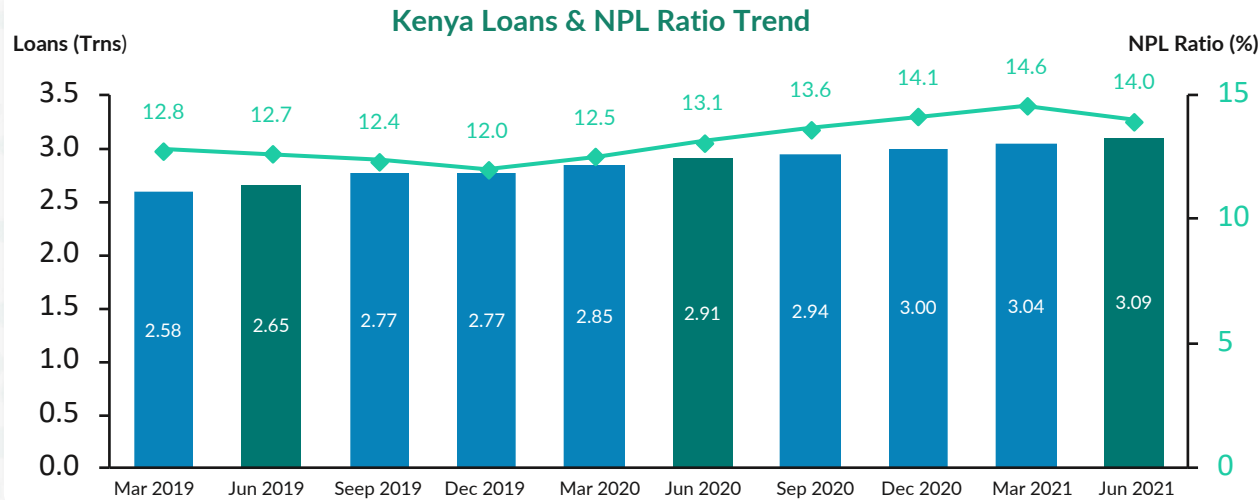
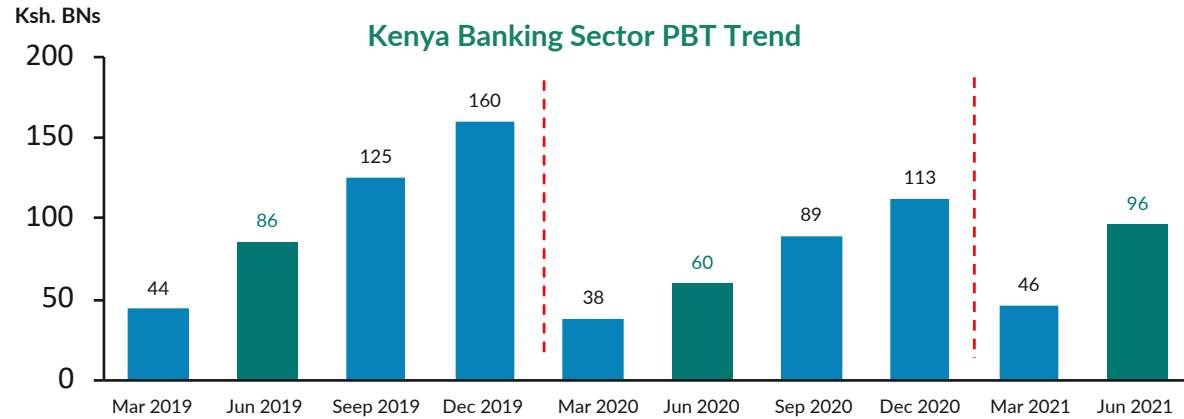




# Investor Presentation Review of the Half Year to 30/6/2021

2021 | SEPTEMBER

# The economic outlook is more positive and the Banking sector showing signs of recovery



## Sub Saharan Africa Overview

- The Sub Saharan economy is projected to grow at a rate between 3.4% and 2.8% in 2021 following a 2.4% decline in 2020 supported by recovering commodity prices and improving economic activity following the re-opening of most economies. However, key risk still remain.<sup>2</sup>
- Following a depreciation of currencies in 2020, most currencies have been seen to recover with Kenya gaining by 1.2%. The Mauritius Rupee is the worst performer YTD given the low economic activity and the structure of its economy<sup>3</sup>.
- Africa's appetite for foreign-denominated debt has increased in recent times with the latest issuers during the first half of 2021 with Kenya and Rwanda having raised USD 1.6Bn cumulatively
- Sub-Saharan Africa (SSA) stock markets recorded a mixed performance in H1'2021, with most of the markets recording positive returns, attributable to foreign investors' activities as they looked for higher returns. The Kenya stock market performing index had YTD June 2021 gain of 15.4% while the Rwandese stock market remained stable year on year<sup>3</sup>.

Source:

1: IMF report: Drawing Further Apart: Widening Gaps in the Global Recovery July 27, 2021, 2: World Bank Group; Global Economic Prospects; June 2021

## Our business continues to perform well

Profit Before Tax (Kshs)

5,869m

+31% ↑

Net Interest Income (Kshs)

8,866m

+28% ↑

Net Loans & Advances (Kshs)

204.5bn

+11% ↑

Customer Deposits (Kshs)

276.8bn

+10% ↑

Cost/Income Ratio

48%

Absolute +3% ↑

Return on Capital

12%

Absolute 1% ↑

We have also seen the industry recognize our great customer service and overall solutions

Bank One scores a double win for “best international banking services” and “best custodian bank”



I&M Rwanda recognized as the best bank (2021) in the Country





## Strategic Highlights

# The iMara 2.0 strategy remains our roadmap towards our aspiration...





# Launch of Rwanda's MSME Banking showing a strong start...

Rwanda's MSME banking product is tailored towards elevating the market of microbusinesses, small and medium sized enterprises (MSMES) continues to perform well.



