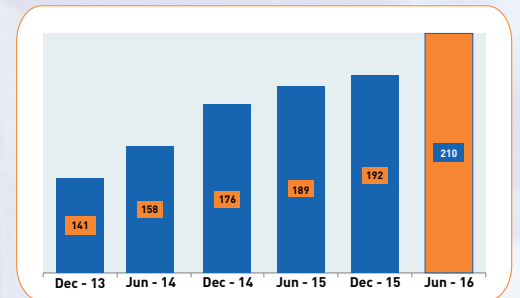


## The Board of Directors of I&M Holdings Limited is pleased to announce the unaudited results of the group as at 30<sup>th</sup> June 2016.

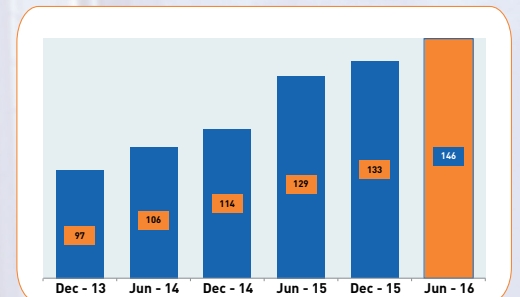
### SUMMARY OF STATEMENT OF FINANCIAL POSITION

	COMPANY			GROUP CONSOLIDATED		
	UNAUDITED 30-Jun-2015 KShs ('000)	AUDITED 31-Dec-2015 KShs ('000)	UNAUDITED 30-Jun-2016 KShs ('000)	UNAUDITED 30-Jun-2015 KShs ('000)	AUDITED 31-Dec-2015 KShs ('000)	UNAUDITED 30-Jun-2016 KShs ('000)
<b>ASSETS</b>						
Cash and balances with central banks	-	-	-	11,788,446	9,948,128	9,839,216
Items in the course of collection	-	-	-	1,364,027	527,596	1,183,886
Placements with financial institutions	-	-	-	4,953,961	4,981,777	8,144,979
Loans and advances to customers	-	-	-	123,121,122	127,823,778	132,463,686
Investment securities	-	-	-	38,185,217	39,135,807	48,605,745
Investment in Joint venture	1,498,814	1,679,971	1,679,971	2,676,820	3,062,350	3,309,148
Investment in subsidiaries	19,604,666	19,604,666	19,609,785	-	-	-
Property and equipment	-	199	199	2,865,779	2,935,233	2,915,365
Intangible assets - Goodwill	-	-	-	1,174,601	1,174,601	1,174,601
Intangible assets - Software	-	-	-	287,466	245,434	260,560
Prepaid operating lease rentals	-	-	-	368,279	284,606	281,751
Tax recoverable	-	-	4,493	-	4,456	20,769
Deferred tax asset	-	-	-	574,499	515,997	512,325
Due from group companies	376,964	142,660	157,891	-	-	-
Other assets	1,230	23,825	151,583	1,940,722	1,083,779	1,625,873
<b>TOTAL ASSETS</b>	<b>21,481,674</b>	<b>21,451,321</b>	<b>21,603,922</b>	<b>189,300,939</b>	<b>191,723,542</b>	<b>210,337,904</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>Liabilities</b>						
Deposits from banks	-	-	-	9,917,058	7,971,475	9,649,335
Deposits from customers	-	-	-	129,496,175	132,980,678	146,416,925
Deferred tax liability	-	-	-	81,839	67,744	64,042
Tax payable	942	772	-	140,759	145,434	247,737
Due to group companies	-	11,715	16,671	-	-	-
Other liabilities	86,161	47,457	75,355	4,544,484	2,766,373	3,475,307
Long term borrowings	-	-	-	10,499,064	9,575,455	9,537,646
Subordinated debt	-	-	-	4,435,054	4,495,084	4,415,620
<b>TOTAL LIABILITIES</b>	<b>87,103</b>	<b>59,944</b>	<b>92,026</b>	<b>159,114,433</b>	<b>158,002,243</b>	<b>173,806,612</b>
<b>Shareholders' equity</b>						
Share capital	392,362	392,362	392,362	392,362	392,362	392,362
Share premium	17,331,510	17,331,510	17,331,510	17,331,510	17,331,510	17,331,510
Retained earnings	3,670,699	3,667,505	3,788,024	9,426,404	12,971,933	15,448,231
Revaluation reserve	-	-	-	446,387	446,744	446,744
Available-for-sale reserve	-	-	-	(350,822)	(502,206)	(121,302)
Translation reserve	-	-	-	(51,265)	(65,102)	(216,737)
Statutory credit risk reserve	-	-	-	925,565	912,617	968,479
Defined benefit reserve	-	-	-	(36,786)	(39,725)	(39,725)
<b>Equity attributable to owners of the Company</b>	<b>21,394,571</b>	<b>21,391,377</b>	<b>21,511,896</b>	<b>28,083,355</b>	<b>31,448,133</b>	<b>34,209,562</b>
Non-controlling interest	-	-	-	2,103,151	2,273,166	2,321,730
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>21,394,571</b>	<b>21,391,377</b>	<b>21,511,896</b>	<b>30,186,506</b>	<b>33,721,299</b>	<b>36,531,292</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>21,481,674</b>	<b>21,451,321</b>	<b>21,603,922</b>	<b>189,300,939</b>	<b>191,723,542</b>	<b>210,337,904</b>

