

The Board of Directors of I&M Holdings Limited is pleased to announce the unaudited consolidated results for the period ended at 31st March 2018.

| STA | TEMENT OF ANCIAL POSITION | COMPANY UNADITED MAR 2017 | COMPANY AUDITED DEC 2017 | COMPANY UNADITED MAR 2018 | GROUP UNAUDITED MAR 2017 | GROUP AUDITED DEC 2017 | GROUP UNAUDITED MAR 2018 |
|------------|--|---------------------------------|--------------------------------|---------------------------------|--------------------------------|------------------------------|--------------------------------|
| | | (KSHS'000) | (KSHS'000) | (KSHS'000) | (KSHS'000) | (KSHS'000) | (KSHS'000) |
| Α | ASSETS | | | | | | |
| 01. | Cash (both local and foreign) | - | - | - | 1,938,891 | 2,410,009 | 2,209,921 |
| 02. | Balances due from Central Banks | - | - | • | 9,828,720 | 9,469,806 | 10,354,199 |
| 03. | Kenya Government and other securities held for dealing purposes | - | - | - | - | - | - |
| 04. 05. | Financial Assets at fair value through profit and loss | - | - | - | - | - | - |
| 05. | Investment Securities: | - | - | • | - | - | - |
| | a) Held to Maturity: | - | - | - | - 00 770 710 | - 00 747 770 | - 10 000 000 |
| | a. Kenya Government securities b. Other securities | - | - | • | 20,772,710 7,432,808 | 20,747,773 8,365,209 | 18,980,690 10,091,408 |
| | b) Available for sale: | - | - | • | 7,432,000 | 6,363,209 | 10,091,406 |
| | a. Kenya Government securities | - | 193,523 | 199,261 | 23,634,871 | 20,663,671 | 21,035,204 |
| | b. Other securities | _ | 193,323 | 199,201 | 343,985 | 1,069,615 | 1,165,809 |
| 00 | | - | - | • | | | |
| 06. | Deposits and Balances due from Local banking Institutions | - | - | - | 7,868 | 10,551 | 693,966 |
| 07. 08. | Deposits and Balances due from banking Institutions abroad Tax recoverable | 2,595 | 5,799 | 5,086 | 10,113,129 4,351 | 6,369,422 606,193 | 10,468,901 45,438 |
| 09. | Loans and advances to customers (net) | 2,393 | 3,799 | 3,000 | 141,952,582 | 153,018,152 | 152,691,466 |
| 10. | Balances due from banking institutions in the group | _ | - | Ī | 141,932,362 | 155,016,152 | 152,691,466 |
| 11. | Investment in associates | - | - | Ī | | - | - |
| 12. | Investment in associates Investment in subsidiary companies | 24,770,463 | 23,790,896 | 23,790,896 | | | |
| 13. | Investment in joint ventures | 1,679,971 | 1,679,971 | 1,679,971 | 3,730,199 | 4,267,166 | 4,212,765 |
| 14. | Investment properties | 1,079,971 | 1,079,971 | 1,079,971 | 3,730,199 | 4,207,100 | 4,212,703 |
| 15. | Property and equipment | 81 | 11 | | 4,673,139 | 5,335,853 | 5,707,967 |
| 16. | Prepaid lease rentals | 01 | ". | | 248,206 | 265.940 | 261,203 |
| 17. | Intangible assets | _ | _ | | 4,018,455 | 3,500,520 | 3,588,370 |
| 18. | Deferred tax asset | _ | _ | _ | 383,247 | 1,066,497 | 1,070,876 |
| 19. | Retirement benefit asset | | _ | _ | | 1,000,437 | 1,070,070 |
| 20. | Other assets | 1,557,516 | 154,451 | 1,184,106 | 2,789,970 | 2.944.364 | 3,748,910 |
| 21. | TOTAL ASSETS | 28,010,626 | 25,824,651 | 26,859,320 | 231,873,131 | 240,110,741 | 246,327,093 |
| В. | LIABILITIES | 20,010,020 | 20,02 .,00 . | 20,000,020 | 201,010,101 | 2.0,1.0,1.1 | 210,021,000 |
| 22. | Balances due to Central Bank | - | - | - | - | - | - |
| 23. | Customer deposits | _ | - | | 165,901,579 | 169,282,314 | 171,667,710 |
| 24. | Deposits and balances due to local banking institutions | _ | _ | _ | 594,667 | 439,396 | 149,493 |
| 25. | Deposits and balances due to foreign banking institutions | - | - | - | 2,887,618 | 5,556,899 | 8,938,069 |
| 26. | Other money market deposits | - | - | - | - | - | - |
| 27. | Borrowed funds | - | - | - | 13,360,204 | 12,662,494 | 12,599,154 |
| 28. | Balances due to banking institutions in the group | - | - | - | - | - | - |
| 29. | Tax payable | - | - | - | 820,069 | 290,630 | 332,603 |
| 30. | Dividends Payable | - | - | - | - | - | - |
| 31. | Deferred tax liability | - | - | - | - | - | - |
| 32. | Retirement benefit liability | - | - | - | - | - | - |
| 33. | Other Liabilities | 73,056 | 82,743 | 79,516 | 4,444,370 | 4,863,525 | 4,894,181 |
| 34. | TOTAL LIABILITIES | 73,056 | 82,743 | 79,516 | 188,008,507 | 193,095,258 | 198,581,210 |
| С | SHAREHOLDERS' EQUITY | | | | | | |
| 35. | Paid up/ Assigned share capital | 413,405 | 413,405 | 413,405 | 413,405 | 413,405 | 413,405 |
| 36. | Share premium/ (discount) | 19,806,751 | 18,805,359 | 18,805,359 | 19,806,751 | 18,805,359 | 18,805,359 |
| 37. | Revaluation reserves - (Building) | - | - | - | - | - | - |
| 38. | Retained earnings/(Accumulated losses) | 7,717,414 | 6,523,144 | 7,561,040 | 19,989,814 | 22,621,210 | 24,302,360 |
| 39. | Statutory Loan Loss Reserves | - | - | - | 1,211,897 | 2,163,403 | 1,379,699 |
| 40. | Other Reserves | - | - | - | 217,032 | 594,504 | 490,758 |
| 41. | Proposed dividends | - | - | - | - | - | - |
| 42. | Translation reserve | - | - | - | (242,436) | (278,028) | (499,715) |
| 43. | TOTAL SHAREHOLDERS' EQUITY | 27,937,570 | 25,741,908 | 26,779,804 | 41,396,463 | 44,319,853 | 44,891,866 |
| 44. | Non controlling interest | - | - | - | 2,468,161 | 2,695,630 | 2,854,017 |
| 45. | TOTAL LIABILITIES & SHAREHOLDERS' EQUITY | 28,010,626 | 25,824,651 | 26,859,320 | 231,873,131 | 240,110,741 | 246,327,093 |
| | | | | | | | |

