

STATEMENT OF FINANCIAL POSITION	BANK AUDITED DEC 2018 (KSHS'000)	BANK AUDITED DEC 2019 (KSHS'000)	GROUP AUDITED DEC 2018 (KSHS'000)	GROUP AUDITED DEC 2019 (KSHS'000)
<b>A. ASSETS</b>				
1. Cash (both local and foreign)	1,502,713	1,501,493	1,843,558	1,782,558
2. Balances due from central banks	8,607,502	9,200,353	10,158,473	10,279,604
3. Kenya Government and other securities held for dealing purposes	-	-	-	-
4. Financial Assets at fair value through profit and loss (FVTPL)	13,144,378	13,697,717	13,144,378	13,697,717
5. Investment Securities:	-	-	-	-
a) Held at amortised cost/ Held to Maturity	-	-	-	-
a. Kenya Government securities	18,306,701	18,925,430	18,306,701	18,925,430
b. Other securities	-	-	4,430,026	4,704,010
b) Fair value through other comprehensive income (FVOCI):	-	-	-	-
a. Kenya Government securities	9,514,653	10,729,628	9,514,653	10,729,728
b. Other securities	4,825,263	4,941,867	4,429,195	4,691,687
6. Deposits and Balances due from local banking Institutions	1,892,921	1,123,415	1,892,921	1,123,415
7. Deposits and Balances due from banking Institutions abroad	28,965,362	39,450,265	29,312,689	39,450,265
8. Tax recoverable	64,449	-	84,281	8,927
9. Loans and advances to customers (net)	132,319,259	141,543,126	147,623,509	156,768,746
10. Balances due from banking institutions in the group	768,111	354,938	321	-
11. Investment in associates	-	-	-	-
12. Investment in subsidiary companies	2,750,753	2,750,753	-	-
13. Investment in joint ventures	-	-	-	-
14. Investment properties	-	-	-	-
15. Property and equipment	633,417	2,510,551	827,527	2,863,172
16. Prepaid lease rentals	-	-	-	-
17. Intangible assets	1,037,775	1,132,558	1,902,386	2,127,627
18. Deferred tax asset	1,950,464	3,125,340	2,219,356	3,386,195
19. Retirement benefit asset	-	-	-	-
20. Other assets	2,877,413	3,264,738	2,949,592	3,488,668
<b>21. TOTAL ASSETS</b>	<b>229,161,134</b>	<b>254,252,172</b>	<b>248,639,566</b>	<b>274,027,749</b>
<b>B. LIABILITIES</b>				
22. Balances due to central banks	-	-	-	-
23. Customer deposits	176,753,511	195,404,638	191,334,148	209,025,201
24. Deposits and balances due to local banking institutions	69,381	113,250	69,381	113,250
25. Deposits and balances due to foreign banking institutions	426,719	323,020	1,269,874	2,324,033
26. Other money market deposits	-	-	-	-
27. Borrowed funds	9,293,886	5,946,116	12,131,612	8,415,675
28. Balances due to banking institutions in the group	48,057	99,326	166,430	499,491
29. Tax payable	-	845,413	31,488	868,187
30. Dividends payable	-	-	-	-
31. Deferred tax liability	-	-	-	-
32. Retirement benefit liability	-	-	-	-
33. Other liabilities	4,230,990	4,505,274	4,250,043	4,391,856
<b>34. TOTAL LIABILITIES</b>	<b>190,822,544</b>	<b>207,237,037</b>	<b>209,252,976</b>	<b>225,637,693</b>
<b>C. SHAREHOLDERS' EQUITY</b>				
35. Paid up/ Assigned share capital	2,980,000	2,980,000	2,980,000	2,980,000
36. Share premium/ (discount)	5,531,267	5,531,267	5,531,267	5,531,267
37. Revaluation reserves - (Building)	-	-	-	-
38. Retained earnings/(Accumulated losses)	28,440,796	34,023,451	28,804,385	34,564,173
39. Statutory loan loss reserves	1,441,955	4,598,169	1,656,304	4,839,393
40. Other Reserves - (AFS Portfolio)	(55,428)	(117,752)	(158,278)	(123,573)
41. Proposed dividends	-	-	-	-
42. Translation reserve	-	-	(425,151)	(448,786)
<b>43. TOTAL SHAREHOLDERS' EQUITY</b>	<b>38,338,590</b>	<b>47,015,135</b>	<b>38,388,527</b>	<b>47,342,474</b>
44. Non controlling interest	-	-	998,063	1,047,582
