



INVESTMENT BANK

# Summary of audited results for the year ended 31<sup>st</sup> December 2018

Statements of profit or loss and other comprehensive income	Consolidated 31-Dec-18 Audited	Consolidated 31-Dec-17 Audited	Separate 31-Dec-18 Audited	Separate 31-Dec-17 Audited
	K'000	K'000	K'000	K'000
Interest income	11,558,758	15,887,423	11,558,758	15,887,423
Interest expense	(7,623,828)	(10,982,165)	(7,623,828)	(10,982,165)
Net interest income	3,934,930	4,905,258	3,934,930	4,905,258
Non-interest income	3,343,005	1,874,322	3,343,005	1,874,322
<b>Operating income before impairment losses on loans and advances to customers</b>	<b>7,277,935</b>	<b>6,779,580</b>	<b>7,277,935</b>	<b>6,779,580</b>
Net impairment losses on loans and advances to customers	(1,197,018)	(1,808,746)	(1,197,018)	(1,808,746)
<b>Income after impairment losses on loans and advances to customers</b>	<b>6,080,917</b>	<b>4,970,834</b>	<b>6,080,917</b>	<b>4,970,834</b>
Operating expenses	(4,945,053)	(4,825,833)	(4,945,053)	(4,825,833)
<b>Profit before income tax</b>	<b>1,135,864</b>	<b>145,001</b>	<b>1,135,864</b>	<b>145,001</b>
Income tax (expense)/credit	(170,499)	100,841	(170,499)	100,841
<b>Profit and comprehensive income for the year</b>	<b>965,365</b>	<b>245,842</b>	<b>965,365</b>	<b>245,842</b>
Statements of financial position	Consolidated 31-Dec-18 Audited	Consolidated 31-Dec-17 Restated	Separate 31-Dec-18 Audited	Separate 31-Dec-17 Restated
	K'000	K'000	K'000	K'000
<b>Assets</b>				
Cash and cash equivalents	4,441,329	3,949,815	4,441,329	3,949,815
Financial assets	52,351,352	33,317,667	52,351,352	33,317,667
Loans and advances to related party	1,994,779	2,437,836	1,994,779	2,437,836
Loans and advances to other banks	4,418,858	7,008,894	4,418,858	7,008,894
Loans and advances to customers	20,386,372	12,862,160	20,386,372	12,862,160
Income tax recoverable	112,016	82,449	107,618	78,051
Amounts due from related parties	279,402	127,747	279,402	127,747
Assets held for sale	6,199	28,630	6,199	28,630
Other assets	1,809,756	797,337	1,809,743	797,323
Other investment	30,000	30,000	30,000	30,000
Equipment	568,646	618,086	568,646	618,086
Intangible assets	103,413	189,462	103,413	189,462
Deferred tax asset	30,928	183,651	30,928	183,651
<b>Total assets</b>	<b>86,533,050</b>	<b>61,633,734</b>	<b>86,528,638</b>	<b>61,629,322</b>
<b>Capital, reserves and liabilities</b>				
Share capital and reserves	4,293,169	3,382,804	4,288,757	3,378,392
Balances due to other banks	4,232,881	135,000	4,232,881	135,000
Customer deposits	35,168,813	26,196,479	35,168,813	26,196,479
Investment funds	40,670,032	30,489,716	40,670,032	30,489,716
Other liabilities and accruals	568,155	429,735	568,155	429,735
Subordinated liability	1,600,000	1,000,000	1,600,000	1,000,000
<b>Total capital, reserves and liabilities</b>	<b>86,533,050</b>	<b>61,633,734</b>	<b>86,528,638</b>	<b>61,629,322</b>
<b>Summary statements of changes in equity</b>	<b>Consolidated 31-Dec-18 Audited</b>	<b>Consolidated 31-Dec-17 Audited</b>	<b>Separate 31-Dec-18 Audited</b>	<b>Separate 31-Dec-17 Audited</b>
	K'000	K'000	K'000	K'000
As at the beginning of the year	3,382,804	3,442,616	3,378,392	3,438,204
Transitional adjustment on IFRS 9 adoption at 1 Jan 2018	(55,000)	-	(55,000)	-
Total comprehensive income for the year	965,365	245,842	965,365	245,842
Dividend paid	-	(305,654)	-	(305,654)
As at the end of the year	<b>4,293,169</b>	<b>3,382,804</b>	<b>4,288,757</b>	<b>3,378,392</b>
<b>Summary statements of cash flows</b>	<b>Consolidated 31-Dec-18 Audited</b>	<b>Consolidated 31-Dec-17 Audited</b>	<b>Separate 31-Dec-18 Audited</b>	<b>Separate 31-Dec-17 Audited</b>
	K'000	K'000	K'000	K'000
Cash generated from operating activities	19,734	1,530,791	19,734	1,530,791
Advance payment of income tax	(47,344)	(71,015)	(47,344)	(71,015)
<b>Net cash from /used in) operating activities</b>	<b>(27,610)</b>	<b>1,459,776</b>	<b>(27,610)</b>	<b>1,459,776</b>
Cash flows (to)/from investing activities	22,735	33,244	22,735	33,244
Proceeds from sale of equipment and motor vehicles	(115,662)	(281,972)	(115,662)	(281,972)
Acquisition of equipment and intangible assets	-	(15,000)	-	(15,000)
Acquisition of additional shares in Natswitch	(92,927)	(263,728)	(92,927)	(263,728)
<b>Net cash used in investing activities</b>	<b>(92,927)</b>	<b>(263,728)</b>	<b>(92,927)</b>	<b>(263,728)</b>
Cash flows from financing activities	600,000	600,000	600,000	600,000
Proceeds from issue of subordinated debt	-	(305,654)	-	(305,654)
Dividends paid	600,000	(305,654)	600,000	(305,654)
<b>Net cash from financing activities</b>	<b>479,463</b>	<b>890,394</b>	<b>479,463</b>	<b>890,394</b>
Net increase in cash and cash equivalents	12,051	30,567	12,051	30,567
Effects of exchange rate fluctuations on cash and cash equivalents	3,949,815	3,028,854	3,949,815	3,028,854
Cash and cash equivalents at the beginning of the year	4,441,329	3,949,815	4,441,329	3,949,815
<b>Cash and cash equivalents at end of the year</b>	<b>4,441,329</b>	<b>3,949,815</b>	<b>4,441,329</b>	<b>3,949,815</b>

