



***UNAUDITED CONDENSED
FINANCIAL STATEMENTS
MARCH 2019***

I&M HOLDINGS PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019	COMPANY			GROUP		
	UNAUDITED	AUDITED	UNAUDITED	UNAUDITED	AUDITED	UNAUDITED
	31-Mar 2019	31-Dec 2018	31-Mar 2018	31-Mar 2019	31-Dec 2018	31-Mar 2018
	KShs '000'	KShs '000'	KShs '000'	KShs '000'	KShs '000'	KShs '000'
Interest income	3,906	34,441	8,997	6,118,771	25,998,868	5,620,841
Interest expense	-	-	-	(2,776,878)	(10,404,686)	(2,348,814)
Net interest income	3,906	34,441	8,997	3,341,893	15,594,182	3,272,027
Fee and commission income	-	-	-	991,380	3,936,092	1,032,905
Fee and commission expense	-	-	-	(71,948)	(258,305)	(49,417)
Net fee and commission income	-	-	-	919,432	3,677,787	983,488
Revenue	3,906	34,441	8,997	4,261,325	19,271,969	4,255,515
Net trading income	-	619	-	1,029,337	3,107,748	593,748
Other operating income	-	2,875,570	1,108,894	43,339	553,501	254,328
Net operating income before change in expected credit losses and other credit impairment charges	3,906	2,910,630	1,117,891	5,334,001	22,933,218	5,103,591
Change in expected credit losses and other credit impairment charges	-	-	-	(199,417)	(3,807,345)	(578,386)
Net operating income	3,906	2,910,630	1,117,891	5,134,584	19,125,873	4,525,205
Staff costs	-	-	-	(1,139,168)	(4,108,876)	(1,049,697)
Premises and equipment costs	-	-	-	(150,578)	(748,058)	(185,313)
Other expenses	(3,718)	(29,039)	(79,272)	(628,500)	(2,769,620)	(719,984)
Depreciation and amortisation expenses	-	(11)	(11)	(236,718)	(596,849)	(140,085)
Operating expenses	(3,718)	(29,050)	(79,283)	(2,154,964)	(8,223,403)	(2,095,079)
Operating profit	188	2,881,580	1,038,608	2,979,620	10,902,470	2,430,126
Share of profit of Joint Venture	-	-	-	283,665	595,310	122,525
Profit before income tax	188	2,881,580	1,038,608	3,263,285	11,497,780	2,552,651
Income tax expense	(56)	(5,679)	(713)	(898,397)	(2,994,423)	(740,399)
Profit for the period	132	2,875,901	1,037,895	2,364,888	8,503,357	1,812,252
Other comprehensive income	1,792	2,977	-	(41,942)	(905,276)	(40,997)
Total comprehensive income for the period	1,924	2,878,878	1,037,895	2,322,946	7,598,081	1,771,255
Profit attributable to:						
Equity holders of the company	132	2,875,901	1,037,895	2,271,002	7,950,819	1,702,161
Non controlling interest	-	-	-	93,886	552,538	110,091
	132	2,875,901	1,037,895	2,364,888	8,503,357	1,812,252
Total comprehensive income attributable to:						
Equity holders of the company	132	2,875,901	1,037,895	2,276,092	7,240,716	1,792,422
Non controlling interest	-	-	-	46,854	357,365	(21,167)
	132	2,875,901	1,037,895	2,322,946	7,598,081	1,771,255
Basic and diluted earnings Per share - (KShs)	-	6.96	2.51	5.49	19.23	4.12
Dividends Per share - (KShs) - Final	-	3.90	-	-	3.90	-

