

The Board of Directors of I&amp;M Holdings PLC is pleased to announce audited results of the Group as at 31 December 2020

STATEMENT OF FINANCIAL POSITION	COMPANY		GROUP	
	AUDITED DEC 2019 [KSHS'000]	AUDITED DEC 2020 [KSHS'000]	AUDITED DEC 2019 [KSHS'000]	AUDITED DEC 2020 [KSHS'000]
<b>A ASSETS</b>				
01. Cash (both local and foreign)	-	-	2,361,064	3,991,322
02. Balances due from central banks	-	-	13,024,765	15,412,097
03. Kenya Government and other securities held for dealing purposes	-	-	-	-
04. Financial Assets at fair value through profit or loss (FVTPL)	-	-	13,744,048	11,869,403
05. Investment Securities:				
a) Held at amortised cost:				
a. Kenya Government securities	-	-	18,925,430	36,732,012
b. Other securities	-	-	8,145,589	10,632,613
b) Fair value through other comprehensive income (FVOCI):				
a. Kenya Government securities	27,679	28,392	10,757,407	36,635,314
b. Other securities	-	-	2,351,791	5,841,938
06. Deposits and Balances due from local banking institutions	-	-	1,123,415	1,109,584
07. Deposits and Balances due from banking institutions abroad	-	-	42,538,989	17,225,856
08. Tax recoverable	5,253	4,369	37,819	133,588
09. Loans and advances to customers (net)	-	-	175,329,426	187,391,266
10. Balances due from banking institutions in the Group	-	-	-	-
11. Investment in associates	-	-	-	-
12. Investment in subsidiary companies	25,662,294	26,151,882	-	-
13. Investment in joint ventures	2,110,591	2,515,591	5,398,545	5,177,219
14. Investment properties	-	-	-	-
15. Property and equipment	-	-	10,152,429	12,121,588
16. Prepaid lease rentals	-	-	-	-
17. Intangible assets	-	-	5,156,678	5,591,942
18. Deferred tax asset	-	-	3,014,836	4,211,504
19. Retirement benefit asset	-	-	-	-
20. Other assets	88,157	450,183	3,228,443	4,022,547
<b>21. TOTAL ASSETS</b>	<b>27,893,974</b>	<b>29,150,417</b>	<b>315,290,674</b>	<b>358,099,793</b>
<b>B LIABILITIES</b>				
22. Balances due to central banks	-	-	-	-
23. Customer deposits	-	-	229,736,509	262,681,402
24. Deposits and balances due to local banking institutions	-	-	113,250	691,996
25. Deposits and balances due to foreign banking institutions	-	-	7,892,354	6,070,839
26. Other money market deposits	-	-	-	-
27. Borrowed funds	-	-	10,855,626	14,772,763
28. Balances due to banking institutions in the Group	-	-	-	-
29. Tax payable	-	-	894,694	155,863
30. Dividends payable	-	-	-	-
31. Deferred tax liability	-	-	-	-
32. Retirement benefit liability	-	-	-	-
33. Other liabilities	1,972,173	1,965,596	4,936,068	5,663,791
<b>34. TOTAL LIABILITIES</b>	<b>1,972,173</b>	<b>1,965,596</b>	<b>254,428,501</b>	<b>290,036,654</b>
<b>C SHAREHOLDERS' EQUITY</b>				
35. Paid up/Assigned share capital	826,811	826,811	826,811	826,811
36. Share premium/(discount)	18,390,507	18,390,507	18,390,507	18,390,507
37. Revaluation reserves - (Buildings)	-	-	875,985	929,217
38. Retained earnings/(Accumulated losses)	6,704,522	7,966,741	33,918,324	39,610,553
39. Statutory loan loss reserves	-	-	5,518,392	5,867,908
40. Other reserves	(39)	762	(374,844)	(175,160)
41. Proposed dividends	-	-	-	-
42. Translation reserve	-	-	(1,416,566)	(1,260,493)
<b>43. TOTAL SHAREHOLDERS' EQUITY</b>	<b>25,921,801</b>	<b>27,184,821</b>	<b>57,738,609</b>	<b>64,189,343</b>
44. Non controlling interest	-	-	3,123,564	3,873,796
<b>45. TOTAL LIABILITIES &amp; SHAREHOLDERS' EQUITY</b>	<b>27,893,974</b>	<b>29,150,417</b>	<b>315,290,674</b>	<b>358,099,793</b>

