STATEMENT OF FINANCIAL POSITION

	BANK UNAUDITED SEP 2017 (KSHS'000)	BANK AUDITED DEC 2017 (KSHS'000)	BANK UNAUDITED MAR 2018 (KSHS'000)	BANK UNAUDITED JUN 2018 (KSHS'000)	BANK UNAUDITED SEP 2018 (KSHS'000)	GROUP UNAUDITED SEP 2017 (KSHS'000)	GROUP AUDITED DEC 2017 (KSHS'000)	GROUP UNAUDITED MAR 2018 (KSHS'000)	GROUP UNAUDITED JUN 2018 (KSHS'000)	GROUP UNAUDITED SEP 2018 (KSHS'000)
A ASSETS										
01. Cash (both local and foreign)	1,455,083	1,785,443	1,641,715	1,429,614	1,502,765	1,672,741	2,034,166	1,919,248	1,765,297	1,909,210
02. Balances due from central banks	5,260,916	5,251,820	6,999,864	7,509,143	9,826,527	6,567,018	6,696,404	8,279,179	8,943,922	11,599,106
03. Kenya Government and other securities held for dealing purposes	-	-	-	-	-	-	-	-	-	-
04. Financial Assets at fair value through profit and loss	-	-	7,309,456	10,233,670	10,471,248	-	-	7,309,456	10,233,670	10,471,248
05. Investment Securities:	-	-	-	-	-	-	-	-	-	-
a) Held to Maturity:	-	-	-	-	-	-	-	-	-	-
a. Kenya Government securities	20,629,590	20,747,773	18,980,690	17,083,774	20,552,748	20,629,590	20,747,773	18,980,690	17,083,774	20,552,748
b. Other securities	-	-	-	-	-	3,614,819	3,750,093	4,046,826	4,272,635	4,172,700
b) Available for sale:	-	-	-	-	-	-	-	-	-	-
a. Kenya Government securities	20,635,403	20,470,148	13,847,303	7,077,744	10,327,978	20,635,403	20,470,148	13,572,303	7,077,744	10,327,978
b. Other securities	3,820,816	4,532,006	4,583,632	4,582,876	4,572,287	3,843,837	4,569,514	4,619,895	4,343,801	4,333,101
06. Deposits and Balances due from local banking institutions	196,083	10,551	693,966	1,223,166	975,863	196,083	10,551	693,966	1,223,166	975,863
07. Deposits and Balances due from banking Institutions abroad	4,261,052	2,533,974	4,622,101	34,888,280	29,896,743	4,473,454	2,601,826	5,246,999	35,352,048	30,235,764
08. Tax recoverable	605,447	545,305	-	860,814	808,383	610,880	548,383	-	876,168	846,058
09. Loans and advances to customers (net)	119,301,207	120,656,819	121,557,437	129,516,118	130,605,322	133,197,090	135,098,394	135,246,341	144,672,085	145,799,538
10. Balances due from banking institutions in the group	28,273	22,277	22,521	1,101,610	996,681	831	549	420	450,247	530
11. Investment in associates	-	-	-	-	-	-	-	-	-	-
12. Investment in subsidiary companies	2,324,126	2,324,126	2,750,752	2,750,753	2,750,753	-	-	-	-	-
13. Investment in joint ventures	-	-	-	-	-	-	-	-	-	-
14. Investment properties	-	-	-	-	-	-	-	-	-	-
15. Property and equipment	650,624	627,695	609,881	611,250	608,104	879,320	856,764	876,356	907,016	814,856
16. Prepaid lease rentals	-	-	-	-	-	-	-	-	-	-
17. Intangible assets	218,739	250,558	371,957	585,739	712,309	870,679	788,734	885,988	1,320,042	1,518,854
18. Deferred tax asset	677,926	1,338,451	1,338,451	1,338,451	1,338,451	779,218	1,504,199	1,498,749	1,497,272	1,496,782
19. Retirement benefit asset	-	-	-	-	-	-	-	-	-	-
20. Other assets	2,752,591	2,855,571	3,758,213	4,350,539	4,344,937	2,968,482	2,967,515	3,890,963	4,141,458	4,833,707
