

The Board of Directors of I&M Holdings PLC is pleased to announce unaudited consolidated results for the period ended 30 June 2019

STAT	EMENT OF FINANCIAL POSITION		COMPANY			GROUP			
		UNAUDITED JUN 2018 (KSHS'000)	AUDITED DEC 2018 (KSHS'000)	UNAUDITED MAR 2019 (KSHS'000)	UNAUDITED JUN 2019 (KSHS'000)	UNAUDITED JUN 2018 (KSHS'000)	AUDITED DEC 2018 (KSHS'000)	UNAUDITED MAR 2019 (KSHS'000)	UNAUDITED JUN 2019 (KSHS'000)
A 01. 02.	ASSETS Cash (both local and foreign) Balances due from central banks	- -	-	-	-	2,063,985 10,817,739	2,409,004 12,458,135	2,251,722 17,132,942	3,143,220 16,999,221
03.	Kenya Government and other securities held for dealing purposes Financial Assets at Fair Value Through Profit or Loss [FVTPL]		-	-	-	10,233,670	- 13,145,126	13,132,072	9,098,293
05.	Investment securities: a) Held at amortised cost:	-	-	-	-	-	-		-
	a. Kenya Government securities b. Other securities	-			-	17,083,774 10,983,087	18,306,701 9,851,400	21,471,173 9,148,032	22,228,552 10,484,834
	b) Fair Value through Other Comprehensive Income [FVOCI]: a. Kenya Government securities b. Other securities	105,438	133,223	137,295	337,279	6,849,935 1,214,491	9,647,876 1,205,495	10,144,499 1,606,401	11,215,300 2,486,706
06. 07.	Deposits and balances due from local banking institutions Deposits and balances due from banking	- \	-	-	-	1,223,166	1,892,921	1,142,853	1,039,819
08. 09.	institutions abroad Tax recoverable Loans and advances to customers (net)	5,206	6,347	6,291	3,488	38,556,538 929,455 162,823,320	31,782,272 126,609 166,736,729	31,794,231 57,411 168,936,685	42,927,804 524,676 172,163,870
10. 11.	Balances due from banking institutions in the Group Investment in associates	1	-	- -	-	-	-	-	-
12. 13. 14.	Investment in subsidiary companies Investment in joint ventures	23,790,896 1,679,971	25,662,294 1,679,971	25,662,294 1,679,971	25,662,294 1,679,971	4,452,304	4,535,205	4,714,233	4,833,842
15. 16.	Investment properties Property and equipment Prepaid lease rentals	-	- - -	- - -	- - -	5,948,982 256,105	6,724,561 246,271	7,783,791 241,535	8,428,171 235,618
17. 18. 19.	Intangible assets Deferred tax asset Retirement benefit asset	-	-	- -	-	4,146,180 1,073,662	4,872,194 1,929,345	4,995,471 1,932,553	4,888,511 1,952,072
20.	Other assets	328,731	1,649,014	1,643,730	73,273	4,413,770	2,652,205	3,138,590	4,403,184
21. B	TOTAL ASSETS LIABILITIES	25,910,242	29,130,849	29,129,581	27,756,305	283,070,163	288,522,049	299,624,194	317,053,693
22.	Balances due to central banks	-	-	-	_	-	-	-	-
23.	Customer deposits	-	-	-	-	210,897,814	213,139,370	221,169,203	237,242,298
24.	Deposits and balances due to local banking institutions	-	-	-	-	119,071	69,381	161,407	113,093
25. 26.	Deposits and balances due to foreign banking institutions Other money market deposits	-	-	-	-	7,302,827	5,577,720	7,242,524	7,530,017
27.	Borrowed funds					11,886,768	13,755,684	10,583,951	10,138,731
28.	Balances due to banking institutions in the Group	-	-	-	-	-	-	-	-
29.	Tax payable	-	-	-	-	225,649	130,130	833,098	135,513
30.	Dividends payable	-	-	-	-	-	-	\=	-
31. 32.	Deferred tax liability Retirement benefit liability	-	-	-	-	-	-	-	-
33.	Other liabilities	256.196	3,569,262	3,566,071	1.988.403	4.823.528	4,975,316	6,463,128	6.459.562
34.	TOTAL LIABILITIES	256,196	3,569,262	3,566,071	1,988,403	235,255,657	237,647,601	246,453,311	261,619,214
C	SHAREHOLDERS' EQUITY	440 405	140.105	140.105	140 105	440.405	440.405	/40 /05	440.405
35. 36.	Paid up/ Assigned share capital Share premium/ (discount)	413,405 18.805.359	413,405 18.805.359	413,405 18.805.359	413,405 18.805.359	413,405 18.805.359	413,405 18.805.359	413,405 18.805.359	413,405 18.805,359
37.	Revaluation reserves - (Buildings)	10,003,337	10,000,007	10,000,007	10,000,007	800,051	820,277	820,277	820,277
38.	Retained earnings/ (Accumulated losses)	6,435,282	6,339,846	6,339,977	6,539,417	24,805,733	26,931,401	29,279,609	30,525,741
39.	Statutory loan loss reserves	-	-	-	-	1,290,214	2,190,131	2,160,305	2,958,459
40.	Other reserves	-	2,977	4,769	9,721	[261,271]	(525,186)	(309,668)	[176,972]
41.	Proposed dividends	-	-	-	-	(7/0 FF4)	(7// OF/)	(1.0/1.005)	[969.423]
42.	Translation reserve TOTAL SHAREHOLDERS' EQUITY	25,654,046	25,561,587	25,563,510	25,767,902	(768,551) 45,084,940	(766,356) 47,869,031	(1,041,025) 50,128,262	52,376,846
44.	Non-controlling interest	-			· · ·	2,729,566	3,005,417	3,042,621	3,057,633
45.	TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	25,910,242	29,130,849	29,129,581	27,756,305	283,070,163	288,522,049	299,624,194	317,053,693