<b>45. TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>229,161,134</b>	<b>254,252,172</b>	<b>248,639,566</b>	<b>274,027,749</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>				
<b>1. INTEREST INCOME</b>				
1.1 Loans and advances	16,147,964	17,513,573	17,727,941	19,232,792
1.2 Government securities	3,892,861	3,019,518	4,313,333	3,472,243
1.3 Deposits and placements with banking institutions	242,885	559,429	247,614	560,620
1.4 Other interest income	40,819	22,588	40,819	22,588
<b>1.5 Total interest income</b>	<b>20,324,529</b>	<b>21,115,108</b>	<b>22,329,707</b>	<b>23,288,243</b>
<b>2. INTEREST EXPENSE</b>				
2.1 Customer deposits	7,500,855	8,682,835	8,147,609	9,265,228
2.2 Deposits and placements from banking institutions	114,355	109,838	163,546	193,252
2.3 Other interest expenses	731,625	577,770	890,705	787,463
<b>2.4 Total interest expense</b>	<b>8,346,835</b>	<b>9,370,443</b>	<b>9,201,860</b>	<b>10,245,943</b>
<b>3. NET INTEREST INCOME/ (LOSS)</b>	<b>11,977,694</b>	<b>11,744,665</b>	<b>13,127,847</b>	<b>13,042,300</b>
<b>4. OTHER OPERATING INCOME</b>				
4.1 Fees and commissions on loans and advances	1,385,808	1,448,317	1,485,931	1,537,377
4.2 Other fees and commissions	1,775,618	1,769,131	2,085,852	2,079,550
4.3 Foreign exchange trading income (Loss)	2,051,968	2,076,866	2,188,135	2,214,834
4.4 Dividend income	57,500	48,759	-	-
4.5 Other income	609,082	1,454,373	602,190	1,409,297
<b>4.6 Total non-interest income</b>	<b>5,879,976</b>	<b>6,797,446</b>	<b>6,362,108</b>	<b>7,241,058</b>
<b>5. TOTAL OPERATING INCOME</b>	<b>17,857,670</b>	<b>18,542,111</b>	<b>19,489,955</b>	<b>20,283,358</b>
<b>6. OTHER OPERATING EXPENSES</b>				
6.1 Loan loss provisions	3,415,940	303,783	3,691,665	587,780
6.2 Staff costs	2,575,450	3,075,095	3,010,965	3,587,222
6.3 Directors' emoluments	119,260	124,008	119,545	124,379
6.4 Rentals charges	671,108	348,768	748,192	386,099
6.5 Depreciation charge on property and equipment	193,337	512,267	241,561	591,361
6.6 Amortisation charges	112,423	173,912	142,567	213,198
6.7 Other operating expenses	2,044,826	1,991,936	2,355,045	2,337,443
<b>6.8 Total other Operating Expenses</b>	<b>9,132,344</b>	<b>6,529,769</b>	<b>10,309,540</b>	<b>7,827,482</b>
<b>7. PROFIT / (LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS</b>	<b>8,725,326</b>	<b>12,012,342</b>	<b>9,180,415</b>	<b>12,455,876</b>
8. EXCEPTIONAL ITEMS	-	-	-	-
<b>9. PROFIT/ (LOSS) AFTER EXCEPTIONAL ITEMS</b>	<b>8,725,326</b>	<b>12,012,342</b>	<b>9,180,415</b>	<b>12,455,876</b>
10. Current tax	(2,854,705)	(4,421,637)	(3,066,842)	(4,617,822)
11. Deffered tax	468,235	1,148,164	522,458	1,183,399
<b>12. PROFIT/ (LOSS) AFTER TAX AND EXCEPTIONAL ITEMS</b>	<b>6,338,856</b>	<b>8,738,869</b>	<b>6,636,031</b>	<b>9,021,453</b>
13. Non controlling interest	-	-	(83,122)	(78,576)
<b>14. PROFIT/ (LOSS) AFTER TAX, EXCEPTIONAL ITEMS AND NON CONTROLLING INTEREST</b>	<b>6,338,856</b>	<b>8,738,869</b>	<b>6,552,909</b>	<b>8,942,877</b>
<b>15. OTHER COMPREHENSIVE INCOME</b>				
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	(148,152)	(28,760)
15.2 Fair value changes in financial assets at FVOCI	266,936	(89,035)	109,933	50,163
15.3 Revaluation surplus on property, plant and equipment	-	-	-	-
15.4 Statutory credit reserve	-	-	-	-
15.5 Income tax relating to components of other comprehensive income	(80,081)	26,711	(32,980)	(15,050)
<b>16. OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX</b>	<b>186,855</b>	<b>(62,324)</b>	<b>(71,199)</b>	<b>6,353</b>
<b>17. TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>6,525,711</b>	<b>8,676,545</b>	<b>6,564,832</b>	<b>9,027,806</b>

