



# Investor Presentation Q1 2021

9<sup>th</sup> June 2021



# AGENDA



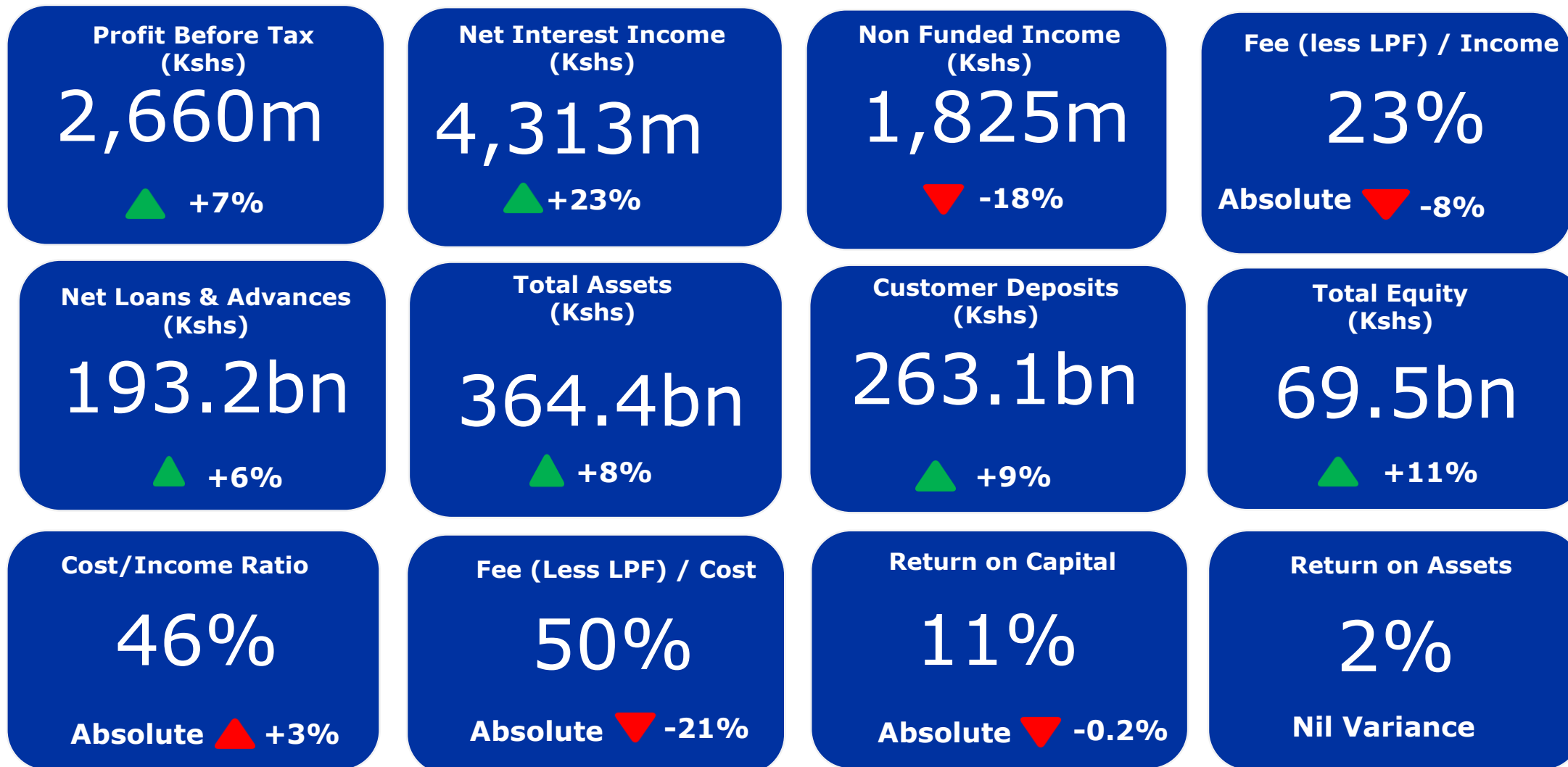
**Part 1: Overview**

**Part 2: Group Consolidated  
Performance: Q1 2021**

**Part 3: Subsidiary Performance  
Q1 2021**

**Part 4: Summary**

# Steady growth recorded year on year, with a focus on maintaining strong liquidity and capital resilience



# Good progress on execution on our iMara2.0 strategy

## iMara 2.0 Strategy





## **Part 2: Group Consolidated Performance: Q1 2021**



# I&M Holdings PLC – PAT up 13% Year on Year

Statement of Comprehensive Income	YTD Mar-20 Kshs Mn	YTD Mar-21 Kshs Mn	Mar 21 vs Mar 20 Y-Y %	Comments
Net Interest Income	3,497	4,313	23%	Growth attributed to increased lending and a better cost of funds.
Non Funded Income	2,217	1,825	-18%	NFI Growth has been subdued by the slow down in business and reduced customer transactions as a result of the pandemic
<b>Total Operating Income</b>	<b>5,714</b>	<b>6,139</b>	<b>7%</b>	
Operating Expenses	2,465	2,804	-14%	The YoY increase is attributed to increased investments in technology and personnel with expected benefits in improved operational efficiencies and better customer experiences
<b>Profit before Loan Loss Provisions</b>	<b>3,249</b>	<b>3,335</b>	<b>3%</b>	
Loan Loss Provisions	555	759	-37%	The provision charge is reflective of the risky credit environment that has been exacerbated by the pandemic impact on the economy
<b>Profit before Share of JV</b>	<b>2,694</b>	<b>2,576</b>	<b>-4%</b>	
Share of Profit from JV	(207)	84	141%	Bank One in Mauritius has reversed its fortunes and has posted a profit as the economy bounces back after lockdown and a lower credit provision.
<b>Profit Before Tax</b>	<b>2,487</b>	<b>2,660</b>	<b>7%</b>	
<b>Profit After Tax</b>	<b>1,663</b>	<b>1,887</b>	<b>13%</b>	

# I&M Holdings PLC – Steady balance sheet growth

Statement of Financial Position	Mar-20 Kshs Mn	Dec-20 Kshs Mn	Mar-21 Kshs Mn	Mar 21 vs Mar 20 Y-Y %	Comments
Cash & Bank Balances	18,994	19,403	14,963	-21%	The YoY growth in Investments and Loans & Advances is supported by the growth in Customer Deposits (despite the tough economic environment) and support from our DFI partners.
Investments & Placements	106,920	120,047	124,340	16%	
Loans & Advances (net)	182,882	187,391	193,159	6%	
Other Assets	27,162	31,258	31,980	18%	
<b>Total Assets</b>	<b>335,957</b>	<b>358,100</b>	<b>364,442</b>	<b>8%</b>	
Customer Deposits	240,729	262,681	263,133	9%	The Group's strategy targeting low costs deposits has proven effective resulting in a better CASA ratio.
Borrowings	11,770	14,773	14,721	25%	
Other Liabilities	20,810	12,582	17,062	-18%	
<b>Total Liabilities</b>	<b>273,309</b>	<b>290,037</b>	<b>294,916</b>	<b>8%</b>	
<b>Shareholders' Funds</b>	<b>62,648</b>	<b>68,063</b>	<b>69,526</b>	<b>11%</b>	Equity build up is on the back of the Group's profitability

