

STATEMENT OF FINANCIAL POSITION	BANK AUDITED DEC 2017 (KSHS'000)	BANK AUDITED DEC 2018 (KSHS'000)	GROUP AUDITED DEC 2017 (KSHS'000)	GROUP AUDITED DEC 2018 (KSHS'000)
A ASSETS				
01. Cash (both local and foreign)	1,785,443	1,502,713	2,034,166	1,843,558
02. Balances due from central banks	5,251,820	8,607,502	6,696,404	10,158,473
03. Kenya Government and other securities held for dealing purposes	-	-	-	-
04. Financial Assets at fair value through profit or loss (FVTPL)	711,396	13,144,378	711,396	13,144,378
05. Investment Securities:	-	-	-	-
a) Held at amortised cost/Held to Maturity:	-	-	-	-
a. Kenya Government securities	20,747,773	18,306,701	20,747,773	18,306,701
b. Other securities	-	-	3,787,637	4,430,026
b) Fair value through other comprehensive income (FVOCI) /Available for sale:	-	-	-	-
a. Kenya Government securities	20,470,148	9,514,653	20,470,148	9,514,653
b. Other securities	4,532,006	4,825,263	4,569,514	4,429,195
06. Deposits and Balances due from local banking Institutions	10,551	1,892,921	10,551	1,892,921
07. Deposits and Balances due from banking Institutions abroad	2,533,974	28,965,362	2,601,826	29,312,689
08. Tax recoverable	545,305	64,449	548,383	84,281
09. Loans and advances to customers (net)	120,656,819	132,319,259	135,098,394	147,623,509
10. Balances due from banking institutions in the Group	22,277	768,111	549	321
11. Investment in associates	-	-	-	-
12. Investment in subsidiary companies	2,324,126	2,750,753	-	-
13. Investment in joint ventures	-	-	-	-
14. Investment properties	-	-	-	-
15. Property and equipment	627,695	633,417	856,764	827,527
16. Prepaid lease rentals	-	-	-	-
17. Intangible assets	250,558	1,037,775	788,734	1,902,386
18. Deferred tax asset	1,338,451	1,950,464	1,504,199	2,219,356
19. Retirement benefit asset	-	-	-	-
20. Other assets	2,144,175	2,877,413	2,222,575	2,949,592
21. TOTAL ASSETS	183,952,517	229,161,134	202,645,013	248,639,566
B LIABILITIES				
22. Balances due to central banks	-	-	-	-
23. Customer deposits	132,800,892	176,753,511	147,582,171	191,334,148
24. Deposits and balances due to local banking institutions	439,396	69,381	439,396	69,381
25. Deposits and balances due to foreign banking institutions	1,006,882	426,719	1,678,683	1,269,874
26. Other money market deposits	-	-	-	-
27. Borrowed funds	9,645,894	9,293,886	11,827,014	12,131,612
28. Balances due to banking institutions in the Group	17,362	48,057	671,281	166,430
29. Tax payable	-	-	5,635	31,488
30. Dividends Payable	-	-	-	-
31. Deferred tax liability	-	-	-	-
32. Retirement benefit liability	-	-	-	-
33. Other liabilities	5,018,580	4,230,990	4,571,985	4,250,043
34. TOTAL LIABILITIES	148,929,006	190,822,544	166,776,165	209,252,976
C SHAREHOLDERS' EQUITY				
35. Paid up/Assigned share capital	4,751,643	2,980,000	4,751,643	2,980,000
36. Share premium/(discount)	3,759,624	5,531,267	3,759,624	5,531,267
37. Revaluation reserves - (Building)	-	-	-	-
38. Retained earnings/(Accumulated losses)	24,004,831	28,440,796	24,320,473	28,804,385
39. Statutory loan loss reserves	1,556,786	1,441,955	1,619,262	1,656,304
40. Other Reserves	(158,267)	(55,428)	(151,215)	(158,278)
41. Proposed dividends	1,108,894	-	1,108,894	-
42. Translation reserve	-	-	(314,716)	(425,151)
43. TOTAL SHAREHOLDERS' EQUITY	35,023,511	38,338,590	35,093,965	38,388,527
44. Non controlling interest	-	-	774,883	998,063
45. TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	183,952,517	229,161,134	202,645,013	248,639,566

