

STATEMENT OF FINANCIAL POSITION	AUDITED DEC 2015 (KSHS'000)	AUDITED DEC 2016 (KSHS'000)
A. ASSETS		
01. Cash (both Local & Foreign)	82,420	88,230
02. Balances due from central banks	761,051	1,248,043
03. Kenya Government and other securities held for dealing purposes	621,895	784,319
04. Financial Assets at fair value through profit and loss	1,298	1,132
05. Investment Securities:		
a) Held to Maturity:	4,218,785	3,932,042
a. Kenya Government securities	4,218,785	3,932,042
b. Other securities	-	-
b) Available for sale:	-	-
a. Kenya Government securities	-	-
b. Other securities	-	-
06. Deposits and balances due from local banking institutions	315,813	100,000
07. Deposits and balances due from banking institutions abroad	168,672	626,302
08. Tax recoverable	5,898	-
09. Loans and advances to customers (net)	9,327,951	9,191,918
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 and equipment	203,704	186,287
16. Prepaid lease rentals	35,368	34,462
17. Intangible assets	20,186	11,188
18. Deferred tax asset	-	-
19. Retirement benefit asset	-	-
20. Other assets	47,020	43,353
21. TOTAL ASSETS	15,810,061	16,247,276
B. LIABILITIES		
22. Balances due to central banks	-	-
23. Customer deposits	12,801,838	12,938,391
24. Deposits and balances due to local banking institutions	3,099	23,535
25. Deposits and balances due to foreign banking institutions	4,078	3,988
26. Other money market deposits	-	-
27. Borrowed funds	-	-
28. Balances due to banking institutions in the group	-	-
29. Tax payable	-	72,477
30. Dividends payable	-	-
31. Deferred tax liability	36,279	30,637
32. Retirement benefit liability	-	-
33. Other liabilities	130,250	116,789
34. TOTAL LIABILITIES	12,975,544	13,185,817
C. SHAREHOLDERS' FUNDS		
35. Paid up/Assigned capital	1,150,000	1,150,000
36. Share premium/(discount)	-	-
37. Revaluation reserves	-	-
38. Retained earnings/Accumulated losses	1,565,012	1,788,210
39. Statutory loan loss reserves	119,505	123,249
40. Other reserves	-	-
41. Proposed dividends	-	-
42. Capital grants	-	-
43. TOTAL SHAREHOLDERS' FUNDS	2,834,517	3,061,459
44. Minority interest	-	-
45. TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	15,810,061	16,247,276

STATEMENT OF COMPREHENSIVE INCOME	AUDITED DEC 2015 (KSHS'000)	AUDITED DEC 2016 (KSHS'000)
01. INTEREST INCOME		
1.1 Loans and advances	1,346,636	1,517,249
1.2 Government securities	490,806	440,799
1.3 Deposits and placements with banking institutions	14,060	13,729
1.4 Other interest income	1,758	881
1.5 Total interest income	1,853,260	1,972,658
02. INTEREST EXPENSES		
2.1 Customer deposits	1,014,665	992,649
2.2 Deposits and placements from banking institutions	5,465	77
2.3 Other Interest Expenses	-	-
2.4 Total interest expenses	1,020,130	992,726
03. NET INTEREST INCOME/LOSS	833,130	979,932
04. NON INTEREST INCOME		
4.1 Fees and commissions on loans and advances	94,007	56,399
4.2 Other fees and commissions	43,299	40,931
4.3 Foreign exchange trading income(loss)	24,634	22,305
4.4 Dividend income	10	13
4.5 Other income	(24,720)	37,190
4.6 Total Non-Interest Income	137,230	156,838
05. TOTAL OPERATING INCOME	970,360	1,136,770
06. OTHER OPERATING EXPENSES		
6.1 Loan loss provision	18,344	34,517
6.2 Staff costs	267,977	274,619
6.3 Directors' emoluments	28,655	30,327
6.4 Rentals charges	25,886	28,026
6.5 Depreciation charge on property and equipment	19,727	17,902
6.6 Amortisation charges	4,002	3,591
6.7 Other operating expenses	126,963	165,612
6.8 Total operating expenses	491,554	554,594