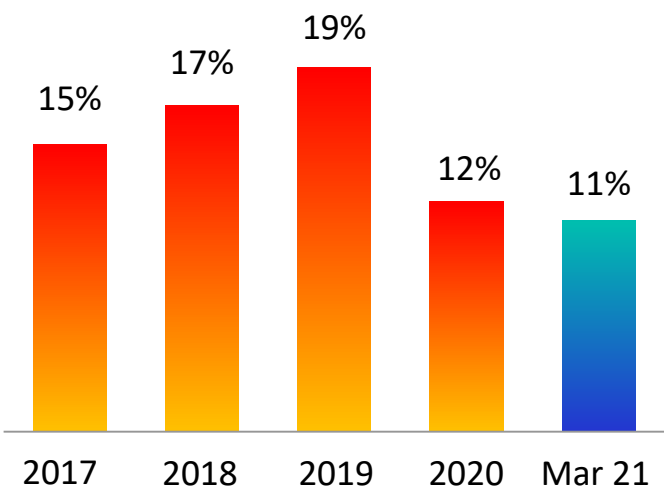
## I&M Holdings PLC – Ratio Analysis: Capital adequacy remains strong

	Mar 20	Dec 20	Mar 21
Liquidity	48%	51%	47%
Cost/Income Ratio	43%	42%	46%
Net NPA	5%	4.2%	5%
Gross NPA	12%	12%	12%
Return on Equity	11%	12%	11%
Return on Assets	2.0%	2.3%	2.0%
Capital Adequacy Ratio	17%	19%	18%
Loan to Deposit Ratio	76%	71%	73%
Cost of Risk	0.3%	1.2%	0.4%



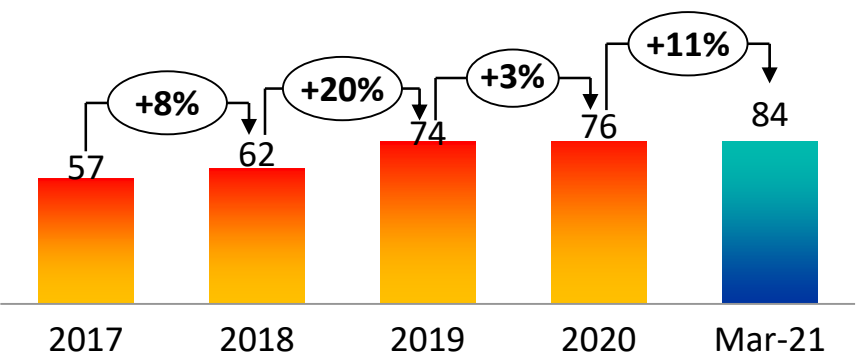
# 5 Year Trend Analysis - Value to Shareholders

## Return on Equity

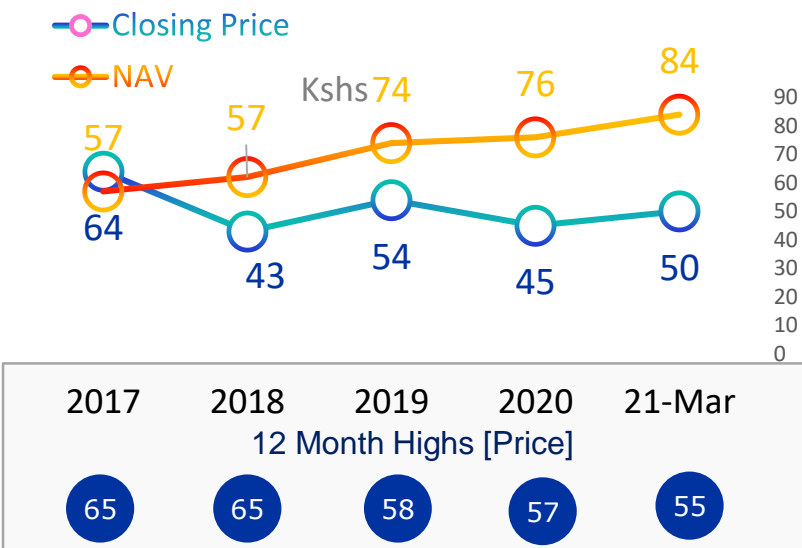


## NAV per Share (Kshs)

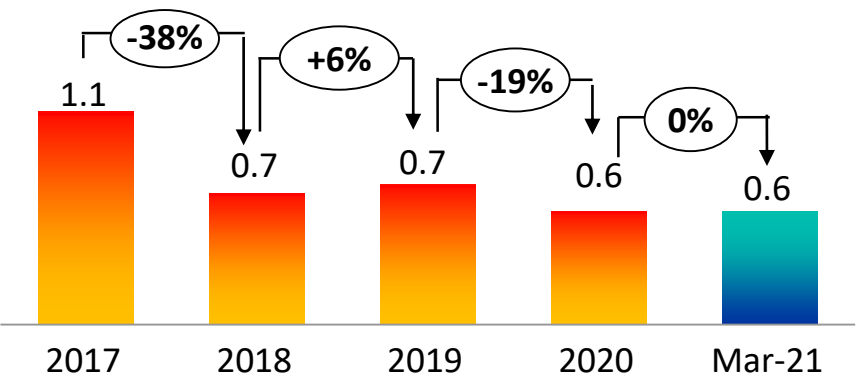
Historical share prices have been indexed (0.5x) to reflect the bonus issue 1:1, effected on 10 May 2019



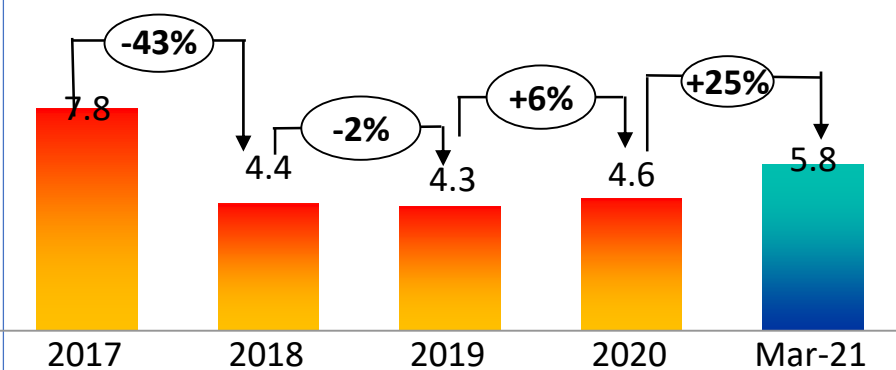
## NAV/Share vs Price/Share



## Price to Book Value Ratio



## Price to Earnings Ratio



-Price per share: As at 31 December 2020

-NAV: Net Asset Value; As at 31 December 2020

## Recent Corporate Actions: Improved share liquidity and name change



**Bonus Shares** – Shareholders approved the bonus issue in the ratio of One (1) ordinary share for every existing ordinary share held, and allotted to shareholders in the Share register as at 10<sup>th</sup> May 2021. This will further improve the liquidity of the share.



