

MIRA INFORM REPORT

Report No. :	527759
Report Date :	06.09.2018

IDENTIFICATION DETAILS

Name :	I AND M BANK LTD
Registered Office :	2nd Floor, I&M Bank Tower, Kenyatta Avenue, P. o. Box 30238-00100, Nairobi GPO
Country :	Kenya
Financials (as on) :	31.12.2017 [Consolidated]
Date of Incorporation :	14.05.1974
Com. Reg. No.:	12649
Legal Form :	Limited Corporation
Line of Business :	Providers of banking and related financial services
No. of Employees :	1500

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Good
Payment Behaviour :	No Complaints
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

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ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Kenya	B1	B2

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

KENYA - ECONOMIC OVERVIEW

Kenya is the economic, financial, and transport hub of East Africa. Kenya's real GDP growth has averaged over 5% for the last decade. Since 2014, Kenya has been ranked as a lower middle income country because its per capita GDP crossed a World Bank threshold. While Kenya has a growing entrepreneurial middle class and steady growth, its economic development has been impaired by weak governance and corruption. Although reliable numbers are hard to find, unemployment and under-employment are extremely high, and could be near 40% of the population. In 2013, the country adopted a devolved system of government with the creation of 47 counties, and is in the process of devolving state revenues and responsibilities to the counties.

Agriculture remains the backbone of the Kenyan economy, contributing one-third of GDP. About 75% of Kenya's population of roughly 48.5 million work at least part-time in the agricultural sector, including livestock and pastoral activities. Over 75% of agricultural output is from small-scale, rain-fed farming or livestock production. Tourism also holds a significant place in Kenya's economy. In spite of political turmoil throughout the second half of 2017, tourism was up 20%, showcasing the strength of this sector. Kenya has long been a target of terrorist activity and has struggled with instability along its northeastern borders. Some high visibility terrorist attacks during 2013-2015 (e.g., at Nairobi's Westgate Mall and Garissa University) affected the tourism industry severely, but the sector has rebounded strongly in 2016-2017 and appears poised to continue growing.

Inadequate infrastructure continues to hamper Kenya's efforts to improve its annual growth so that it can meaningfully address poverty and unemployment. The KENYATTA administration has been successful in courting external investment for infrastructure development. International financial institutions and donors remain important to Kenya's growth and development, but Kenya has also successfully raised capital in the global bond market issuing its first sovereign bond offering in mid-2014, with a second occurring in February 2018. The first phase of a Chinese-financed and constructed standard gauge railway connecting Mombasa and Nairobi opened in May 2017.

Underlying weaknesses were exposed in the banking sector in 2016 when the government was forced to take over three small and undercapitalized banks. In 2016, the government enacted legislation that limits interest rates banks can charge on loans and set a rate that banks must pay their depositors. This measure led to a sharp shrinkage of credit in the economy. A prolonged election cycle in 2017 hurt the economy, drained government resources, and slowed GDP growth. Drought-like conditions in parts of the country pushed 2017 inflation above 8%, but the rate had fallen to 4.5% in February 2018.

The economy, however, is well placed to resume its decade-long 5%-6% growth rate. While fiscal deficits continue to pose risks in the medium term, other economic indicators, including foreign exchange reserves, interest rates, current account deficits, remittances and FDI are positive. The credit and drought-related impediments were temporary. Now In his second term, President KENYATTA has pledged to make economic growth and development a centerpiece of his second administration, focusing on his "Big Four" initiatives of universal healthcare, food security, affordable housing, and expansion of manufacturing.

Source : CIA

SUBJECT'S NAME

Registered Name: **I AND M BANK LTD**
Other Names: **I & M BANK LIMITED**

ADDRESS AND TELECOMMUNICATION

Physical Address: Panari Sky Centre, Mombasa Road,
Registered Address: 2nd Floor, I&M Bank Tower, Kenyatta Avenue,
Postal Address: P. o. Box 30238-00100
Nairobi GPO,
Country: Kenya
Phone: 254-20-3221000
Cell: 254-735080810/719088001/732100001/753221001
Fax: 254-20-2212947/2216732
Email: invest@imbank.co.ke/customer@imbank.co.ke/
callcentre@imbank.co.ke
Website: www.imbank.com

CREDIT OPINION

Financial Index as of December 2017 shows subject firm with a medium risk of credit. However, bank and credit information obtained reveal a history of prompt payments.

