

AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 31 DECEMBER 2020

I STATEMENT OF FINANCIAL POSITION		31 December 2019 Shs '000 (Audited)	31 December 2020 Shs '000 (Audited)
A ASSETS			
1	Cash (both local and foreign)	713,298	838,206
2	Balances with from Central Bank of Kenya	8,537,330	7,223,614
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	7,287,730	8,409,686
b)	Other Securities	-	-
b)	Available for sale	-	-
a	Kenya Government securities	-	502,284
b)	Other Securities	-	570,261
6	Deposits and balances due from local banking institutions	552,931	602,429
7	Deposits and balances due from banking institutions abroad	2,336,312	2,406,745
8	Tax recoverable	438,004	438,004
9	Loans and advances to customers (net)	15,982,158	15,009,358
10	Balances due from banking institutions in the group	844,230	1,766,478
11	Investments in associates	-	-
12	Investments in subsidiary companies	-	-
13	Investments in joint ventures	-	-
14	Investment properties	-	-
15	Property, plant and equipment	2,396,382	1,968,044
16	Prepaid lease rentals	-	-
17	Intangible assets	192,808	202,580
18	Deferred tax asset	2,546,320	2,831,857
19	Retirement benefit asset	-	-
20	Other assets	1,566,186	992,541
21	TOTAL ASSETS	43,996,118	44,917,325
B LIABILITIES			
22	Balances due to Central Bank of Kenya	-	-
23	Customer deposits	33,327,232	27,976,537
24	Deposits and balances due to local banking institutions	37	97
25	Deposits and balances due to banking institutions abroad	1,840	-
26	Other money market deposits	-	-
27	Borrowed Funds	1,439,516	3,823,865
28	Balances due to banking institutions in the group	3,394,873	6,281,547
29	Tax payable	-	-
30	Dividends payable	-	-
31	Deferred tax liability	-	-
32	Retirement benefit liability	-	-
33	Other liabilities	1,556,859	1,415,892
34	TOTAL LIABILITIES	39,720,357	39,497,938
C SHAREHOLDERS' FUNDS			
35	Paid up/ Assigned capital	6,404,949	7,927,449
36	Share premium/ (discount)	1,980,356	1,980,356
37	Revaluation reserves	-	-
38	Retained earnings/ (Accumulated losses)	(4,146,484)	(4,723,886)
39	Statutory loan loss reserve	317,564	501,551
40	Other reserves	(280,624)	(266,033)
41	Proposed dividends	-	-
42	Capital grants	-	-
43	TOTAL SHAREHOLDERS' FUNDS	4,275,761	5,419,387
44	TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	43,996,118	44,917,325
II STATEMENT OF COMPREHENSIVE INCOME			
1 INTEREST INCOME			
1.1	Loans and advances	2,238,616	1,641,951
1.2	Government securities	604,655	897,291
1.3	Deposits and placements with banking institutions	78,269	145,537
1.4	Other interest income	4,660	4,419
1.5	Total interest income	2,926,200	2,689,198
2 INTEREST EXPENSES			
2.1	Customer deposits	1,173,019	1,004,293
2.2	Deposits and placements from banking institutions	113,176	103,891
2.3	Other interest expense	642,898	580,579
2.4	Total interest expenses	1,929,093	1,688,763
3	NET INTEREST INCOME/(LOSS)	997,107	1,000,435
4 OTHER OPERATING INCOME			
4.1	Fees and commissions on loans and advances	130,312	131,471
4.2	Other fees and commissions	403,613	383,444
4.3	Foreign exchange trading income (loss)	660,087	474,143
4.4	Dividend income	-	-
4.5	Other income	193,929	277,756
4.6	Total other operating income	1,387,941	1,266,814
5	Total operating income	2,385,048	2,267,249
6 OPERATING EXPENSES			
6.1	Loan loss provision	2,732,421	688,605
6.2	Staff costs	990,463	974,865
