



INVESTMENT BANK

Audited summary consolidated and separate financial statements for the year ended 31 December 2017

Summary statements of profit or loss and other comprehensive	Consolidated		Consolidated		Separate	Separate
	31-Dec-17 Audited	31-Dec-16 Audited	31-Dec-17 Audited	31-Dec-16 Audited		
K'000						
Interest income	15,887,423	12,978,065	15,887,423	12,878,065		
Interest expense	(10,982,165)	(10,283,994)	(10,982,165)	(10,284,060)		
Net interest income	4,905,258	2,594,071	4,905,258	2,594,005		
Fees from investment banking services	1,206,041	987,774	1,206,041	987,774		
Other fees and commission income	393,421	258,963	393,421	253,107		
Trading income	222,207	1,116,850	222,207	1,102,402		
Other operating income	40,918	15,729	40,918	15,729		
Other Income	9,735	36,740	9,735	36,740		
Operating income before impairment losses on loans and advances to customers	6,779,580	5,010,127	6,779,580	4,989,757		
Net impairment losses on loans and advances to customers	(1,808,746)	(410,444)	(1,808,746)	(410,444)		
Income after impairment losses on loans and advances to customers	4,970,834	4,599,683	4,970,834	4,579,313		
Operating expenses	(4,825,833)	(3,775,689)	(4,825,833)	(3,764,271)		
Profit before income tax	145,001	823,994	145,001	815,042		
Income tax credit	100,841	159,261	100,841	159,276		
Profit and other comprehensive income for the year	245,842	983,255	245,842	974,318		
Consolidated						
Summary statements of financial position	31-Dec-17 Audited	31-Dec-16 Restated	1-Jan-16 Restated	31-Dec-17 Audited	31-Dec-16 Restated	1-Jan-16 Restated
K'000						
Assets						
Cash and cash equivalents	3,949,815	3,028,854	5,608,210	3,949,815	3,028,854	5,599,738
Financial assets	33,317,667	47,134,552	16,796,810	33,317,667	47,134,552	16,796,810
Loans and advances to related parties	2,437,836	2,880,898	1,313,612	2,437,836	2,880,898	1,313,612
Loans and advances to other banks	7,008,894	-	-	7,008,894	-	-
Loans and advances to customers	12,862,160	10,444,059	11,541,418	12,862,160	10,444,059	11,541,418
Income tax recoverable	82,449	85,449	-	87,051	81,051	-
Amounts due from related parties	127,747	148,820	438,143	127,747	148,820	441,385
Assets held for sale	28,630	57,261	150,729	28,630	57,261	150,729
Other assets	797,337	185,044	311,573	797,323	185,030	307,070
Investments in subsidiary	-	-	-	-	-	49,430
Other investments	30,000	15,000	15,000	30,000	15,000	15,000
Property and equipment	618,086	561,901	240,721	618,086	561,901	207,229
Intangible assets	189,462	248,832	238,849	189,462	248,832	238,849
Deferred tax assets	183,651	8,795	-	183,651	8,795	-
Total assets	61,633,734	64,799,465	36,655,065	61,629,322	64,795,053	36,661,270
Capital, reserves and liabilities						
Share capital and reserves	3,382,804	3,442,616	2,708,280	3,378,392	3,438,204	2,712,805
Balances due to other banks	135,000	5,950,000	2,600,000	135,000	5,950,000	2,600,000
Customer deposits	26,196,479	20,362,691	15,805,550	26,196,479	20,362,691	15,806,992
Investment funds	30,489,716	33,769,619	13,565,793	30,489,716	33,769,619	13,565,793
Amounts due to related parties	-	-	304	-	-	304
Other liabilities and accruals	429,735	274,539	562,530	429,735	274,539	559,566
Income tax payable	-	-	262,142	-	-	265,329
Deferred tax liabilities	-	-	150,466	-	-	150,481
Subordinated liability	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total capital, reserves and liabilities	61,633,734	64,799,465	36,655,065	61,629,322	64,795,053	36,661,270
Consolidated						
Summary statements of changes in equity	31-Dec-17 Audited	31-Dec-16 Audited	31-Dec-17 Audited	31-Dec-16 Audited	Separate	Separate
K'000						
As at the beginning of the year	3,442,616	2,708,280	3,438,204	2,712,805		
Transfer of deferred tax on revaluation of disposal of revalued assets	-	-	-	-		
Total comprehensive income for the year	245,842	983,255	245,842	974,318		
Dividend paid	(305,654)	(248,919)	(305,654)	(248,919)		
As at the end of the year	3,382,804	3,442,616	3,378,392	3,438,204		
Consolidated						
Summary statements of cash flows	31-Dec-17 Audited	31-Dec-16 Audited	31-Dec-17 Audited	31-Dec-16 Audited	Separate	Separate
K'000						
Cash generated from operating activities	1,530,791	(1,652,047)	1,530,791	(1,616,905)		
Advance payment of income tax	(71,015)	(347,591)	(71,015)	(346,380)		
Net cash from /used in operating activities	1,459,776	(1,999,638)	1,459,776	(1,963,285)		
Cash flows from/(to) investing activities	33,244	100,708	33,244	72,827		
Proceeds from sale of equipment and motor vehicles	(281,972)	(555,634)	(281,972)	(555,634)		
Acquisition of equipment and intangible assets	(15,000)	-	(15,000)	-		
Acquisition of additional shares in Natswitch	(263,728)	(454,926)	(263,728)	(482,807)		
Cash flows from financing activities	(305,654)	(248,919)	(305,654)	(248,919)		
Dividends paid	(305,654)	(248,919)	(305,654)	(248,919)		
Net cash from financing activities	(305,654)	(248,919)	(305,654)	(248,919)		
Net increase/(decrease) in cash and cash equivalents	890,394	(2,703,483)	890,394	(2,695,011)		
Effects of exchange rate fluctuations on cash and cash equivalents	30,567	124,127	30,567	124,127		
Cash and cash equivalents at the beginning of the year	3,028,854	5,608,210	3,028,854	5,599,738		
Cash and cash equivalents at end of the year	3,949,815	3,028,854	3,949,815	3,028,854		

Impairment losses/ non performing credit facilities and provisions for losses

Sector	Outstanding amount	Impaired loans outstanding balances	Specific provisions excl. interest in suspense	Consolidated and separate as at 31 Dec-17		Consolidated and separate as at 31 Dec-16	
				K'000	K'000	K'000	K'000
Agriculture	718,245	363	347	936,342	-	-	-
Construction	464,475	14,938	12,676	23,586	18,736	9,482	-
Manufacturing	5,318,843	1,581,040	851,871	3,348,307	270,919	231,433	-
Real estate	436,064	34,449	26,022	-	9,507	1,872	-
Tourism and leisure	2,811	1,184	132	2,876	-	-	-
Transport/storage	736,961	145,234	98,314	848,296	101,294	95,541	-
Wholesale and retail	4,439,272	253,086	252,164	2,819,903	249,303	73,119	-
Other	3,178,606	56,216	53,163	3,092,278	31,255	28,703	-
	15,295,277	2,086,510	1,294,689	11,071,588	681,014	440,150	