21. TOTAL ASSETS	**182,817,876**	**183,952,517**	**189,087,939**	**225,143,541**	**230,291,099**	**200,939,445**	**202,645,013**	**207,067,379**	**244,160,345**	**249,888,043**
B LIABILITIES										
22. Balances due to central banks	2,699,229	-	-	-	-	2,699,229	-	-	-	-
23. Customer deposits	127,269,632	132,800,892	135,083,997	174,772,318	172,738,118	141,310,136	147,582,171	149,514,299	189,140,419	186,899,470
24. Deposits and balances due to local banking institutions	2,987,181	439,396	149,493	119,071	6,444,682	2,987,181	439,396	149,493	119,071	6,444,682
25. Deposits and balances due to foreign banking institutions	1,664,685	1,006,882	2,943,157	1,050,286	413,496	2,306,391	1,678,683	3,651,427	2,389,638	2,234,763
26. Other money market deposits	-	-	-	-	-	-	-	-	-	-
27. Borrowed funds	9,188,906	9,645,894	9,704,072	8,726,997	8,909,350	11,493,629	11,827,014	11,785,848	10,681,111	10,822,521
28. Balances due to banking institutions in the group	81,347	17,362	34,939	184,353	115,350	312,440	671,281	507,614	601,480	394,052
29. Tax payable	-	-	39,089	-	-	119,026	5,635	95,826	-	121,761
30. Dividends Payable	-	-	-	-	-	-	-	-	-	-
31. Deferred tax liability	-	-	-	-	-	-	-	-	-	-
32. Retirement benefit liability	-	-	-	-	-	-	-	-	-	-
33. Other Liabilities	7,407,807	5,018,580	5,537,701	4,403,628	4,101,415	7,281,697	4,571,985	4,791,582	4,295,580	4,312,742
34. TOTAL LIABILITIES	**151,298,787**	**148,929,006**	**153,492,448**	**189,256,653**	**192,722,411**	**168,509,729**	**166,776,165**	**170,496,089**	**207,227,299**	**211,229,991**
C SHAREHOLDERS' EQUITY										
35. Paid up/ Assigned share capital	2,880,245	4,751,643	2,980,000	2,980,000	2,980,000	2,880,245	4,751,643	2,980,000	2,980,000	2,980,000
36. Share premium/ (discount)	3,773,237	3,759,624	5,531,267	5,531,267	5,531,267	3,773,237	3,759,624	5,531,267	5,531,267	5,531,267
37. Revaluation reserves - (Building)	-	-	-	-	-	-	-	-	-	-
38. Retained earnings/(Accumulated losses)	24,150,075	24,004,831	26,480,568	26,765,709	28,162,635	24,443,151	24,320,473	26,844,643	27,236,296	28,736,480
39. Statutory loan loss reserves	753,639	1,556,786	810,588	810,588	1,010,650	814,805	1,619,262	869,506	842,961	981,901
40. Other Reserves - (AFS portfolio)	(38,107)	(158,267)	(206,932)	(200,676)	(115,864)	(38,107)	(151,215)	(199,880)	(193,624)	(108,812)
41. Proposed dividends	-	1,108,894	-	-	-	-	1,108,894	-	-	-
42. Translation reserve	-	-	-	-	-	(209,844)	(314,716)	(397,597)	(424,067)	(433,244)
43. TOTAL SHAREHOLDERS' EQUITY	**31,519,089**	**35,023,511**	**35,595,491**	**35,886,888**	**37,568,688**	**31,663,487**	**35,093,965**	**35,627,939**	**35,972,833**	**37,687,592**
44. Non controlling interest	-	-	-	-	-	766,229	774,883	943,351	960,213	970,460
45. TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**182,817,876**	**183,952,517**	**189,087,939**	**225,143,541**	**230,291,099**	**200,939,445**	**202,645,013**	**207,067,379**	**244,160,345**	**249,888,043**