LEGAL

Legal Form: Limited Corporation
Date Incorporated: 14-May-1974
Reg. Number: 12649 Kenya
Nominal Capital: KES. 2,880,245
Subscribed Capital: KES. 2,880,245
Subscribed Capital is Subscribed in the following form:

	Position	Shares
Mr. Suresh Bhagwani Raja Shah	Chairman	
Mr. Sarit Suresh Raja Shah	Director	
Mr. Sachit Suresh Raja Shah	Director	
Mr. Eric Munene Kimani	Director	
Mr. Mugo Kibati	Director	

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Mr. Soundararajan	Director	
Mrs. Nyambura Koigi	Director	
Mr. Kihara Maina	Director	
I&M Holdings Limited	Holding Co.	100%

RELATED COMPANIES

I&M Holdings Limited	Parent company.
None	Subsidiary company.
I&M BANK TANZANIA LIMITED	Affiliated companies.
I&M BANK RWANDA LIMITED	
BANK ONE LIMITED (MAURITIUS)	
None	Shareholder of subject firm.
-I&M Bank House, 2nd Ngong Avenue, Nairobi, Kenya	Branches of the firm
-Karen Office Park , Langata Road, Nairobi, Kenya	
-1st Floor Sarit Centre, Westlands, Nairobi, Kenya	
-Ansh Plaza, Biashara Street, Nairobi, Kenya	
-K.C.C Building, Changamwe Road, Nairobi, Kenya	
-Langata Link Complex, Langata South Road, Nairobi, Kenya	
-Kenol Kobil Station, Gitanga Road, Nairobi, Kenya	
-Garden City Mall, Thika Road, Thika, Kenya	
-Mega Centre Mall, Ground Floor, Kitale, Kenya	
-Hopewell Place, Ground Floor, Gakere Road, Nyeri, Kenya	

OPERATIONS

Registered to operate as providers of banking and related financial services

Imports:	Asia
Exports:	None
Trademarks:	None
Terms of sale:	Cash (40%) and 25-90 days (60%), invoices.

Main Customers:	General public, firms and organizations
Employees:	1500 employees.
Vehicles:	Several motor vehicles.
Territory of sales:	Kenya
Location:	Owned premises, 50,000 square feet,

AUDITORS AND INSURANCE

Auditors: Information not available.
Insurance Brokers: Information not available.

FINANCE

Currency Reported: Kenyan Shillings (KES.)
Fiscal Year End: December 31, 2017
Inflation: According to information given by independent sources,
the inflation at December 31st, 2017 was of 13%.

Financial Information Submitted Below

BANK

Bank Name: Central Bank Of Kenya
Branch: Kenya
Comments: None

TRADE REFERENCES

Experiences: Good

NOTARIAL BONDS None

COMMENTS / ADDITIONAL INFORMATION

This information was obtained from outside sources other than the subject company itself and confirmed the above subject.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2017**

	2017 KShs '000	2016 KShs '000
ASSETS		
Cash and balances with central banks	8,730,570	8,654,225
Items in the course of collection	378,462	449,306
Loans and advances to banks	2,612,377	3,253,269
Loans and advances to customers	135,098,394	120,696,861
Investment securities	49,537,528	45,054,178
Property and equipment	856,764	891,796
Intangible assets - goodwill	507,009	619,700
Intangible assets - software	281,725	215,896
Tax recoverable	548,383	2,015
Deferred tax asset	1,504,199	781,962
Due from group companies	854,052	28,121
Other assets	1,735,550	1,512,153
TOTAL ASSETS	202,645,013	182,157,482
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Deposits from banks	2,118,079	4,439,833
Items in the course of collection	-	7,517
Deposits from customers	147,582,171	129,636,067
Due to group companies	2,032,125	1,124,710
Tax payable	5,635	11,112
Other liabilities	3,211,141	2,338,364
Long term borrowings	7,314,699	8,008,089
Subordinated debt	4,512,315	4,507,178
	166,776,165	150,070,970
Shareholders' equity		
Share capital	2,880,245	2,880,245
Share premium	3,759,624	3,773,237
Shares for allocation	1,871,398	-
Retained earnings	25,429,367	23,088,383
Proposed dividend	-	1,447,323
Statutory credit risk reserve	1,619,262	698,894
Available -for- sale reserve	(151,215)	(355,748)
Translation reserve	(314,716)	(159,573)
Equity attributable to owners of the company	35,093,965	31,372,761
Non- controlling interest	774,883	713,751
Total shareholders' equity	35,868,848	32,086,512
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	202,645,013	182,157,482