Customers  
>1,000



## Avg. Customer Deposit

On average, deposits are growing by Kshs 46Mn per month. Deposits growth is attributed to the increase in new customers.

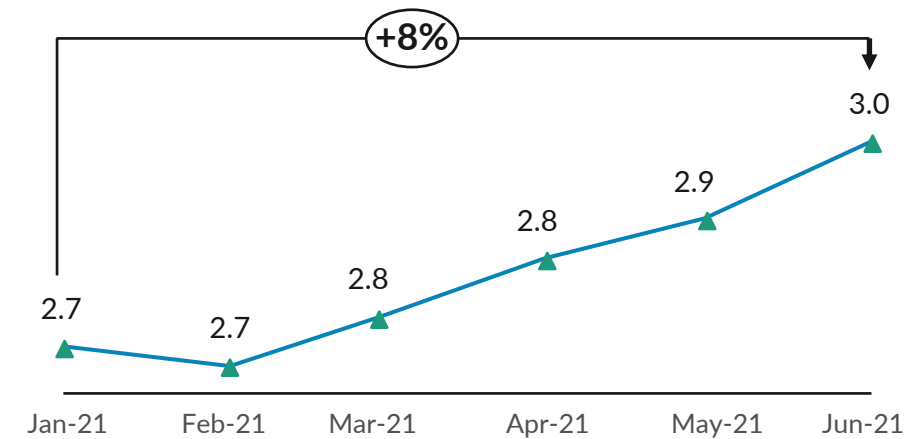


## Loans & Advances

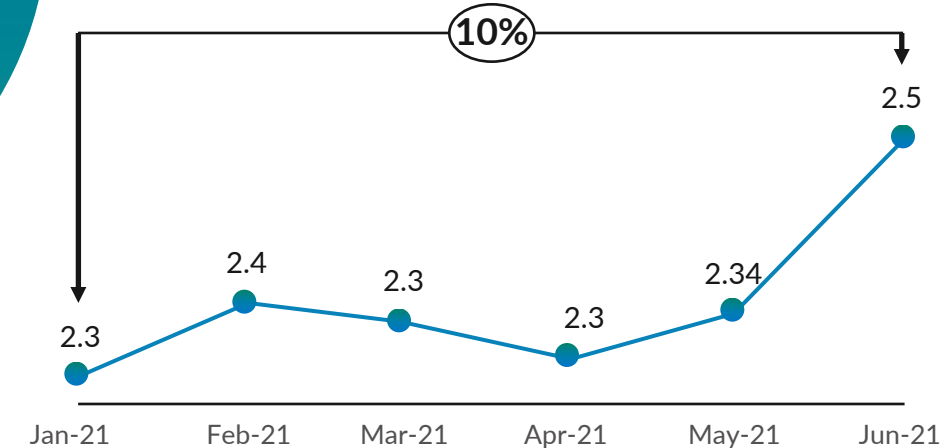
On average, currently the Portfolio is growing by Kshs 50Mn per month

Strategy Highlights  
Under our driving growth  
pillar, we continue to  
diversify our products and  
services...

Loans and Advances (Kshs Bn)



Total Deposits (Kshs Bn)



# We have launched Wealth Management Services in Kenya...

- I&M Capital is a fully owned subsidiary of I&M Group PLC
- It is regulated by the Capital Markets Authority and holds a Fund Management license
- The wealth management department will focus on the following:

Financial planning

Estate Planning

Investment Advisory

Tax Advisory

**Strategy Highlights: Under our driving growth pillar, we continue to diversify our products and services...**

We will target our client base within the personal and premium banking space with the **following products:**

- **Local Government Bonds** - Trading on the primary and secondary markets
- **Sovereign Bonds**
- **Offshore Investments in collaboration with Bank One, Mauritius** - ETFs, Indices and major market equities
- **Leverage products** - Borrowing against existing facilities in KES and USD
- **Money market fund (KES.)**

## Key Progress to Date:

- ✓ Local Government Bonds - Started trading from 1st July 2021
- ✓ Sovereign Bonds - Started trading from 1st July 2021
- ✓ Offshore Investments - Currently setting up relationships
- ✓ Leverage products - Product approved. Training to begin soon for internal staff
- ✓ Money market fund (KES.) - Product approved. Currently completing set up. Expected launch date is 1st October 2021

# We continue to build our digital services across the region...

## Kenya Launches I&M On the Go

Though the Bank's redesigned app and web platform, On the Go, our customers are now able to enjoy our services and convenience at the touch of a button. Most of our Retail Customers have already received communication inviting them to self-register on the platform.



**Strategy Highlights: Under our driving growth pillar, we continue to diversify our products and services...**

## Digital Progress Update

### Whatsapp Banking

- Rwanda: WhatsApp Banking successfully rolled out in July 2021.
- Tanzania: Phase 2 of the WhatsApp Banking currently under development. Phase 1 has been up and running since Dec 2020.

### Mobile lending in partnership with Airtel & YABX

- Rwanda: Commercials have been concluded. Technical integration ongoing between Airtel System and CRB (Credit Reference Bureau). Expected Go-Live date is planned for Q4 2021.
- Tanzania: Product went live. Current discussions ongoing to pilot with Debt Collection Agencies to improve on collection rates.



