

The Board of Directors of I&M Holdings PLC are pleased to announce the audited results of the group as at 31 December 2019.

| STATEMENT OF FINANCIAL POSITION | | COMPANY | | GROUP | |
|---------------------------------|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | | AUDITED 31 Dec 2018 (KSHS'000) | AUDITED 31 Dec 2019 (KSHS'000) | AUDITED 31 Dec 2018 (KSHS'000) | AUDITED 31 Dec 2019 (KSHS'000) |
| A | ASSETS | | | | |
| 01. | Cash (both local and foreign) | - | - | 2,409,004 | 2,361,064 |
| 02. | Balances due from central Banks | - | - | 12,458,135 | 13,024,765 |
| 03. | Kenya Government and other securities held for dealing purposes | - | - | - | - |
| 04. | Financial Assets at fair value through profit or loss (FVTPL) | - | - | 13,145,126 | 13,744,048 |
| 05. | Investment Securities: | - | - | - | - |
| | a) Held at amortised cost/ Held to Maturity: | - | - | - | - |
| | a. Kenya Government securities | - | - | 18,306,701 | 18,925,430 |
| | b. Other securities | - | - | 9,851,400 | 8,145,589 |
| | b) Fair value through other comprehensive income (FVOCI): | - | - | - | - |
| | a. Kenya Government securities | 133,223 | 27,679 | 9,647,876 | 10,757,407 |
| | b. Other securities | - | - | 1,205,495 | 2,351,791 |
| 06. | Deposits and Balances due from local banking institutions | - | - | 1,892,921 | 1,123,415 |
| 07. | Deposits and Balances due from banking institutions abroad | - | - | 31,782,272 | 42,538,989 |
| 08. | Tax recoverable | 6,347 | 5,253 | 126,609 | 37,819 |
| 09. | Loans and advances to customers (net) | - | - | 166,736,729 | 175,329,426 |
| 10. | Balances due from banking institutions in the Group | - | - | - | - |
| 11. | Investment in associates | - | - | - | - |
| 12. | Investment in subsidiary companies | 25,662,294 | 25,662,294 | - | - |
| 13. | Investment in joint ventures | 1,679,971 | 2,110,591 | 4,535,205 | 5,398,545 |
| 14. | Investment properties | - | - | - | - |
| 15. | Property and equipment | - | - | 6,724,561 | 10,152,429 |
| 16. | Prepaid lease rentals | - | - | 246,271 | - |
| 17. | Intangible assets | - | - | 4,872,194 | 5,156,678 |
| 18. | Deferred tax asset | - | - | 1,929,345 | 3,014,836 |
| 19. | Retirement benefit asset | - | - | - | - |
| 20. | Other assets | 1,649,014 | 88,157 | 2,652,205 | 3,228,443 |
| 21. | TOTAL ASSETS | 29,130,849 | 27,893,974 | 288,522,049 | 315,290,674 |
| B | LIABILITIES | | | | |
| 22. | Balances due to central banks | - | - | - | - |
| 23. | Customer deposits | - | - | 213,139,370 | 229,736,509 |
| 24. | Deposits and balances due to local banking institutions | - | - | 69,381 | 113,250 |
| 25. | Deposits and balances due to foreign banking institutions | - | - | 5,577,720 | 7,892,354 |
| 26. | Other money market deposits | - | - | - | - |
| 27. | Borrowed funds | - | - | 13,755,684 | 10,855,626 |
| 28. | Balances due to banking institutions in the Group | - | - | - | - |
| 29. | Tax payable | - | - | 130,130 | 894,694 |
| 30. | Dividends payable | - | - | - | - |
| 31. | Deferred tax liability | - | - | - | - |
| 32. | Retirement benefit liability | - | - | - | - |
| 33. | Other liabilities | 3,569,262 | 1,972,173 | 4,975,316 | 4,936,068 |
| 34. | TOTAL LIABILITIES | 3,569,262 | 1,972,173 | 237,647,601 | 254,428,501 |
| C | SHAREHOLDERS' EQUITY | | | | |
| 35. | Paid up/ Assigned share capital | 413,405 | 826,811 | 413,405 | 826,811 |
| 36. | Share premium/ (discount) | 18,805,359 | 18,390,507 | 18,805,359 | 18,390,507 |
| 37. | Revaluation reserves - (Buildings) | - | - | 820,277 | 875,985 |
| 38. | Retained earnings/(Accumulated losses) | 6,339,846 | 6,704,522 | 26,931,401 | 33,918,324 |
| 39. | Statutory loan loss reserves | - | - | 2,190,131 | 5,518,392 |
| 40. | Other reserves | 2,977 | (39) | (525,186) | (374,844) |
| 41. | Proposed dividends | - | - | - | - |
| 42. | Translation reserve | - | - | (766,356) | (1,416,566) |
| 43. | TOTAL SHAREHOLDERS' EQUITY | 25,561,587 | 25,921,801 | 47,869,031 | 57,738,609 |
| 44. | Non controlling interest | - | - | 3,005,417 | 3,123,564 |
| 45. | TOTAL LIABILITIES & SHAREHOLDERS' EQUITY | 29,130,849 | 27,893,974 | 288,522,049 | 315,290,674 |

