

The Board of Directors of I&M Holdings PLC are pleased to announce the audited results of the group as at 31 December 2018.

	COMPANY		GROUP	
	AUDITED 31 Dec 2017 (KSHS'000)	AUDITED 31 Dec 2018 (KSHS'000)	AUDITED 31 Dec 2017 (KSHS'000)	AUDITED 31 Dec 2018 (KSHS'000)
A ASSETS				
01. Cash (both local and foreign)	-	-	2,410,009	2,409,004
02. Balances due from Central Bank	-	-	9,469,806	12,458,135
03. Kenya Government and other securities held for dealing purposes	-	-	-	-
04. Financial Assets at Fair Value through Profit or Loss (FVTPL)	-	-	2,911,654	13,145,126
05. Investment securities:				
a) Held at amortised cost/Held to Maturity:				
a. Kenya Government securities	-	-	20,747,773	18,306,701
b. Other securities	-	-	6,275,192	9,851,400
b) Fair Value through Other Comprehensive Income (FVOCI) /Available for sale				
a. Kenya Government securities	193,523	133,223	17,752,017	9,647,876
b. Other securities	-	-	3,981,269	1,205,495
06. Deposits and balances due from local banking institutions	-	-	10,551	1,892,921
07. Deposits and balances due from banking institutions abroad	-	-	6,369,422	31,782,272
08. Tax recoverable	5,799	6,347	606,193	126,609
09. Loans and advances to customers (net)	-	-	153,018,152	166,736,729
10. Balances due from banking institutions in the Group	-	-	-	-
11. Investment in associates	-	-	-	-
12. Investment in subsidiary companies	23,790,896	25,662,294	-	-
13. Investment in joint ventures	1,679,971	1,679,971	4,267,166	4,535,205
14. Investment properties	-	-	-	-
15. Property and equipment	11	-	5,335,853	6,724,561
16. Prepaid lease rentals	-	-	265,940	246,271
17. Intangible assets	-	-	3,500,520	4,872,194
18. Deferred tax asset	-	-	1,066,497	1,929,345
19. Retirement benefit asset	-	-	-	-
20. Other assets	154,451	1,649,014	2,122,727	2,652,205
21. TOTAL ASSETS	25,824,651	29,130,849	240,110,741	288,522,049
B LIABILITIES				
22. Balances due to central banks	-	-	-	-
23. Customer deposits	-	-	169,282,314	213,139,370
24. Deposits and balances due to local banking institutions	-	-	439,396	69,381
25. Deposits and balances due to foreign banking institutions	-	-	5,556,899	5,577,720
26. Other money market deposits	-	-	-	-
27. Borrowed funds	-	-	12,662,494	13,755,684
28. Balances due to banking institutions in the Group	-	-	-	-
29. Tax payable	-	-	290,630	130,130
30. Dividends payable	-	-	-	-
31. Deferred tax liability	-	-	-	-
32. Retirement benefit liability	-	-	-	-
33. Other liabilities	82,743	3,569,262	4,863,525	4,975,316
34. TOTAL LIABILITIES	82,743	3,569,262	193,095,258	237,647,601
C SHAREHOLDERS' EQUITY				
35. Paid up/Assigned share capital	413,405	413,405	413,405	413,405
36. Share premium/(discount)	18,805,359	18,805,359	18,805,359	18,805,359
37. Revaluation reserves - (Buildings)	-	-	805,901	820,277
38. Retained earnings/(Accumulated losses)	6,523,144	6,339,846	22,621,210	26,931,401
39. Statutory loan loss reserves	-	-	2,163,403	2,190,131
40. Other reserves	-	2,977	(211,397)	(525,186)
41. Proposed dividends	-	-	-	-
42. Translation reserve	-	-	(278,028)	(766,356)
43. TOTAL SHAREHOLDERS' EQUITY	25,741,908	25,561,587	44,319,853	47,869,031
44. Non-controlling interest	-	-	2,695,630	3,005,417
45. TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	25,824,651	29,130,849	240,110,741	288,522,049