# We are gearing up our ESG Focus...

## Sustainability in the DNA of One Park Head-Office Building.

1 Park office is fitted with Integrated Photovoltaic Glass Roof



I&M saved 16,405 KGs of carbon-dioxide( CO2) as at June 2021



9,234 KGs of waste was collected from Jan-June & 70% was recycled. This translates to a saving of 19,050 KGs of Green House Gases (GHG) emissions



The recycling program at One Park saves the amount of CO2 equivalent to the forest area of 26 football pitches. Literally, by recycling

## Rwanda's First Green Building



The buildings roofing is overlaid with solar paneling which allows the bank to use solar energy resources to provide power requirements



Use of siphonic drainage system allows the building to capture and reuse rainwater including for drinking and usage within the building



The brick façade used on the building exterior is designed to reduce heat generation within the building



The window installations are concave in shape which deflects direct heat from the sun and helps to cool down the interior of the building without the need of excessive Air Conditioning

**Strategy Highlights: We have incorporated corporate responsibility in the design of our buildings. Likewise, under our I&M Foundation, we continue to positively impact the community and environment**

## I&M Foundation's key strategic pillars



Environment Conservation



Economic Empowerment



Education & Skills Development



Enable Giving



## Economic Empowerment

Through the Maa Trust Programme, we continue to **empower 579 Maasai women** in the Mara to enhance their environmentally sustainable livelihoods, cushioning them from the effects of Covid 19 pandemic as well as improving their attitudes towards conservation.



## Environmental Conservation

I&M Foundation is inculcating a culture of environmental conservation and sustainable management of resources among young learners in **172 learning institutions in Narok and Kilifi Counties** in Kenya



# Group Consolidated Performance (Unaudited): HY 2021



## PAT up 33% Year on Year while we have invested in digitization and new staff skill sets

Statement of Comprehensive Income	YTD Jun-20 Kshs Mn	YTD June-21 Kshs Mn	Jun 21 vs Jun 20 Y-Y %	Comments
Net Interest Income	6,919	8,866	28%	Attributed by growth in loan book, increased income from government securities and reduction in interest expense.
Non Funded Income	4,213	3,944	-6%	Reduced Loan processing fees, treasury income and reduced bond trading income
<b>Total Operating Income</b>	<b>11,132</b>	<b>12,809</b>	<b>15%</b>	
Operating Expenses	5,024	6,155	22%	Digitization costs and investment in staff in key support areas.
<b>Profit before Loan Loss Provisions</b>	<b>6,108</b>	<b>6,654</b>	<b>9%</b>	
Loan Loss Provisions	1,031	1,053	2%	Modest increase yoy due to continued monitoring of the loan book portfolio.
<b>Profit before Share of JV</b>	<b>5,077</b>	<b>5,602</b>	<b>10%</b>	
Share of Profit from JV	(580)	268	146%	Recoveries and improved top line revenues
<b>Profit Before Tax</b>	<b>4,497</b>	<b>5,870</b>	<b>31%</b>	
<b>Profit After Tax</b>	<b>3,190</b>	<b>4,250</b>	<b>33%</b>	Improved performance based on growth in net interest margin and Kshs 284M Orient Bank Uganda contribution.

## There has been steady balance sheet growth

Statement of Financial Position	Jun-20 Kshs Mn	Dec-20 Kshs Mn	Jun-21 Kshs Mn	Jun 21 vs Jun 20 Y-Y %	Comments
Cash & Bank Balances	19,068	19,403	21,527	13%	Cash balances reflecting strong liquidity [48%] as reflected on the yoy growth in government securities.  Loans growth due to increased lending to private sector and contribution from Orient Bank Uganda.
Investments & Placements	107,483	120,047	120,564	12%	
Loans & Advances (net)	184,565	187,391	204,458	11%	
Other Assets	29,523	31,258	36,022	22%	
<b>Total Assets</b>	<b>340,640</b>	<b>358,100</b>	<b>382,571</b>	<b>12%</b>	
Customer Deposits	252,484	262,681	276,755	10%	Customer deposits growth due to focus on CASA. Borrowings is largely due to tier one debt from IFC (5B) to support SME sector.
Borrowings	9,977	14,773	18,629	87%	
Other Liabilities	16,110	12,582	17,101	6%	
<b>Total Liabilities</b>	<b>278,570</b>	<b>290,037</b>	<b>312,486</b>	<b>12%</b>	
<b>Shareholders' Funds</b>	<b>62,070</b>	<b>68,063</b>	<b>70,085</b>	<b>13%</b>	



## Capital adequacy and other key ratios remain strong

	Jun 20	Dec 20	Jun 21
Liquidity	47%	51%	48%
Cost/Income Ratio	45%	42%	48%
Net NPA	4.4%	4.2%	3.7%
Gross NPA	12%	12%	11%
Return on Equity	11%	12%	12%
Return on Assets	2.1%	2.3%	2.2%
Capital Adequacy Ratio	16%	19%	16%
Loan to Deposit Ratio	73%	71%	74%
Cost of Risk	1.1%	1.2%	1.0%

# Kenya continues to be the major contributor to Group, with some good growth seen in subsidiary results

	I&M KE Highlights June 2021 Vs June 2020		I&M RW Highlights June 2020 Vs June 2021		I&M TZ Highlights June 2021 Vs June 2020		Bank One Highlights June 2021 Vs June 2020		Orient Bank Ltd Highlights June 2021 Vs June 2020	
	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Reported profit / (loss) before tax in KES	4.5bn	4.3bn	0.4bn	0.6bn	0.2bn	0.2bn	(1.3)bn	0.7bn	0.1bn	0.4bn
Net Revenue in KES	8.6bn	9.7bn	1.5bn	1.8bn	0.8bn	0.8bn	2.1bn	1.8bn	0.9bn	1.0bn
Cost/Income	39%	42%	66%	60%	70%	76%	52%	66%	68%	64%
NFI to Income	41%	31%	15%	13%	33%	28%	29%	42%	33%	47%
Loans/Deposits	68%	74%	99%	83%	102%	89%	47%	55%	47%	41%
Gross NPL Ratio	13.0%	13.4%	2.5%	3.9%	14.2%	11.7%	8%	4%	21%	9%