STATEMENT OF COMPREHENSIVE INCOME

| | COMPANY | | GROUP | |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | AUDITED 31 Dec 2018 (KSHS'000) | AUDITED 31 Dec 2019 (KSHS'000) | AUDITED 31 Dec 2018 (KSHS'000) | AUDITED 31 Dec 2019 (KSHS'000) |
| 01. INTEREST INCOME | | | | |
| 1.1 Loans and advances | - | - | 20,673,770 | 22,364,083 |
| 1.2 Government securities | 18,339 | 24,309 | 4,964,391 | 4,120,736 |
| 1.3 Deposits and placements with banking institutions | 16,102 | 17,708 | 319,888 | 656,440 |
| 1.4 Other interest income | - | - | 40,819 | 22,588 |
| 1.5 Total interest income | 34,441 | 42,017 | 25,998,868 | 27,163,847 |
| 02. INTEREST EXPENSE | | | | |
| 2.1 Customer deposits | - | - | 8,800,765 | 10,081,560 |
| 2.2 Deposits and placements from banking institutions | - | - | 584,664 | 542,610 |
| 2.3 Other interest expenses | - | - | 1,019,257 | 1,029,836 |
| 2.4 Total interest expense | - | - | 10,404,686 | 11,654,006 |
| 03. NET INTEREST INCOME/(LOSS) | 34,441 | 42,017 | 15,594,182 | 15,509,841 |
| 04. OTHER OPERATING INCOME | | | | |
| 4.1 Fees and commissions on loans and advances | - | - | 1,777,524 | 1,867,240 |
| 4.2 Other fees and commissions | - | - | 2,158,568 | 2,126,408 |
| 4.3 Foreign exchange trading income (Loss) | - | - | 2,567,418 | 2,577,518 |
| 4.4 Dividend income | 2,875,332 | 351,580 | - | - |
| 4.5 Other income | 857 | 16,866 | 1,093,831 | 1,714,375 |
| 4.6 Total non-interest income | 2,876,189 | 368,446 | 7,597,341 | 8,285,541 |
| 05. TOTAL OPERATING INCOME | 2,910,630 | 410,463 | 23,191,523 | 23,795,382 |
| 06. OTHER OPERATING EXPENSES | | | | |
| 6.1 Loan loss provisions | - | - | 3,807,345 | 636,455 |
| 6.2 Staff costs | - | - | 4,051,835 | 4,662,868 |
| 6.3 Directors' emoluments | - | - | 57,041 | 64,830 |
| 6.4 Rentals charges | - | - | 748,058 | 423,951 |
| 6.5 Depreciation charge on property and equipment | 11 | - | 387,570 | 821,799 |
| 6.6 Amortisation charges | - | - | 209,279 | 343,721 |
| 6.7 Other operating expenses | 29,039 | 40,699 | 3,027,925 | 3,143,687 |
| 6.8 Total other Operating Expenses | 29,050 | 40,699 | 12,289,053 | 10,097,311 |
| 07. PROFIT/(LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS | 2,881,580 | 369,764 | 10,902,470 | 13,698,071 |
| 08. EXCEPTIONAL ITEMS - SHARE OF PROFIT OF JOINT VENTURE | - | - | 595,310 | 905,037 |
| 09. PROFIT/(LOSS) AFTER EXCEPTIONAL ITEMS | 2,881,580 | 369,764 | 11,497,780 | 14,603,108 |
| 10. CURRENT TAX | (5,679) | (5,088) | (3,503,626) | (4,992,740) |
| 11. DEFERRED TAX | - | - | (509,203) | (1,158,246) |
| 12. PROFIT/(LOSS) AFTER TAX AND EXCEPTIONAL ITEMS | 2,875,901 | 364,676 | 8,503,357 | 10,768,614 |
| 13. Non controlling interest | - | - | (552,538) | (459,576) |
| 14. PROFIT/(LOSS) AFTER TAX, EXCEPTIONAL ITEMS AND NON CONTROLLING INTEREST | 2,875,901 | 364,676 | 7,950,819 | 10,309,038 |
| 15. OTHER COMPREHENSIVE INCOME | | | | |
| 15.1 Gains/(Losses) from translating the financial statements of foreign operations | - | - | (690,980) | (750,519) |
| 15.2 Fair value changes in financial assets at FVOCI | 2,977 | (3,016) | (246,517) | 190,557 |
| 15.3 Statutory loan loss reserve | - | - | - | - |
| 15.4 Fair value changes on employee benefits | - | - | 15,744 | (30,681) |
| 15.5 Income tax relating to components of other comprehensive income | - | - | 16,477 | 55,708 |
| 16. OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX | 2,977 | (3,016) | (905,276) | (534,935) |
| 17. TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 2,878,878 | 361,660 | 7,598,081 | 10,233,679 |
| 18. EARNING PER SHARE - DILUTE & BASIC (KSHS) | 6.96 | 0.44 | 9.62 | 12.47 |
| 19. DIVIDEND PER SHARE - PROPOSED (KSHS) | 1.95 | 2.55 | 1.95 | 2.55 |

