U & I MICROFINANCE BANK LTD

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

A) STATEMENT OF COMPREHENSIVE INCOME

		Audited 31-Dec-16 KShs. '000'	Audited 31-Dec-15 KShs. '000'
1.0	**Income**		
1.1	Interest on Loan Portfolio	53,135	31,396
1.2	Fees and Commission on Loan Portfolio	11,969	9,155
1.3	Government Securities	-	-
1.4	Deposit and Balances with Banks and Financial Inst.	-	
1.5	Other Investments	-	-
1.6	Other Operating Income	-	-
1.7	Non- Operating Income	1,056	1,088
1.8	**Total Income**	**66,160**	**41,639**
2.0	**Expenses**		
2.1	Interest and Fee Expense on Deposits	11,405	1,773
2.2	Other Fees and Commissions expense		
2.3	Provision for Loan Impairment	1,501	3,191
2.4	Staff Costs	12,867	9,432
2.5	Director's Emoluments	1,815	780
2.6	Rental Charges	4,247	2,328
2.7	Depreciation Charges	1,941	1,606
2.8	Amortization Charges	2,107	483
2.9	Other Administrative Expense	8,775	7,555
2.1	Non-Operating Expense	5,526	3,171
2.11	**Total Expenses**	**50,184**	**30,319**
3.0	**Operating Profit**	15,976	**11,320**
4.0	Interest and Fee Expense on Borrowings(Finance Costs)	3,516	2,017
5.0	**Profit/(Loss) before tax**	**12,460**	**9,304**
6.0	Current Tax	(4,836)	(2,904)
6.1	Deferred Tax	(280)	579
7.0	**Net Profit (After Taxes and Before Donations)**	7,344	6,979
8.0	Donations for Operating Expense	-	-
9.0	**Net Profit After Taxes**	**7,344**	**6,979**
	Other Comprehensive Income		
	Surplus on revaluation of building		-
	Deferred tax on revaluation surplus		-
	Total Comprehensive Income	**7,344**	**6,979**

B) STATEMENT OF FINANCIAL POSITION

		Audited 31-Dec-16 KShs. '000'	Audited 31-Dec-15 KShs. '000'
1.0	**ASSETS**		
1.1	Cash and bank balances	55,527	27,776
1.2	Short term deposits with banks	-	-
1.3	Government securities	-	-
1.4	Advances to customers	271,270	142,016
1.5	Due from related organisations	1,649	1,649
1.6	Other receivables	2,445	2,365
1.7	Deferred Tax	1,635	1,915
1.8	Other investment	-	-
1.9	Investment in associate companies	-	-
1.10	Intangible assets	5,094	1,112
1.11	Property and equipment	13,737	7,651
1.12	**Total Assets**	**351,357**	**184,484**
2.0	**LIABILITIES**		
2.1	Cash collaterals held	4,846	10,353
2.2	Customer deposits	204,563	48,351
2.3	Borrowings	19,039	17,595
2.4	Deferred income	-	-
2.5	Deferred tax liability	-	-
2.6	Due to related organisations	-	-
2.7	Other liabilities	4,713	1,649
2.8	**Total Liabilities**	**233,161**	**77,948**
3.0	**SHARE CAPITAL & RESERVES**		
3.1	Share capital	104,775	97,338
3.2	Share premium	-	-
3.3	Retained earnings	13,421	9,198
3.4	Revaluation reserve	-	-
3.5	Statutory reserve	-	-
3.6	**Total Shareholders' funds**	**118,196**	**106,536**
4.0	**TOTAL LIABILITIES AND EQUITY**	**351,357**	**184,484**

C) OTHER DISCLOSURES

		Audited 31-Dec-16 KShs. '000'	Audited 31-Dec-15 KShs. '000'
1	**NON-PERFORMING LOANS AND ADVANCES**		
(a)	Gross Non-Performing Loans and Advances	13,559	10,514
	Less:		
(b)	Interest in Suspense	2,273	1,053
(c)	Total Non-Performing Loans and Advances (a-b)	11,286	9,461
(d)	Impairment Loss Allowance	4,157	4,076
(e)	Net Non-Performing Loans (c-d)	7,129	5,385
(f)	Realizable Value of Securities	6,105	4,654
(g)	Net NPLs Exposure (e-f)	1,024	731
2	**INSIDER LOANS AND ADVANCES**		
(a)	Directors, Shareholders and Associates	4,507	14,770
(b)	Employees	2,868	4,694
(c)	Total Insider Loans, Advances and Other Facilities	**7,375**	**19,464**
3	**OFF-BALANCE SHEET ITEMS**		
(a)	Guarantees and Commitments	0	-
(b)	Other Contingent Liabilities	0	-
(c)	Total Contigent Liabilities	0	-
4	**CAPITAL STRENGTH**		
(a)	Core Capital	114,863	106,536
(b)	Minimum Statutory Capital	20,000	20,000
(c)	Excess/(Deficiency) (a-b)	94,863	86,536
(d)	Supplementary Capital	-	-
(e)	**Total Capital (a+b)**	114,863	106,536
(f)	Total Risk Weighted Assets	203,462	134,582
(g)	Core Capital/ Total Deposit Liabilities	54.9%	181.5%
(h)	Minimum Statutory Ratio	8.0%	8.0%
(i)	Excess/(Deficiency) (g-h)	46.9%	173.5%
(j)	Core Capital/ Total Risk Weighted Assets	56.5%	79.1%
(k)	Minimum Statutory Ratio	10.0%	10.0%
(l)	Excess/(Deficiency) (j-k)	46.5%	69.1%
(m)	Total Capital/ Total Risk Weighted Assets	56.5%	79.1%
(n)	Minimum Statutory Ratio	12.0%	12.0%
(O)	Excess/(Deficiency) (m-n)	44.5%	67.1%
5	**LIQUIDITY**		
(a)	Liquidity Ratio	**26.5%**	**27.6%**
(b)	Minimum Statutory Ratio	20.0%	20.0%
(c)	Excess/(Deficiency) (a-b)	6.5%	7.6%

The above statements of Profit or Loss and other Comprehensive Income and Statement of Financial Position are extracts of the Company's Financial Statements as audited by Mazars and received an Unqualified opinion.

They were approved by the Board of Directors on 10 March 2017 and signed on its behalf by;

Mr. Muturi Kamande
Chairman

Dr. Joseph Kaniaru
Director

Mr. Mwangi Ngigi
Chief Executive Officer

U & I Microfinance Bank Ltd is Licensed and regulated by Central Bank of Kenya.