STATEMENT OF COMPREHENSIVE INCOME	COMPANY		GROUP	
	AUDITED DEC 2019 [KSHS'000]	AUDITED DEC 2020 [KSHS'000]	AUDITED DEC 2019 [KSHS'000]	AUDITED DEC 2020 [KSHS'000]
<b>01. INTEREST INCOME</b>				
1.1 Loans and advances	-	-	22,364,083	21,885,324
1.2 Government securities	24,309	3,036	4,120,736	5,598,805
1.3 Deposits and placements with banking institutions	17,708	26,139	656,440	364,446
1.4 Other interest income	-	-	22,588	-
<b>1.5 Total interest income</b>	<b>42,017</b>	<b>29,175</b>	<b>27,163,847</b>	<b>27,848,575</b>
<b>02. INTEREST EXPENSE</b>				
2.1 Customer deposits	-	-	10,081,560	10,552,655
2.2 Deposits and placements from banking institutions	-	-	542,610	860,925
2.3 Other interest expenses	-	-	1,029,836	835,400
<b>2.4 Total interest expense</b>	<b>-</b>	<b>-</b>	<b>11,654,006</b>	<b>12,248,980</b>
<b>03. NET INTEREST INCOME/ (LOSS)</b>	<b>42,017</b>	<b>29,175</b>	<b>15,509,841</b>	<b>15,599,595</b>
<b>04. OTHER OPERATING INCOME</b>				
4.1 Fees and commissions on loans and advances	-	-	1,867,240	1,927,786
4.2 Other fees and commissions	-	-	2,126,408	2,242,517
4.3 Foreign exchange trading income/ (Loss)	-	-	2,577,518	1,883,939
4.4 Dividend income	351,580	3,377,000	-	-
4.5 Other income	16,866	318	1,714,375	2,583,511
<b>4.6 Total non-interest income</b>	<b>368,446</b>	<b>3,377,318</b>	<b>8,285,541</b>	<b>8,637,753</b>
<b>05. TOTAL OPERATING INCOME</b>	<b>410,463</b>	<b>3,406,493</b>	<b>23,795,382</b>	<b>24,237,348</b>
<b>06. OTHER OPERATING EXPENSES</b>				
6.1 Loan loss provisions	-	-	636,455	2,472,836
6.2 Staff costs	-	-	4,662,868	4,464,503
6.3 Directors' emoluments	-	-	64,830	90,941
6.4 Rentals charges	-	-	423,951	428,732
6.5 Depreciation charge on property and equipment	-	-	821,799	993,125
6.6 Amortisation charges	-	-	343,721	532,741
6.7 Other operating expenses	40,699	31,102	3,143,687	3,623,504
<b>6.8 Total other Operating Expenses</b>	<b>40,699</b>	<b>31,102</b>	<b>10,097,311</b>	<b>12,606,382</b>
<b>07. PROFIT/ (LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS</b>	<b>369,764</b>	<b>3,375,391</b>	<b>13,698,071</b>	<b>11,630,966</b>
08. EXCEPTIONAL ITEMS - SHARE OF PROFIT OF JOINT VENTURE	-	-	905,037	(678,962)
<b>09. PROFIT/ (LOSS) AFTER EXCEPTIONAL ITEMS</b>	<b>369,764</b>	<b>3,375,391</b>	<b>14,603,108</b>	<b>10,952,004</b>
10. Current tax	(5,088)	(4,805)	(4,992,740)	(3,785,094)
11. Deferred tax	-	-	1,158,246	1,245,648
<b>12. PROFIT/ (LOSS) AFTER TAX AND EXCEPTIONAL ITEMS</b>	<b>364,676</b>	<b>3,370,586</b>	<b>10,768,614</b>	<b>8,412,558</b>
13. Non controlling interest	-	-	(459,576)	(338,703)
<b>14. PROFIT/ (LOSS) AFTER TAX, EXCEPTIONAL ITEMS AND NON-CONTROLLING INTEREST</b>	<b>364,676</b>	<b>3,370,586</b>	<b>10,309,038</b>	<b>8,073,855</b>
<b>15. OTHER COMPREHENSIVE INCOME</b>				
15.1 Gains/ (Losses) from translating the financial statements of foreign operations	-	-	(750,519)	317,658
15.2 Fair value changes in financial assets at FVOCI	(3,016)	801	190,557	241,128
15.3 Statutory loan loss reserve	-	-	-	-
15.4 Fair value changes on employee benefits	-	-	(30,681)	(37,519)
15.6 Income tax relating to components of other comprehensive income	-	-	55,708	75,118
<b>16. OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX</b>	<b>(3,016)</b>	<b>801</b>	<b>(534,935)</b>	<b>596,385</b>
<b>17. TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>361,660</b>	<b>3,371,387</b>	<b>10,233,679</b>	<b>9,008,943</b>
<b>18. EARNING PER SHARE - DILUTE &amp; BASIC (KSHS)</b>	<b>0.44</b>	<b>4.08</b>	<b>12.47</b>	<b>9.77</b>
<b>19. DIVIDEND PER SHARE - PROPOSED (KSHS)</b>	<b>2.55</b>	<b>2.25</b>	<b>2.55</b>	<b>2.25</b>

