

STATEMENT OF FINANCIAL POSITION	BANK AUDITED DEC 2015 (KSHS'000)	BANK AUDITED DEC 2016 (KSHS'000)	GROUP AUDITED DEC 2015 (KSHS'000)	GROUP AUDITED DEC 2016 (KSHS'000)
A ASSETS				
01. Cash (both local and foreign)	1,026,976	1,199,322	1,410,068	1,447,295
02. Balances due from central banks	4,850,610	5,460,673	6,929,635	7,206,930
03. Kenya Government and other securities held for dealing purposes	-	-	-	-
04. Financial Assets at fair value through profit and loss	-	-	-	-
05. Investment Securities:	-	-	-	-
a) Held to Maturity:	-	-	-	-
a. Kenya Government securities	15,336,539	16,848,441	15,336,539	16,848,441
b. Other securities	-	-	1,819,720	2,758,818
b) Available for sale:	-	-	-	-
a. Kenya Government securities	15,670,421	21,592,275	15,670,421	21,592,275
b. Other securities	330,770	3,830,992	354,480	3,854,644
06. Deposits and Balances due from local banking Institutions	643,404	1,083,504	933,173	1,083,504
07. Deposits and Balances due from banking Institutions abroad	1,539,396	1,646,542	1,865,720	2,169,765
08. Tax recoverable	2,144	2,015	4,354	2,015
09. Loans and advances to customers (net)	102,188,164	106,585,737	114,927,247	120,696,861
10. Balances due from banking institutions in the group	54,669	132,447	-	-
11. Investment in associates	-	-	-	-
12. Investment in subsidiary companies	1,123,111	2,324,126	-	-
13. Investment in joint ventures	-	-	-	-
14. Investment properties	-	-	-	-
15. Property and equipment	724,691	655,069	2,388,852	891,796
16. Prepaid lease rentals	-	-	284,606	-
17. Intangible assets	172,810	172,453	844,271	835,596
18. Deferred tax asset	596,334	677,926	675,581	781,962
19. Retirement benefit asset	-	-	-	-
20. Other assets	3,586,300	1,904,600	1,377,942	1,987,580
21. TOTAL ASSETS	147,846,339	164,116,122	164,822,609	182,157,482
B LIABILITIES				
22. Balances due to central banks	-	-	-	-
23. Customer deposits	103,740,626	116,978,501	116,791,317	129,636,067
24. Deposits and balances due to local banking institutions	182,265	390,694	337,422	390,694
25. Deposits and balances due to foreign banking institutions	3,653,266	3,219,632	5,381,342	4,049,239
26. Other money market deposits	-	-	-	-
27. Borrowed funds	12,281,869	9,994,671	13,636,819	12,513,267
28. Balances due to banking institutions in the group	97,932	42,290	-	-
29. Tax payable	-	-	64,504	11,112
30. Dividends payable	-	-	-	-
31. Deferred tax liability	-	-	75	-
32. Retirement benefit liability	-	-	-	-
33. Other liabilities	1,703,703	2,185,505	1,794,877	3,470,591
34. TOTAL LIABILITIES	121,659,661	132,811,293	138,006,356	150,070,970
C SHAREHOLDERS' EQUITY				
35. Paid up/ Assigned share capital	2,880,245	2,880,245	2,880,245	2,880,245
36. Share premium/ (discount)	3,773,237	3,773,237	3,773,237	3,773,237
37. Revaluation reserves - (Building)	-	-	629,739	-
38. Retained earnings/(Accumulated losses)	18,039,316	22,929,382	17,379,759	23,088,383
39. Statutory loan loss reserves	625,190	630,390	644,928	698,894
40. Other reserves - (AFS portfolio)	(505,187)	(355,748)	(505,187)	(355,748)
41. Proposed dividends	1,373,877	1,447,323	1,373,877	1,447,323
42. Translation reserve	-	-	(157,650)	(159,573)
43. TOTAL SHAREHOLDERS' EQUITY	26,186,678	31,304,829	26,018,948	31,372,761
44. Non controlling interest	-	-	797,305	713,751
45. TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	147,846,339	164,116,122	164,822,609	182,157,482