| 45. | TOTAL LIABILITIES & SHAREHOLDERS' EQUITY | 28,010,626 | 25,824,651 | 26,859,320 | 231,873,131 | 240,110,741 | 246,327,093 |
|-------------------|---|--|--|--|--|--|--|
| | | | | | | | |
| | TEMENT OF MPREHENSIVE INCOME | COMPANY UNAUDITED MAR 2017 (KSHS'000) | COMPANY AUDITED DEC 2017 (KSHS'000) | COMPANY UNAUDITED MAR 2018 (KSHS'000) | GROUP UNAUDITED MAR 2017 (KSHS'000) | GROUP AUDITED DEC 2017 (KSHS'000) | GROUP UNAUDITED MAR 2018 (KSHS'000) |
| 01. | INTEREST INCOME | | | | | | |
| | 1.1 Loans and advances | - | - | - | 4,159,809 | 18,879,611 | 4,241,572 |
| | 1.2 Government secur <mark>ities</mark> | 4,436 | 18,019 | 7,954 | 1,276,168 | 5,360,089 | 1,351,655 |
| | 1.3 Deposits and plac <mark>ements with bank</mark> ing institutions | 2,593 | 18,725 | 1,043 | 35,361 | 143,247 | 17,549 |
| | 1.4 Other interest income | - | - | - | 10,064 | 40,815 | 10,065 |
| | I.5 Total interest income | 7,029 | 36,744 | 8,997 | 5,481,402 | 24,423,762 | 5,620,841 |
| 02. | INTEREST EXPENSE | | | | 1 000 001 | 7 574 000 | 0.040.007 |
| | 2.1 Customer deposits | - | - | - | 1,808,331 | 7,571,926 | 2,013,367 |
| | 2.2 Deposits and placements from banking institutions 2.3 Other interest expenses | - | - | - | 92,634 217,935 | 371,272 926,077 | 97,767 237,680 |
| - | | - | <u>-</u> | | | | |
| 03. | 2.4 Total interest expense NET INTEREST INCOME/ (LOSS) | 7,029 | 36,744 | 8,997 | 2,118,900 3,362,502 | 8,869,275 15,554,487 | 2,348,814 3,272,027 |
| 04. | OTHER OPERATING INCOME | 7,029 | 30,744 | 0,991 | 3,302,302 | 15,554,467 | 3,212,021 |
| 04. | 4.1 Fees and commissions on loans and advances | _ | _ | | 210,273 | 925,248 | 336,370 |
| | 4.2 Other fees and commissions | _ | _ | | 497,532 | 2,399,027 | 696,535 |
| | 4.3 Foreign exchange trading income (Loss) | _ | - | - | 474,923 | 1,828,903 | 593,748 |
| | 4.4 Dividend income | 3,947,323 | 4,122,986 | 1,108,894 | - | - | _ |
| | 4.5 Other income | 548 | 74,200 | - | 124,260 | 609,648 | 254,328 |
| | 4.6 Total non-interest income | 3,947,871 | 4,197,186 | 1,108,894 | 1,306,988 | 5,762,826 | 1,880,981 |
| 05. | TOTAL OPERATING INCOME | 3,954,900 | 4,233,930 | 1,117,891 | 4,669,490 | 21,317,313 | 5,153,008 |
| 06. | OTHER OPERATING EXPENSES | | | | | | |
| | 6.1 Loan loss provisions | - | - | - | 282,737 | 4,133,170 | 578,386 |
| | 6.2 Staff costs | - | - | - | 985,929 | 3,697,093 | 992,291 |
| | 6.3 Directors' emoluments | - | - | - | 46,473 | 55,116 | 57,406 |
