



***UNAUDITED CONDENSED
FINANCIAL STATEMENTS
SEPTEMBER 2019***

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

FOR THE PERIOD ENDED 30 SEPTEMBER 2019	COMPANY			GROUP		
	UNAUDITED	AUDITED	UNAUDITED	UNAUDITED	AUDITED	UNAUDITED
	30-Sep 2019	31-Dec 2018	30-Sep 2018	30-Sep 2019	31-Dec 2018	30-Sep 2018
	KShs '000'	KShs '000'	KShs '000'	KShs '000'	KShs '000'	KShs '000'
Interest income	35,267	34,441	33,847	19,158,643	25,998,868	17,715,332
Interest expense	-	-	-	(8,573,216)	(10,404,686)	(7,595,113)
Net interest income	35,267	34,441	33,847	10,585,427	15,594,182	10,120,219
Fee and commission income	-	-	-	3,235,457	3,936,092	3,077,290
Fee and commission expense	-	-	-	(179,487)	(258,305)	(170,323)
Net fee and commission income	-	-	-	3,055,970	3,677,787	2,906,967
Revenue	35,267	34,441	33,847	13,641,397	19,271,969	13,027,186
Net trading income	-	619	-	2,932,600	3,107,748	2,380,159
Other operating income	363,733	2,875,570	1,370,441	171,055	553,501	267,246
Net operating income before change in expected credit losses and other credit impairment charges	399,000	2,910,630	1,404,288	16,745,052	22,933,218	15,674,591
Change in expected credit losses and other credit impairment charges	-	-	-	(1,299,351)	(3,807,345)	(1,898,339)
Net operating income	399,000	2,910,630	1,404,288	15,445,701	19,125,873	13,776,252
Staff costs	-	-	-	(3,518,576)	(4,108,876)	(3,144,628)
Premises and equipment costs	-	-	-	(210,580)	(748,058)	(551,204)
Other expenses	(21,621)	(29,039)	(94,662)	(2,143,282)	(2,769,620)	(1,994,688)
Depreciation and amortisation expenses	-	(11)	(11)	(874,663)	(596,849)	(429,515)
Operating expenses	(21,621)	(29,050)	(94,673)	(6,747,101)	(8,223,403)	(6,120,035)
Operating profit	377,379	2,881,580	1,309,615	8,698,600	10,902,470	7,656,217
Share of profit of Joint Venture	-	-	-	604,128	595,310	634,506
Profit before income tax	377,379	2,881,580	1,309,615	9,302,728	11,497,780	8,290,723
Income tax expense	(4,386)	(5,679)	(4,903)	(2,668,055)	(2,994,423)	(2,439,888)
Profit for the period	372,993	2,875,901	1,304,712	6,634,673	8,503,357	5,850,835
Other comprehensive income	10,915	2,977	-	359,411	(905,276)	(1,611,846)
Total comprehensive income for the period	383,908	2,878,878	1,304,712	6,994,084	7,598,081	4,238,989
Profit attributable to:						
Equity holders of the company	372,993	2,875,901	1,304,712	6,301,654	7,950,819	5,524,862
Non controlling interest	-	-	-	333,019	552,538	325,973
	372,993	2,875,901	1,304,712	6,634,673	8,503,357	5,850,835
Total comprehensive income attributable to:						
Equity holders of the company	383,908	2,875,901	1,304,712	6,651,195	7,240,716	4,136,187
Non controlling interest	-	-	-	342,889	357,365	102,802
	383,908	2,875,901	1,304,712	6,994,084	7,598,081	4,238,989
Basic and diluted earnings Per share - (KShs)	0.90	6.96	3.16	15.24	19.23	13.36
Dividends Per share - (KShs) - Final	-	3.90	-	-	3.90	-