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 KShs '000	2016 KShs '000
Interest income	21,554,526	21,775,364
Interest expense	(8,011,287)	(8,211,082)
Net interest income	13,543,239	13,564,282
Fee and commission income	2,739,176	2,273,189
Fee and commission expense	(157,619)	(132,264)
Net fee and commission income	2,581,557	2,140,925
Revenue	16,124,796	15,705,207
Other operating income	1,764,500	1,643,654
Dividend income	-	95,000
	1,764,500	1,738,654
Total operating income	17,889,296	17,443,861
Staff costs	(2,861,931)	(2,680,322)
Premises and equipment costs	(685,512)	(570,467)
General expenses	(2,025,134)	(1,922,648)
Depreciation and amortisation	(386,184)	(360,870)
Operating expenses	(5,958,761)	(5,534,307)
Operating profit before impairment, losses and tax	11,930,535	11,909,554
Net impairment losses on loans and advances	(4,058,882)	(2,884,081)
Profit before income tax	7,871,653	9,025,473
Income tax expense	(2,145,835)	(2,444,192)
Net profit for the year after tax	5,725,818	6,581,281

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017
(Continued)

	2017 KShs '000	2016 KShs '000
Other comprehensive income		
<i>Items that are or may be reclassified to Profit or loss:</i>		
Net change in fair value of available for sale financial assets	296,499	213,485
Deferred tax on fair value of available-for-sale financial assets	(88,998)	(64,046)
Foreign currency translation differences	(175,599)	27,280
<i>Items that will not be reclassified to Profit or loss:</i>		
Realisation of profit on disposal of property	-	694,210
Revaluation reserve - Sale of I&M Realty Limited to I&M Holdings Limited	-	(618,846)
Total other comprehensive income for the year	31,902	252,083
Total comprehensive income for the year	5,757,720	6,833,364

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**COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 KShs '000	2016 KShs '000
Interest income	19,602,751	20,000,251
Interest expense	(7,175,806)	(7,455,478)
Net interest income	12,426,945	12,544,773
Fee and commission income	2,431,864	2,004,333
Fee and commission expense	(140,664)	(115,980)
Net fee and commission income	2,291,200	1,888,353
Revenue	14,718,145	14,433,126
Other operating income	1,677,056	1,572,686
Dividend income	32,359	137,822
	1,709,415	1,710,508
Total operating income	16,427,560	16,143,634
Staff costs	(2,435,688)	(2,295,855)
Premises and equipment costs	(607,775)	(488,741)
General expenses	(1,699,906)	(1,632,738)
Depreciation and amortisation	(314,698)	(296,563)
Operating expenses	(5,058,067)	(4,713,897)
Operating profit before impairment losses and tax	11,369,493	11,429,737
Net impairment charge on loans and advances	(3,853,113)	(2,778,703)
Profit before income tax	7,516,380	8,651,034
Income tax expense	(2,028,889)	(2,308,445)
Net profit for the year after tax	5,487,491	6,342,589
Other comprehensive income		
Items that are or may be reclassified to profit or loss:		
Net change in fair value of available-for-sale financial assets	282,116	213,485
Deferred tax on fair value of available-for-sale financials assets	(84,635)	(64,046)
Total other comprehensive income for the year	197,481	149,439
Total comprehensive income for the year	5,684,972	6,492,028

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**COMPANY STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2017**