| | 6.4 Rentals charges | - | - | - | 151,291 | 693,479 | 185,313 |
| | 6.5 Depreciation charge on property and equipment | 24 | 94 | 11 | 96,524 | 406,884 | 87,634 |
| | 6.6 Amortisation charges | | - | | 30,647 | 154,730 | 52,451 |
| | 6.7 Other operating expenses | 6,847 | 29,922 | 79,272 | 702,917 | 2,837,232 | 769,401 |
| 07 | 6.8 Total other Operating Expenses | 6,871 | 30,016 | 79,283 | 2,296,518 | 11,977,704 | 2,722,882 |
| 07. 08. | PROFIT / (LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS EXCEPTIONAL ITEMS | 3,948,029 | 4,203,914 | 1,038,608 | 2,372,972 132,993 | 9,339,609 554,965 | 2,430,126 122,525 |
| 09. | PROFIT/ (LOSS) AFTER EXCEPTIONAL ITEMS | 3,948,029 | 4,203,914 | 1,038,608 | 2,505,965 | 9,894,574 | 2,552,651 |
| 10. | CURRENT TAX | (1,359) | (4,595) | (713) | (725,667) | (2,630,325) | (740,399) |
| 11. | DEFERRED TAX | (1,000) | (4,000) | (710) | (120,001) | (2,000,020) | (7-10,000) |
| 12. | PROFIT/ (LOSS) AFTER TAX AND EXCEPTIONAL ITEMS | 3,946,670 | 4,199,319 | 1,037,895 | 1,780,298 | 7,264,249 | 1,812,252 |
| 13. | Non controlling interest | - | - | - 1,001,000 | 93,895 | 497,993 | 110,091 |
| 14. | PROFIT/ (LOSS) AFTER TAX , EXCEPTIONAL ITEMS AND NON | | | | | | |
| | CONTROLLING INTEREST | 3,946,670 | 4,199,319 | 1,037,895 | 1,686,403 | 6,766,256 | 1,702,161 |
| 15. | OTHER COMPREHENSIVE INCOME | | | | | | |
| | 15.1 Gains/(Losses) from translating the financial statements of foreign operations | _ | - | | (43,744) | (121,764) | 82,472 |
| | 15.2 Fair value changes in available for sale financial assets | - | - | | (105,480) | 281,520 | (112,753) |
| | 15.3 Giro acquisition - Statutory loan loss reserve | - | - | - | 123,249 | ,520 | - |
| | 15.4 Fair value changes on employee benefits | - | _ | - | - | (39,361) | - |
| | 15.5 Income tax relating to components of other comprehensive | | | | | 00.040 | (10.710) |
| 16. | OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX | - | | | (25,975) | 23,016 143,411 | (10,716) (40,997) |
| 17. | TOTAL COMPREHENSIVE INCOME FOR THE YEAR TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 3,946,670 | 4,199,319 | 1,037,895 | 1,754,323 | 7,407,660 | 1,777,255 |
| 18. | | + | | | | | |
| 18. | EARNING PER SHARE - DILUTE & BASIC (KSHS) DIVIDEND PER SHARE (KSHS) | 9.55 | 10.16 3.50 | 2.51 | 4.08 | 16.37 3.50 | 4.12 |
| _13. | STIBLIB I ET GHATE (ROHO) | | 0.30 | | | 0.30 | |