OTHER DISCLOSURES	COMPANY		GROUP	
	AUDITED DEC 2019 [KSHS'000]	AUDITED DEC 2020 [KSHS'000]	AUDITED DEC 2019 [KSHS'000]	AUDITED DEC 2020 [KSHS'000]
<b>01. NON-PERFORMING LOANS AND ADVANCES</b>				
a) Gross Non-performing Loans and advances	-	-	21,310,499	23,595,463
Less	-	-	-	-
b) Interest in suspense	-	-	3,960,897	4,914,559
<b>c) Total Non-performing loans and advances (a-b)</b>			<b>17,349,602</b>	<b>18,680,904</b>
Less	-	-	-	-
d) Loan loss provisions	-	-	8,625,013	10,841,449
<b>e) Net Non Performing Loans (c-d)</b>			<b>8,724,589</b>	<b>7,839,455</b>
f) Discounted value of securities	-	-	8,724,589	7,839,455
<b>g) Net NPLs exposure (e-f)</b>			<b>-</b>	<b>-</b>
<b>02. INSIDER LOANS AND ADVANCES</b>				
a) Directors, shareholders and associates	-	-	3,647,225	3,954,740
b) Employees	-	-	1,822,882	2,109,902
<b>c) Total Insider Loans and Advances</b>			<b>5,470,107</b>	<b>6,064,642</b>
<b>03. OFF-BALANCE SHEET ITEMS</b>				
a) Letters of Credit, Guarantees, Acceptances	-	-	45,778,555	61,730,636
b) Forwards, swaps and options	-	-	56,691,811	7,409,365
c) Other contingent liabilities	-	-	1,605,766	3,198,988
<b>d) Total Contingent liabilities</b>			<b>104,076,132</b>	<b>72,338,989</b>
<b>04. CAPITAL STRENGTH</b>				
a) Core capital	-	-	52,230,009	59,039,782
b) Minimum statutory capital	-	-	1,000,000	1,000,000
<b>c) Excess/ (deficiency)</b>			<b>51,230,009</b>	<b>58,039,782</b>
d) Supplementary capital	-	-	11,694,939	10,555,148
<b>e) Total capital (a+d)</b>			<b>63,924,948</b>	<b>69,594,930</b>
<b>f) Total risk weighted assets</b>			<b>301,217,897</b>	<b>316,791,179</b>
g) Core capital/ Total deposit liabilities	-	-	22.73%	22.48%
h) Minimum statutory ratio	-	-	8.00%	8.00%
<b>i) Excess/ (Deficiency) (g-h)</b>			<b>14.73%</b>	<b>14.48%</b>
j) Core capital/ Total risk weighted assets	-	-	17.34%	18.64%
k) Minimum statutory ratio	-	-	10.50%	10.50%
<b>l) Excess / (Deficiency) (j-k)</b>			<b>6.84%</b>	<b>8.14%</b>
m) Total capital/ Total risk weighted assets	-	-	21.22%	21.97%
n) Minimum statutory ratio	-	-	14.50%	14.50%
<b>o) Excess/ (Deficiency) (m-n)</b>			<b>6.72%</b>	<b>7.47%</b>
p) Adjusted Core Capital/ Total Deposit Liabilities*	-	-	22.50%	22.55%
q) Adjusted Core Capital/ Total Risk Weighted Assets*	-	-	17.16%	18.70%
r) Adjusted Total Capital/ Total Risk Weighted Assets*	-	-	21.04%	22.03%
<b>05. LIQUIDITY</b>				
a) Liquidity ratio	-	-	46.31%	50.51%
b) Minimum statutory ratio	-	-	20.00%	20.00%
<b>c) Excess/ (Deficiency) (a-b)</b>			<b>26.31%</b>	<b>30.51%</b>