# Outlook

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# We remain positive about the medium term outlook and will continue to invest in our business

Profit Before Tax (Kshs)

5,869m

+31% ↑

Net Interest Income (Kshs)

8,866m

+28% ↑

Net Loans & Advances (Kshs)

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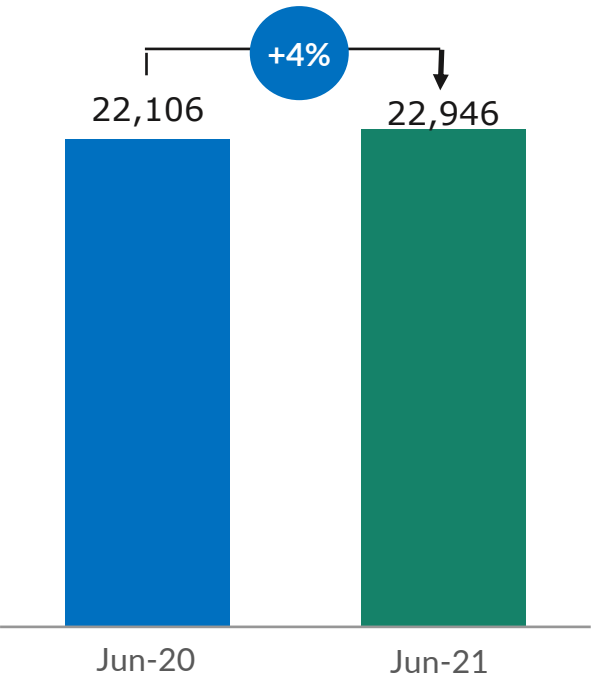
# Appendices

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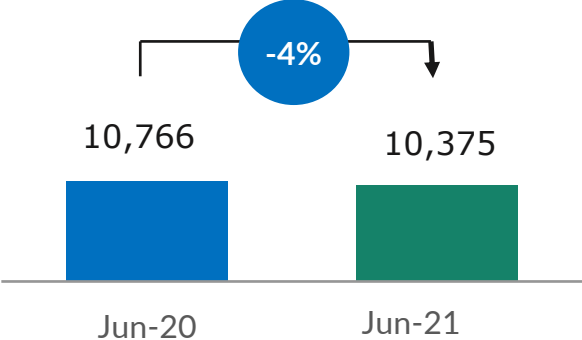
# Group Consolidated Loans & Advances and NPLs