STATEMENT OF COMPREHENSIVE INCOME

	BANK UNAUDITED SEP 2017 (KSHS'000)	BANK AUDITED DEC 2017 (KSHS'000)	BANK UNAUDITED MAR 2018 (KSHS'000)	BANK UNAUDITED JUN 2018 (KSHS'000)	BANK UNAUDITED SEP 2018 (KSHS'000)	GROUP UNAUDITED SEP 2017 (KSHS'000)	GROUP AUDITED DEC 2017 (KSHS'000)	GROUP UNAUDITED MAR 2018 (KSHS'000)	GROUP UNAUDITED JUN 2018 (KSHS'000)	GROUP UNAUDITED SEP 2018 (KSHS'000)
01. INTEREST INCOME										
1.1 Loans and advances	10,327,631	15,056,578	3,311,594	7,028,941	10,705,939	11,388,693	16,545,444	3,632,973	7,708,574	11,753,086
1.2 Government securities	3,381,797	4,473,661	1,105,162	2,113,886	3,206,725	3,713,437	4,917,213	1,207,667	2,321,402	3,521,214
1.3 Deposits and placements with banking institutions	20,760	31,697	4,421	36,640	134,654	36,517	51,054	5,130	38,630	138,158
1.4 Other interest income	30,527	40,815	10,064	20,240	30,527	30,527	40,815	10,064	20,240	30,527
I.5 Total interest income	**13,760,715**	**19,602,751**	**4,431,241**	**9,199,707**	**14,077,845**	**15,169,174**	**21,554,526**	**4,855,834**	**10,088,846**	**15,442,985**
02. INTEREST EXPENSE										
2.1 Customer deposits	4,595,905	6,296,570	1,693,359	3,469,237	5,456,215	5,085,039	6,956,427	1,861,011	3,794,016	5,939,327
2.2 Deposits and placements from banking institutions	133,518	175,150	13,466	35,449	76,083	153,011	198,336	17,449	50,134	107,014
2.3 Other interest expenses	532,271	704,086	179,967	357,017	540,108	647,214	856,524	216,297	430,935	651,641
2.4 Total interest expense	**5,261,694**	**7,175,806**	**1,886,792**	**3,861,703**	**6,072,406**	**5,885,264**	**8,011,287**	**2,094,757**	**4,275,085**	**6,697,982**
03. NET INTEREST INCOME/(LOSS)	**8,499,021**	**12,426,945**	**2,544,449**	**5,338,004**	**8,005,439**	**9,283,910**	**13,543,239**	**2,761,077**	**5,813,761**	**8,745,003**
04. OTHER OPERATING INCOME										
4.1 Fees and commissions on loans and advances	630,660	845,102	315,697	577,700	977,577	691,279	925,248	336,370	645,627	1,077,700
4.2 Other fees and commissions	1,175,071	1,586,762	479,037	902,247	1,329,166	1,333,536	1,813,928	542,422	1,017,551	1,525,554
4.3 Foreign exchange trading income Loss	998,997	1,373,188	483,166	1,009,684	1,543,497	1,066,226	1,468,282	515,466	1,078,282	1,641,703
4.4 Dividend income	32,359	32,359	15,000	15,000	15,000	-	-	-	-	-
4.5 Other income	200,563	303,868	106,506	283,605	359,176	185,533	296,218	101,939	274,475	331,421
4.6 Total non-interest income	**3,037,650**	**4,141,279**	**1,399,406**	**2,788,236**	**4,224,416**	**3,276,574**	**4,503,676**	**1,496,197**	**3,015,935**	**4,576,378**
05. TOTAL OPERATING INCOME	**11,536,671**	**16,568,224**	**3,943,855**	**8,126,240**	**12,229,855**	**12,560,484**	**18,046,915**	**4,257,274**	**8,829,696**	**13,321,381**
06. OTHER OPERATING EXPENSES										
6.1 Loan loss provisions	1,842,406	3,853,113	564,273	1,313,658	1,697,342	1,876,063	4,058,882	536,160	1,303,234	1,766,332