\*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	COMPANY		GROUP	
	AUDITED DEC 2019 [KSHS'000]	AUDITED DEC 2020 [KSHS'000]	AUDITED DEC 2019 [KSHS'000]	AUDITED DEC 2020 [KSHS'000]
<b>Net cash generated from / (used in) operating activities</b>	<b>(1,137,172)</b>	<b>3,369,737</b>	<b>11,830,044</b>	<b>(13,633,979)</b>
Cash flows used in investing activities	(430,620)	(894,588)	(3,107,021)	(3,647,609)
Net cash used in financing activities	(1,446)	(2,108,367)	(1,531,603)	(2,395,424)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(1,569,238)</b>	<b>366,782</b>	<b>7,191,420</b>	<b>(19,677,012)</b>
Cash and cash equivalents at beginning of period	1,648,515	79,277	33,957,996	41,149,416
<b>Cash and cash equivalents at end of period</b>	<b>79,277</b>	<b>446,059</b>	<b>41,149,416</b>	<b>21,472,404</b>

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)
<b>At 1 January 2019</b>	<b>413,405</b>	<b>18,805,359</b>	<b>26,931,401</b>	<b>1,718,866</b>	<b>3,005,417</b>	<b>50,874,448</b>
Other comprehensive income	-	-	6,986,923	2,884,101	362,655	10,233,679
Transactions with owners	413,406	(414,852)	-	-	(244,508)	(245,954)
<b>Audited at 31 December 2019</b>	<b>826,811</b>	<b>18,390,507</b>	<b>33,918,324</b>	<b>4,602,967</b>	<b>3,123,564</b>	<b>60,862,173</b>
<b>At 1 January 2020</b>	<b>826,811</b>	<b>18,390,507</b>	<b>33,918,324</b>	<b>4,602,967</b>	<b>3,123,564</b>	<b>60,862,173</b>
Other comprehensive income	-	-	7,740,297	758,505	510,141	9,008,943
Transactions with owners	-	-	(2,048,068)	-	240,091	(1,807,977)
<b>Audited at 31 December 2020</b>	<b>826,811</b>	<b>18,390,507</b>	<b>39,610,553</b>	<b>5,361,472</b>	<b>3,873,796</b>	<b>68,063,139</b>

**Message from the Directors**
**Basis of Preparation**

These financial statements are an extract from audited financial statements for the period ended 31 December 2020 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 30 March 2021 and were signed by Messrs Daniel Ndonge, Dr A N Koigi and Sachit S. Raja Shah.

**Dividend**

The Directors recommend a dividend of KShs. 2.25 per share amounting to KShs. 1,860,324,161 for the year ended 31 December, 2