| | HER CLOSURES | GROUP UNAUDITED MAR 2017 (KSHS'000) | GROUP AUDITED DEC 2017 (KSHS'000) | GROUP UNAUDITED MAR 2018 (KSHS'000) |
|-----|---|--|--|--|
| 01. | NON - PERFORMING LOANS AND ADVANCES | | | |
| | a) Gross Non- performing Loans and advances | 9,544,771 | 19,484,638 | 22,370,117 |
| | Less | | | |
| | b) Interest in suspense | 2,461,408 | 2,511,301 | 3,514,859 |
| | c) Total Non- performing loans and advances (a-b) Less | 7,083,363 | 16,973,337 | 18,855,258 |
| | | 0.444.000 | F 000 000 | E 040 000 |
| | d) Loan loss provisions | 3,114,682 | 5,280,228 | 5,316,860 |
| | e) Net Non Performing Loans(c-d) | 3,968,681 | 11,693,109 | 13,538,398 |
| | f) Discounted value of securities | 3,968,681 | 11,693,109 | 13,538,398 |
| | g) Net NPLs exposure (e-f) | - | - | - |
| 02. | INSIDER LOANS AND ADVANCES | | | |
| | a) Directors, shareholders and associates | 1,918,182 | 2,184,849 | 3,583,122 |
| | b) Employees | 3,016,415 | 1,847,950 | 1,873,011 |
| | c) Total Insider Loans and Advances | 4,934,597 | 4,032,799 | 5,456,133 |
| 03. | OFF- BALANCE SHEET ITEMS | | | |
| | a) Letters of Credit, Guarantees Acctances | 33,923,162 | 40,094,223 | 44,994,863 |
| | b) Forwards, swaps and options | 27,227,498 | 16,276,455 | 20,538,804 |
| | c) Other contingent liabilities | 3,617,581 | 4,634,904 | 4,014,136 |
| | d) Total Contingent liabilities | 64.768.241 | 61.005.582 | 69.547.803 |
| 04. | CAPITAL STRENGTH | , , , , | , | |
| | a) Core capital | 38,614,237 | 39,698,915 | 42,849,122 |
| | b) Minimum statutory capital | 1,000,000 | 1,000,000 | 1,000,000 |
| | c) Excess/ (deficiency) | 37,614,237 | 38,698,915 | 41,849,122 |
| | d) Supplementary capital | 3,301,006 | 4,786,173 | 4,821,268 |
| | e) Total capital (a+d) | 41.915.243 | 44.485.088 | 47.670.390 |
| _ | f) Total risk weighted assets | 158,469,634 | 244,455,919 | 248,689,218 |
| | g) Core capital/Total deposit liabilities | 31.44% | 19.19% | 23.62% |
| | h) Minimum statutory ratio | 8.00% | 8.00% | 8.00% |
| - | i) Excess /(Deficiency) (g-h) | 23.44% | 11.19% | 15.62% |
| _ | j) Core capital/Total risk weighted assets | 24.37% | 16.24% | 17.23% |
| | ,, , | | | |
| | k) Minimum statutory ratio | 10.50% | 10.50% | 10.50% |
| | I) Excess /(Deficiency) (j-k) | 13.87% | 5.74% | 6.73% |
| | m)Total capital/Total risk weighted assets | 26.45% | 18.20% | 19.17% |
| | n) Minimum statutory ratio | 14.50% | 14.50% | 14.50% |
| | o) Excess /(Deficiency) (m-n) | 11.95% | 3.70% | 4.67% |
| | (p) Adjusted Core Capital/Total Deposit Liabilities* | - | - | 23.64% |
| | (q) Adjusted Core Capital/Total Risk Weighted Assets* | - | - | 17.26% |
| | (r) Adjusted Total Capital/Total Risk Weighted Assets* | - | - | 19.50% |
| 05. | LIQUIDITY | | | |
| | a) Liquidity ratio | 39.27% | 35.67% | 39.92% |
| | b) Minimum statutory ratio | 20.00% | 20.00% | 20.00% |
| | c) Excess /(Deficiency) (a-b) | 19.27% | 15.67% | 19.92% |
| | | | | |

MESSAGE FROM TH

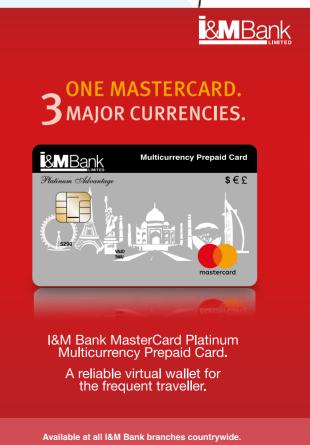
DIRECTORS

The above are extracts from the books of the institution. Effective 31st March 2018, I&M Insurance Agency acquired 100% shareholding in Youjays Insurance Brokers Limited (YIB). The results of YIB have not been consolidated in these financials.

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.

BY ORDER OF THE BOARD CHAIRMAN 30 MAY 2018





Contact: (020) 322 100 or Visit: www.imbank.com