OTHER DISCLOSURES	BANK AUDITED DEC 2018 (KSHS'000)	BANK AUDITED DEC 2019 (KSHS'000)
<b>1. NON - PERFORMING LOANS AND ADVANCES</b>		
a) Gross Non-performing Loans and advances	21,115,395	18,799,003
<b>Less</b>		
b) Interest in suspense	5,189,051	3,459,121
<b>c) Total Non-performing loans and advances (a-b)</b>	<b>15,926,344</b>	<b>15,339,882</b>
<b>Less</b>		
d) Loan loss provisions	6,926,116	7,804,769
<b>e) Net Non Performing Loans(c-d)</b>	<b>9,000,228</b>	<b>7,535,113</b>
f) Discounted value of securities	9,000,228	7,535,113
g) Net NPLs exposure (e-f)	-	-
<b>2. INSIDER LOANS AND ADVANCES</b>		
a) Directors, shareholders and associates	3,522,392	3,371,080
b) Employees	1,263,414	1,189,550
<b>c) Total Insider Loans and Advances</b>	<b>4,785,806</b>	<b>4,560,630</b>
<b>3. OFF-BALANCE SHEET ITEMS</b>		
a) Letters of credit, guarantees, acceptances	37,917,017	36,955,454
b) Forwards, swaps and options	38,381,215	56,691,811
c) Other contingent liabilities	1,173,417	1,605,766
<b>d) Total Contingent liabilities</b>	<b>77,471,649</b>	<b>95,253,031</b>
<b>4. CAPITAL STRENGTH</b>		
a) Core capital	34,201,410	37,847,066
b) Minimum statutory capital	1,000,000	1,000,000
<b>c) Excess/ (deficiency)</b>	<b>33,201,410</b>	<b>36,847,066</b>
d) Supplementary capital	1,583,622	7,428,558
<b>e) Total capital (a+d)</b>	<b>35,785,032</b>	<b>45,275,624</b>
<b>f) Total risk weighted assets</b>	<b>199,699,818</b>	<b>209,981,453</b>
g) Core capital/Total deposit liabilities	19.17%	19.29%
h) Minimum statutory ratio	8.00%	8.00%
<b>i) Excess / (Deficiency) (g-h)</b>	<b>11.17%</b>	<b>11.29%</b>
j) Core capital/Total risk weighted assets	17.13%	18.02%
k) Minimum statutory ratio	10.50%	10.50%
<b>l) Excess/(Deficiency) (j-k)</b>	<b>6.63%</b>	<b>7.52%</b>
m) Total capital/Total risk weighted assets	17.92%	21.56%
n) Minimum statutory ratio	14.50%	14.50%
<b>o) Excess / (Deficiency) (m-n)</b>	<b>3.42%</b>	<b>7.06%</b>
p) Adjusted Core Capital/Total Deposit Liabilities*	20.01%	19.02%
q) Adjusted Core Capital/Total Risk Weighted Assets*	17.89%	17.76%
r) Adjusted Total Capital/Total Risk Weighted Assets*	18.68%	21.30%
<b>5. LIQUIDITY</b>		
a) Liquidity ratio	44.63%	46.87%
b) Minimum statutory ratio	20.00%	20.00%
<b>c) Excess / (Deficiency) (a-b)</b>	<b>24.63%</b>	<b>26.87%</b>

\*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 31 December 2019 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 19 March 2020 and signed on its behalf by:

S B R Shah  
Chairman

Kihara Maina  
Chief Executive Officer

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I&M Bank is regulated by the Central Bank of Kenya