



***AUDITED CONDENSED
FINANCIAL STATEMENTS
DECEMBER 2019***

I&M HOLDINGS PLC**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2019	COMPANY		GROUP	
	AUDITED	AUDITED	AUDITED	AUDITED
	31-Dec 2019	31-Dec 2018	31-Dec 2019	31-Dec 2018
	KShs '000'	KShs '000'	KShs '000'	KShs '000'
Interest income	42,017	34,441	27,163,847	25,998,868
Interest expense	-	-	(11,654,006)	(10,404,686)
Net interest income	42,017	34,441	15,509,841	15,594,182
Fee and commission income	-	-	3,993,648	3,936,092
Fee and commission expense	-	-	(313,915)	(258,305)
Net fee and commission income	-	-	3,679,733	3,677,787
Revenue	42,017	34,441	19,189,574	19,271,969
Net trading income	4,713	619	3,835,815	3,107,748
Other operating income	363,733	2,875,570	456,078	553,501
Net operating income before change in expected credit losses and other credit impairment charges	410,463	2,910,630	23,481,467	22,933,218
Change in expected credit losses and other credit impairment charges	-	-	(636,455)	(3,807,345)
Net operating income	410,463	2,910,630	22,845,012	19,125,873
Staff costs	-	-	(4,727,698)	(4,108,876)
Premises and equipment costs	-	-	(423,951)	(748,058)
Other expenses	(40,699)	(29,039)	(2,829,772)	(2,769,620)
Depreciation and amortisation expenses	-	(11)	(1,165,520)	(596,849)
Operating expenses	(40,699)	(29,050)	(9,146,941)	(8,223,403)
Operating profit	369,764	2,881,580	13,698,071	10,902,470
Share of profit of Joint Venture	-	-	905,037	595,310
Profit before income tax	369,764	2,881,580	14,603,108	11,497,780
Income tax expense	(5,088)	(5,679)	(3,834,494)	(2,994,423)
Profit for the period	364,676	2,875,901	10,768,614	8,503,357
Other comprehensive income	(3,016)	2,977	(534,935)	(905,276)
Total comprehensive income for the period	361,660	2,878,878	10,233,679	7,598,081
Profit attributable to:				
Equity holders of the company	364,676	2,875,901	10,309,038	7,950,819
Non controlling interest	-	-	459,576	552,538
	364,676	2,875,901	10,768,614	8,503,357
Total comprehensive income attributable to:				
Equity holders of the company	361,660	2,878,878	9,871,024	7,240,716
Non controlling interest	-	-	362,655	357,365
	361,660	2,878,878	10,233,679	7,598,081
Basic and diluted earnings Per share - (KShs)	0.44	3.48	12.47	9.62
Dividends Per share - (KShs) - Final (2018 - Interim)	2.55	1.95	2.55	1.95

I&M HOLDINGS PLC
STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019	COMPANY		GROUP	
	AUDITED	AUDITED	AUDITED	AUDITED
	31-Dec 2019 KShs '000'	31-Dec 2018 KShs '000'	31-Dec 2019 KShs '000'	31-Dec 2018 KShs '000'
ASSETS				
Cash and balances with central banks	-	-	15,385,829	14,867,139
Items in the course of collection	-	-	536,459	764,460
Loans and advances to banks	-	-	43,662,404	33,675,193
Loans and advances to customers	-	-	175,329,426	166,736,729
Financial assets at fair value through profit or loss (FVTPL)	-	-	13,744,048	13,145,126
Financial assets measured at fair value through other comprehensive income (FVOCI)	27,679	133,223	13,109,198	10,853,371
Other financial assets at amortised cost	-	-	27,071,019	28,158,101
Investment in Joint Venture	2,110,591	1,679,971	5,398,545	4,535,205
Investment in subsidiaries	25,662,294	25,662,294	-	-
Property and equipment	-	-	10,152,429	6,724,561
Intangible assets - Goodwill	-	-	3,113,771	3,136,312
Intangible assets - Software	-	-	2,042,907	1,735,882
Prepaid operating lease rentals	-	-	-	246,271
Tax recoverable	5,253	6,347	37,819	126,609
Deferred tax asset	-	-	3,014,836	1,929,345
Due from group companies	79,277	1,648,515	-	-
Other assets	8,880	499	2,691,984	1,887,745
TOTAL ASSETS	27,893,974	29,130,849	315,290,674	288,522,049
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities				
Deposits from banks	-	-	8,005,604	5,647,101
Items in course of collection	-	-	147,321	177,736
Deposits from customers	-	-	229,736,509	213,139,370
Deferred tax liability	-	-	-	-
Tax payable	-	-	894,694	130,130
Due to group companies	1,881,592	1,881,898	-	-
Other liabilities	90,581	1,687,364	4,788,747	4,797,580
Long term debt	-	-	6,210,571	8,246,775
Subordinated debt	-	-	4,645,055	5,508,909
	1,972,173	3,569,262	254,428,501	237,647,601
Shareholders' equity				
Share capital	826,811	413,405	826,811	413,405
Share premium	18,390,507	18,805,359	18,390,507	18,805,359
Retained earnings	6,704,522	6,339,846	33,918,324	26,931,401
Revaluation reserve	-	-	875,985	820,277
Fair value reserve	(39)	2,977	(273,802)	(454,825)
Translation reserve	-	-	(1,416,566)	(766,356)
Statutory credit risk reserve	-	-	5,518,392	2,190,131
Defined benefit reserve	-	-	(101,042)	(70,361)
Equity attributable to owners of the company	25,921,801	25,561,587	57,738,609	47,869,031
Non-controlling interest	-	-	3,123,564	3,005,417
TOTAL SHAREHOLDERS' EQUITY	25,921,801	25,561,587	60,862,173	50,874,448
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	27,893,974	29,130,849	315,290,674	288,522,049