**Dividend Payout** – Despite the challenging market environment the Group paid a total dividend of Kshs 1,860,324,161 or Kshs 2.25 per share for the year ended 31<sup>st</sup> December 2020.



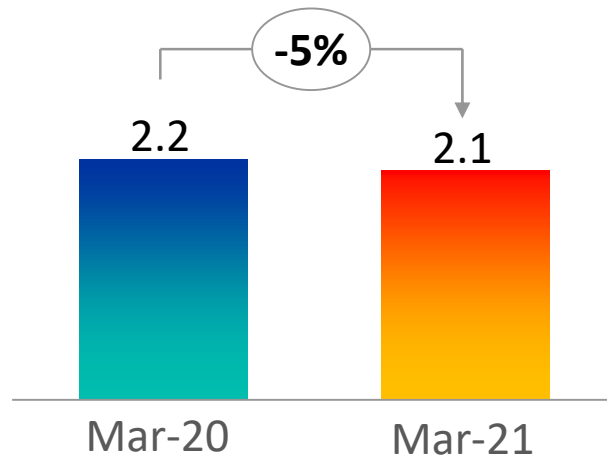
**Change of Name** – The Shareholders approved the Company's change of Name from I&M Holdings Plc to I&M Group Plc to align with market practice and is subject to receipt of the Change of Name certificate. This change of name also comes when the Group is undertaking a rebranding exercise.