6.3	Directors emoluments	53,583	50,288
6.4	Rental charges	74,571	70,768
6.5	Depreciation charge on property and equipment	363,439	344,896
6.6	Amortisation charges	29,819	51,689
6.7	Other operating expenses	1,070,428	766,007
6.8	Total operating expenses	5,314,724	2,947,118
7	Profit / (Loss) before tax and exceptional expenses	(2,929,676)	(679,869)
8	Exceptional items	-	-
9	Profit / (Loss) before tax	(2,929,676)	(679,869)
10	Current tax	-	-
11	Deferred tax	889,838	286,404
12	Profit / (Loss) after tax	(2,039,838)	(393,465)
13 Other Comprehensive Income			
13.1	Gains/(Losses) from translating the financial statements of foreign operations	180,255	-
13.2	Fair value changes in available-for-sale financial assets	69,745	15,458
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	(3,487)	(867)
14	Other comprehensive income for the year net of tax	246,513	14,591
15	Total comprehensive income for the year	(1,793,325)	(378,874)
III OTHER DISCLOSURES			
1 NON-PERFORMING LOANS AND ADVANCES			
a	Gross non-performing loans and advances (a)	8,998,345	8,689,190
b	Interest in suspense (b)	2,383,388	2,703,807
c	Total non-performing loans and advances (a-b)	6,614,957	5,985,383
d	Loan loss provisions	4,180,944	4,137,193
e	Net non-performing loans (c-d)	2,434,013	1,848,190
f	Discounted value of securities	(2,258,962)	(1,681,970)
g	Net NPLs Exposure (e-f)	175,051	166,220
2 INSIDER LOANS AND ADVANCES			
a	Shareholders, Directors, and their associates	16,693	4,217
b	Employees	754,442	680,859
c	Total insider loans and advances	771,135	685,076
3 OFF-BALANCE SHEET ITEMS			
a	Letters of credit, guarantees and acceptances	6,202,143	8,526,546
b	Forwards, swaps and options	212,021	35,047
c	Other contingent liabilities	767,893	483,124
d	Total contingent liabilities	7,182,057	9,045,717
4 CAPITAL STRENGTH			
a	Core capital	1,510,566	2,245,574
b	Minimum statutory capital	1,000,000	1,000,000
c	Excess/ (Deficiency)	510,566	1,245,574
d	Supplementary Capital	1,146,860	1,238,247
e	Total capital	2,657,425	3,483,821
f	Total risk weighted assets	24,545,787	21,330,508
g	Core capital/total deposit liabilities	4.1%	6.6%
h	Minimum statutory ratio	3.0%	8.0%
i	Excess/ (Deficiency)	3.9%	-1.4%
j	Core capital/total risk weighted assets	6.2%	10.5%
k	Minimum statutory ratio	10.5%	10.5%
l	Excess/ (Deficiency)	-4.3%	0.0%
m	Total capital/total risk weighted assets	10.8%	16.3%
n	Minimum statutory ratio	14.5%	14.5%
o	Excess/ (Deficiency)	-3.7%	1.8%
	Adjusted Core Capital/Total Deposit Liabilities*	6.2%	10.6%
	Adjusted Core Capital/Total Risk Weighted Assets*	9.2%	17.1%
	Adjusted Total Capital/Total Risk Weighted Assets*	13.9%	22.9%
5 LIQUIDITY			
a	Liquidity ratio	48.7%	57.5%
b	Minimum statutory ratio	20.0%	20.0%
c	Excess/(Deficiency)	28.7%	37.5%

The above statement of comprehensive income and statement of financial statements audited by KPMG Kenya and received an unqualified opinion. The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on the institution's website www.boakenya.com. They can also be accessed at the institutions head office located at BOA House, School Lane.

The financial statements were approved by the Board of Directors and were signed on its behalf by:

Amb. Dennis Awori - Chairman | **Ronald Marambii** - Managing Director | **Susan Kasinga** - Director | **Anne Gitau** - Company Secretary