I&M HOLDINGS PLC
AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 2019

	Share capital KShs'000	Share premium KShs'000	Retained earnings KShs'000	Defined benefit reserve KShs'000	Statutory credit risk reserve KShs'000	Revaluation reserve KShs'000	Fair value reserve KShs'000	Translation reserve KShs'000	Total KShs'000	Non-controlling interest KShs'000	Total KShs'000
At 1 January 2019	413,405	18,805,359	26,931,401	(70,361)	2,190,131	820,277	(454,825)	(766,356)	47,869,031	3,005,417	50,874,448
Comprehensive income for the year											
Net profit after tax	-	-	10,309,038	-	-	-	-	-	10,309,038	459,576	10,768,614
Other comprehensive income	-	-	(3,322,115)	(30,681)	3,328,261	55,708	181,023	(650,210)	(438,014)	(96,921)	(534,935)
Total comprehensive income	-	-	6,986,923	(30,681)	3,328,261	55,708	181,023	(650,210)	9,871,024	362,655	10,233,679
Transactions with owners											
Issue of bonus shares	413,406	(413,406)	-	-	-	-	-	-	-	-	-
Dividend issue related cost	-	(1,446)	-	-	-	-	-	-	(1,446)	-	(1,446)
Total transactions with owners for the year	413,406	(414,852)	-	-	-	-	-	-	(1,446)	(244,508)	(245,954)
At 31 December 2019	826,811	18,390,507	33,918,324	(101,042)	5,518,392	875,985	(273,802)	(1,416,566)	57,738,609	3,123,564	60,862,173
	Share capital KShs'000	Share premium KShs'000	Retained earnings KShs'000	Defined benefit reserve KShs'000	Statutory credit risk reserve KShs'000	Revaluation reserve KShs'000	Fair value reserve KShs'000	Translation reserve KShs'000	Total KShs'000	Non-controlling interest KShs'000	Total KShs'000
At 1 January 2018	413,405	18,805,359	22,621,210	(86,105)	2,163,403	805,901	(125,292)	(278,028)	44,319,853	2,695,630	47,015,483
Day one IFRS 9 transition adjustments	-	-	43,723	-	(808,889)	-	(110,672)	-	(875,838)	(34,771)	(910,609)
Deferred tax on IFRS 9 transition adjustments	-	-	210,297	-	-	-	33,202	-	243,499	10,431	253,930
Adjusted balance at 1 January 2018	413,405	18,805,359	22,875,230	(86,105)	1,354,514	805,901	(202,762)	(278,028)	43,687,514	2,671,290	46,358,804
Comprehensive income for the year											
Net profit after tax	-	-	7,950,819	-	-	-	-	-	7,950,819	552,538	8,503,357
Other comprehensive income	-	-	(835,449)	15,744	835,617	14,376	(252,063)	(488,328)	(710,103)	(195,173)	(905,276)
Total comprehensive income	-	-	7,115,370	15,744	835,617	14,376	(252,063)	(488,328)	7,240,716	357,365	7,598,081
Transactions with owners											
Rights issue - I&M Bank (T) Ltd	-	-	-	-	-	-	-	-	-	183,762	183,762
Dividends paid-2017 final	-	-	(1,446,918)	-	-	-	-	-	(1,446,918)	-	(1,446,918)
Dividends declared - 2018	-	-	(1,612,281)	-	-	-	-	-	(1,612,281)	(207,000)	(1,819,281)
Total transactions with owners for the year	-	-	(3,059,199)	-	-	-	-	-	(3,059,199)	(23,238)	(3,082,437)
At 31 December 2018	413,405	18,805,359	26,931,401	(70,361)	2,190,131	820,277	(454,825)	(766,356)	47,869,031	3,005,417	50,874,448