I&M HOLDINGS PLC
STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019	COMPANY			GROUP		
	UNAUDITED	AUDITED	UNAUDITED	UNAUDITED	AUDITED	UNAUDITED
	31-Mar 2019 KShs '000'	31-Dec 2018 KShs '000'	31-Mar 2018 KShs '000'	31-Mar 2019 KShs '000'	31-Dec 2018 KShs '000'	31-Mar 2018 KShs '000'
ASSETS						
Cash and balances with central banks	-	-	-	19,384,664	14,867,139	12,564,120
Items in the course of collection	-	-	-	610,936	764,460	934,430
Loans and advances to banks	-	-	-	32,937,084	33,675,193	11,162,867
Loans and advances to customers	-	-	-	168,936,685	166,736,729	152,691,466
Financial assets at fair value through profit or loss (FVTPL)	-	-	-	13,132,072	13,145,126	7,309,456
Financial assets measured at fair value through other comprehensive income (FVOCI)	137,295	133,223	199,261	11,750,900	10,853,371	29,072,099
Other financial assets at amortised cost	-	-	-	30,619,205	28,158,101	14,891,557
Investment in Joint Venture	1,679,971	1,679,971	1,679,971	4,714,233	4,535,205	4,212,765
Investment in subsidiaries	25,662,294	25,662,294	23,790,896	-	-	-
Property and equipment	-	-	-	7,783,791	6,724,561	5,707,967
Intangible assets - Goodwill	-	-	-	3,123,170	3,136,312	2,940,200
Intangible assets - Software	-	-	-	1,872,301	1,735,882	648,170
Prepaid operating lease rentals	-	-	-	241,535	246,271	261,203
Tax recoverable	6,291	6,347	5,086	57,411	126,609	45,438
Deferred tax asset	-	-	-	1,932,553	1,929,345	1,070,876
Due from group companies	1,636,906	1,648,515	1,182,531	-	-	-
Other assets	6,824	499	1,575	2,527,654	1,887,745	2,814,479
TOTAL ASSETS	29,129,581	29,130,849	26,859,320	299,624,194	288,522,049	246,327,093
LIABILITIES AND SHAREHOLDERS' EQUITY						
Liabilities						
Deposits from banks	-	-	-	7,403,931	5,647,101	9,087,562
Items in course of collection	-	-	-	-	177,736	-
Deposits from customers	-	-	-	221,169,203	213,139,370	171,667,710
Deferred tax liability	-	-	-	-	-	-
Tax payable	-	-	-	833,098	130,130	332,603
Due to group companies	1,881,898	1,881,898	10,815	-	-	-
Other liabilities	1,684,173	1,687,364	68,701	6,463,128	4,797,580	4,894,182
Long term debt	-	-	-	9,041,178	8,246,775	8,156,823
Subordinated debt	-	-	-	1,542,773	5,508,909	4,442,331
	3,566,071	3,569,262	79,516	246,453,311	237,647,601	198,581,211
Shareholders' equity						
Share capital	413,405	413,405	413,405	413,405	413,405	413,405
Share premium	18,805,359	18,805,359	18,805,359	18,805,359	18,805,359	18,805,359
Retained earnings	6,339,977	6,339,846	7,561,040	29,279,609	26,931,401	24,302,360
Revaluation reserve	-	-	-	820,277	820,277	799,980
Fair value reserve	4,769	2,977	-	(239,307)	(454,825)	(223,118)
Translation reserve	-	-	-	(1,041,025)	(766,356)	(499,715)
Statutory credit risk reserve	-	-	-	2,160,305	2,190,131	1,379,699
Defined benefit reserve	-	-	-	(70,361)	(70,361)	(86,105)
Equity attributable to owners of the company	25,563,510	25,561,587	26,779,804	50,128,262	47,869,031	44,891,865
Non-controlling interest	-	-	-	3,042,621	3,005,417	2,854,017
TOTAL SHAREHOLDERS' EQUITY	25,563,510	25,561,587	26,779,804	53,170,883	50,874,448	47,745,882
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	29,129,581	29,130,849	26,859,320	299,624,194	288,522,049	246,327,093

I&M HOLDINGS PLC
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT MARCH 2019

3 months period to 31 March 2019	Share capital Kshs '000'	Share premium Kshs '000'	Revaluation reserve Kshs '000'	Fair value reserve Reserve Kshs '000'	Statutory Loans reserve Kshs '000'	Retirement reserve Kshs '000'	Total reserve Kshs '000'	Retained earnings Kshs '000'	Translation reserve Kshs '000'	Total Kshs '000'	Non controlling interest Kshs '000'	Total Kshs '000'
At 1 January 2019	413,405	18,805,359	820,277	(454,825)	2,190,131	(70,361)	2,119,770	26,931,401	(766,356)	47,869,031	3,005,417	50,874,448
Net profit after tax	-	-	-	-	-	-	-	2,271,003	-	2,271,003	93,885	2,364,888
Day 1 IFRS 16 adjustment	-	-	-	-	-	-	-	(16,861)	-	(16,861)	(9,650)	(26,511)
Other comprehensive income	-	-	-	215,518	(29,826)	-	(29,826)	94,066	(274,669)	5,089	(47,031)	(41,942)
Total comprehensive income for the period	-	-	-	215,518	(29,826)	-	(29,826)	2,348,208	(274,669)	2,259,231	37,204	2,296,435
Transactions with owners:												
Other transactions	-	-	-	-	-	-	-	-	-	-	-	-
Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners for the period	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	413,405	18,805,359	820,277	(239,307)	2,160,305	(70,361)	2,089,944	29,279,609	(1,041,025)	50,128,262	3,042,621	53,170,883