6.2 Staff costs	1,866,484	2,435,688	700,928	1,404,813	2,112,077	2,189,521	2,751,775	778,602	1,657,335	2,576,286
6.3 Directors' emoluments	59,131	109,763	33,488	63,571	86,760	66,190	110,156	34,111	63,761	86,950
6.4 Rentals charges	443,256	607,775	163,477	325,858	496,727	501,053	685,512	182,529	363,814	553,649
6.5 Depreciation charge on property and equipment	165,590	218,095	51,835	102,600	149,958	197,748	261,919	63,379	126,289	186,207
6.6 Amortisation charges	64,713	96,603	28,811	56,527	78,871	84,985	124,265	36,281	71,426	101,334
6.7 Other operating expenses	1,408,906	1,730,807	448,410	915,102	1,297,765	1,640,549	2,182,753	543,853	1,013,553	1,372,858
6.8 Total other Operating Expenses	**5,850,486**	**9,051,844**	**1,991,222**	**4,182,129**	**5,919,500**	**6,556,109**	**10,175,262**	**2,174,915**	**4,599,412**	**6,643,616**
07. PROFIT / (LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS	**5,686,185**	**7,516,380**	**1,952,633**	**3,944,111**	**6,310,355**	**6,004,375**	**7,871,653**	**2,082,359**	**4,230,284**	**6,677,765**
08. EXCEPTIONAL ITEMS	-	-	-	-	-	-	-	-	-	-
09. PROFIT/ (LOSS) AFTER EXCEPTIONAL ITEMS	**5,686,185**	**7,516,380**	**1,952,633**	**3,944,111**	**6,310,355**	**6,004,375**	**7,871,653**	**2,082,359**	**4,230,284**	**6,677,765**
10. CURRENT TAX	(1,965,492)	(2,028,889)	(585,790)	(1,183,233)	(1,952,752)	(2,071,312)	(2,145,835)	(624,765)	(1,272,702)	(2,067,879)
11. DEFERRED TAX	-	-	-	-	-	-	-	-	-	-
12. PROFIT/ (LOSS) AFTER TAX AND EXCEPTIONAL ITEMS	**3,720,693**	**5,487,491**	**1,366,843**	**2,760,878**	**4,357,603**	**3,933,063**	**5,725,818**	**1,457,594**	**2,957,582**	**4,609,886**
13. Non controlling interest	-	-	-	-	-	(65,156)	(67,553)	(25,460)	(51,543)	(65,016)
14. PROFIT/ (LOSS) AFTER TAX EXCEPTIONAL ITEMS AND NON CONTROLLING INTEREST	**3,720,693**	**5,487,491**	**1,366,843**	**2,760,878**	**4,357,603**	**3,867,907**	**5,658,265**	**1,432,134**	**2,906,039**	**4,544,870**
15. OTHER COMPREHENSIVE INCOME										
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	-	-	-	(74,011)	(175,599)	(110,831)	(146,562)	(158,978)
15.2 Fair value changes in available for sale financial assets	317,640	282,116	(48,665)	(42,409)	42,665	317,640	296,499	(48,665)	(42,409)	42,665
15.3 Giro acquisition-Statutory Loan loss reserve	123,249	-	-	-	-	123,249	-	-	-	-
15.4 Statutory credit reserve	-	-	(746,198)	(746,198)	(746,198)	-	-	(775,206)	(775,069)	(775,025)
15.5 Income tax relating to components of other comprehensive income	-	(84,635)	-	-	-	-	(88,998)	-	-	-
16. OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX	**440,889**	**197,481**	**(794,863)**	**(788,607)**	**(703,533)**	**366,878**	**31,902**	**(934,702)**	**(964,040)**	**(891,338)**
17. TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**4,161,582**	**5,684,972**	**571,980**	**1,972,271**	**3,654,070**	**4,299,941**	**5,757,720**	**522,892**	**1,993,542**	**3,718,548**