| OTHER DISCLOSURES | COMPANY | | GROUP | |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | AUDITED 31 Dec 2018 (KSHS'000) | AUDITED 31 Dec 2019 (KSHS'000) | AUDITED 31 Dec 2018 (KSHS'000) | AUDITED 31 Dec 2019 (KSHS'000) |
| 01. NON - PERFORMING LOANS AND ADVANCES | | | | |
| a) Gross Non- performing loans and advances | | | 22,492,452 | 21,310,499 |
| Less | | | - | - |
| b) Interest in suspense | | | 4,098,491 | 3,960,897 |
| c) Total Non- performing loans and advances (a-b) | | | 18,393,961 | 17,349,602 |
| Less | | | - | - |
| d) Loan loss provisions | | | 8,016,530 | 8,625,013 |
| e) Net Non Performing Loans(c-d) | | | 10,377,431 | 8,724,589 |
| f) Discounted value of securities | | | 10,377,431 | 8,724,589 |
| g) Net NPLs exposure (e-f) | | | - | - |
| 02. INSIDER LOANS AND ADVANCES | | | | |
| a) Directors, shareholders and associates | | | 3,576,789 | 3,647,225 |
| b) Employees | | | 1,843,183 | 1,822,882 |
| c) Total Insider Loans and Advances | | | 5,419,972 | 5,470,107 |
| 03. OFF- BALANCE SHEET ITEMS | | | | |
| a) Letters of credit, guarantees, acceptances | | | 46,389,928 | 48,390,964 |
| b) Forwards, swaps and options | | | 39,167,772 | 58,732,452 |
| c) Other contingent liabilities | | | 11,995,193 | 17,318,502 |
| d) Total Contingent liabilities | | | 97,552,893 | 124,441,918 |
| 04. CAPITAL STRENGTH | | | | |
| a) Core capital | | | 45,548,005 | 52,230,009 |
| b) Minimum statutory capital | | | 1,000,000 | 1,000,000 |
| c) Excess/ (deficiency) | | | 44,548,005 | 51,230,009 |
| d) Supplementary capital | | | 6,180,530 | 11,694,939 |
| e) Total capital (a+d) | | | 51,728,535 | 63,924,948 |
| f) Total risk weighted assets | | | 283,777,893 | 301,217,897 |
| g) Core capital/Total deposit liabilities | | | 21.37% | 22.73% |
| h) Minimum statutory ratio | | | 8.00% | 8.00% |
| i) Excess / (Deficiency) (g-h) | | | 13.37% | 14.73% |
| j) Core capital/Total risk weighted assets | | | 16.05% | 17.34% |
| k) Minimum statutory ratio | | | 10.50% | 10.50% |
| l) Excess / (Deficiency) (j-k) | | | 5.55% | 6.84% |
| m) Total capital/Total risk weighted assets | | | 18.23% | 21.22% |
| n) Minimum statutory ratio | | | 14.50% | 14.50% |
| o) Excess / (Deficiency) (m-n) | | | 3.73% | 6.72% |
| (p) Adjusted Core Capital/Total Deposit Liabilities* | | | 22.08% | 22.50% |
| (q) Adjusted Core Capital/Total Risk Weighted Assets* | | | 16.58% | 17.16% |
| (r) Adjusted Total Capital/Total Risk Weighted Assets* | | | 18.76% | 21.04% |
| 05. LIQUIDITY | | | | |
| a) Liquidity ratio | | | 46.99% | 46.31% |
| b) Minimum statutory ratio | | | 20.00% | 20.00% |
| c) Excess / (Deficiency) (a-b) | | | 26.99% | 26.31% |

| SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS | COMPANY | | GROUP | |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | AUDITED 31 Dec 2018 (KSHS'000) | AUDITED 31 Dec 2019 (KSHS'000) | AUDITED 31 Dec 2018 (KSHS'000) | AUDITED 31 Dec 2019 (KSHS'000) |
| Net cash generated from operating activities | 4,552,285 | (1,137,172) | 30,000,643 | 11,830,044 |
| Cash flows from investing activities | - | (430,620) | (3,643,902) | (3,107,021) |
| Net cash used in financing activities | (1,612,281) | (1,446) | (451,656) | (1,531,603) |
| Net increase in cash and cash equivalents | 2,940,004 | (1,569,238) | 25,905,085 | 7,191,420 |
| Cash and cash equivalents at beginning of period | 152,452 | 3,092,456 | 8,052,911 | 33,957,996 |
| Cash and cash equivalents at end of period | 3,092,456 | 1,523,218 | 33,957,996 | 41,149,416 |

SUMMARY OF CONSOLIDATED STATEMENT OF 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 | - | - | 7,369,390 | (761,013) | 333,025 | 6,941,402 |
| 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 | - | - | 6,986,923 | 2,884,101 | 362,655 | 10,233,679 |
| Transactions with owners | 413,406 | (414,852) | - | - | (244,506) | (245,954) |
| Audited at 31 December 2019 | 826,811 | 18,390,507 | 33,918,324 | 4,602,967 | 3,123,564 | 60,862,173 |

Message from the Directors
Basis of Preparation
 These financial statements are an extract from audited financial statements for the period ended 31 December 2019 which have been prepared in accordance with International Financial Reporting Standards (IFRSs) and Kenyan Company Act, 2015. The principal risks and uncertainties facing the Group and Company as well as the risk management framework are outlined in Note 5 of the consolidated and separate financial statements.

The financial statements were audited by KPMG Kenya and received an unqualified opinion. The financial statements were approved by the Board of Directors on 25 March 2020 and were signed on its behalf by Messrs. Daniel Ndonye, Sarit S.Raja Shah and Sachit S. Raja Shah. The complete set of financials statements can be accessed from the institution's website