

BALANCE SHEET

	AUDITED DECEMBER 2005 (KSHS'000)	AUDITED DECEMBER 2006 (KSHS'000)
A ASSETS		
1 Cash (both local and foreign)	116,705	204,693
2 Balances due from Central Bank of Kenya	898,105	1,145,780
3 Kenya Government securities	2,922,302	3,898,221
4 Foreign Currency Treasury bills and Bonds	-	-
5 Deposits and Balances due from Local banking Institutions	153,976	312,267
6 Deposits and Balances due from banking Institutions abroad	1,328,563	565,792
7 Government and other securities held for dealing purposes	-	-
8 Tax recoverable	-	-
9 Loans and advances to customers (net)	11,086,701	14,702,497
10 Investment Securities	-	-
11 Balances due from group companies	-	-
12 Investment in associates	-	-
13 Investment in subsidiary companies	-	-
14 Investment in joint ventures	-	-
15 Investment properties	965,000	-
16 Property and equipment	167,138	1,005,906
17 Prepaid lease rentals	-	110,696
18 Intangible assets	10,747	10,747
19 Deferred tax asset	56,976	72,918
20 Retirement benefit asset	-	-
21 Other assets	340,065	318,728
22 TOTAL ASSETS	18,046,278	22,348,245
B LIABILITIES		
23 Balances due to Central Bank of Kenya	-	-
24 Customer deposits	14,798,796	18,220,103
25 Deposits and balances due to local banking institutions	412,999	143,436
26 Deposits and balances due to foreign banking institutions	-	37,745
27 Other money market deposits	95,042	320,172
28 Borrowed funds	463,697	364,611
29 Balances due to Group Companies	-	-
30 Tax payable	30,970	116,595
31 Dividends Payable	1,538	-
32 Deferred tax liability	-	-
33 Retirement benefit liability	-	-
34 Other Liabilities	186,985	350,435
35 TOTAL LIABILITIES	15,990,027	19,553,097
C SHAREHOLDERS' EQUITY		
36 Paid up/ Assigned share capital	1,500,000	1,740,000
37 Share premium/ (discount)	-	-
38 Revaluation reserves	-	-
39 Retained earnings/(Accumulated losses)	403,651	697,130
40 Statutory Loan Loss Reserves	2,600	8,018
41 Proposed dividends	150,000	350,000
42 Capital Grants	-	-
43 TOTAL SHAREHOLDERS' EQUITY	2,056,251	2,795,148
44 TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	18,046,278	22,348,245

INCOME STATEMENT

	AUDITED DECEMBER 2005 (KSHS'000)	AUDITED DECEMBER 2006 (KSHS'000)
1 INTEREST INCOME		
1.1 Loans and advances	1,280,612	1,722,410
1.2 Government securities	242,583	312,257
1.3 Deposits and placements with banking institutions	40,609	71,242
1.4 Other interest income	7,348	-
1.5 Total interest income	1,571,152	2,105,909
2 INTEREST EXPENSE		
2.1 Customer deposits	634,888	816,465
2.2 Deposits and placements from banking institutions	29,898	16,157
2.3 Other interest expenses	19,948	31,514
2.4 Total interest expense	684,734	864,136
3 NET INTEREST INCOME/ (LOSS)	886,418	1,241,773
4 NON - OPERATING INCOME		
4.1 Fees and commissions on loans and advances	79,246	98,761
4.2 Other fees and commissions	144,610	234,357
4.3 Foreign exchange trading income (Loss)	62,692	93,557
4.4 Dividend income	-	-
4.5 Other income	65,198	56,266
4.6 Total non-interest income	351,746	482,941
5 TOTAL OPERATING INCOME	1,238,164	1,724,714
6 OTHER OPERATING EXPENSES		
6.1 Loan loss provisions	133,515	77,133
6.2 Staff costs	278,737	344,767
6.3 Directors' emoluments	8,200	8,750
6.4 Rentals charges	30,840	35,164
6.5 Depreciation charge on property and equipment	74,989	69,405
6.6 Amortisation charges	1,309	1,309
6.7 Other operating expenses	221,216	251,780
6.8 Total other Operating Expenses	748,806	788,308
7 PROFIT / (LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS	489,358	936,406
8 EXCEPTIONAL ITEMS	-	-
9 PROFIT / (LOSS) BEFORE TAX AFTER EXCEPTIONAL ITEMS	489,358	936,406
10 CURRENT TAX	(169,869)	(303,450)
11 DEFERRED TAX	26,031	15,942
12 PROFIT/ (LOSS) AFTER TAX AND EXCEPTIONAL ITEMS	345,520	648,898

OTHER DISCLOSURES

	AUDITED DECEMBER 2005 (KSHS'000)	AUDITED DECEMBER 2006 (KSHS'000)
1 NON - PERFORMING LOANS AND ADVANCES		
a) Gross Non- performing Loans and advances	838,904	357,918
Less		
b) Interest in suspense	154,275	83,390
c) Total Non- performing loans and advances (a-b)	684,629	274,528
Less		
d) Loan loss provisions	126,594	66,797
e) Net Non Performing Loans(c-d)	558,035	207,731
f) Discounted value of securities	558,035	207,731
g) Net NPLs exposure (e-f)	0	0
2 INSIDER LOANS AND ADVANCES		
a) Directors, shareholders and associates	52,464	61,648
b) Employees	72,387	78,207
c) Total Insider Loans and Advances	124,851	139,855
3 OFF- BALANCE SHEET ITEMS		
a) Letters of Credit,Guarantees,Acceptances	3,847,349	5,244,155
b) Other contingent items	1,787,168	2,538,436
c) Total contingent liabilities	5,634,517	7,782,591
4 CAPITAL STRENGTH		
a) Core capital	1,892,904	2,424,097
b) Minimum Statutory Capital	250,000	250,000
c) Excess/ (deficiency)	1,642,904	2,174,097
d) Supplementary capital	2,600	8,018
e) Total capital (a+d)	1,895,504	2,432,115
f) Total risk weighted assets	15,120,864	18,911,412
g) Core capital/total deposit liabilities	12.44%	13.20%
h) Minimum statutory ratio	8.00%	8.00%
i) Excess /(Deficiency) (g-h)	4.44%	5.20%
j) Core capital/total risk weighted assets	12.52%	12.82%
k) Minimum statutory ratio	8.00%	8.00%
l) Excess /(Deficiency) (j-k)	4.52%	4.82%
m) Total capital/total risk weighted assets	12.54%	12.86%
n) Minimum statutory ratio	12.00%	12.00%
o) Excess /(Deficiency) (m-n)	0.54%	0.86%
5 LIQUIDITY		
a) Liquidity ratio	32.31%	31.38%
b) Minimum Statutory ratio	20.00%	20.00%
c) Excess /(Deficiency) (a-b)	12.31%	11.38%

MESSAGE FROM THE DIRECTORS

The above income statement and balance sheet are extracts of the audited financial statements which have been audited by KPMG Kenya and received an unqualified opinion.

Signed:

S.B.R Shah

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Chairman

Sarit S Shah

:

Executive Director

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