LOANS AND ADVANCES</b>				
a Gross non-performing loans and advances (a)	9,873,493	10,571,028	10,479,880	10,903,223
b Interest in suspense (b)	2,817,298	2,858,236	3,067,516	2,983,741
<b>c Total non-performing loans and advances (a-b)</b>	<b>7,056,195</b>	<b>7,712,792</b>	<b>7,412,364</b>	<b>7,919,482</b>
d Loan loss provisions	3,466,744	3,342,776	3,443,361	3,384,536
<b>e Net non-performing loans (c-d)</b>	<b>3,589,451</b>	<b>4,370,017</b>	<b>3,969,003</b>	<b>4,534,946</b>
f Discounted value of securities	(2,977,261)	(3,738,446)	(3,414,803)	(2,919,980)
<b>g Net NPLs Exposure (e-f)</b>	<b>612,186</b>	<b>581,571</b>	<b>554,530</b>	<b>1,614,966</b>
<b>2 INSIDER LOANS AND ADVANCES</b>				
a Shareholders, Directors, and their associates	20,352	19,762	19,378	19,063
b Employees	894,200	820,441	768,616	739,643
<b>c Total insider loans and advances</b>	<b>914,552</b>	<b>840,203</b>	<b>787,994</b>	<b>758,706</b>
<b>3 OFF-BALANCE SHEET ITEMS</b>				
a Letters of credit, guarantees and acceptances	11,129,933	9,947,575	9,180,977	7,574,257
b Forwards, swaps and options	112,314	41,245	1,067,196	104,310
c Other contingent liabilities	2,468,544	4,000,390	1,317,223	1,287,446
<b>d Total contingent liabilities</b>	<b>13,710,791</b>	<b>14,079,410</b>	<b>10,554,396</b>	<b>8,966,513</b>
<b>4 CAPITAL STRENGTH</b>				
a Core capital	5,290,296	4,945,786	3,712,844	3,734,101
b Minimum statutory capital	4,290,296	3,945,786	2,712,844	2,734,101
<b>c Excess / (Deficiency)</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
d Supplementary Capital	2,205,729	2,040,498	1,487,065	1,485,342
<b>e Total capital</b>	<b>7,496,025</b>	<b>6,986,284</b>	<b>5,199,909</b>	<b>5,219,443</b>
f Total risk weighted assets	46,583,148	44,274,616	34,995,026	33,944,762
<b>g Core capital/total deposit liabilities</b>	<b>12.4%</b>	<b>13.8%</b>	<b>11.6%</b>	<b>11.5%</b>
h Minimum statutory ratio	8.0%	8.0%	8.0%	8.0%
i Excess / (Deficiency)	4.4%	5.8%	3.6%	3.5%
<b>j Core capital/total risk weighted assets</b>	<b>11.6%</b>	<b>11.2%</b>	<b>10.6%</b>	<b>11.0%</b>
k Minimum statutory ratio	10.5%	10.5%	10.5%	10.5%
l Excess / (Deficiency)	0.9%	0.7%	0.1%	0.5%
<b>m Total capital / total risk weighted assets</b>	<b>16.1%</b>	<b>15.8%</b>	<b>14.9%</b>	<b>15.4%</b>
n Minimum statutory ratio	14.5%	14.5%	14.5%	14.5%
o Excess / (Deficiency)	1.6%	1.3%	0.4%	0.9%
<b>p Adjusted Core Capital/Total Deposit Liabilities*</b>	-	-	<b>11.6%</b>	<b>12.5%</b>
<b>q Adjusted Core Capital/Total Risk Weighted Assets*</b>	-	-	<b>10.5%</b>	<b>11.8%</b>
<b>r Adjusted Total Capital/Total Risk Weighted Assets*</b>	-	-	<b>17.0%</b>	<b>16.1%</b>
<b>5 LIQUIDITY</b>				
a Liquidity ratio	26.9%	36.3%	34.3%	36.0%
b Minimum statutory ratio	20.0%	20.0%	20.0%	20.0%
c Excess / (Deficiency)	6.9%	16.3%	14.3%	16.0%

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 institution's website [www.boakenya.com](http://www.boakenya.com). They may also be accessed at the institution's head office located at BOA House, School lane, Westlands, Nairobi.

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