	2017 KShs '000	2016 KShs '000
ASSETS		
Cash and balances with Central Bank of Kenya	7,037,263	6,659,995
Items in the course of collection	374,006	449,306
Loans and advances to banks	2,544,525	2,729,611
Loans and advances to customers	120,656,819	106,585,737
Investment securities	45,749,927	42,271,708
Investment in subsidiaries	2,324,125	2,324,125
Property and equipment	627,695	655,069
Intangible assets - goodwill	10,747	10,747
Intangible assets - software	239,811	161,706
Tax recoverable	545,305	2,015
Deferred tax asset	1,338,451	677,926
Due from group companies	876,329	158,568
Other assets	1,627,514	1,429,609
TOTAL ASSETS	183,952,517	164,116,122
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Deposits from banks	1,446,278	3,262,621
Deposits from customers	132,800,892	116,169,431
Due to group companies	2,085,237	1,199,065
Other liabilities	2,950,705	2,185,505
Long term borrowings	5,965,228	6,315,291
Subordinated debt	3,680,666	3,679,380
	148,929,006	132,811,293
Shareholders' equity		
Share capital	2,880,245	2,880,245
Share premium	3,759,624	3,773,237
Shares for allocation	1,871,398	-
Retained earnings	25,113,725	22,929,382
Proposed dividend	-	1,447,323
Statutory credit risk reserve	1,556,786	630,390
Available -for- sale reserve	(158,267)	(355,748)
	35,023,511	31,304,829
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	183,952,517	164,116,122

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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 KShs'000	2016 KShs'000
Net cash flows generated from operating activities	5,617,141	1,740,217
Cash flows from investing activities		
Purchase of property and equipment	(218,308)	(176,112)
Purchase of intangible assets	(196,983)	(81,739)
Transfer of net assets from Giro Limited	1,195,612	-
Purchase of equity shares	-	(819,907)
Proceeds from disposal of property and equipment	2,644	4,375
Disposal of I&M Realty Limited	-	(35,891)
Dividends received from I&M Realty Limited	-	95,000
Net cash generated from/(used in) investing activities	782,965	(1,014,274)
Cash flows from financing activities		
Restructuring costs - Giro Limited	(13,613)	-
Dividend paid to shareholders of the company	(3,947,008)	(1,373,877)
Rights issue-I&M Bank (T) Limited	-	132,578
Dividend paid to non-controlling interest	(9,410)	(20,727)
Net cash flow used in financing activities	(3,970,031)	(1,262,026)
Net increase /(decrease) in cash and cash equivalents	2,430,075	(536,083)
Cash and cash equivalents at start of the year	3,497,362	4,033,445
Cash and cash equivalents at end of the year	5,927,437	3,497,362

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**COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 KShs'000	2016 KShs'000
Net cash flows generated from operating activities	3,149,721	3,472,322
Cash flows from investing activities		
Purchase of property and equipment	(176,548)	(158,171)
Purchase of intangible assets	(180,769)	(72,766)
Proceeds from disposal of property and equipment	2,621	3,583
Proceeds from sale of subsidiary (I&M Realty Limited)	-	5,119
Purchase of additional shares in a subsidiary I&M Bank (T) Limited	-	(1,201,115)
Transfer of net assets from Giro Limited	1,195,612	-
Dividends received	32,359	137,822
Net cash generated/used in investing activities	873,275	(1,285,528)
Cash flows from financing activities		
Capital restructuring costs	(13,613)	-
Dividend paid	(3,947,324)	(1,373,877)
Net cash outflow from financing activities	(3,960,937)	(1,373,877)
Net increase in cash and cash equivalents	62,059	812,917
Cash and cash equivalents at start of the year	3,642,375	2,829,458
Cash and cash equivalents at end of the year	3,704,434	3,642,375