Gross NPLs

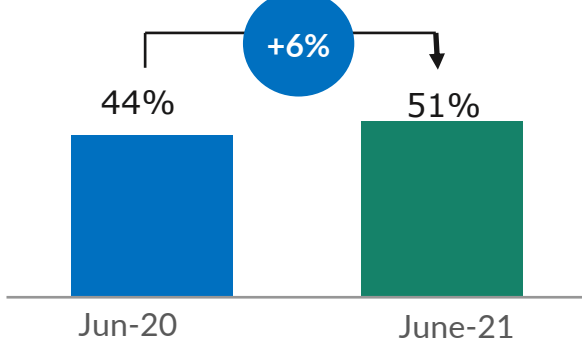


Gross NPA	12%	11%
Net NPA	4.4%	3.7%

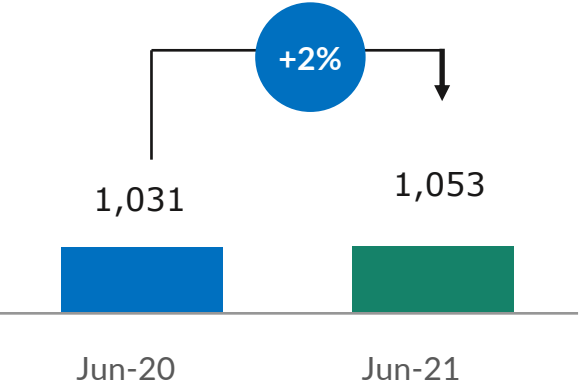
Interest on Advances



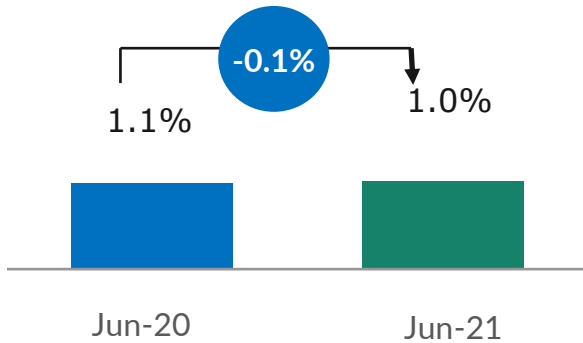
Coverage Ratio



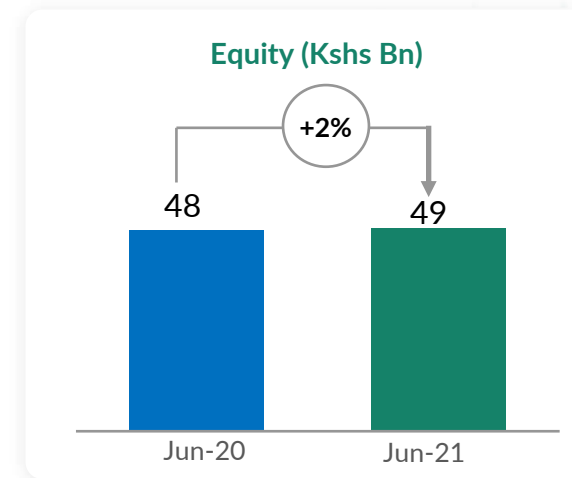
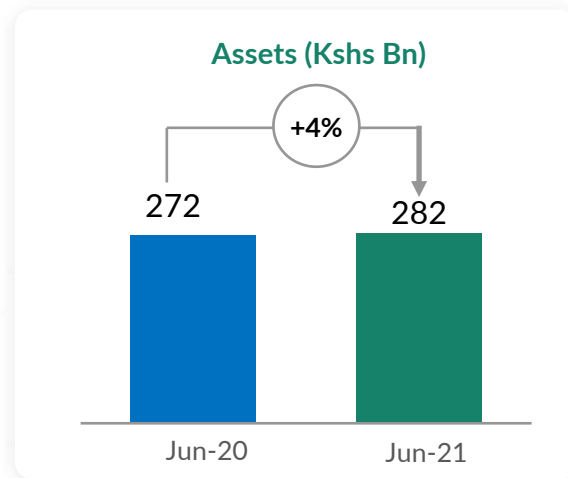
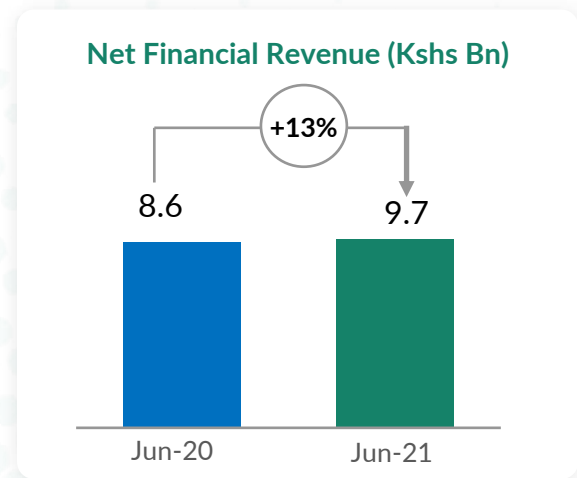
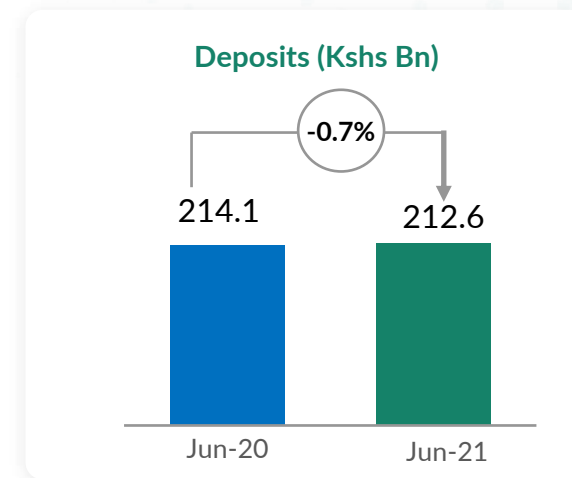
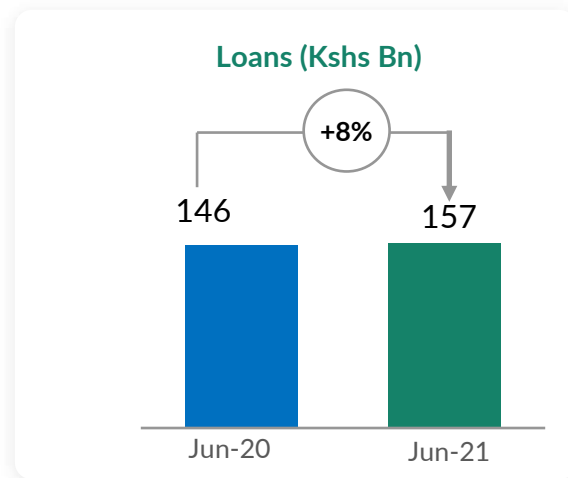
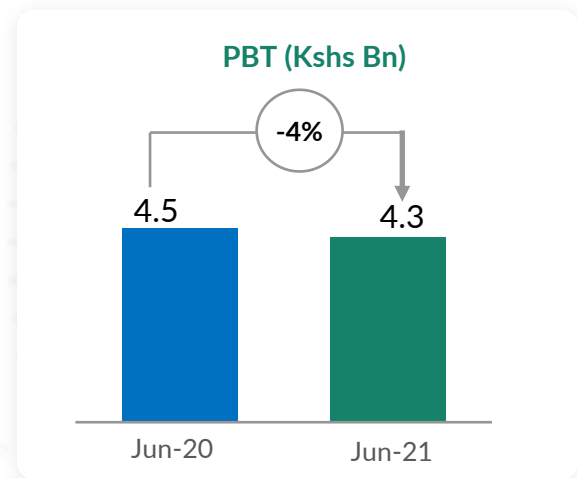
Loan Loss Provisions