I&M HOLDINGS PLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	COMPANY		GROUP	
	AUDITED 31-Dec 2019 KShs '000'	AUDITED 31-Dec 2018 KShs '000'	AUDITED 31-Dec 2019 KShs '000'	AUDITED 31-Dec 2018 KShs '000'
Net cash flows generated from operating activities	(1,137,172)	4,552,285	11,830,044	30,000,643
Cash flows used in investing activities				
Purchase of property and equipment (excluding right of use assets)	-	-	(1,654,839)	(1,952,270)
Purchase of intangible assets	-	-	(1,026,409)	(1,428,774)
Additional investment in joint venture	(430,620)	-	(430,620)	-
Proceeds from disposal of property and equipment	-	-	4,847	10,582
Acquisition of Youjays Insurance Brokers Limited net of cash and cash equivalents	-	-	-	(273,440)
Net cash used in investing activities	(430,620)	-	(3,107,021)	(3,643,902)
Cash flows from financing activities				
Net outflows from term subordinated debt	-	-	(863,854)	1,018,500
Dividend paid to shareholders of the company	-	(1,612,281)	-	(1,446,918)
Dividend paid to non-controlling interests	-	-	(244,508)	(207,000)
Rights issue - I&M Bank (T) Limited	-	-	-	183,762
Payment of lease liabilities	-	-	(421,795)	-
Capital restructuring costs	(1,446)	-	(1,446)	-
Net cash used in financing activities	(1,446)	(1,612,281)	(1,531,603)	(451,656)
Net increase / (decrease) in cash and cash equivalents	(1,569,238)	2,940,004	7,191,420	25,905,085
Cash and cash equivalents at start of the year	3,092,456	152,452	33,957,996	8,052,911
Cash and cash equivalents at end of the year	1,523,218	3,092,456	41,149,416	33,957,996

OPERATING SEGMENTS

The Group operations are within five geographical segments, Kenya, Tanzania, Rwanda, Uganda and Mauritius. The table below contains segmental information for the year ended 31 December 2019.

	KENYA KShs'000	TANZANIA KShs'000	RWANDA KShs'000	MAURITIUS KShs'000	UGANDA KShs'000	ELIMINATION KShs'000	TOTAL KShs'000
2019							
Net interest income	11,798,315	1,294,729	2,416,797	-	-	-	15,509,841
Net fee commission and other income	7,098,877	381,448	662,350	-	2,636	(173,685)	7,971,626
Results from joint venture	-	-	-	905,037	-	-	905,037
Operating income	18,897,192	1,676,177	3,079,147	905,037	2,636	(173,685)	24,386,504
Operating expenses	(5,448,724)	(893,153)	(1,725,307)	-	(2,618)	88,381	(7,981,421)
Depreciation and Amortisation	(743,671)	(112,901)	(308,936)	-	(12)	-	(1,165,520)
Net impairment losses on loans and advances	(305,595)	(279,641)	(51,219)	-	-	-	(636,455)
Operating expenses	(6,497,990)	(1,285,695)	(2,085,462)	-	(2,630)	88,381	(9,783,396)
Profit before tax	12,399,202	390,482	993,685	905,037	6	(85,304)	14,603,108
Profit after tax	9,005,120	264,900	678,855	898,935	6	(79,202)	10,768,614
Loans and advances to customers	141,543,126	15,225,620	18,560,680	-	-	-	175,329,426
Deposits from customers	195,404,638	13,620,563	20,711,308	-	-	-	229,736,509
Total assets	287,189,138	22,545,831	34,149,852	4,914,959	5,954	(33,515,060)	315,290,674
Total liabilities	206,852,953	18,971,164	29,529,663	1,896	1,306	(928,481)	254,428,501
Capital expenditure	1,510,313	169,583	1,001,352	-	-	-	2,681,248

OPERATING SEGMENTS (Continued)

	KENYA KShs'000	TANZANIA KShs'000	RWANDA KShs'000	MAURITIUS KShs'000	UGANDA KShs'000	ELIMINATION KShs'000	TOTAL KShs'000
2018							
Net interest income	12,065,677	1,148,053	2,380,452	-	-	-	15,594,182
Net fee commission and other income	6,195,731	415,334	772,192	-	2,428	(46,649)	7,339,036
Results from joint venture	-	-	-	595,310	-	-	595,310
Operating income	18,261,408	1,563,387	3,152,644	595,310	2,428	(46,649)	23,528,528
Operating expenses	(5,420,535)	(815,713)	(1,592,233)	-	(2,641)	204,568	(7,626,554)
Depreciation and Amortisation	(360,355)	(71,751)	(164,727)	-	(16)	-	(596,849)
Net impairment losses on loans and advances	(3,416,894)	(267,879)	(122,572)	-	-	-	(3,807,345)
Operating expenses	(9,197,784)	(1,155,343)	(1,879,532)	-	(2,657)	204,568	(12,030,748)
Profit before tax	9,063,624	408,044	1,273,112	595,310	(229)	157,919	11,497,780
Profit after tax	6,591,402	280,627	878,277	595,310	(177)	157,918	8,503,357
Loans and advances to customers	132,319,260	15,304,250	19,113,219	-	-	-	166,736,729
Deposits from customers	176,753,511	14,580,637	21,805,222	-	-	-	213,139,370
Total assets	261,481,343	22,691,036	33,432,347	4,044,858	5,604	(33,133,139)	288,522,049
Total liabilities	190,668,164	19,283,552	28,618,567	1,851	1,000	(925,533)	237,647,601
Capital expenditure	2,210,109	169,583	1,001,352	-	-	-	3,381,044