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STATEMENT OF FINANCIAL POSITION	BANK UNAUDITED JUN 2017 (KSHS'000)	BANK AUDITED DEC 2017 (KSHS'000)	BANK UNAUDITED MAR 2018 (KSHS'000)	BANK UNAUDITED JUN 2018 (KSHS'000)	GROUP UNAUDITED JUN 2017 (KSHS'000)	GROUP AUDITED DEC 2017 (KSHS'000)	GROUP UNAUDITED DEC 2018 (KSHS'000)	GROUP UNAUDITED JUN 2018 (KSHS'000)
A. ASSETS								
01. Cash [both local and foreign]	1,276,332	1,785,443	1,641,715	1,429,614	1,515,660	2,034,166	1,919,248	1,765,297
02. Balances due from Central banks	5,979,426	5,251,820	6,999,864	7,509,143	7,050,935	6,696,404	8,279,179	8,943,922
03. Kenya Government and other securities held for dealing purposes	-	-	-	-	-	-	-	-
04. Financial Assets at fair value through profit and loss	-	-	7,309,456	10,233,670	-	-	7,309,456	10,233,670
05. Investment Securities:	-	-	-	-	-	-	-	-
a) Held to Maturity:	-	-	-	-	-	-	-	-
a. Kenya Government securities	19,729,261	20,747,773	18,980,690	17,083,774	19,729,261	20,747,773	18,980,690	17,083,774
b. Other securities	-	-	-	-	3,316,376	3,750,093	4,046,826	4,272,635
b) Available for sale:	-	-	-	-	-	-	-	-
a. Kenya Government securities	23,029,614	20,470,148	13,847,303	7,077,744	23,029,614	20,470,148	13,572,303	7,077,744
b. Other securities	3,832,041	4,532,006	4,583,632	4,582,876	3,855,336	4,569,514	4,619,895	4,343,801
06. Deposits and Balances due from Local banking Institutions	256,999	10,551	693,966	1,223,166	550	10,551	693,966	1,223,166
07. Deposits and Balances due from banking Institutions abroad	1,809,397	2,533,974	4,622,101	34,888,280	2,670,006	2,601,826	5,246,999	35,352,048
08. Tax recoverable	615,644	545,305	-	860,814	618,903	548,383	-	876,168
09. Loans and advances to customers (net)	114,994,775	120,656,819	121,557,437	129,516,118	129,244,036	135,098,394	135,246,341	144,672,085
10. Balances due from banking institutions in the group	29,648	22,277	22,521	1,101,610	-	549	420	450,247
11. Investment in associates	-	-	-	-	-	-	-	-
12. Investment in subsidiary companies	2,324,126	2,324,126	2,750,752	2,750,753	-	-	-	-
13. Investment in joint ventures	-	-	-	-	-	-	-	-
14. Investment properties	-	-	-	-	-	-	-	-
15. Property and equipment	676,321	627,695	609,881	611,250	906,582	856,764	876,356	907,016
16. Prepaid lease rentals	-	-	-	-	-	-	-	-
17. Intangible assets	190,634	250,558	371,957	585,739	840,793	788,734	885,988	1,320,042
18. Deferred tax asset	677,926	1,338,451	1,338,451	1,338,451	780,409	1,504,199	1,498,749	1,497,272
19. Retirement benefit asset	-	-	-	-	-	-	-	-