## Part 3: Kenya & Subsidiary Performance - Highlights

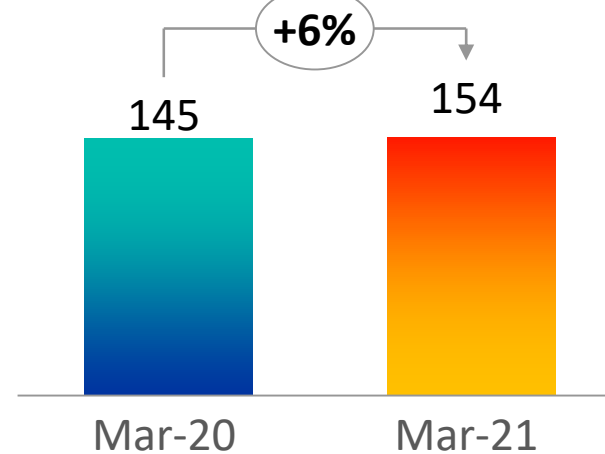


# I&M Bank Kenya – Steady year on year growth

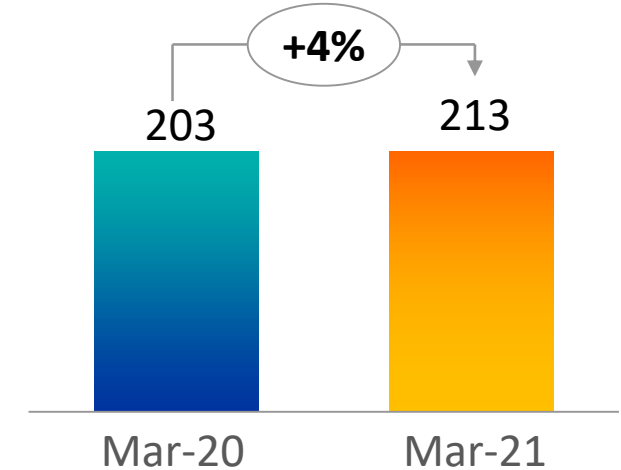
**PBT (Kshs Bn)**



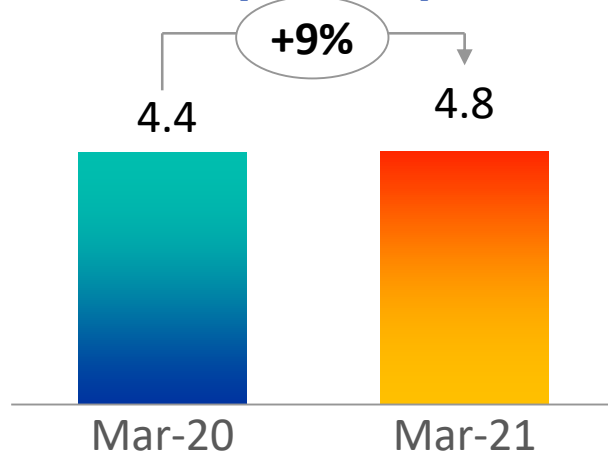
**Loans (Kshs Bn)**



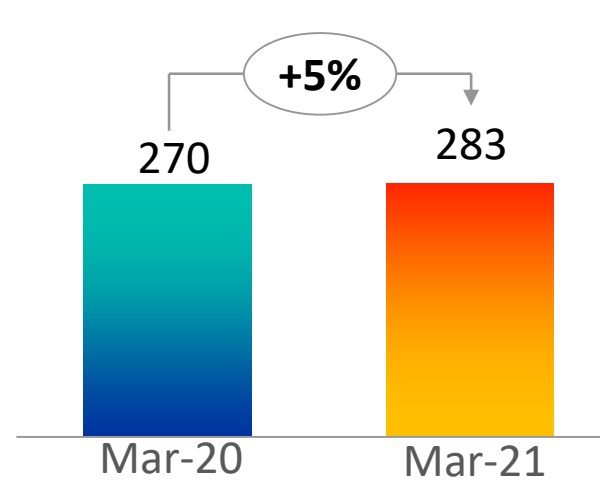
**Deposits (Kshs Bn)**



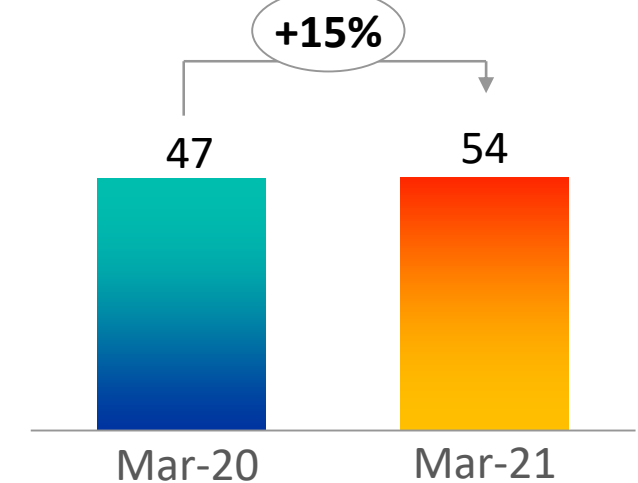
**Net Financial Revenue (Kshs Bn)**



**Assets (Kshs Bn)**



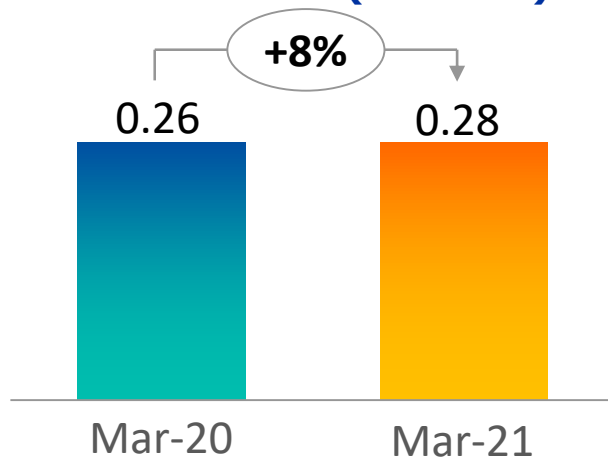
**Equity (Kshs Bn)**



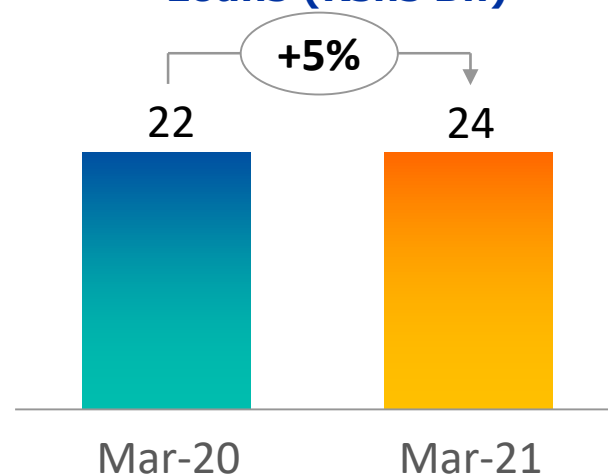


# I&M Bank Rwanda – A good performance and strong liquidity maintained

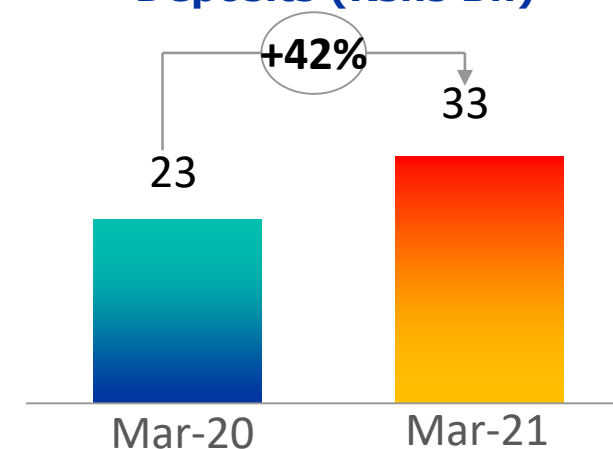
**PBT (Kshs Bn)**



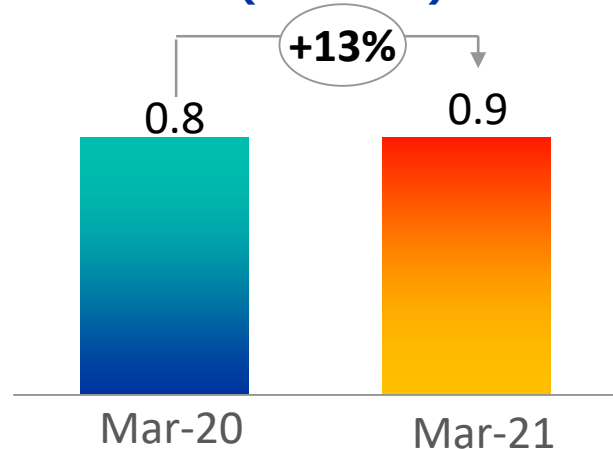
**Loans (Kshs Bn)**



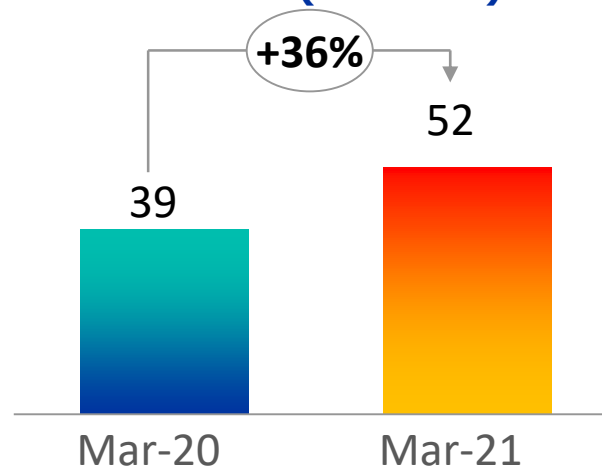
**Deposits (Kshs Bn)**



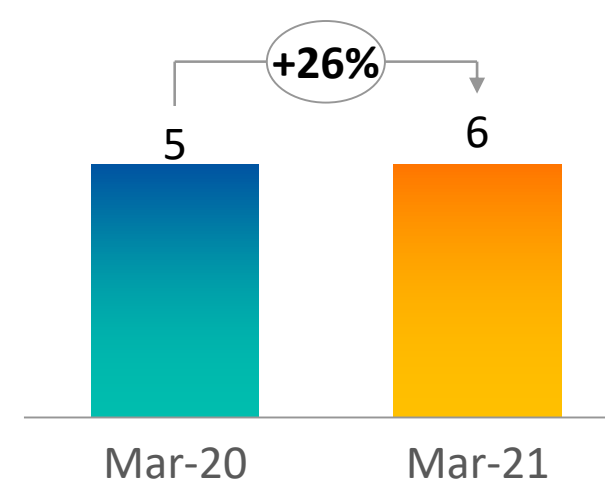
**Net Financial Revenue (Kshs Bn)**



**Assets (Kshs Bn)**

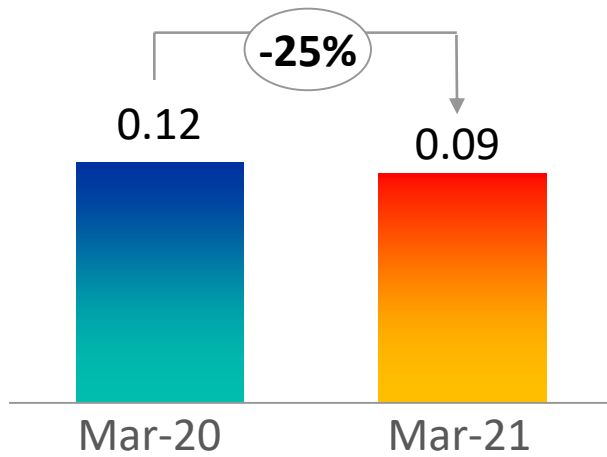


**Equity (Kshs Bn)**

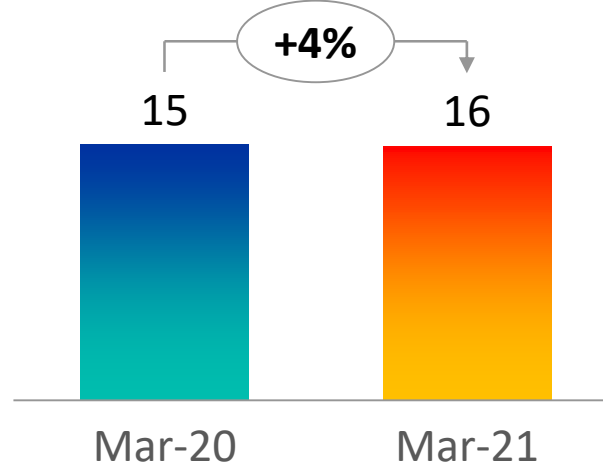


