

UN-AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE PERIOD ENDED 30 SEPTEMBER 2021

| I STATEMENT OF FINANCIAL POSITION | 30 September 2021 | 31 December 2020 | 31 March 2021 | 30 June 2021 | 30 September 2021 |
|---|---|---|---|--|---|
| | Shs '000 (Un-audited) | Shs '000 (Audited) | Shs '000 (Un-audited) | Shs '000 (Un-audited) | Shs '000 (Un-audited) |
| A ASSETS | | | | | |
| 1 Cash (both local and foreign) | 814,212 | 838,206 | 616,484 | 649,328 | 575,541 |
| 2 Balances with Central Bank of Kenya | 2,036,537 | 7,223,614 | 5,200,002 | 1,455,621 | 1,295,217 |
| 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 | 8,771,619 | 8,409,686 | 7,819,566 | 8,935,545 | 9,459,114 |
| b. Other Securities | - | - | - | - | - |
| b) Available for sale | - | - | - | - | - |
| a. Kenya Government securities | - | 502,284 | 537,109 | 521,653 | 536,425 |
| b. Other Securities | 552,932 | 570,261 | 404,355 | 404,355 | 404,355 |
| 6 Deposits and balances due from local banking institutions | 2,245,804 | 1,757,667 | 5,72,062 | 2,279,563 | 1,759,237 |
| 7 Deposits and balances due from banking institutions abroad | 3,029,713 | 2,406,745 | 2,584,615 | 985,253 | 809,762 |
| 8 Tax recoverable | 510,627 | 438,004 | 445,236 | 440,885 | 436,043 |
| 9 Loans and advances to customers (net) | 17,232,213 | 15,009,358 | 15,564,218 | 14,769,836 | 15,001,584 |
| 10 Balances due from banking institutions in the group | 4,163,503 | 1,766,478 | 3,158,293 | 3,160,107 | 2,881,117 |
| 11 Investments in associates | - | - | - | - | - |
| 12 Investments in subsidiary companies | - | - | - | - | - |
| 13 Investments in joint ventures | - | - | - | - | - |
| 14 Investment properties | - | - | - | - | - |
| 15 Property, plant and equipment | 2,134,010 | 1,968,044 | 1,889,501 | 1,817,946 | 1,739,768 |
| 16 Prepaid lease rentals | - | - | - | - | - |
| 17 Intangible assets | 195,423 | 202,580 | 188,544 | 194,702 | 181,348 |
| 18 Deferred tax asset | 2,546,320 | 2,831,857 | 2,831,857 | 2,831,857 | 2,831,857 |
| 19 Retirement benefit asset | - | - | - | - | - |
| 20 Other assets | 1,314,908 | 992,541 | 1,137,025 | 1,274,407 | 1,297,365 |
| 21 TOTAL ASSETS | 45,547,821 | 44,917,325 | 42,948,867 | 39,721,058 | 39,208,733 |
| B LIABILITIES | | | | | |
| 22 Balances due to Central Bank of Kenya | - | - | - | - | - |
| 23 Customer deposits | 26,764,827 | 27,976,537 | 26,300,530 | 26,795,801 | 26,831,622 |
| 24 Deposits and balances due to local banking institutions | - | - | - | 80,800 | 1,283,358 |
| 25 Deposits and balances due to banking institutions abroad | 1,365 | 97 | 597 | 599 | 3,938 |
| 26 Other money market deposits | - | - | - | - | - |
| 27 Borrowed Funds | 7,580,337 | 3,823,865 | 3,789,625 | 972,662 | 957,215 |
| 28 Balances due to banking institutions in the group | 4,147,618 | 6,281,547 | 6,176,976 | 4,564,789 | 3,416,014 |
| 29 Tax payable | - | - | - | - | - |
| 30 Dividends payable | - | - | - | - | - |
| 31 Deferred tax liability | - | - | - | - | - |
| 32 Retirement benefit liability | - | - | - | - | - |
| 33 Other liabilities | 1,473,283 | 1,415,892 | 1,278,626 | 1,224,371 | 1,292,622 |
| 34 TOTAL LIABILITIES | 39,967,430 | 39,497,938 | 37,546,354 | 34,359,024 | 33,784,769 |
| C SHAREHOLDERS' FUNDS | | | | | |
| 35 Paid up / Assigned capital | 7,927,449 | 7,927,449 | 7,927,449 | 7,927,449 | 7,927,449 |
| 36 Share premium / (discount) | 1,980,356 | 1,980,356 | 1,980,356 | 1,980,356 | 1,980,356 |
| 37 Revaluation reserves | - | - | - | - | - |
| 38 Retained earnings / (Accumulated losses) | (4,364,354) | (4,723,886) | (4,740,760) | (4,781,239) | (4,719,309) |
| 39 Statutory loan loss reserve | 317,564 | 501,501 | 501,501 | 501,501 | 501,501 |