20. Other assets	1,907,441	2,855,571	3,758,213	4,359,539	2,097,704	2,967,515	3,890,963	4,141,458
21. TOTAL ASSETS	177,329,585	183,952,517	189,087,939	225,143,541	195,656,165	202,645,013	207,067,379	244,160,345
B. LIABILITIES								
22. Balances due to central banks	-	-	-	-	-	-	-	-
23. Customer deposits	126,893,666	132,800,892	135,083,997	174,772,318	140,779,079	147,582,171	149,514,299	189,140,419
24. Deposits and balances due to local banking institutions	3,344,938	439,396	149,493	119,071	3,344,938	439,396	149,493	119,071
25. Deposits and balances due to foreign banking institutions	619,705	1,006,882	2,943,157	1,050,286	1,679,620	1,678,683	3,651,427	2,389,638
26. Other money market deposits	-	-	-	-	-	-	-	-
27. Borrowed funds	9,129,474	9,645,894	9,704,072	8,726,997	11,499,973	11,827,014	11,785,848	10,681,111
28. Balances due to banking institutions in the group	49,452	17,362	34,939	184,353	3,464,339	671,281	507,614	601,480
29. Tax payable	-	-	39,089	-	96,615	5,635	95,826	-
30. Dividends Payable	-	-	-	-	-	-	-	-
31. Deferred tax liability	-	-	-	-	-	-	-	-
32. Retirement benefit liability	-	-	-	-	-	-	-	-
33. Other liabilities	6,817,406	5,018,580	5,537,701	4,403,628	3,541,900	4,571,985	4,791,582	4,295,580
34. TOTAL LIABILITIES	146,854,641	148,929,006	153,492,448	189,256,653	164,406,464	166,776,165	170,496,089	207,227,299
C. SHAREHOLDERS' EQUITY								
35. Paid up/ Assigned share capital	2,880,245	4,751,643	2,980,000	2,980,000	2,880,245	4,751,643	2,980,000	2,980,000
36. Share premium/ (discount)	3,773,237	3,759,624	5,531,267	5,531,267	3,773,237	3,759,624	5,531,267	5,531,267
37. Revaluation reserves - (Building)	-	-	-	-	-	-	-	-
38. Retained earnings/(Accumulated losses)	23,145,406	24,004,831	26,480,568	26,765,709	23,322,691	24,320,473	26,844,643	27,236,296
39. Statutory loan loss reserves	753,639	1,556,786	810,588	810,588	817,242	1,619,262	849,506	842,961
40. Other Reserves - (AFS Portfolio)	(77,583)	(158,267)	(206,932)	(200,676)	(77,583)	(151,215)	(199,880)	(193,624)
41. Proposed dividends	-	1,108,894	-	-	-	-	1,108,894	-
42. Translation reserve	-	-	-	-	(197,724)	(314,716)	(397,597)	(424,067)
43. TOTAL SHAREHOLDERS' EQUITY	30,474,944	35,023,511	35,595,491	35,886,888	30,518,108	35,093,965	35,627,939	35,972,833
44. Non controlling interest	-	-	-	-	731,593	774,883	943,351	960,213
45. TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	177,329,585	183,952,517	189,087,939	225,143,541	195,656,165	202,645,013	207,067,379	244,160,345