OTH	IER DISCLOSURES	GROUP						
		UNAUDITED JUN 2018 (KSHS'000)	AUDITED DEC 2018 (KSHS'000)	UNAUDITED MAR 2019 (KSHS'000)	UNAUDITED JUN 2019 (KSHS'000)			
01.	NON-PERFORMING LOANS AND ADVANCES							
	a) Gross Non-performing Loans and advances	22,356,930	23,831,914	23,736,772	24,398,524			
	Less		5 (05 050	. 500 004				
	b) Interest in suspense c) Total Non-performing loans and advances	4,118,385	5,437,953	6,572,701	6,910,275			
	(a-b)	18,238,545	18,393,961	17,164,071	17,488,249			
	Less							
	d) Loan loss provisions	5,581,516	8,016,530	7,053,718	8,323,320			
	e) Net Non Performing Loans (c-d)	12,657,029	10,377,431	10,110,353	9,164,929			
	f) Discounted value of securities	12,657,029	10,377,431	10,110,353	9,164,929			
	g) Net NPLs exposure (e-f)	-		-				
02.	INSIDER LOANS AND ADVANCES							
	a) Directors, shareholders and associates	3,479,336	3,576,789	4,100,015	3,765,140			
	b) Employees c) Total Insider Loans and Advances	1,751,164 5,230,500	1,843,183 5,419,972	1,735,771 5,835,786	1,716,265 5,481,405			
03.	OFF-BALANCE SHEET ITEMS	3,230,300	3,417,772	3,033,700	3,401,403			
03.								
	a) Letters of Credit, Guarantees, Acceptances	43,306,336	43,320,098	46,949,160	45,247,571			
	b) Forwards, swaps and options	27,662,289	39,167,772	47,563,695	54,657,101			
	c) Other contingent liabilities	4,208,213	3,143,059	2,667,511	5,271,559			
	d) Total Contingent liabilities	75,176,838	85,630,929	97,180,366	105,176,231			
04.	CAPITAL STRENGTH							
	a) Core capital	42,845,190	45,548,005	46,503,301	47,076,054			
	b) Minimum statutory capital	1,000,000	1,000,000	1,000,000	1,000,000			
	c) Excess/ (deficiency)	41,845,190	44,548,005	45,503,301	46,076,054			
	d) Supplementary capital	4,562,481	6,180,530	6,868,951	6,750,360			
	e) Total capital (a+d)	47,407,671	51,728,535	53,372,252	53,826,414			
	f) Total risk weighted assets	259,935,358	283,777,893	286,087,075	292,459,116			
	g) Core capital/ Total deposit liabilities	20.32%	21.37%	21.03%	19.84%			
	h) Minimum statutory ratio	8.00% 12.32%	8.00% 13.37%	8.00% 13.03%	8.00% 11.84%			
	i) Excess/ (Deficiency) (g-h)							
	j) Core capital/Total risk weighted assets k) Minimum statutory ratio	16.48% 10.50%	16.05% 10.50%	16.25% 10.50%	16.10% 10.50%			
	l) Excess / (Deficiency) (j-k)	5.98%	5.55%	5.75%	5.60%			
	m)Total capital/ Total risk weighted assets	18.24%	18.23%	18.66%	18.40%			
	n) Minimum statutory ratio	14.50%	14.50%	14.50%	14.50%			
	o) Excess/ (Deficiency) (m-n)	3.74%	3.73%	4.16%	3.90%			
	p) Adjusted Core Capital/ Total Deposit Liabilities*	20.38%	22.08%	20.60%	20.10%			
	q) Adjusted Core Capital/ Total Risk Weighted Assets*	16.53%	16.58%	16.46%	16.30%			
	r) Adjusted Total Capital/ Total Risk Weighted Assets*	18.63%	18.76%	18.86%	18.61%			
05.	LIQUIDITY							
	a) Liquidity ratio	45.47%	46.99%	46.54%	48.77%			
	b) Minimum statutory ratio	20.00%	20.00%	20.00%	20.00%			
	c) Excess/ (Deficiency) (a-b)	25.47%	26.99%	26.54%	28.77%			

*The adjusted capital ratios include the expected credit loss provisions added back to capital in line with the CBK Guidance Note issued in April 2018 on implementation of IFRS 9.

SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS									
	UNAUDITED JUN 2018 (KSHS'000)	AUDITED DEC 2018 (KSHS'000)	UNAUDITED JUN 2019 (KSHS'000)						
Net cash generated from operating activities	28,031,937	30,000,643	13,214,249						
Cash flows used in investing activities	(1,737,587)	(3,643,902)	[2,363,558]						
Net cash used in financing activities	(1,032,639)	(451,656)	(3,829,817)						
Net increase in cash and cash equivalents	25,261,711	25,905,085	7,020,874						
Cash and cash equivalents at beginning of period	20,633,600	8,052,911	33,957,996						
Cash and cash equivalents at end of period	45,895,311	33,957,996	40,978,870						

SUMMARY OF CON	SOLIDATED S	TATEMENT O	F CHANGES	IN EQUITY		
	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 2018	413,405	18,805,359	22,621,210	2,479,879	2,695,630	47,015,483
Other comprehensive income	-	-	3,631,441	[1,419,436]	62,243	2,274,248
Transactions with owners	-	-	[1,446,918]	-	(28,307)	[1,475,225]
Unaudited at 30 June 2018	413,405	18,805,359	24,805,733	1,060,443	2,729,566	47,814,506
At 1 January 2018	413,405	18,805,359	22,621,210	2,479,879	2,695,630	47,015,483
Day one 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
At 1 January 2019	413,405	18,805,359	26,931,401	1,718,866	3,005,417	50,874,448
Other comprehensive income	-	-	3,594,340	913,475	230,031	4,737,846
Transactions with owners	-	-	-	-	(177,815)	(177,815)
Unaudited at 30 June 2019	413,405	18,805,359	30,525,741	2,632,341	3,057,633	55,434,479

Message from the Directors

These condensed financial statements are an extract from the unaudited financial statements of the Group for the period ended 30 June 2019 which have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements were approved by the Board of Directors on 28 August 2019 and were signed on its behalf by Messrs Daniel Ndonye, Sarit S.Raja Shah and Michael Turner. The complete set of financials statements can be accessed from the institution's website - www.imbank.com