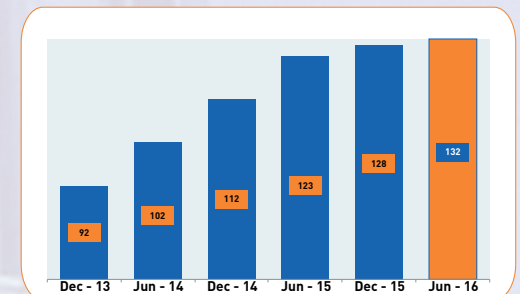
Growth in Total Assets [KShs - Billions]



Growth in Deposits from Customers [KShs - Billions]



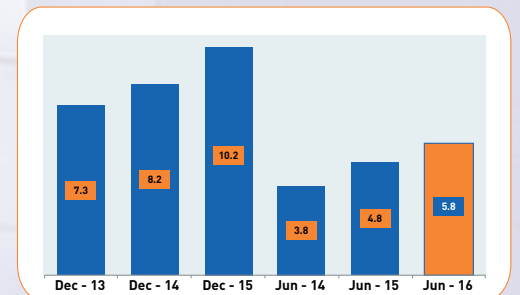
Growth in Loans and Advances to Customers [KShs - Billions]



### SUMMARY OF STATEMENT OF COMPREHENSIVE INCOME

	COMPANY			GROUP CONSOLIDATED		
	UNAUDITED 30-Jun-2015 KShs ('000)	AUDITED 31-Dec-2015 KShs ('000)	UNAUDITED 30-Jun-2016 KShs ('000)	UNAUDITED 30-Jun-2015 KShs ('000)	AUDITED 31-Dec-2015 KShs ('000)	UNAUDITED 30-Jun-2016 KShs ('000)
Net interest income	16,738	26,280	14,357	5,890,987	12,647,165	7,178,782
Net fee and commission income	-	-	-	1,143,788	2,364,931	1,174,418
Other operating income	1,418,358	1,418,358	1,495,739	1,170,264	2,226,845	1,233,454
<b>Operating income</b>	<b>1,435,096</b>	<b>1,444,638</b>	<b>1,510,096</b>	<b>8,205,039</b>	<b>17,238,941</b>	<b>9,586,654</b>
Operating expenses	(8,552)	(18,433)	(12,001)	(3,037,467)	(6,412,248)	(3,281,678)
Net impairment losses on loans and advances	-	-	-	(467,278)	(982,495)	(719,743)
	<b>1,426,544</b>	<b>1,426,205</b>	<b>1,498,095</b>	<b>4,700,294</b>	<b>9,844,198</b>	<b>5,585,233</b>
Share of profit of Joint venture	-	-	-	137,110	323,463	240,061
<b>Profit before income tax</b>	<b>1,426,544</b>	<b>1,426,205</b>	<b>1,498,095</b>	<b>4,837,404</b>	<b>10,167,661</b>	<b>5,825,294</b>
Income tax expense	(5,021)	(7,831)	(4,307)	(1,441,097)	(3,023,250)	(1,648,487)
<b>Profit for the period</b>	<b>1,421,523</b>	<b>1,418,374</b>	<b>1,493,788</b>	<b>3,396,307</b>	<b>7,144,411</b>	<b>4,176,807</b>
Other comprehensive income	-	-	-	(62,112)	(273,513)	110,263
<b>Total comprehensive income for the period</b>	<b>1,421,523</b>	<b>1,418,374</b>	<b>1,493,788</b>	<b>3,334,195</b>	<b>6,870,898</b>	<b>4,287,070</b>
<b>Basic and diluted earnings per share - (KShs)</b>	<b>3.62</b>	<b>3.61</b>	<b>3.81</b>	<b>8.12</b>	<b>17.12</b>	<b>9.95</b>
<b>Dividends per share - (KShs) - Final</b>	<b>-</b>	<b>3.50</b>	<b>-</b>	<b>-</b>	<b>3.50</b>	<b>-</b>

Growth in Profit Before Income Tax [KShs - Billions]



### SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED 30-Jun-2015 KShs ('000)	AUDITED 31-Dec-2015 KShs ('000)	UNAUDITED 30-Jun-2016 KShs ('000)
<b>Net cash generated from operating activities</b>	<b>17,438,986</b>	<b>10,845,303</b>	<b>9,618,390</b>
Cash outflows from investing activities	(378,208)	(824,318)	(222,694)
Net cash used in financing activities	(978,623)	(736,867)	(1,556,540)
<b>Net increase in cash and cash equivalents</b>	<b>16,082,155</b>	<b>9,284,118</b>	<b>7,839,156</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>(4,906,044)</b>	<b>(4,906,044)</b>	<b>4,378,074</b>
<b>Cash and cash equivalents at end of period</b>	<b>11,176,111</b>	<b>4,378,074</b>	<b>12,217,230</b>

#### Message from the Directors.

The Directors do not recommend payment of an interim dividend for the period ended 30 June 2016 [June 2015 -Nil].

These condensed financial statements are an extract from the unaudited financial statements of the Group for the period ended 30 June 2016. The financial statements were approved by the Board of Directors on 29 August 2016 and were signed on its behalf by Messrs Daniel Ndonge, Sarit S.Raja Shah and Michael Turner. The complete set of financial statements can be accessed from the institution's website - www.imbank.com

**BY ORDER OF THE BOARD**  
**DANIEL NDONGE**  
 CHAIRMAN  
 29 AUGUST 2016