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STATEMENT OF COMPREHENSIVE INCOME	BANK	BANK	BANK	BANK	GROUP	GROUP	GROUP	GROUP
	UNAUDITED JUN 2017 (KSHS'000)	AUDITED DEC 2017 (KSHS'000)	UNAUDITED MAR 2018 (KSHS'000)	UNAUDITED JUN 2018 (KSHS'000)	UNAUDITED JUN 2017 (KSHS'000)	AUDITED DEC 2017 (KSHS'000)	UNAUDITED MAR 2018 (KSHS'000)	UNAUDITED JUN 2018 (KSHS'000)
01. INTEREST INCOME								
1.1 Loans and advances	6,530,674	15,056,578	3,311,594	7,028,941	7,228,517	16,545,444	3,632,973	7,708,574
1.2 Government securities	2,223,171	4,473,661	1,105,162	2,113,886	2,441,282	4,917,213	1,207,667	2,321,402
1.3 Deposits and placements with banking institutions	11,423	31,697	4,421	36,640	26,810	51,054	5,130	38,630
1.4 Other interest income	20,240	40,815	10,064	20,240	20,240	40,815	10,064	20,240
1.5 Total interest income	8,785,508	19,602,751	4,431,241	9,199,707	9,716,849	21,554,526	4,855,834	10,088,846
02. INTEREST EXPENSE								
2.1 Customer deposits	2,940,108	6,296,570	1,693,359	3,469,237	3,265,503	6,956,427	1,861,011	3,794,016
2.2 Deposits and placements from banking institutions	94,139	175,150	13,466	35,449	109,024	198,336	17,449	50,134
2.3 Other interest expenses	355,948	704,086	179,967	357,017	435,277	856,524	216,297	430,935
2.4 Total interest expense	3,390,195	7,175,806	1,886,792	3,861,703	3,809,804	8,011,287	2,094,757	4,275,085
03. NET INTEREST INCOME/(LOSS)	5,395,313	12,426,945	2,544,449	5,338,004	5,907,045	13,543,239	2,761,077	5,813,761
04. OTHER OPERATING INCOME								
4.1 Fees and commissions on loans and advances	372,286	845,102	315,697	577,700	411,978	925,248	336,370	645,627
4.2 Other fees and commissions	725,962	1,586,762	479,037	902,247	816,293	1,813,928	542,422	1,017,551
4.3 Foreign exchange trading income (Loss)	755,270	1,373,188	483,166	1,009,684	799,744	1,468,282	515,466	1,078,282
4.4 Dividend income	32,359	32,359	15,000	15,000	-	-	-	-
4.5 Other income	240,470	303,868	106,506	283,605	245,302	206,218	101,930	274,475
4.6 Total non-interest income	2,126,347	4,141,279	1,399,406	2,788,236	2,273,317	4,503,676	1,496,197	3,015,935
05. TOTAL OPERATING INCOME	7,521,660	16,568,224	3,943,855	8,126,240	8,180,362	18,046,915	4,257,274	8,829,696
06. OTHER OPERATING EXPENSES								
6.1 Loan loss provisions	869,979	3,853,113	564,273	1,313,658	956,944	4,058,882	536,160	1,303,234
6.2 Staff costs	1,209,962	2,435,688	700,928	1,404,813	1,415,157	2,751,775	778,602	1,657,335
6.3 Directors' emoluments	41,115	109,763	33,488	63,571	47,092	110,156	34,111	63,761
6.4 Rentals charges	285,443	607,775	163,477	325,858	324,671	685,512	182,529	363,814
6.5 Depreciation charge on property and equipment	104,030	218,095	51,835	102,600	125,726	261,919	63,379	126,289
6.6 Amortisation charges	38,775	96,603	28,811	56,527	51,946	124,265	36,281	71,426
6.7 Other operating expenses	1,040,840	1,730,807	448,410	915,102	1,204,456	2,182,753	543,853	1,013,553
6.8 Total other Operating Expenses	3,590,144	9,051,844	1,991,222	4,182,129	4,125,992	10,175,262	2,174,915	4,599,412
07. PROFIT/(LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS	3,931,516	7,516,380	1,952,633	3,944,111	4,054,370	7,871,653	2,082,359	4,230,284
08. EXCEPTIONAL ITEMS	-	-	-	-	-	-	-	-
09. PROFIT/(LOSS) AFTER EXCEPTIONAL ITEMS	3,931,516	7,516,380	1,952,633	3,944,111	4,054,370	7,871,653	2,082,359	4,230,284
10. Current tax	(1,215,492)	(2,028,889)	(585,790)	(1,183,233)	(1,284,805)	(2,145,835)	(624,765)	(1,272,702)
11. Deferred tax	-	-	-	-	-	-	-	-
12. PROFIT/(LOSS) AFTER TAX AND EXCEPTIONAL ITEMS	2,716,024	5,487,491	1,366,843	2,760,878	2,769,565	5,725,818	1,457,594	2,957,582
13. Non controlling interest	-	-	-	-	(19,718)	(67,553)	(25,460)	(51,543)
14. PROFIT/(LOSS) AFTER TAX, EXCEPTIONAL ITEMS AND NON CONTROLLING INTEREST	2,716,024	5,487,491	1,366,843	2,760,878	2,749,847	5,658,265	1,432,134	2,906,039
15. OTHER COMPREHENSIVE INCOME								
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	(51,053)	(175,599)	(110,831)	(146,562)
15.2 Fair value changes in available for sale financial assets	278,164	282,116	(48,665)	(42,409)	278,164	296,499	(48,665)	(42,409)
15.3 Revaluation surplus on property, plant and equipment	-	-	-	-	123,249	-	-	-
15.4 Statutory Credit risk	-	-	(746,198)	(746,198)	-	-	(775,206)	(775,069)
15.5 Income tax relating to components of other comprehensive income	-	(84,635)	-	-	-	(88,998)	-	-
16. OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX	278,164	197,481	(794,863)	(788,607)	350,360	31,902	(934,702)	(964,040)
17. TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,994,188	5,684,972	571,980	1,972,271	3,119,925	5,757,720	522,892	1,993,542

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.75
UK Pound	1	INR 92.23
Euro	1	INR 83.13
KES	1	INR 0.71

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	NIY
Report Prepared by :	SYL

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)