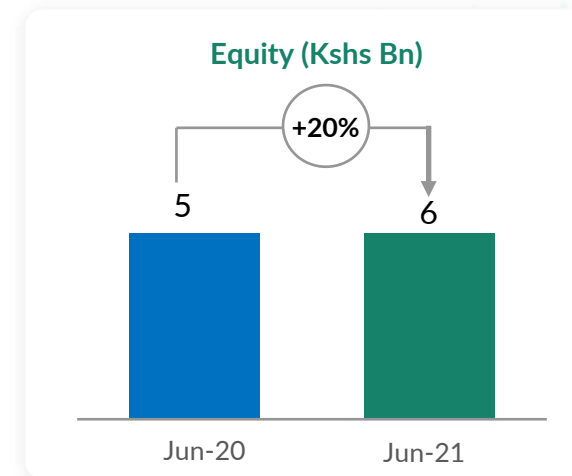
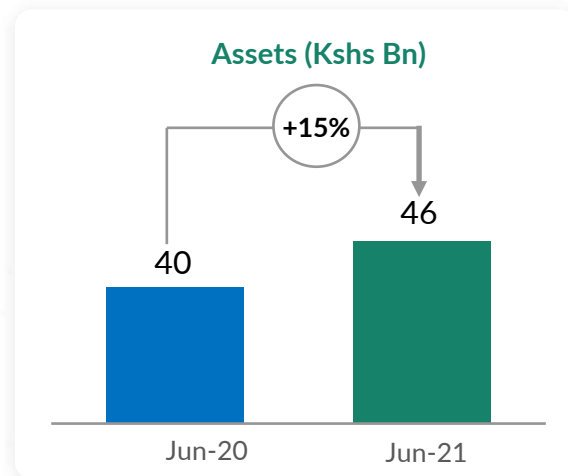
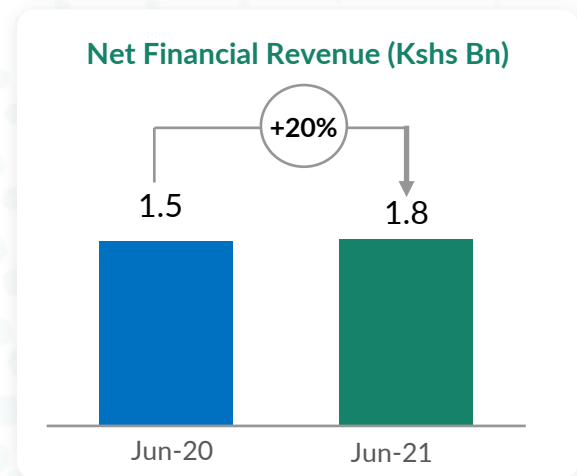
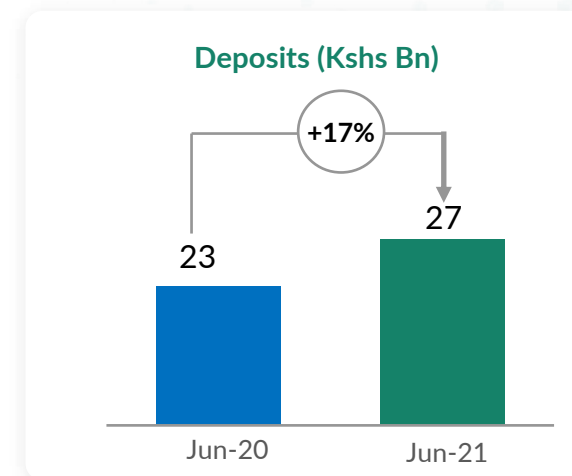
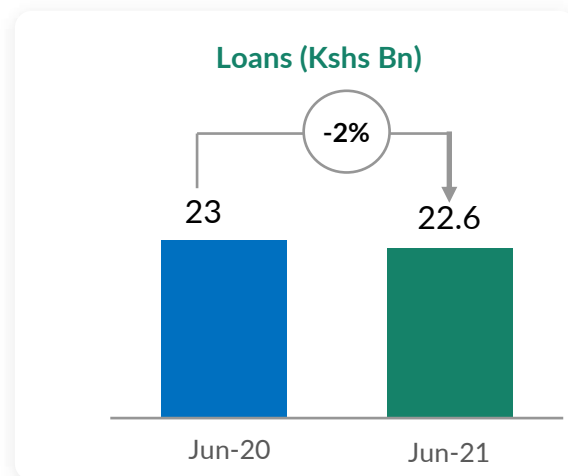
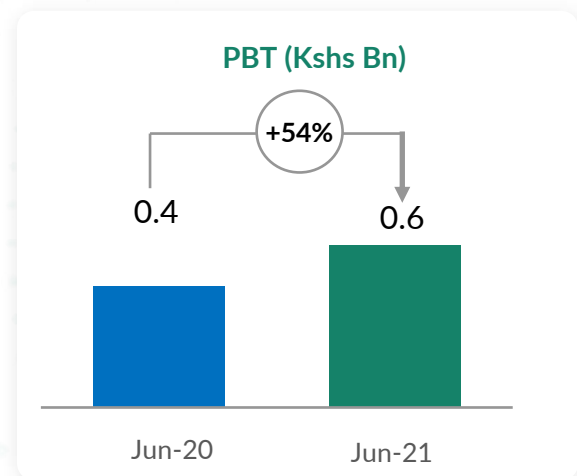
Cost of Risk



# I&M Bank, Kenya: Steady year on year performance



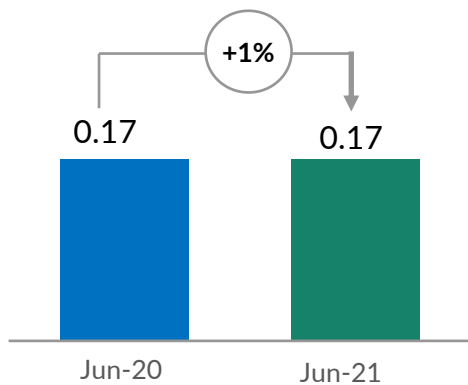
# I&M Bank, Rwanda: A good performance and strong liquidity maintained