STATEMENT OF COMPREHENSIVE INCOME	BANK AUDITED DEC 2017 (KSHS'000)	BANK AUDITED DEC 2018 (KSHS'000)	GROUP AUDITED DEC 2017 (KSHS'000)	GROUP AUDITED DEC 2018 (KSHS'000)
01. INTEREST INCOME				
1.1 Loans and advances	15,056,578	16,147,964	16,545,444	17,727,941
1.2 Government securities	4,473,661	3,892,861	4,917,213	4,313,333
1.3 Deposits and placements with banking institutions	31,697	242,885	51,054	247,614
1.4 Other interest income	40,815	40,819	40,815	40,819
1.5 Total interest income	19,602,751	20,324,529	21,554,526	22,329,707
02. INTEREST EXPENSE				
2.1 Customer deposits	6,296,570	7,500,855	6,956,427	8,147,609
2.2 Deposits and placements from banking institutions	175,150	114,355	198,336	163,546
2.3 Other interest expenses	704,086	731,625	856,524	890,705
2.4 Total interest expense	7,175,806	8,346,835	8,011,287	9,201,860
03. NET INTEREST INCOME/(LOSS)	12,426,945	11,977,694	13,543,239	13,127,847
04. OTHER OPERATING INCOME				
4.1 Fees and commissions on loans and advances	845,102	1,385,808	925,248	1,489,321
4.2 Other fees and commissions	1,586,762	1,775,618	1,813,928	2,082,462
4.3 Foreign exchange trading income (Loss)	1,373,188	2,051,968	1,468,282	2,188,135
4.4 Dividend income	32,359	57,500	-	-
4.5 Other income	303,868	609,082	296,218	602,190
4.6 Total non-interest income	4,141,279	5,879,976	4,503,676	6,362,108
05. TOTAL OPERATING INCOME	16,568,224	17,857,670	18,046,915	19,489,955
06. OTHER OPERATING EXPENSES				
6.1 Loan loss provisions	3,853,113	3,415,940	4,059,368	3,691,665
6.2 Staff costs	2,325,925	2,575,450	2,751,775	3,010,965
6.3 Directors' emoluments	109,763	119,260	110,156	119,545
6.4 Rentals charges	607,775	671,108	685,512	748,192
6.5 Depreciation charge on property and equipment	218,095	193,337	261,919	261,919
6.6 Amortisation charges	96,603	112,423	124,265	124,265
6.7 Other operating expenses	1,840,570	2,044,826	2,182,267	2,355,045
6.8 Total other Operating Expenses	9,051,844	9,132,344	10,175,262	10,309,540
07. PROFIT / (LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS	7,516,380	8,725,326	7,871,653	9,180,415
08. EXCEPTIONAL ITEMS	-	-	-	-
09. PROFIT/(LOSS) AFTER EXCEPTIONAL ITEMS	7,516,380	8,725,326	7,871,653	9,180,415
10. Current Tax	(2,774,048)	(2,854,705)	(2,960,088)	(3,066,842)
11. Deferred Tax	745,159	468,235	814,253	522,458
12. PROFIT/ (LOSS) AFTER TAX AND EXCEPTIONAL ITEMS	5,487,491	6,338,856	5,725,818	6,636,031
13. Non controlling interest	-	-	(67,553)	(83,122)
14. PROFIT/(LOSS) AFTER TAX, EXCEPTIONAL ITEMS AND NON-CONTROLLING INTEREST	5,487,491	6,338,856	5,658,265	6,552,909
15. OTHER COMPREHENSIVE INCOME				
15.1 Losses from translating the financial statements of foreign operations	-	-	(175,317)	(148,152)
15.2 Fair value changes in financial assets at FVOCI/Available for sale financial assets	282,116	266,936	296,499	109,933
15.3 Income tax relating to components of other comprehensive income	(84,635)	(80,081)	(88,964)	(32,980)
16. OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX	197,481	186,855	32,218	(71,199)
17. TOTAL COMPREHENSIVE INCOME FOR THE YEAR	5,684,972	6,525,711	5,758,036	6,564,832

OTHER DISCLOSURES	BANK AUDITED DEC 2017 (KSHS'000)	BANK AUDITED DEC 2018 (KSHS'000)
01. NON-PERFORMING LOANS AND ADVANCES		
a) Gross Non-performing Loans and advances	17,668,513	21,115,395
Less		
b) Interest in suspense	2,223,192	5,189,051
c) Total Non-performing loans and advances (a-b)	15,445,321	15,926,344
Less		
d) Loan loss provisions	4,103,198	6,926,116
e) Net Non Performing Loans (c-d)	11,342,123	9,000,228
f) Discounted value of securities	11,342,123	9,000,228
g) Net NPLs exposure (e-f)	-	-
02. INSIDER LOANS AND ADVANCES		
a) Directors, shareholders and associates	2,139,497	3,522,392
b) Employees	1,326,950	1,263,414
c) Total insider loans and advances	3,466,447	4,785,806
03. OFF-BALANCE SHEET ITEMS		
a) Letters of Credit, guarantees, acceptances	37,298,075	37,917,017
b) Forwards, swaps and options	16,276,454	38,381,215
c) Other contingent liabilities	4,634,904	1,173,417
d) Total Contingent liabilities	58,209,433	77,471,649
04. CAPITAL STRENGTH		
a) Core capital	29,790,221	34,201,410
b) Minimum statutory capital	1,000,000	1,000,000
c) Excess/(deficiency)	28,790,221	33,201,410
d) Supplementary capital	2,437,143	1,583,622
e) Total capital (a+d)	32,227,364	35,785,032
f) Total risk weighted assets	173,455,079	199,699,818
g) Core capital/Total deposit liabilities	21.88%	19.17%
h) Minimum statutory ratio	8.00%	8.00%
i) Excess/(Deficiency) (g-h)	13.88%	11.17%
j) Core capital/Total risk weighted assets	17.17%	17.13%
k) Minimum statutory ratio	10.50%	10.50%
l) Excess/(Deficiency) (j-k)	6.67%	6.63%
m) Total capital/Total risk weighted assets	18.58%	17.92%
n) Minimum statutory ratio	14.50%	14.50%
o) Excess/(Deficiency) (m-n)	4.08%	3.42%
(p) Adjusted core capital/Total deposit liabilities*	-	20.01%
(q) Adjusted core capital/Total risk weighted assets*	-	17.89%
(r) Adjusted total capital/Total risk weighted assets*	-	18.68%
05. LIQUIDITY		
a) Liquidity ratio	34.62%	44.63%
b) Minimum statutory ratio	20.00%	20.00%
c) Excess/(Deficiency) (a-b)	14.62%	24.63%

*The adjusted capital ratios include the expected credit loss provisions added back to capital in line with the CBK Guidance Note issued in April 2018 on implementation of IFRS 9.

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 2018 includes I&M Bank (T) Limited, I&M Insurance Agency Limited and Youjays Insurance Brokers Limited.

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 22 March 2019 and signed on its behalf by:

S B R Shah
Chairman

Kihara Maina
Chief Executive Officer

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