

BALANCE SHEET

	AUDITED DECEMBER 2004 (KSHS'000)	AUDITED DECEMBER 2005 (KSHS'000)
A ASSETS		
1 Cash and balances with Central Bank of Kenya	816,656	1,014,086
2 Government securities	3,489,866	2,922,302
3 Deposits and balances due from banking institutions	847,461	1,483,263
4 Government and other securities held for dealing	-	-
5 Other assets	298,139	340,065
6 Tax recoverable	-	-
7 Loans and advances to customers (net)	8,198,469	11,086,701
8 Investment securities	103,349	-
9 Balances due from Group Companies	-	-
10 Investments in associates	-	-
11 Equity Investment	-	-
12 Investment properties	855,277	965,000
13 Property and equipment	147,670	167,138
14 Prepaid operating lease rentals	113,314	-
15 Intangible assets	10,747	10,747
16 Deferred tax asset	30,945	56,976
17 Retirement benefit asset	-	-
18 TOTAL ASSETS	14,911,893	18,046,278
B LIABILITIES		
19 Customer deposits	11,634,660	14,798,796
20 Deposits and balances due to banking institutions	292,911	412,999
21 Balances due to Central Bank of Kenya	-	-
22 Other money market deposits	626,188	95,042
23 Borrowed funds	311,025	463,697
24 Balances due to Group Companies	-	-
25 Other liabilities	174,781	186,985
26 Tax payable	19,549	30,970
27 Dividends Payable	2,049	1,538
28 Deferred tax liability	-	-
29 Retirement benefit liability	-	-
30 TOTAL LIABILITIES	13,061,163	15,990,027
C SHAREHOLDERS' EQUITY		
31 Paid up share capital	1,000,000	1,500,000
32 Share premium	158,325	-
33 Revaluation reserve	-	-
34 Retained earnings	562,405	403,651
35 Statutory Reserve	-	2,600
36 Proposed dividends	130,000	150,000
37 Shareholders loans/grants	-	-
38 TOTAL SHAREHOLDERS' EQUITY	1,850,730	2,056,251
39 TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	14,911,893	18,046,278

OTHER DISCLOSURES

	AUDITED DECEMBER 2004 (KSHS'000)	AUDITED DECEMBER 2005 (KSHS'000)
1 Non- Performing loans and advances		
a) Total non-performing loans and advances	766,030	684,629
b) Specific provision for bad debts	188,916	126,594
c) Net non-performing loans (a-b)	577,114	558,035
d) Realisable value of securities	611,345	558,035
e) Net NPLs exposure (c-d)	(34,231)	0
f) General provision for loans and advances	81,000	113,000
g) Total Provisions for loans and advances (b+f)	269,916	239,594
2 Insider Loans and Advances		
a) Directors, shareholders and associates	58,112	52,464
b) Employees	46,359	72,387
c) Total Insider Loans and Advances	104,471	124,851
3 Off- Balance Sheet items		
a) Letters of Credit, Guarantees, Acceptances	2,883,626	3,847,349
b) Other contingent items	1,319,437	1,787,168
c) Total contingent liabilities	4,203,063	5,634,517
4 Capital Strength		
a) Core capital	1,709,983	1,892,904
b) Supplementary capital	-	2,600
c) Total capital (a+b)	1,709,983	1,895,504
d) Total risk weighted assets	11,895,284	15,120,864
e) Core capital/total deposit liabilities	14.34%	12.44%
f) Core capital/total risk weighted assets	14.38%	12.52%
g) Total capital/total risk weighted assets	14.38%	12.54%

PROFIT AND LOSS STATEMENT

	AUDITED DECEMBER 2004 (KSHS'000)	AUDITED DECEMBER 2005 (KSHS'000)
1 INTEREST INCOME		
1.1 Loans and advances	675,664	1,280,612
1.2 Government securities	291,792	242,583
1.3 Deposits and placements with banking institutions	28,447	40,609
1.4 Other	8,678	7,348
1.5 Total interest income	1,004,581	1,571,152
2 INTEREST EXPENSE		
2.1 Customer deposits	246,808	634,888
2.2 Deposits and placements from banking institutions	16,155	29,898
2.3 Other	-	19,948
2.4 Total interest expense	262,963	684,734
3 NET INTEREST INCOME	741,618	886,418
4 OTHER OPERATING INCOME		
4.1 Fees and commissions income	116,710	144,610
4.2 Foreign exchange trading income	48,533	62,692
4.3 Dividend income	-	-
4.4 Other income	116,047	144,444
4.5 Total non-interest income	281,290	351,746
5 TOTAL OPERATING INCOME	1,022,908	1,238,164
6 OPERATING EXPENSES		
6.1 Bad and doubtful debts expenses	139,243	133,515
6.2 Staff costs	217,327	286,937
6.3 Directors' emoluments	5,781	8,200
6.4 Operating lease rentals	27,089	30,840
6.5 Depreciation on property and equipment	49,813	78,580
6.6 Other operating expenses	211,795	210,734
6.7 Total Operating Expenses	651,048	748,806
7 Profit before tax and exceptional items	371,860	489,358
8 Exceptional items	-	-
9 Profit before tax	371,860	489,358
10 Current tax	(126,463)	(169,869)
11 Deferred tax	9,252	26,031
12 Profit after tax	254,649	345,520

MESSAGE FROM THE DIRECTORS

The above are extracts of the financial statements and records of the institution.

Signed :
S.B.R Shah : Chairman

S.S. Shah : Executive Director

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