I&M HOLDINGS PLC**STATEMENT OF FINANCIAL POSITION**

AS AT 30 SEPTEMBER 2019	COMPANY			GROUP		
	UNAUDITED 30-Sep 2019 KShs '000'	AUDITED 31-Dec 2018 KShs '000'	UNAUDITED 30-Sep 2018 KShs '000'	UNAUDITED 30-Sep 2019 KShs '000'	AUDITED 31-Dec 2018 KShs '000'	UNAUDITED 30-Sep 2018 KShs '000'
ASSETS						
Cash and balances with central banks	-	-	-	18,091,451	14,867,139	15,775,511
Items in the course of collection	-	-	-	1,615,205	764,460	583,813
Loans and advances to banks	-	-	-	51,989,467	33,675,193	34,111,223
Loans and advances to customers	-	-	-	174,111,284	166,736,729	163,327,426
Financial assets at fair value through profit or loss (FVTPL)	-	-	-	12,757,446	13,145,126	10,471,248
Financial assets measured at fair value through other comprehensive income (FVOCI)	451,760	133,223	137,425	16,256,234	10,853,371	11,448,407
Other financial assets at amortised cost	-	-	-	24,443,205	28,158,101	31,941,007
Investment in Joint Venture	1,679,971	1,679,971	1,679,971	4,834,574	4,535,205	4,485,139
Investment in subsidiaries	25,662,294	25,662,294	23,790,896	-	-	-
Property and equipment	-	-	-	8,583,933	6,724,561	6,288,782
Intangible assets - Goodwill	-	-	-	3,143,907	3,136,312	3,146,219
Intangible assets - Software	-	-	-	1,877,717	1,735,882	1,232,078
Prepaid operating lease rentals	-	-	-	230,291	246,271	251,187
Tax recoverable	3,299	6,347	4,843	535,494	126,609	884,497
Deferred tax asset	-	-	-	1,954,603	1,929,345	1,075,491
Due from group companies	108,370	1,648,515	78,308	-	-	-
Other assets	10,517	499	775	3,925,028	1,887,745	4,573,278
TOTAL ASSETS	27,916,211	29,130,849	25,692,218	324,349,839	288,522,049	289,595,306
LIABILITIES AND SHAREHOLDERS' EQUITY						
Liabilities						
Deposits from banks	-	-	-	10,779,375	5,647,101	12,359,752
Items in course of collection	-	-	-	635,076	177,736	-
Deposits from customers	-	-	-	236,229,016	213,139,370	209,040,852
Tax payable	-	-	-	96,508	130,130	259,286
Due to group companies	1,881,592	1,881,898	10,500	-	-	-
Other liabilities	90,571	1,687,364	82,016	5,478,814	4,797,580	6,126,366
Long term debt	-	-	-	8,796,999	8,246,775	7,154,933
Subordinated debt	-	-	-	4,715,580	5,508,909	4,873,869
	1,972,163	3,569,262	92,516	266,731,368	237,647,601	239,815,058
Shareholders' equity						
Share capital	413,405	413,405	413,405	413,405	413,405	413,405
Share premium	18,803,912	18,805,359	18,805,359	18,803,912	18,805,359	18,805,359
Retained earnings	6,712,839	6,339,846	6,380,938	31,652,494	26,931,401	26,560,886
Revaluation reserve	-	-	-	820,277	820,277	801,637
Fair value reserve	13,892	2,977	-	(26,638)	(454,825)	(107,310)
Translation reserve	-	-	-	(915,511)	(766,356)	(801,147)
Statutory credit risk reserve	-	-	-	3,841,201	2,190,131	1,430,624
Defined benefit reserve	-	-	-	(70,361)	(70,361)	(94,332)
Equity attributable to owners of the company	25,944,048	25,561,587	25,599,702	54,518,779	47,869,031	47,009,122
Non-controlling interest	-	-	-	3,099,692	3,005,417	2,771,126
TOTAL SHAREHOLDERS' EQUITY	25,944,048	25,561,587	25,599,702	57,618,471	50,874,448	49,780,248
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	27,916,211	29,130,849	25,692,218	324,349,839	288,522,049	289,595,306

I&M HOLDINGS PLC

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 SEPTEMBER 2019

9 months period to 30 September 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	-	-	-	-	-	-	-	6,301,654	-	6,301,654	333,019	6,634,673
Day 1 IFRS 16 adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	428,187	1,651,070	-	1,651,070	(1,580,561)	(149,155)	349,541	9,870	359,411
Total comprehensive income for the period	-	-	-	428,187	1,651,070	-	1,651,070	4,721,093	(149,155)	6,651,195	342,889	6,994,084
Transactions with owners:												
Other transactions	-	(1,447)	-	-	-	-	-	-	-	(1,447)	-	(1,447)
Dividends Paid	-	-	-	-	-	-	-	-	-	-	(248,614)	(248,614)
Total transactions with owners for the period	-	(1,447)	-	-	-	-	-	-	-	(1,447)	(248,614)	(250,061)
Balance as at 30 September 2019	413,405	18,803,912	820,277	(26,638)	3,841,201	(70,361)	3,770,840	31,652,494	(915,511)	54,518,779	3,099,692	57,618,471