| 40 Other reserves | (280,624) | (266,033) | (266,033) | (266,033) | (266,033) |
| 41 Proposed dividends | - | - | - | - | - |
| 42 Capital grants | - | - | - | - | - |
| 43 TOTAL SHAREHOLDERS' FUNDS | 5,580,391 | 5,419,387 | 5,402,513 | 5,362,034 | 5,423,964 |
| 44 TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS | 45,547,821 | 44,917,325 | 42,948,867 | 39,721,058 | 39,208,733 |
| II STATEMENT OF COMPREHENSIVE INCOME | | | | | |
| | Period Ended 30 September 2021 Shs '000 (Un-audited) | Period Ended 31 December 2020 Shs '000 (Audited) | Period Ended 31 March 2021 Shs '000 (Un-audited) | Period Ended 30 June 2021 Shs '000 (Un-audited) | Period Ended 30 September 2021 Shs '000 (Un-audited) |
| 1 INTEREST INCOME | | | | | |
| 1.1 Loans and advances | 1,275,642 | 1,641,951 | 378,965 | 775,990 | 1,173,377 |
| 1.2 Government securities | 680,687 | 897,291 | 201,011 | 410,610 | 663,780 |
| 1.3 Deposits and placements with banking institutions | 100,886 | 145,537 | 17,606 | 51,862 | 98,829 |
| 1.4 Other interest income | 4,323 | 4,419 | 7 | 18 | 54 |
| 1.5 Total interest income | 2,061,538 | 2,689,198 | 597,589 | 1,238,480 | 1,936,040 |
| 2 INTEREST EXPENSES | | | | | |
| 2.1 Customer deposits | 776,835 | 1,004,293 | 226,777 | 468,586 | 722,639 |
| 2.2 Deposits and placements from banking institutions | 83,250 | 103,891 | 23,312 | 43,180 | 60,447 |
| 2.3 Other interest expense | 468,344 | 580,579 | 82,209 | 146,456 | 231,517 |
| 2.4 Total interest expenses | 1,328,429 | 1,688,763 | 332,298 | 658,222 | 1,014,603 |
| 3 NET INTEREST INCOME/(LOSS) | 733,109 | 1,000,435 | 265,291 | 580,258 | 921,437 |
| 4 OTHER OPERATING INCOME | | | | | |
| 4.1 Fees and commissions on loans and advances | 96,186 | 131,471 | 29,355 | 67,079 | 98,830 |
| 4.2 Other fees and commissions | 280,716 | 383,444 | 101,259 | 197,281 | 283,119 |
| 4.3 Foreign exchange trading income (loss) | 271,352 | 474,143 | 86,659 | 206,919 | 356,524 |
| 4.4 Dividend income | - | - | - | - | - |
| 4.5 Other income | 297,181 | 277,756 | 117,256 | 124,749 | 171,065 |
| 4.6 Total other operating income | 1,046,992 | 1,266,814 | 334,569 | 596,032 | 909,538 |
| 5 Total operating income | 1,780,101 | 2,267,249 | 599,860 | 1,176,290 | 1,830,975 |
| 6 OPERATING EXPENSES | | | | | |
| 6.1 Loan loss provision | 380,850 | 688,605 | 86,738 | 182,451 | 276,769 |
| 6.2 Staff costs | 719,966 | 974,865 | 216,002 | 418,561 | 617,621 |
| 6.3 Directors emoluments | 37,443 | 50,288 | 12,121 | 28,886 | 38,511 |
| 6.4 Rental charges | 53,702 | 70,768 | 14,244 | 27,821 | 38,438 |
| 6.5 Depreciation charge on property and equipment | 271,352 | 344,896 | 82,023 | 162,017 | 240,195 |
| 6.6 Amortisation charges | 37,951 | 51,689 | 13,459 | 26,882 | 40,510 |
| 6.7 Other operating expenses | 569,330 | 766,007 | 199,379 | 389,906 | 572,393 |
| 6.8 Total operating expenses | 2,070,594 | 2,947,118 | 623,966 | 1,236,524 | 1,824,437 |
| 7 Profit / (Loss) before tax and exceptional expenses | (290,493) | (679,869) | (24,106) | (60,234) | 6,538 |
| 8 Exceptional Items | - | - | - | - | - |
| 9 Profit / (Loss) before tax | (290,493) | (679,869) | (24,106) | (60,234) | 6,538 |
| 10 Current tax | 72,623 | - | 7,232 | 2,881 | (1,961) |
| 11 Deferred tax | - | 286,404 | - | - | - |
| 12 Profit / (Loss) after tax | (217,870) | (393,465) | (16,874) | (57,353) | 4,577 |
| 13 Other Comprehensive Income | - | - | - | - | - |
| 13.1 Gains/(Losses) from translating the financial statements of foreign operations | - | - | - | - | - |
| 13.2 Fair value changes in available-for-sale financial assets | - | 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 | - | (867) | - | - | - |
| 14 Other comprehensive income for the year net of tax | - | 14,591 | - | - | - |