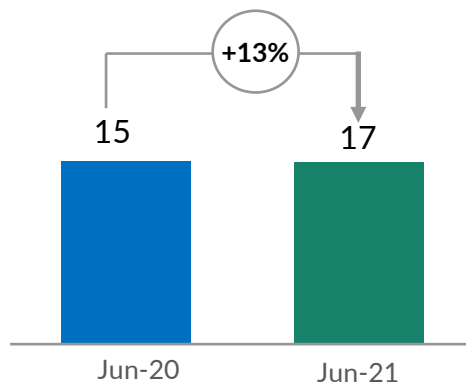


# I&M Bank, Tanzania: A satisfactory performance in a difficult operating environment

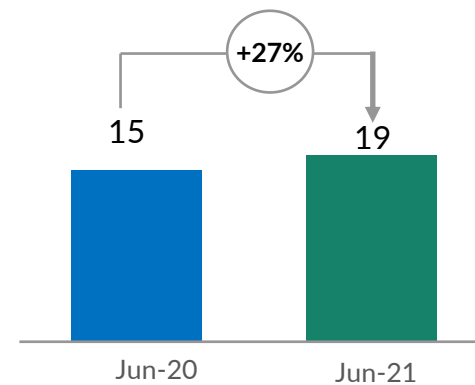
PBT (Kshs Bn)



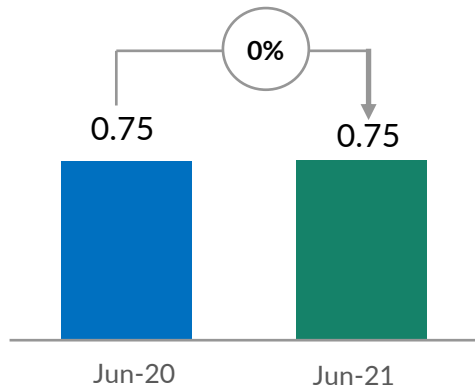
Loans (Kshs Bn)



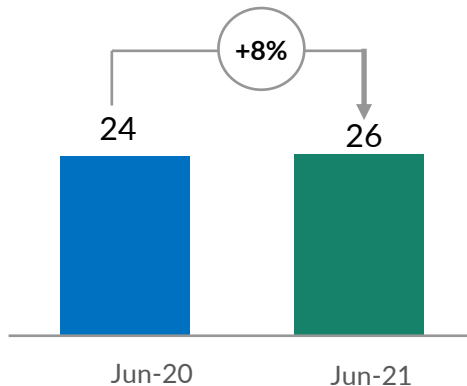
Deposits (Kshs Bn)



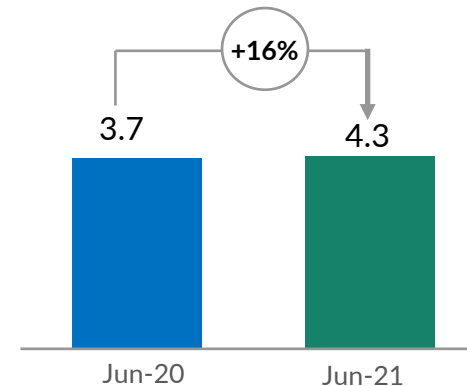
Net Financial Revenue (Kshs Bn)



Assets (Kshs Bn)

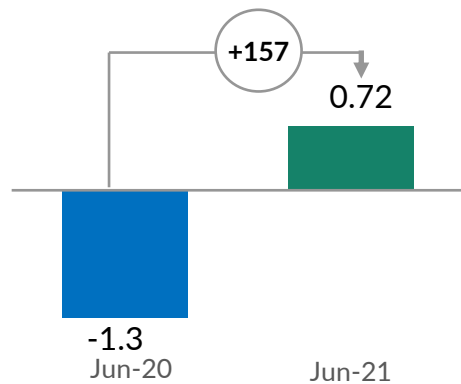


Equity (Kshs Bn)

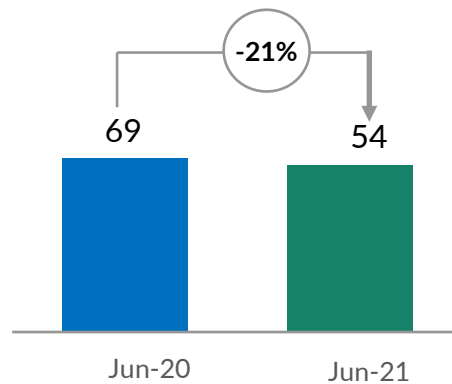


# Bank One, Mauritius: New business strategy has resulted in a recovery in performance

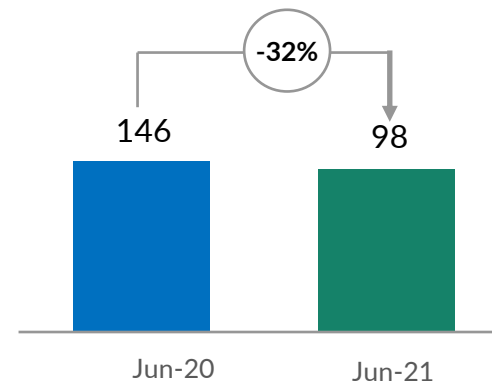
Profit/(Loss) before tax (Kshs Bn)