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

9 months period to 30 September 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
Total comprehensive income for the period												
Net profit after tax	-	-	-	-	-	-	-	5,524,862	-	5,524,862	325,973	5,850,835
Other comprehensive income	-	-	(4,264)	17,982	(732,779)	(8,227)	(741,006)	(138,268)	(523,119)	(1,388,675)	(223,171)	(1,611,846)
Total comprehensive income for the period	-	-	(4,264)	17,982	(732,779)	(8,227)	(741,006)	5,386,594	(523,119)	4,136,187	102,802	4,238,989
Transactions with owners:												
Other transactions	-	-	-	-	-	-	-	-	-	-	179,550	179,550
Dividends Paid	-	-	-	-	-	-	-	(1,446,918)	-	(1,446,918)	(206,856)	(1,653,774)
Total transactions with owners for the year	-	-	-	-	-	-	-	(1,446,918)	-	(1,446,918)	(27,306)	(1,474,224)
Balance as at 30 September 2018	413,405	18,805,359	801,637	(107,310)	1,430,624	(94,332)	1,336,292	26,560,886	(801,147)	47,009,122	2,771,126	49,780,248

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 30 September 2019.

	KENYA KShs'000	TANZANIA KShs'000	RWANDA KShs'000	MAURITIUS KShs'000	UGANDA KShs'000	ELIMINATION KShs'000	TOTAL KShs'000
30-Sep-19							
Net interest income	8,173,255	816,042	1,596,130	-	-	-	10,585,427
Net fee commission and other income	5,323,294	319,608	692,911	-	1,034	(177,222)	6,159,625
Results from joint venture	-	-	-	604,128	-	-	604,128
Operating income	13,496,549	1,135,650	2,289,041	604,128	1,034	(177,222)	17,349,180
Operating expenses	(4,029,950)	(676,625)	(1,336,323)	-	(2,039)	172,499	(5,872,438)
Depreciation and Amortisation	(584,383)	(72,301)	(217,970)	-	(9)	-	(874,663)
Net impairment losses on loans and advances	(1,147,336)	(154,528)	2,513	-	-	-	(1,299,351)
Operating expenses	(5,761,669)	(903,454)	(1,551,780)	-	(2,048)	172,499	(8,046,452)
Profit before tax	7,734,880	232,196	737,261	604,128	(1,014)	(4,723)	9,302,728
Profit after tax	5,394,757	162,305	479,220	604,128	(1,014)	(4,723)	6,634,673
Loans and advances to customers	138,892,791	14,900,692	20,317,801	-	-	-	174,111,284
Deposits from customers	199,596,218	14,295,108	22,337,690	-	-	-	236,229,016
Total assets	294,249,108	22,527,013	35,625,444	4,352,714	5,413	(32,409,853)	324,349,839
Total liabilities	217,017,010	18,964,962	31,037,095	1,970	1,706	(291,375)	266,731,368

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
30-Sep-18							
Net interest income	8,043,180	737,754	1,503,673	-	-	-	10,284,607
Net fee commission and other income	4,436,291	307,419	807,562	-	(27)	(161,261)	5,389,984
Results from joint venture	-	-	-	634,506	-	-	634,506
Operating income	12,479,471	1,045,173	2,311,235	634,506	(27)	(161,261)	16,309,097
Operating expenses	(4,055,904)	(608,116)	(1,181,139)	(4,679)	(1,943)	161,261	(5,690,520)
Depreciation and Amortisation	(253,797)	(53,864)	(103,641)	-	(12)	(18,201)	(429,515)
Net impairment losses on loans and advances	(1,697,341)	(68,990)	(132,008)	-	-	-	(1,898,339)
Operating expenses	(6,007,042)	(730,970)	(1,416,788)	(4,679)	(1,955)	143,060	(8,018,374)
Profit before tax	6,472,429	314,203	894,447	629,827	(1,982)	(18,201)	8,290,723
Profit after tax	4,440,299	219,500	581,391	629,828	(1,982)	(18,201)	5,850,835
Loans and advances to customers	130,605,321	15,194,217	17,527,888	-	-	-	163,327,426
Deposits from customers	172,738,117	14,161,352	22,141,383	-	-	-	209,040,852
Total assets	262,448,013	22,955,168	33,416,428	3,996,143	3,077	(33,223,523)	289,595,306
Total liabilities	192,576,840	19,630,865	29,237,181	215,856	4,007	(1,849,691)	239,815,058

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 30 June 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

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;
- (vi) I&M Realty Limited (incorporated on 30 October 2014) – 100% shareholding; and
- (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 quarter three financial statements are consistent with those used in the Audited Annual Financial Statements for the year ended 31 December 2018.

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