BY ORDER
OF THE BOARD

DANIEL NDONYE
CHAIRMAN
28 AUGUST 2019



45.	TOTAL LIABILITIES & SHAKEHOLDERS EQUITY	25,710,242	27,130,047	27,127,301	27,700,000	203,070,103	200,322,047	277,024,174	317,003,073
STAT	EMENT OF COMPREHENSIVE INCOME		COMPANY				G	ROUP	
		UNAUDITED JUN 2018 (KSHS'000)	AUDITED DEC 2018 (KSHS'000)	UNAUDITED MAR 2019 (KSHS'000)	UNAUDITED JUN 2019 (KSHS'000)	UNAUDITED JUN 2018 (KSHS'000)	AUDITED DEC 2018 (KSHS'000)	UNAUDITED MAR 2019 (KSHS'000)	UNAUDITED JUN 2019 (KSHS'000)
01.	INTEREST INCOME								
	1.1 Loans and advances	-	-	-	-	8,965,178	20,673,770	4,955,469	10,249,530
	1.2 Government securities	13,071	18,339	3,906	8,735	2,623,253	4,964,391	1,030,816	2,130,253
	1.3 Deposits and placements with banking institutions	13,368	16,102	-	13,990	45,678	319,888	122,422	284,031
	1.4 Other interest income	-			-	20,240	40,819	10,064	20,240
	1.5 Total interest income	26,439	34,441	3,906	22,725	11,654,349	25,998,868	6,118,771	12,684,054
02.	INTEREST EXPENSE					/ 105 515	0.000.7/5	2 /00 277	E 007 0E0
	2.1 Customer deposits	-	-	-	-	4,195,515	8,800,765	2,408,277 107.525	5,096,050
	2.2 Deposits and placements from banking institutions 2.3 Other interest expenses	-	-	-	-	112,524 480.547	584,664 1.019.257	261.076	108,875 461,471
_	2.4 Total interest expense	<u> </u>				4,788,586	10,404,686	2,776,878	5,666,396
03.	NET INTEREST INCOME/ (LOSS)	26,439	34,441	3,906	22,725	6,865,763	15,594,182	3,341,893	7,017,658
04.	OTHER OPERATING INCOME			,		, ,	, ,		, ,
	4.1 Fees and commissions on loans and advances	-	-	-	-	790,206	1,777,524	388,926	890,874
	4.2 Other fees and commissions	-	-	-	-	1,207,400	2,158,568	602,454	1,226,872
	4.3 Foreign exchange trading income/ (Loss)	-	-	-	-	1,242,898	2,567,418	645,255	1,290,496
	4.4 Dividend income	1,423,238	2,875,332	-	196,340	-	-	-	-
	4.5 Other income	238	857	-	-	479,551	1,093,831	427,421	1,128,089
OF	4.6 Total non-interest income	1,423,476	2,876,189	2.00/	196,340	3,720,055	7,597,341	2,064,056	4,536,331
05. 06.	TOTAL OPERATING INCOME OTHER OPERATING EXPENSES	1,449,915	2,910,630	3,906	219,065	10,585,818	23,191,523	5,405,949	11,553,989
00.	6.1 Loan loss provisions					1,412,034	3,807,345	199.417	1,108,719
	6.2 Staff costs	-	-	-	-	2,048,983	4,051,835	1.124.908	2,326,143
	6.3 Directors' emoluments	-	-	-	-	30.150	57.041	1,124,700	28.521
	6.4 Rentals charges	-	-	-	-	364,501	748.058	150.578	383,325
	6.5 Depreciation charge on property and equipment	11	11			204,262	387,570	150,899	223,692
	6.6 Amortisation charges	1 "	- ''			87,732	209,279	85,819	191,506
	6.7 Other operating expenses	86.308	29.039	3.718	15,297	1.539.593	3.027.925	700.448	1,476,512
	6.8 Total other operating expenses	86,319	29,050	3,718	15,297	5,687,255	12,289,053	2,426,329	5,738,418
07.	PROFIT/ (LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS	1,363,596	2,881,580	188	203,768	4,898,563	10,902,470	2,979,620	5,815,571
08.	EXCEPTIONAL ITEMS - SHARE OF PROFIT OF JOINT VENTURE	-	-	-	-	499,477	595,310	283,665	404,069
09.	PROFIT/ (LOSS) AFTER EXCEPTIONAL ITEMS	1,363,596	2,881,580	188	203,768	5,398,040	11,497,780	3,263,285	6,219,640
10.	Current tax	(4,539)	(5,679)	(56)	(4,197)	[1,529,929]	(3,503,626)	(898,397)	(1,693,773)
11.	Deferred tax	-	-	-	-	-	509,203	-	-
12.	PROFIT/ (LOSS) AFTER TAX AND EXCEPTIONAL ITEMS	1,359,057	2,875,901	132	199,571	3,868,111	8,503,357	2,364,888	4,525,867
13.	Non controlling interest	-		-	-	[238,271]	(552,538)	(93,886)	[233,715]
14.	PROFIT/ (LOSS) AFTER TAX, EXCEPTIONAL ITEMS AND NON-CONTROLLING INTEREST	1,359,057	2,875,901	132	199,571	3,629,840	7,950,819	2,271,002	4,292,152
15.	OTHER COMPREHENSIVE INCOME								
	15.1 Gains/ (Losses) from translating the financial								
	statements of foreign operations	-	- 0.055	1 700		(643,195)	(690,980)	(252,411)	[142,986]
	15.2 Fair value changes in financial assets at FVOCI	-	2,977	1,792	6,744	(43,257)	(246,517)	210,469	354,965
	15.3 Statutory loan loss reserve	_	-	-	-	(897,059)	15.7//	-	-
	15.4 Fair value changes on employee benefits 15.5 Income tax relating to components of other	1	-	-	-	-	15,744	-	-
	15.5 Income tax relating to components of other comprehensive income	-	-	-	-	(10,352)	16,477	-	-
16.	OTHER COMPREHENSIVE INCOME FOR THE YEAR NET	1							
	OF TAX		2,977	1,792	6,744	(1,593,863)	(905,276)	(41,942)	211,979
17.	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,359,057	2,878,878	1,924	206,315	2,274,248	7,598,081	2,322,946	4,737,846
18.	EARNING PER SHARE - DILUTE & BASIC (KSHS)	3.29	6.96	-	0.48	8.78	19.23	5.49	10.38
19.	DIVIDEND PER SHARE - PROPOSED (KSHS)	-	3.90	-	-	-	3.90	-	-

Key Highlights June 2019 vs June 2018

Customer Deposits Growth 12%

Loans & Advances Growth

Non-Funded Income Growth 22%



Cost/Income Ratio