OTHER DISCLOSURES

	BANK UNAUDITED SEP 2017 (KSHS'000)	BANK AUDITED DEC 2017 (KSHS'000)	BANK UNAUDITED MAR 2018 (KSHS'000)	BANK UNAUDITED JUN 2018 (KSHS'000)	BANK UNAUDITED SEP 2018 (KSHS'000)
01. NON - PERFORMING LOANS AND ADVANCES					
a) Gross Non-performing Loans and advances	**9,912,171**	**17,668,513**	**20,266,495**	**20,284,353**	**19,751,387**
Less					
b) Interest in suspense	3,073,092	2,223,192	3,097,456	3,751,689	4,511,819
c) Total Non-performing loans and advances (a-b)	**6,839,079**	**15,445,321**	**17,169,039**	**16,532,664**	**15,239,568**
Less					
d) Loan loss provisions	3,258,038	4,103,198	4,599,315	4,953,832	5,276,716
e) Net Non Performing Loans(c-d)	**3,581,041**	**11,342,123**	**12,569,724**	**11,578,832**	**9,962,852**
f) Discounted value of securities	3,581,041	11,342,123	12,569,724	11,578,832	9,962,852
g) Net NPLs exposure (e-f)	**-**	**-**	**-**	**-**	**-**
02. INSIDER LOANS AND ADVANCES					
a) Directors, shareholders and associates	2,340,197	2,139,497	3,542,166	3,436,185	3,196,591
b) Employees	1,333,321	1,326,950	1,365,624	1,345,352	1,291,735
c) Total Insider Loans and Advances	**3,673,518**	**3,466,447**	**4,907,790**	**4,781,537**	**4,488,326**
03. OFF- BALANCE SHEET ITEMS					
a) Letters of Credit,Guarantees, Acceptances	32,986,290	37,298,075	39,563,382	37,333,560	38,309,307
b) Forwards, swaps and options	24,183,284	16,276,454	20,538,804	27,662,289	30,893,903
c) Other contingent liabilities	3,370,805	4,634,904	4,014,136	3,071,316	2,956,827
d) Total Contingent liabilities	**60,540,379**	**58,209,433**	**64,116,322**	**68,067,165**	**72,160,037**
04. CAPITAL STRENGTH					
a) Core capital	26,608,439	29,790,221	30,438,121	31,135,138	31,733,702
b) Minimum statutory capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
c) Excess/ (deficiency)	**25,608,439**	**28,790,221**	**29,438,121**	**30,135,138**	**30,733,702**
d) Supplementary capital	1,820,187	2,437,143	1,508,802	1,324,636	1,338,507
e) Total capital (a+d)	**28,428,626**	**32,227,364**	**31,946,923**	**32,459,774**	**33,072,209**
f) Total risk weighted assets	**165,286,856**	**173,455,079**	**175,301,908**	**190,798,986**	**190,027,338**
g) Core capital/Total deposit liabilities	20.29%	21.88%	21.73%	17.64%	18.31%
h) Minimum statutory ratio	8.00%	8.00%	8.00%	8.00%	8.00%
i) Excess /(Deficiency) (g-h)	**12.29%**	**13.88%**	**13.73%**	**9.64%**	**10.31%**
j) Core capital/Total risk weighted assets	16.10%	17.17%	17.36%	16.32%	16.70%
k)Minimum statutory ratio	10.50%	10.50%	10.50%	10.50%	10.50%
l) Excess /(Deficiency) (j-k)	**5.60%**	**6.67%**	**6.86%**	**5.82%**	**6.20%**
m)Total capital/Total risk weighted assets	17.20%	18.58%	18.22%	17.01%	17.40%
n) Minimum statutory ratio	14.50%	14.50%	14.50%	14.50%	14.50%
(o) Excess /(Deficiency) (m-n)	**2.70%**	**4.08%**	**3.72%**	**2.51%**	**2.90%**
(p) Adjusted Core Capital/Total Deposit Liabilities*	-	-	21.78%	17.72%	18.34%
(q) Adjusted Core Capital/Total Risk Weighted Assets*	-	-	17.40%	16.38%	16.72%
(r) Adjusted Total Capital/Total Risk Weighted Assets*	-	-	18.69%	17.54%	18.03%
05. LIQUIDITY					
a) Liquidity ratio	33.90%	34.62%	35.66%	44.12%	43.54%
b) Minimum statutory ratio	20.00%	20.00%	20.00%	20.00%	20.00%
c) Excess /(Deficiency) (a-b)	**13.90%**	**14.62%**	**15.66%**	**24.12%**	**23.54%**

MESSAGE FROM THE DIRECTORS

The above are extracts from the Bank's financial statements. The Group's financial statements as at 30th September 2018 include I&M Bank (T) Limited, I&M Insurance Agency and Youjays Insurance Brokers Limited.

These statements can be accessed on the institution's website www.imbank.com as well as at the registered office at I&M Bank House, 2nd Ngong Avenue, Nairobi.

S B R Shah
Chairman

Kihara Maina
Chief Executive Officer