## Impairment losses/ non performing credit facilities and provisions for losses

Sector	Consolidated and separate as at 31 Dec-18			Consolidated and separate as at 31 Dec-17		
	Outstanding amount	Impaired loans outstanding balances	Specific provisions	Outstanding amount	Impaired loans outstanding balances	Specific provisions
	K'000	K'000	K'000	K'000	K'000	K'000
Agriculture	603,169	437	-	718,245	363	347
Construction	957,689	12,917	10,403	464,475	14,938	12,676
Manufacturing	8,059,452	47	-	5,318,843	1,581,040	851,871
Real estate	355,410	-	-	436,064	34,449	26,022
Tourism and leisure	1,000,966	-	-	2,811	1,184	132
Transport/storage	448,359	7,542	1,163	736,961	145,234	98,314
Wholesale and retail	8,353,058	1,788,887	-	4,439,272	253,086	252,164
Other	681,846	18,053	62,011	3,178,606	56,216	53,163
	20,459,949	1,827,883	73,577	15,295,277	2,086,510	1,294,689

## Credit concentration

Total credit facilities including guarantees, acceptances and other similar commitments extended by the bank to any one or group of related customers where amounts exceeded 25% of core capital.

Economic sector	Outstanding	31-Dec-18 % of core capital	31-Dec-17	
			Outstanding	31-Dec-17 % of core capital
Wholesale and retail	K'000	131%	K'000	0%
Manufacturing	5,891,479	138%	3,531,825	129%

## Loans to directors, senior management and other related parties

Directors	Consolidated and separate		
	31-Dec-18 Opening balance	31-Dec-18 Loans granted	31-Dec-18 Balance at period end
	K'000	K'000	K'000
Directors	-	-	7,254
Senior management	180,184	98,747	(34,407) 244,524
	139,053	137,428	(96,297) 180,184

Directors remuneration	Consolidated and
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