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	AUDITED 31 Dec 2017 (KSHS'000)	AUDITED 31 Dec 2018 (KSHS'000)	AUDITED 31 Dec 2017 (KSHS'000)	AUDITED 31 Dec 2018 (KSHS'000)
01. INTEREST INCOME				
1.1 Loans and advances	-	-	18,879,611	20,673,770
1.2 Government securities	18,019	18,339	5,360,089	4,964,391
1.3 Deposits and placements with banking institutions	18,725	16,102	319,888	319,888
1.4 Other interest income	-	-	40,815	40,819
1.5 Total interest income	36,744	34,441	24,423,762	25,998,868
02. INTEREST EXPENSE				
2.1 Customer deposits	-	-	7,571,926	8,800,765
2.2 Deposits and placements from banking institutions	-	-	371,272	584,664
2.3 Other interest expenses	-	-	926,077	1,019,257
2.4 Total interest expense	-	-	8,869,275	10,404,686
03. NET INTEREST INCOME/(LOSS)	36,744	34,441	15,554,487	15,594,182
04. OTHER OPERATING INCOME				
4.1 Fees and commissions on loans and advances	-	-	1,117,082	1,777,524
4.2 Other fees and commissions	-	-	2,207,193	2,158,568
4.3 Foreign exchange trading income/(loss)	-	-	1,828,903	2,567,418
4.4 Dividend income	4,122,986	2,875,332	-	-
4.5 Other income	74,200	857	609,648	1,093,831
4.6 Total non-interest income	4,197,186	2,876,189	5,762,826	7,597,341
05. TOTAL OPERATING INCOME	4,233,930	2,910,630	21,317,313	23,191,523
06. OTHER OPERATING EXPENSES				
6.1 Loan loss provisions	-	-	4,143,521	3,807,345
6.2 Staff costs	-	-	3,694,803	4,051,835
6.3 Directors' emoluments	-	-	57,406	57,041
6.4 Rentals charges	-	-	693,479	748,058
6.5 Depreciation charge on property and equipment	94	11	406,880	387,570
6.6 Amortisation charges	-	-	154,730	209,279
6.7 Other operating expenses	29,922	29,039	2,826,885	3,027,925
6.8 Total other operating expenses	30,016	29,050	11,977,704	12,289,053
07. PROFIT/(LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS	4,203,914	2,881,580	9,339,609	10,902,470
08. EXCEPTIONAL ITEMS - JOINT VENTURE				
09. PROFIT/(LOSS) AFTER EXCEPTIONAL ITEMS	4,203,914	2,881,580	9,894,574	11,497,780
10. CURRENT TAX	(4,595)	(5,679)	(3,436,004)	(3,503,626)
11. DEFERRED TAX	-	-	805,679	509,203
12. PROFIT/(LOSS) AFTER TAX AND EXCEPTIONAL ITEMS	4,199,319	2,875,901	7,264,249	8,503,357
13. Non controlling interest	-	-	497,993	552,538
14. PROFIT/(LOSS) AFTER TAX, EXCEPTIONAL ITEMS AND NON-CONTROLLING INTEREST	4,199,319	2,875,901	6,766,256	7,950,819
15. OTHER COMPREHENSIVE INCOME				
15.1 Gains/(Losses) from translating the financial statements of foreign operations	-	-	(121,764)	(690,980)
15.2 Fair value changes in financial assets at FVOCI/Available for sale financial assets	-	2,977	281,520	(246,517)
15.3 Statutory loan loss reserve	-	-	-	-
15.4 Fair value changes on employee benefits	-	-	(39,361)	15,744
15.5 Income tax relating to components of other comprehensive income	-	-	23,016	16,477
16. OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX	-	2,977	143,411	(905,276)
17. TOTAL COMPREHENSIVE INCOME FOR THE YEAR	4,199,319	2,878,878	7,407,660	7,598,081
18. EARNING PER SHARE - DILUTE & BASIC (KSHS)	10.16	6.96	16.37	19.23
19. DIVIDEND PER SHARE -DECLARED/PAID (KSHS)	3.50	3.90	3.50	3.90