| 15 Total comprehensive income for the year | (217,870) | (378,874) | (16,874) | (57,353) | 4,577 |
| III OTHER DISCLOSURES | | | | | |
| | Period Ended 30 September 2021 Shs '000 (Un-audited) | Period Ended 31 December 2020 Shs '000 (Audited) | Period Ended 31 March 2021 Shs '000 (Un-audited) | Period Ended 30 June 2021 Shs '000 (Un-audited) | Period Ended 30 September 2021 Shs '000 (Un-audited) |
| 1 NON-PERFORMING LOANS AND ADVANCES | | | | | |
| a Gross non-performing loans and advances (a) | 8,864,821 | 8,689,190 | 8,715,494 | 8,833,457 | 8,938,237 |
| b Interest in suspense (b) | 2,702,599 | 2,703,807 | 2,823,980 | 2,940,193 | 3,032,861 |
| c Total non-performing loans and advances (a-b) | 6,162,222 | 5,985,383 | 5,891,514 | 5,893,264 | 5,905,376 |
| d Loan loss provisions | 4,442,773 | 4,137,193 | 4,360,949 | 4,461,285 | 4,502,392 |
| e Net non-performing loans (c-d) | 1,719,449 | 1,848,190 | 1,530,565 | 1,431,979 | 1,402,984 |
| f Discounted value of securities | (1,519,940) | (1,681,970) | (1,373,598) | (1,288,175) | (1,155,024) |
| g Net NPLs Exposure (e-f) | 199,509 | 166,220 | 156,967 | 143,804 | 247,960 |
| 2 INSIDER LOANS AND ADVANCES | | | | | |
| a Shareholders, Directors, and their associates | 15,524 | 4,217 | 4,048 | 3,055 | 3,074 |
| b Employees | 680,915 | 680,859 | 625,663 | 603,708 | 609,507 |
| c Total insider loans and advances | 696,439 | 685,076 | 629,711 | 606,763 | 612,581 |
| 3 OFF-BALANCE SHEET ITEMS | | | | | |
| a Letters of credit, guarantees and acceptances | 9,221,431 | 8,526,546 | 9,643,779 | 7,302,530 | 7,719,085 |
| b Forwards, swaps and options | 44,781 | 36,047 | 29,219 | 31,768 | 55,144 |
| c Other contingent liabilities | 676,091 | 483,124 | 731,530 | 526,382 | 891,657 |
| d Total contingent liabilities | 9,942,303 | 9,045,717 | 10,404,588 | 7,860,280 | 8,665,886 |
| 4 CAPITAL STRENGTH | | | | | |
| a Core capital | 2,945,658 | 2,245,574 | 2,409,509 | 2,364,981 | 2,430,588 |
| b Minimum statutory capital | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| c Excess / (Deficiency) | 1,945,658 | 1,245,574 | 1,409,509 | 1,364,981 | 1,430,588 |
| d Supplementary Capital | 1,254,040 | 1,238,247 | 1,231,849 | 1,218,758 | 1,221,010 |
| e Total capital | 4,199,698 | 3,483,821 | 3,641,358 | 3,583,739 | 3,651,598 |
| f Total risk weighted assets | 26,410,818 | 21,330,508 | 22,620,440 | 21,795,724 | 21,975,890 |
| g Core capital/total deposit liabilities | 0.7% | 0.0% | 0.6% | 0.5% | 0.6% |
| h Minimum statutory ratio | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% |
| i Excess / (Deficiency) | 2.4% | -1.4% | 0.1% | 0.5% | 0.8% |
| j Core capital/total risk weighted assets | 11.2% | 10.5% | 10.7% | 10.9% | 11.1% |
| k Minimum statutory ratio | 10.5% | 10.5% | 10.5% | 10.5% | 10.5% |
| l Excess / (Deficiency) | 0.7% | 0.0% | 0.2% | 0.4% | 0.6% |
| m Total capital /total risk weighted assets | 15.9% | 16.3% | 16.1% | 16.4% | 16.6% |
| n Minimum statutory ratio | 14.5% | 14.5% | 14.5% | 14.5% | 14.5% |
| o Excess / (Deficiency) | 1.4% | 1.8% | 1.6% | 1.9% | 2.1% |
| Adjusted Core Capital/Total Deposit Liabilities* | 12.4% | 10.6% | 9.2% | 9.2% | 9.5% |
| Adjusted Core Capital/Total Risk Weighted Assets* | 13.3% | 12.9% | 12.1% | 12.1% | 11.9% |
| Adjusted Total Capital/Total Risk Weighted Assets* | 18.0% | 22.9% | 17.6% | 17.3% | 17.5% |
| 5 LIQUIDITY | | | | | |
| a Liquidity ratio | 62.4% | 57.5% | 53.7% | 46.1% | 46.0% |
| b Minimum statutory ratio | 20.0% | 20.0% | 20.0% | 20.0% | 20.0% |
| c Excess/(Deficiency) | 42.4% | 37.5% | 33.7% | 26.1% | 26.0% |

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

Ronald Marambii
Managing Director

Amb. Dennis Awori
Chairman