STATEMENT OF COMPREHENSIVE INCOME	BANK AUDITED DEC 2015 (KSHS'000)	BANK AUDITED DEC 2016 (KSHS'000)	GROUP AUDITED DEC 2015 (KSHS'000)	GROUP AUDITED DEC 2016 (KSHS'000)
01. INTEREST INCOME				
1.1 Loans and advances	14,460,653	15,721,942	15,859,075	17,115,612
1.2 Government securities	3,321,682	4,197,843	3,586,880	4,529,729
1.3 Deposits and placements with banking institutions	140,161	39,539	168,445	89,096
1.4 Other interest income	48,633	40,927	48,634	40,927
1.5 Total interest income	17,971,129	20,000,251	19,663,034	21,775,364
02. INTEREST EXPENSE				
2.1 Customer deposits	6,872,779	6,475,313	7,493,015	7,064,563
2.2 Deposits and placements from banking institutions	228,416	219,646	256,700	249,602
2.3 Other interest expenses	808,660	760,519	895,800	896,917
2.4 Total interest expense	7,909,855	7,455,478	8,645,515	8,211,082
03. NET INTEREST INCOME/ (LOSS)	10,061,274	12,544,773	11,017,519	13,564,282
04. OTHER OPERATING INCOME				
4.1 Fees and commissions on loans and advances	641,792	627,217	848,154	764,189
4.2 Other fees and commissions	1,156,666	1,377,116	1,183,351	1,509,000
4.3 Foreign exchange trading income (Loss)	1,049,906	1,205,951	1,203,694	1,315,363
4.4 Dividend income	21,118	137,822	-	95,000
4.5 Other income	245,090	366,735	321,733	328,291
4.6 Total non-interest income	3,114,572	3,714,841	3,556,932	4,011,843
05. TOTAL OPERATING INCOME	13,175,846	16,259,614	14,574,451	17,576,125
06. OTHER OPERATING EXPENSES				
6.1 Loan loss provisions	553,130	2,778,703	695,089	2,884,081
6.2 Staff costs	2,044,428	2,295,854	2,399,502	2,514,500
6.3 Directors' emoluments	57,741	92,989	64,195	165,822
6.4 Rentals charges	454,834	488,741	449,045	570,467
6.5 Depreciation charge on property and equipment	192,280	223,452	250,984	264,700
6.6 Amortisation charges	114,045	73,111	143,960	96,170
6.7 Other operating expenses	1,392,499	1,655,730	1,823,924	2,054,912
6.8 Total other Operating Expenses	4,808,957	7,608,580	5,826,699	8,550,652
07. PROFIT / (LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS	8,366,889	8,651,034	8,747,752	9,025,473
08. EXCEPTIONAL ITEMS	-	-	-	-
09. PROFIT/ (LOSS) AFTER EXCEPTIONAL ITEMS	8,366,889	8,651,034	8,747,752	9,025,473
10. Current tax	(2,555,761)	(2,308,445)	(2,715,109)	(2,444,192)
11. Deferred tax	-	-	-	-
12. PROFIT/ (LOSS) AFTER TAX AND EXCEPTIONAL ITEMS	5,811,128	6,342,589	6,032,643	6,581,281
13. Non controlling interest	-	-	(132,707)	(76,471)
14. PROFIT/ (LOSS) AFTER TAX , EXCEPTIONAL ITEMS AND NON CONTROLLING INTEREST	5,811,128	6,342,589	5,899,936	6,504,810
15. OTHER COMPREHENSIVE INCOME				
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	(203,404)	27,280
15.2 Fair value changes in available for sale financial assets	(142,383)	213,485	(185,617)	213,485
15.3 Revaluation surplus on property and equipment	-	-	-	-
15.4 Other comprehensive income	-	-	-	75,364
15.5 Income tax relating to components of other comprehensive income	-	(64,046)	61,021	(64,046)
16. OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX	(142,383)	149,439	(328,000)	252,083
17. TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5,668,745	6,492,028	5,704,643	6,833,364

OTHER DISCLOSURES	BANK AUDITED DEC 2015 (KSHS'000)	BANK AUDITED DEC 2016 (KSHS'000)
1. NON - PERFORMING LOANS AND ADVANCES		
a) Gross Non- performing Loans and advances	5,072,214	8,215,798
Less		
b) Interest in suspense	986,864	2,165,222
c) Total Non-performing Loans and advances (a-b)	4,085,350	6,050,576
Less		
d) Loan loss provisions	1,127,127	2,216,057
e) Net Non Performing Loans(c-d)	2,958,223	3,834,519
f) Discounted value of securities	2,873,733	3,834,519
g) Net NPLs exposure (e-f)	84,490	-
2. INSIDER LOANS AND ADVANCES		
a) Directors, shareholders and associates	879,950	1,305,032
b) Employees	868,624	1,583,034
c) Total Insider Loans and Advances	1,748,574	2,888,066
3. OFF- BALANCE SHEET ITEMS		
a) Letters of credit, guarantees, acceptances	30,067,563	28,799,259
b) Forwards, swaps and options	18,812,112	19,041,170
c) Other contingent liabilities	4,190,719	3,523,517
d) Total Contingent liabilities	53,070,394	51,363,946
4. CAPITAL STRENGTH		
a) Core capital	23,559,141	24,684,820
b) Minimum statutory capital	1,000,000	1,000,000
c) Excess/ (deficiency)	22,559,141	23,684,820
d) Supplementary capital	2,984,952	2,249,438
e) Total capital (a+d)	26,544,093	26,934,258
f) Total risk weighted assets	138,178,796	148,383,014
g) Core capital/Total deposit liabilities	22.55%	20.82%
h) Minimum statutory ratio	8.00%	8.00%
i) Excess /(Deficiency) (g-h)	14.55%	12.82%
j) Core capital/Total risk weighted assets	17.05%	16.64%
k) Minimum statutory ratio	10.50%	10.50%
l) Excess /(Deficiency) (j-k)	6.55%	6.14%
m) Total capital/Total risk weighted assets	19.21%	18.15%
n) Minimum statutory ratio	14.50%	14.50%
o) Excess /(Deficiency) (m-n)	4.71%	3.65%
5. LIQUIDITY		
a) Liquidity ratio	33.50%	37.26%
b) Minimum statutory ratio	20.00%	20.00%
c) Excess /(Deficiency) (a-b)	13.50%	17.26%

MESSAGE FROM THE DIRECTORS

The above are extracts from the Bank's financial statements. The financial statements have been audited by KPMG Kenya and have received unqualified opinion.

The Group's financial statements as at 31st December 2016 include I&M Bank (T) Limited and I&M Insurance Agency. The results of Giro Commercial Bank Ltd have not been consolidated in these financials.

These statements can be accessed on the institution's website www.imbank.com as well as at the registered office at I&M Bank House, 2nd Ngong Avenue, Nairobi. The financial statements were approved by the Board of Directors on 21st March 2017.

S B R Shah
Chairman

Kihara Maina
Chief Executive Officer



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