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	AUDITED 31 Dec 2017 (KSHS'000)	AUDITED 31 Dec 2018 (KSHS'000)	AUDITED 31 Dec 2017 (KSHS'000)	AUDITED 31 Dec 2018 (KSHS'000)
01. NON-PERFORMING LOANS AND ADVANCES				
a) Gross Non-performing loans and advances	-	-	19,484,638	23,831,914
Less				
b) Interest in suspense	-	-	2,511,301	5,437,953
c) Total Non-performing loans and advances (a-b)			16,973,337	18,393,961
Less				
d) Loan loss provisions	-	-	5,280,228	8,016,530
e) Net Non-performing loans (c-d)			11,693,109	10,377,431
f) Discounted value of securities	-	-	11,693,109	10,377,431
g) Net NPLs exposure (e-f)			-	-
02. INSIDER LOANS AND ADVANCES				
a) Directors, shareholders and associates	-	-	2,184,849	3,576,789
b) Employees	-	-	1,847,950	1,843,183
c) Total insider loans and advances			4,032,799	5,419,972
03. OFF- BALANCE SHEET ITEMS				
a) Letters of Credit, guarantees, acceptances	-	-	40,094,223	43,320,098
b) Forwards, swaps and options	-	-	16,276,455	39,167,772
c) Other contingent liabilities	-	-	4,634,904	3,143,059
d) Total Contingent Liabilities			61,005,582	85,630,929
04. CAPITAL STRENGTH				
a) Core capital	-	-	39,698,915	45,548,005
b) Minimum statutory capital	-	-	1,000,000	1,000,000
c) Excess/(Deficiency)			38,698,915	44,548,005
d) Supplementary capital	-	-	4,786,173	6,180,530
e) Total capital (a+d)			44,485,088	51,728,535
f) Total Risk weighted Assets			244,455,919	283,777,893
g) Core capital/Total deposit liabilities	-	-	19.19%	21.37%
h) Minimum statutory ratio	-	-	8.00%	8.00%
i) Excess/(Deficiency) (g-h)			11.19%	13.37%
j) Core capital/Total risk weighted assets	-	-	16.24%	16.05%
k) Minimum statutory ratio	-	-	10.50%	10.50%
l) Excess/(Deficiency) (j-k)			5.74%	5.55%
m) Total capital/Total risk weighted assets	-	-	18.20%	18.23%
n) Minimum statutory ratio	-	-	14.50%	14.50%
o) Excess/(Deficiency) (m-n)			3.70%	3.73%
p) Adjusted core capital/Total deposit liabilities*	-	-	-	22.08%
q) Adjusted core capital/Total risk weighted assets*	-	-	-	16.58%
r) Adjusted total capital/Total risk weighted assets*	-	-	-	18.76%
05. LIQUIDITY				
a) Liquidity ratio	-	-	35.67%	46.99%
b) Minimum statutory ratio	-	-	20.00%	20.00%
c) Excess/(Deficiency) (a-b)			15.67%	26.99%

	COMPANY		GROUP	
	AUDITED 31 Dec 2017 (KSHS'000)	AUDITED 31 Dec 2018 (KSHS'000)	AUDITED 31 Dec 2017 (KSHS'000)	AUDITED 31 Dec 2018 (KSHS'000)
Net cash generated from operating activities	4,148,126	4,552,285	1,210,400	30,000,643
Cash flows used in investing activities	(2,547,296)	-	(3,381,648)	(3,643,902)
Net cash used in financing activities	(1,519,753)	(1,612,281)	(1,644,610)	(451,656)
Net increase/(decrease) in cash and cash equivalents	81,077	2,940,004	(3,815,858)	25,905,085
Cash and cash equivalents at start of the year	71,375	152,452	11,868,769	8,052,911
Cash and cash equivalents at end of the year	152,452	3,092,456	8,052,911	33,957,996

	SHARE CAPITAL (KSHS'000)	SHARE PREMIUM (KSHS'000)	RETAINED EARNINGS (KSHS'000)	OTHER RESERVES (KSHS'000)	NON- CONTROLLING INTEREST (KSHS'000)	TOTAL (KSHS'000)
	At 1 January 2017	392,362	17,331,510	18,217,056	1,088,820	2,476,669
Other comprehensive income	-	-	5,851,072	1,267,809	288,779	7,407,660
Transactions with owners	21,043	1,473,849	(1,446,918)	123,250	(69,818)	101,406
Audited at 31 December 2017	413,405	18,805,359	22,621,210	2,479,879	2,695,630	47,015,483
At 1 January 2018	413,405	18,805,359	22,621,210	2,479,879	2,695,630	47,015,483
Day 1 IFRS 9 adjustments	-	-	254,020	(886,359)	(24,340)	(656,679)
Other comprehensive income	-	-	7,115,370	125,346	357,365	7,598,081
Transactions with owners	-	-	(3,059,199)	-	(23,238)	(3,082,437)
Audited at 31 December 2018	413,405	18,805,359	26,931,401	1,718,866	3,005,417	50,874,448

Message from the Directors,

Basis of preparation

These condensed financial statements are an extract from audited financial statements for the period ended 31 December 2018 which have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements were audited by KPMG Kenya and received an unqualified opinion. The financial statements were approved by the Board of Directors on 26 March, 2019.

Dividends

The Directors declared an interim dividend of KShs 3.90 per share amounting to KShs 1,612,281,000 for the year ended 31 December 2018. A final dividend of KShs 3.50 per share amounting to KShs 1,446,918,791 in respect of the year ended 31 December 2017 was paid on 24 May, 2018. The directors do not recommend payment of a final dividend for the year ended 31 December 2018.

Bonus issue

The Board has resolved to recommend the issuance of bonus share of one