For the year ended 31 December 2018	Share capital Kshs '000'	Share premium Kshs '000'	Revaluation reserve Kshs '000'	Fair value reserve Reserve Kshs '000'	Statutory Loans reserve Kshs '000'	Retirement reserve Kshs '000'	Total reserve Kshs '000'	Retained earnings Kshs '000'	Translation reserve Kshs '000'	Total Kshs '000'	Non controlling interest Kshs '000'	Total Kshs '000'
At 1 January 2018	413,405	18,805,359	805,901	(125,292)	2,163,403	(86,105)	2,077,298	22,621,210	(278,028)	44,319,853	2,695,630	47,015,483
Day 1 IFRS 9 transition adjustment	-	-	-	(77,470)	(808,889)	-	(808,889)	254,020	-	(632,339)	(24,340)	(656,679)
Adjusted balance at 1 January 2018	413,405	18,805,359	805,901	(202,762)	1,354,514	(86,105)	1,268,409	22,875,230	(278,028)	43,687,514	2,671,290	46,358,804
Net profit after tax	-	-	-	-	-	-	-	7,950,819	-	7,950,819	552,538	8,503,357
Other comprehensive income	-	-	14,376	(252,063)	835,617	15,744	851,361	(835,449)	(488,328)	(710,103)	(195,173)	(905,276)
Total comprehensive income for the period	-	-	14,376	(252,063)	835,617	15,744	851,361	7,115,370	(488,328)	7,240,716	357,365	7,598,081
Transactions with owners:												
Other transactions	-	-	-	-	-	-	-	-	-	-	183,762	183,762
Dividends Paid	-	-	-	-	-	-	-	(3,059,199)	-	(3,059,199)	(207,000)	(3,266,199)
Total transactions with owners for the year	-	-	-	-	-	-	-	(3,059,199)	-	(3,059,199)	(23,238)	(3,082,437)
Balance as at 31 December 2018	413,405	18,805,359	820,277	(454,825)	2,190,131	(70,361)	2,119,770	26,931,401	(766,356)	47,869,031	3,005,417	50,874,448

OPERATING SEGMENTS

The Group operations are within five geographical segments, Kenya, Tanzania, Rwanda, Uganda and Mauritius. The table below contains segmental information for the period ended 31 March 2019.

	KENYA KShs'000	TANZANIA KShs'000	RWANDA KShs'000	MAURITIUS KShs'000	UGANDA KShs'000	ELIMINATION KShs'000	TOTAL KShs'000
31-Mar-19							
Net interest income	2,606,398	234,840	500,655	-	-	-	3,341,893
Net fee commission and other income	1,733,495	115,393	218,766	-	200	(75,746)	1,992,108
Results from joint venture	-	-	-	283,665	-	-	283,665
Operating income	4,339,893	350,233	719,421	283,665	200	(75,746)	5,617,666
Operating expenses	(1,397,061)	(200,557)	(393,894)	-	(959)	74,225	(7,626,554)
Depreciation and Amortisation	(144,455)	(24,803)	(67,457)	-	(3)	-	(596,849)
Net impairment losses on loans and advances	(180,715)	(20,136)	1,434	-	-	-	(3,807,345)
Operating expenses	(1,722,231)	(245,496)	(459,917)	-	(962)	74,225	(12,030,748)
Profit before tax	2,617,662	104,737	259,504	283,665	(762)	(1,521)	3,263,285
Profit after tax	1,841,029	72,856	168,100	283,665	(762)	-	2,364,888
Loans and advances to customers	134,613,620	15,052,252	19,270,813	-	-	-	168,936,685
Deposits from customers	187,250,142	13,550,176	20,368,885	-	-	-	221,169,203
Total assets	272,660,459	22,117,651	34,105,835	4,222,474	5,038	(33,487,263)	299,624,194
Total liabilities	199,854,647	18,689,356	29,554,149	1,961	1,248	(1,648,050)	246,453,311

OPERATING SEGMENTS (Continued)

	KENYA KShs'000	TANZANIA KShs'000	RWANDA KShs'000	MAURITIUS KShs'000	UGANDA KShs'000	ELIMINATION KShs'000	TOTAL KShs'000
31-Dec-18							
Net interest income	12,065,677	1,148,053	2,380,452	-	-	-	15,594,182
Net fee commission and other income	6,195,731	415,334	772,192	-	2,428	(46,649)	7,339,036
Results from joint venture	-	-	-	595,310	-	-	595,310
Operating income	18,261,408	1,563,387	3,152,644	595,310	2,428	(46,649)	23,528,528
Operating expenses	(5,420,535)	(815,713)	(1,592,233)	-	(2,641)	204,568	(7,626,554)
Depreciation and Amortisation	(360,355)	(71,751)	(164,727)	-	(16)	-	(596,849)
Net impairment losses on loans and advances	(3,416,894)	(267,879)	(122,572)	-	-	-	(3,807,345)
Operating expenses	(9,197,784)	(1,155,343)	(1,879,532)	-	(2,657)	204,568	(12,030,748)
Profit before tax	9,063,624	408,044	1,273,112	595,310	(229)	157,919	11,497,780
Profit after tax	6,591,402	280,627	878,277	595,310	(177)	157,918	8,503,357
Loans and advances to customers	132,319,260	15,304,250	19,113,219	-	-	-	166,736,729
Deposits from customers	176,753,511	14,580,637	21,805,222	-	-	-	213,139,370
Total assets	261,481,343	22,691,036	33,432,347	4,044,858	5,604	(33,133,139)	288,522,049
Total liabilities	190,668,164	19,283,552	28,618,567	1,851	1,000	(925,533)	237,647,601