STATEMENT OF COMPREHENSIVE INCOME (continued)	AUDITED DEC 2015 (KSHS'000)	AUDITED DEC 2016 (KSHS'000)
07. PROFIT/(LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS	478,806	582,176
08. EXCEPTIONAL ITEMS	-	-
09. PROFIT/(LOSS) AFTER EXCEPTIONAL ITEMS	478,806	582,176
10. Current tax	16,484	96,376
11. Deferred tax	9,883	(5,642)
12. PROFIT/(LOSS) AFTER TAX AND EXCEPTIONAL ITEMS	452,439	491,442
13. Minority interest	-	-
14. PROFIT/(LOSS) AFTER TAX AND EXCEPTIONAL ITEMS AND MINORITY INTEREST	452,439	491,442
15. OTHER COMPREHENSIVE INCOME		
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-
15.2 Fair value changes in available for sale financial assets	-	-
15.3 Revaluation surplus on property, plant and equipment	-	-
15.4 Share of other comprehensive income of associates	-	-
15.5 Income tax relating to components of other comprehensive income	-	-
16. OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX	-	-
17. TOTAL COMPREHENSIVE INCOME FOR THE YEAR	452,439	491,442

OTHER DISCLOSURES		
1. NON-PERFORMING LOANS AND ADVANCES		
a) Gross Non-performing Loans and advances	184,718	195,792
Less		
b) Interest in suspense	3,524	3,321
c) Total Non-Performing Loans and advances (a-b)	181,194	192,471
Less		
d) Loan loss provisions	57,919	92,132
e) Net Non-Performing Loans (c-d)	123,275	100,339
f) Discounted value of securities	123,275	100,339
g) Net NPLs Exposure (e-f)	-	-
2. INSIDER LOANS AND ADVANCES		
a) Directors, shareholders and associates	815,490	569,669
b) Employees	47,153	60,184
c) Total Insider Loans and advances and Other Facilities	862,643	629,853
3. OFF-BALANCE SHEET ITEMS		
a) Letters of credit, guarantees, acceptances	3,235,114	2,524,725
b) Forwards, swaps and options	-	-
c) Other contingent liabilities	-	-
d) Total contingent liabilities	3,235,114	2,524,725
4. CAPITAL STRENGTH		
a) Core capital	2,715,012	2,938,210
b) Minimum statutory capital	1,000,000	1,000,000
c) Excess/(Deficiency) (a-b)	1,715,012	1,938,210
d) Supplementary capital	119,505	123,249
e) Total capital (a+d)	2,834,517	3,061,459
f) Total risk weighted assets	11,781,243	11,916,255
g) Core capital/total deposit liabilities	21.20%	22.70%
h) Minimum statutory ratio	8.00%	8.00%
i) Excess/(Deficiency) (g-h)	13.20%	14.70%
j) Core capital/total risk weighted assets	23.00%	24.70%
k) Minimum statutory ratio	10.50%	10.50%
l) Excess/(Deficiency) (j-k)	12.50%	14.20%
m) Total capital/total risk weighted assets	24.10%	25.70%
n) Minimum statutory ratio	14.50%	14.50%
o) Excess/(Deficiency) (m-n)	9.60%	11.20%
5. LIQUIDITY		
a) Liquidity ratio	45.70%	50.00%
b) Minimum statutory ratio	20.00%	20.00%
c) Excess/(Deficiency) (a-b)	25.70%	30.00%

MESSAGE FROM THE DIRECTORS

The above are extracts from the Bank's financial statements. The financial statements have been audited by Deloitte & Touche and have received an unqualified opinion.

A full set of accounts is available at our offices and on our website www.imbank.com and can be reviewed by interested persons.

On 13 February 2017, I&M Holdings Limited acquired the entire issued share capital of Giro Commercial Bank Ltd (GCBL) following the receipt of all regulatory approvals and being satisfied that all conditions precedent as stipulated in the Share Purchase Agreement were met. Subsequently, the entire GCBL's banking business was merged into that of I&M Bank Ltd.

Sarit S Raja Shah
Executive Director

Kihara Maina
Chief Executive Officer