# I&M Bank Tanzania – A satisfactory performance in a difficult operating environment

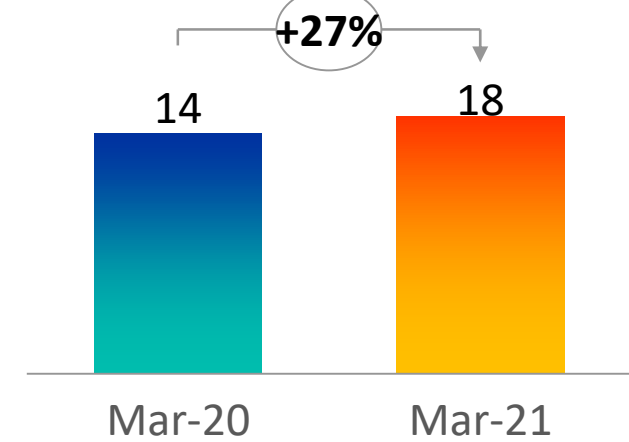
**PBT (Kshs Bn)**



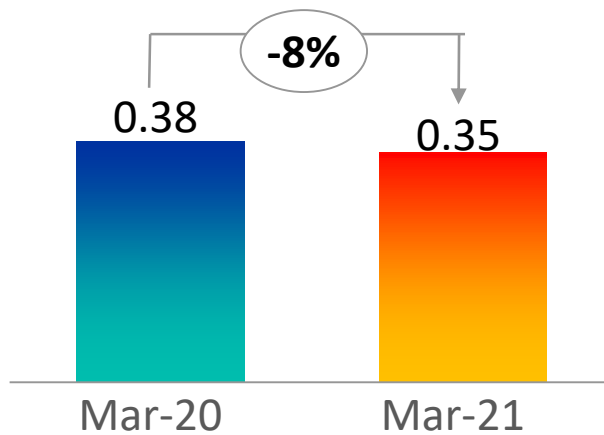
**Loans (Kshs Bn)**



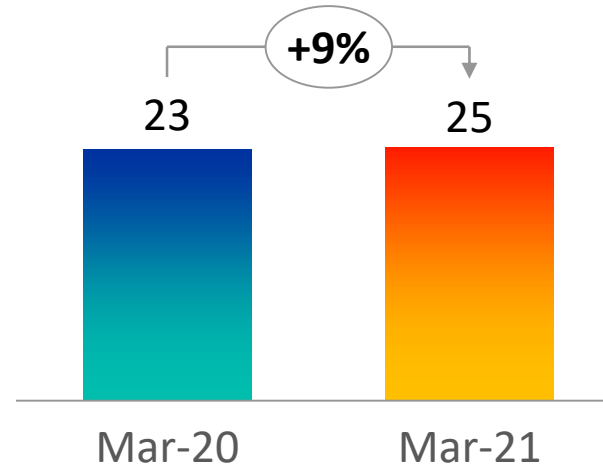
**Deposits (Kshs Bn)**



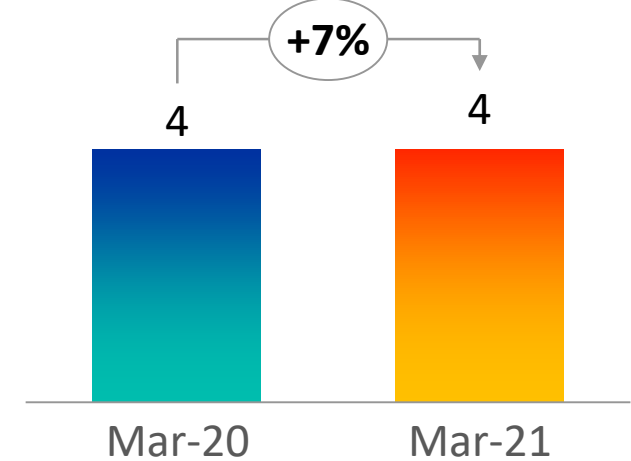
**Net Financial Revenue (Kshs Bn)**



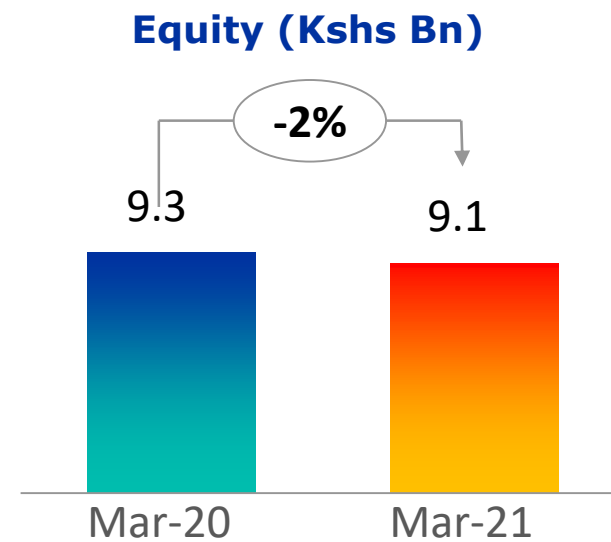
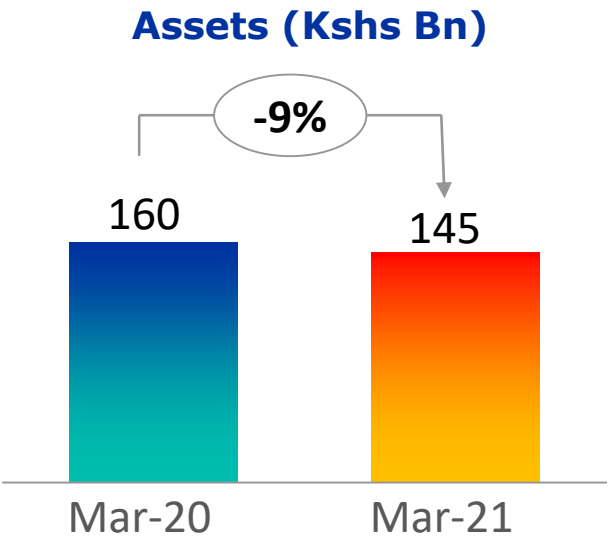
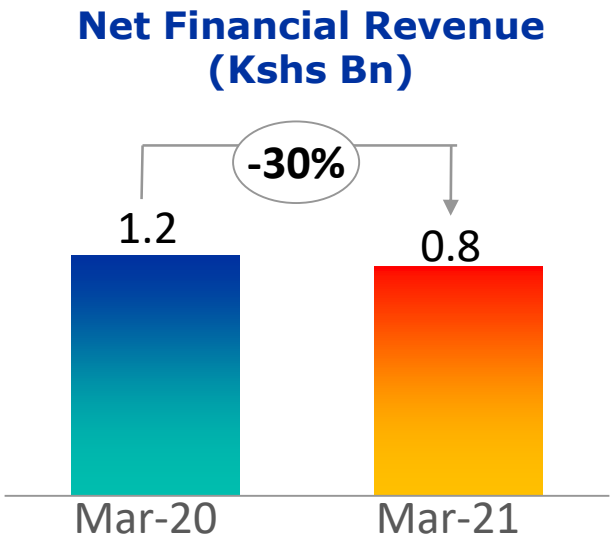
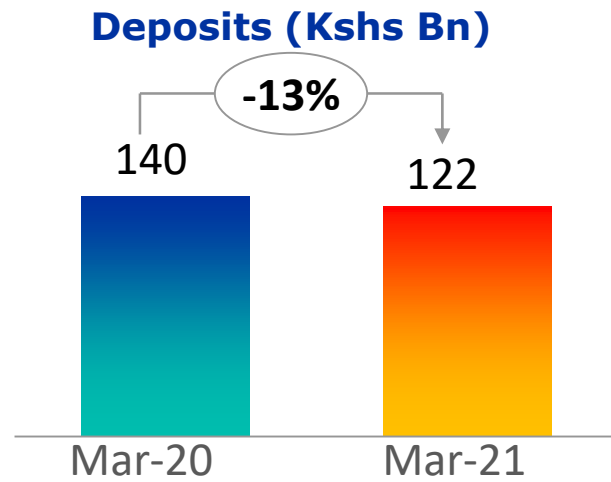
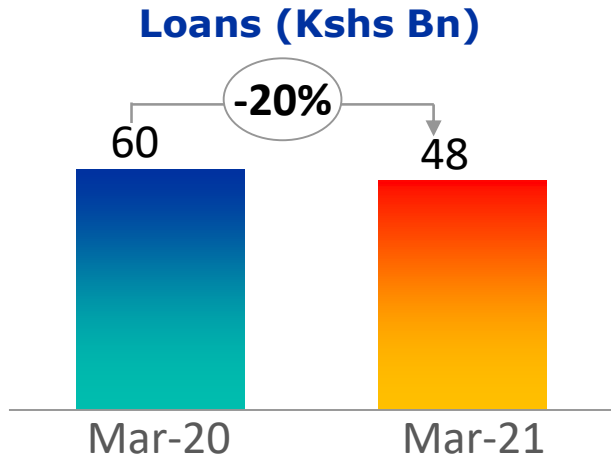
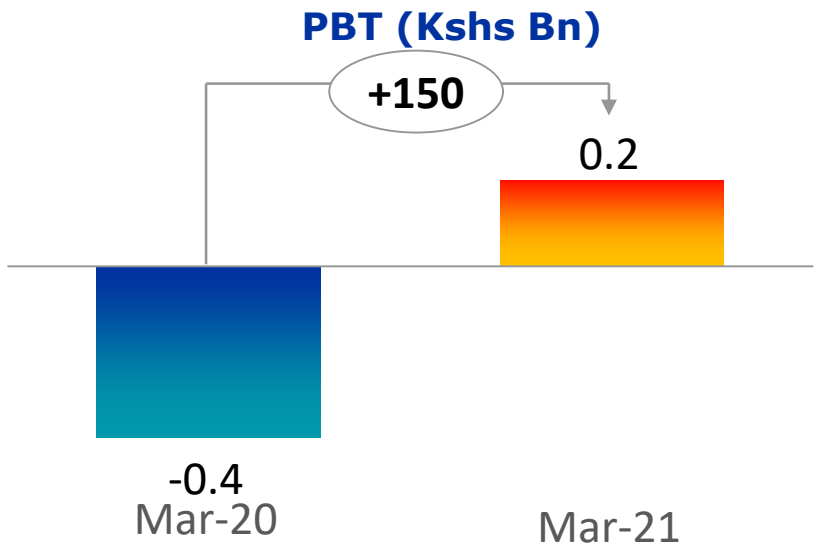
**Assets (Kshs Bn)**



**Equity (Kshs Bn)**



# Bank One Mauritius – A recovery in performance seen as the new business strategy is rolled out



## Part 4: Summary





# Good progress on execution and roll out of key strategic initiatives

KE

- ✓ **Launch of Wealth Management Services**
- ✓ Pilot launch of the **I&M On the Go** project for Corporate and Business Customers
- ✓ Review of current product offering and development of **customer value propositions**
- ✓ The implementation of the new **Operational Risk Management System**

TZ

- ✓ **Digital lending (kamilisha)** went live in March 2021
- ✓ Enterprise Data Warehouse connection is at preliminary stage
- ✓ **Enhanced the enterprise risk management framework**
- ✓ **Enhancement of internet banking (i-click) functionalities** – translation to Swahili version

RW

- ✓ Launch of **Bancassurance**
- ✓ **Instant card issuance** & Introduction of **Contactless ATMs**.
- ✓ Implementation of automated bank wide reconciliation system

MUR

- ✓ The Bank's key focus is on Sub Saharan asset opportunities that leverage the shareholder network.
- ✓ Implementation of 360T to support Treasury is under development with implementation expected in Q3.
- ✓ The **Digital Bank Solution** rollout is expected in Q3

# The acquisition of Orient Bank Limited was completed on 30th April 2021



I&M Group completed the acquisition of 90% of the shareholding of Orient Bank Ltd, Uganda

OBL was founded in 1993 and currently is the 12th largest bank in Uganda out of 25 banks.