OPERATING SEGMENTS (Continued)

	KENYA KShs'000	TANZANIA KShs'000	RWANDA KShs'000	MAURITIUS KShs'000	UGANDA KShs'000	ELIMINATION KShs'000	TOTAL KShs'000
31-Mar-18							
Net interest income	2,553,549	216,326	501,850	-	-	302	3,272,027
Net fee commission and other income	1,477,530	102,860	236,795	-	(79)	14,458	1,831,564
Results from joint venture	-	-	-	122,525	-	-	122,525
Operating income	4,031,079	319,186	738,645	122,525	(79)	14,760	5,226,116
Operating expenses	(1,418,310)	(213,423)	(385,815)	-	(666)	63,221	(1,954,993)
Depreciation and Amortisation	(87,486)	(17,442)	(35,153)	-	(4)	-	(140,085)
Net impairment losses on loans and advances	(564,272)	28,113	(42,227)	-	-	-	(578,386)
Operating expenses	(2,070,068)	(202,752)	(463,195)	-	(670)	63,221	(2,673,464)
Profit before tax	1,961,011	116,434	275,450	122,525	(749)	77,981	2,552,652
Profit after tax	1,427,005	85,957	179,042	120,998	(749)	-	1,812,253
Loans and advances to customers	121,557,437	13,688,903	17,445,126	-	-	-	152,691,466
Deposits from customers	135,083,997	14,430,302	22,153,411	-	-	-	171,667,710
Total assets	221,740,996	20,583,095	33,949,317	3,724,684	3,320	(33,674,319)	246,327,093
Total liabilities	154,404,239	17,350,312	29,615,387	2,076	3,040	(2,793,844)	198,581,210

I&M HOLDINGS PLC
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 REPORTING ENTITY

I&M Holdings PLC (the "Company"), is a non-operating holding company licensed by the Central Bank of Kenya under the Kenyan Banking Act (Chapter 488). The Company is incorporated in Kenya under the Kenyan Companies Act and comprises banking subsidiaries in Kenya, Tanzania, Rwanda and a joint venture in Mauritius. The consolidated financial statements as at and for the year ended 31 March 2019 comprise of entities in Kenya – I&M Bank Limited, I&M Capital Limited, I&M Realty Limited, Giro Limited, I&M Insurance Agency Limited, Youjays Insurance Brokers Limited, I&M Bank (T) Limited in Tanzania, I&M Bank (Rwanda) Limited in Rwanda, I&M Burbidge Capital Limited in Kenya and Uganda and a joint venture - Bank One Limited in Mauritius (together referred to as the "Group"). The address of its registered office is as follows:

I&M Bank House
2nd Ngong Avenue
P O Box 30238
00100 Nairobi GPO

The Company owns the following entities directly:

- (i) I&M Bank Limited – 100% shareholding;
- (ii) Giro Limited – 100% shareholding
- (iii) I&M Bank (Rwanda) Limited – effective interest of 54.99% in I&M Bank (Rwanda) Limited through a 68.742% holding in BCR Investment Company Limited (Mauritius) which owns 80% shareholding in I&M Bank (Rwanda) Limited.
- (iv) I&M Capital Limited - 100% shareholding
- (v) Bank One Limited - 50% interest in Bank One Limited, a joint venture in a bank licensed in Mauritius; and
- (vi) I&M Realty Limited (incorporated on 30 October 2014) – 100% shareholding;
- (vii) I&M Burbidge Capital Limited, Kenya and I&M Burbidge Capital (U) Limited , Uganda – 65% shareholding

It also owns the following entities through I&M Bank Limited:

- (i) 70.38% shareholding in I&M Bank (T) Limited; and
- (ii) 100% shareholding in I&M Insurance Agency Limited (incorporated on 23 July 2014), which owns 100% of Youjays Insurance Brokers Limited (effective 31 March 2018).

2 BASIS OF PREPARATION

The principal accounting policies adopted in these consolidated quarterly financial statements are consistent with those used in the Audited Annual Financial Statements for the year ended 31 December 2018.

These quarterly financial statements should be read together with the 2018 Audited Annual Financial Statements.