Through the acquisition, I&M Group has acquired additional net loan assets of KES 7.7 Billion and deposits of KES 18.2 Billion

The bank has:

- ✓ A customer base of close to 70,000
- ✓ 14 branches
- ✓ 22 ATMs and;
- ✓ A staff component of 340 employees

Through the execution of the integration plan for the OBL into the Group, the Group expects to gain considerable business and operational synergies.

# The Group's outlook is positive



## Performance

The Group will continue to focus on delivery of quality earnings and shareholder value, underpinned by strong capital and liquidity management.



## Regional Business Growth

Focus will be on growing regional businesses as the Group expands in new markets in Eastern Africa aligning all entities with the Group's strategic focus towards diversifying the key sectors of business



## Digital Transformation

There will be continued investments in digital innovation and platforms in the Group's journey towards transformation with the aim to radically improve operational efficiency by automating end-to-end customer processes and building centers of excellence across the region.



## Governance and Regulatory Compliance

The Group will continue to consistently maintain strong corporate governance practices across all I&M entities and ensure compliance with all relevant related regulations.

## Part 5: Appendices





# Banking Subsidiary Performance Highlights

## I&M KE Highlights Mar 2021 Vs Mar 2020

### Reported PBT in KES

2020: 2.2bn

**2021: 2.1bn**

### Net Revenue in KES

2020: 4.4bn

**2021: 4.8bn**

### Cost/Income

2020: 38%

**2021: 41%**

### NFI/Total Income

2020: 39%

**2021: 30%**

### Loans/Deposits

2020: 71%

**2021: 72%**

### Gross NPL Ratio

2020: 13%

**2021: 12.8%**

Figures in Kenyan Shillings

## I&M RW Highlights Mar 2020 Vs Mar 2021

### Reported PBT in KES

2020: 261mn

**2021: 278mn**

### Net Revenue in KES

2020: 755mn

**2021: 872mn**

### Cost/Income

2020: 63%

**2021: 62%**

### NFI/Total Income

2020: 32%

**2021: 18%**

### Loans/Deposits

2020: 98%

**2021: 72%**

### Gross NPL Ratio

2020: 2.1%

**2021: 3.5%**

Figures in Kenyan Shillings

## I&M TZ Highlights Mar 2021 Vs Mar 2020

### Reported PBT in KES

2020: 115mn

**2021: 88mn**

### Net Revenue in KES

2020: 378mn

**2021: 351mn**

### Cost/Income

2020: 68%

**2021: 71%**

### NFI/Total Income

2020: 29%

**2021: 31%**

### Loans/Deposits

2020: 110%

**2021: 90%**

### Gross NPL Ratio

2020: 12.7%

**2021: 14.7%**

Figures in Kenyan Shillings

## Bank One Highlights Mar 2021 Vs Mar 2020

### Reported PBT in KES

2020: -384mn

**2021: 192mn**

### Net Revenue in KES

2020: 1,143mn

**2021: 798mn**

### Cost/Income

2020: 50%

**2021: 70%**

### NFI/Total Income

2020: 30%

**2021: 34%**

### Net Loans/Deposits

2020: 43%

**2021: 39%**

### Gross NPL Ratio

2020: 6.1%

**2021: 9.1%**

Figures in Kenyan Shillings

### Our Purpose

**“To be the partner for Growth for all our Stakeholders”**

### Our Vision



**To Become A Company  
Where The Best People  
Want To Work**



**The First Choice Where  
Customers Want To Do  
Business, And**



**Where Shareholder Are  
Happy With Their  
Investment**

# “Nurture A Culture Of Fairness To Our Partners”

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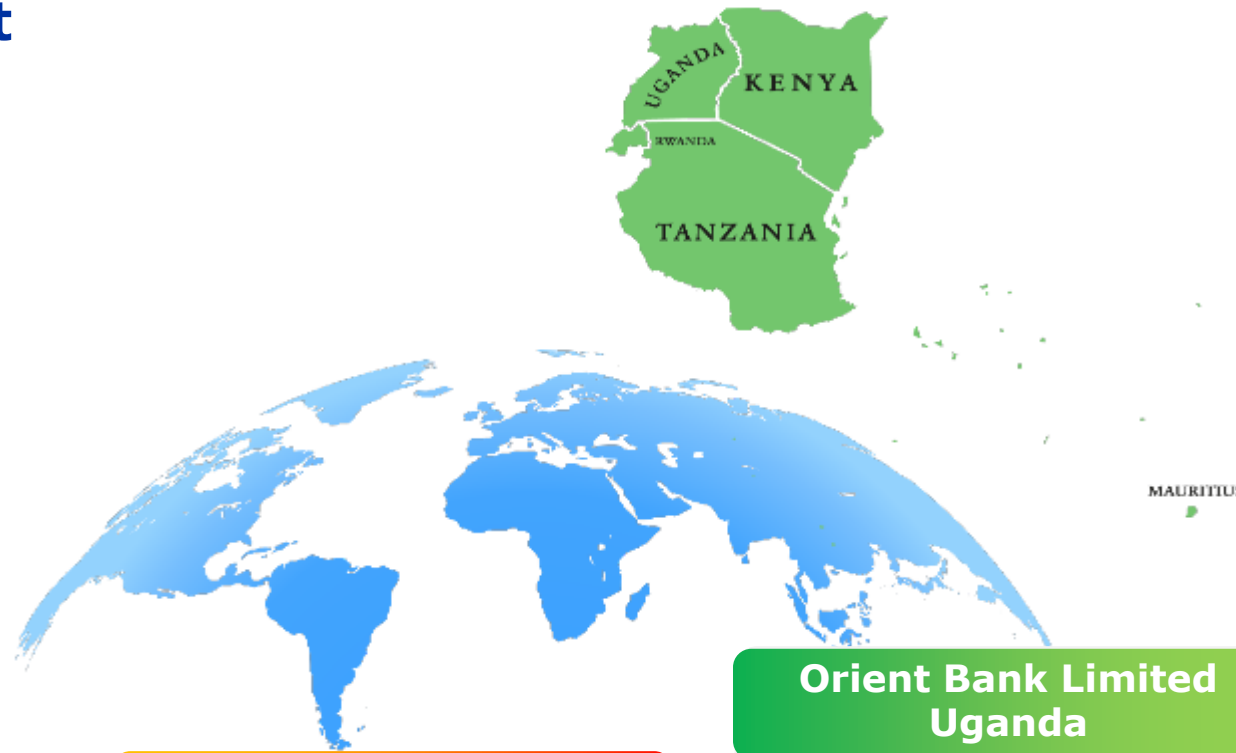
This is with regards to 3 key relationships:

**Employee - Employer**

**Customer - Bank**

**Shareholder - Group**

# Our FootPrint



## I&M Bank (Rwanda) Plc

**Branches** 18  
**ATMs** 31  
**Staff** 373  
**Customers Over** 42,000

## I&M Bank Tanzania Limited

**Branches** 8  
**ATMs** 9  
**Staff** 203  
**Customers Over** 16,000

## Orient Bank Limited Uganda

**Branches** 14  
**ATMs** 22  
**Staff** 340  
**Customers Over** 70,000

## I&M Bank Limited, Kenya

**Branches** 40  
**ATMs** 56  
**Staff** 1,143  
**Customers Over** 140,000

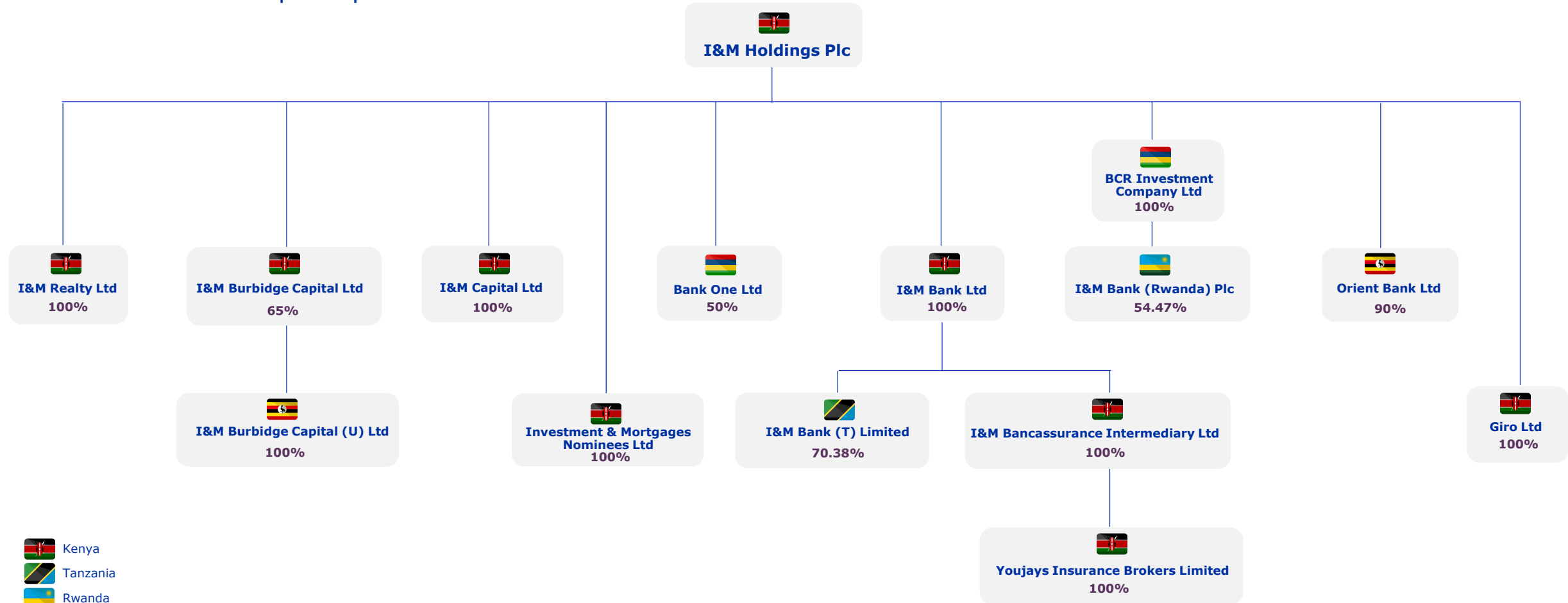
## Bank One Limited

**Branches** 9  
**ATMs** 10  
**Staff** 421  
**Customers Over** 50,000



# Group Legal Organization

The I&M Group comprises of



I&M Holdings Plc is listed Nairobi Securities Exchange (NSE) and  
I&M Bank (Rwanda) Plc is listed on the Rwanda Stock Exchange Limited (RSE)

## Non Banking Subsidiaries



# I&M Foundation

# I&M Burbidge Capital Ltd

## Set Up



The Group set up I&M Foundation in 2019 which spearheads the Group's shared growth agenda in the areas of Environment and conservation, Education and skills training, Economic empowerment and Philanthropy

## Incorporation



Incorporated in May 2010 and is domiciled in the Republic of Kenya.

## Acquisition



I&M Group acquired 65% shareholding in August 2016.

## Advisory Services



IMBC advises businesses in the East Africa region on significant capital raising through IPOs, private equity, debt and mergers & acquisition transactions.

## Regulation



Regulated by the Capital Markets Authority (CMA) as an Investment Advisor

## Branch Network



IMBC has a wholly owned subsidiary domiciled in Uganda – I&M Burbidge Capital (U) Limited which was incorporated in April 2012.

## Staff



Staff force of 11

# I&M Realty Ltd

# I&M Bancassurance Intermediary Ltd

## Incorporation



Incorporated on 30th October 2014 as a limited liability company in Kenya. Commenced operations in November 2015  
The company is a wholly owned subsidiary of I&M Holdings.

## Real Estate



It is the real estate holding company of I&M Group. The principal activity of the company is to lease its properties for rental.

## Property



Currently owns 3 properties – I&M Tower, Kenyatta Avenue, 1 Park Avenue, Limuru Road , and Eldama Park (former Giro HO).

## Incorporation



Incorporated on 23 July 2014 as a limited liability company in Kenya and commenced operations on 1 August 2014.

## Advisory Services



Acts as the Group's Bancassurance entity –aimed at pprovision of insurance agency services.

## Products



Offers a wide range of insurance products and insurance advisory services in partnership with leading insurance companies in the market.

## Regulation



The company is regulated by Insurance Regulatory Authority under the Insurance Act (Cap 487) of the Laws of Kenya.

## Subsidiary



Is a wholly owned subsidiary of I&M Bank Limited

## Staff



Staff force of 20 dedicated to this unit



## I&M Nominees Ltd

### Incorporation



I&M Nominees Ltd is a private limited company incorporated in 19 July 1993.

### Acquisition



The Company was previous a wholly owned subsidiary of GA Investments Ltd. It was acquired by IMHP in 2020

### Business



It is an investment intermediary that supports I&M Bank customers in making investments.

## I&M Capital Ltd

### Incorporation



Incorporated in 1963.

### Acquisition



Acquired by I&M following the reverse takeover of City Trust Limited and changed its name to I&M Capital Limited on July 21, 2015.

### Status



The Company has since acquired a Fund Manager license in May 2021 and is in the process of commencing operations

## Giro Limited

### Incorporation



Incorporated in 18 December 1992.

### Acquisition



Formerly Giro Commercial Bank Limited a full-fledged commercial bank licensed by the CBK was acquired by I&M Group in February 2017.

### Status



The Company is currently in the process of being revived to provide asset finance facilities



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The Financial results of the Group can be sourced from the link <https://www.imbank.com/about-us/i-and-m-holdings/investor-relations/financial-results>



**Thank You**