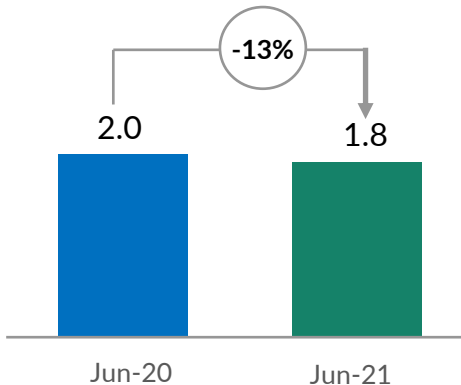
Loans (Kshs Bn)



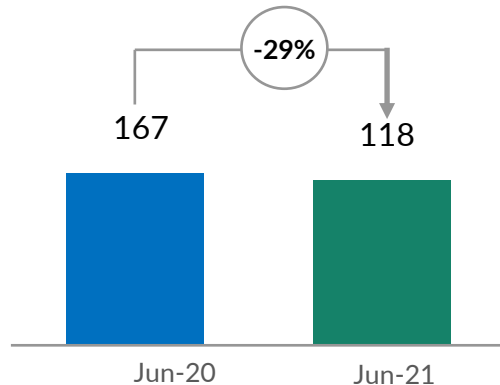
Deposits (Kshs Bn)



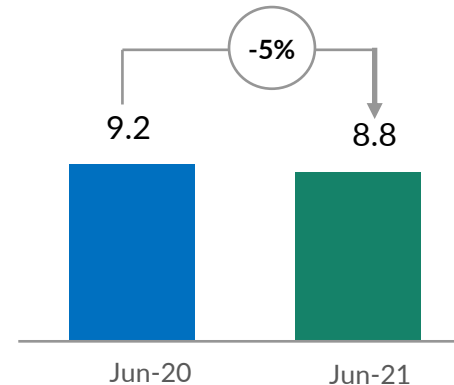
Net Financial Revenue (Kshs Bn)



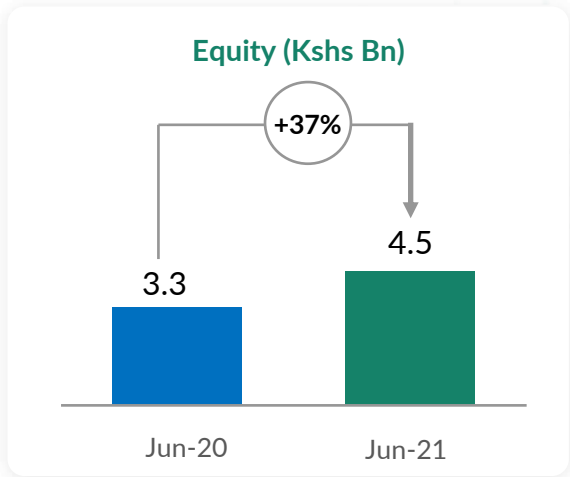
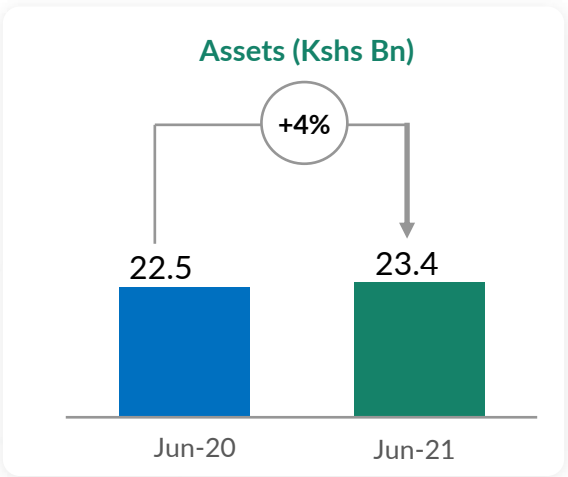
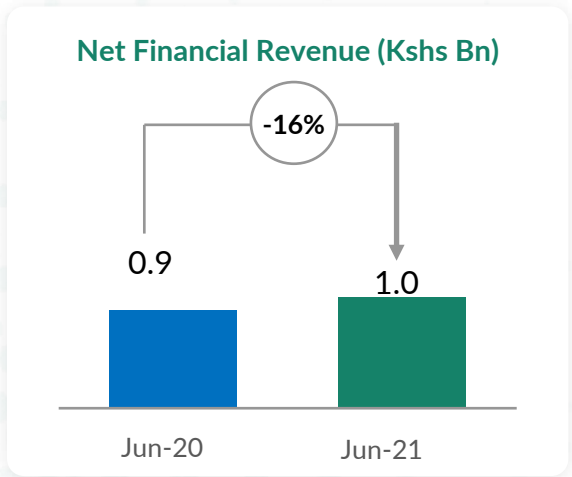
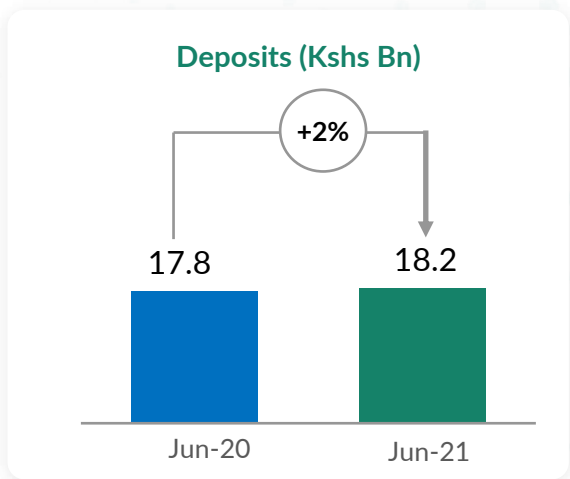
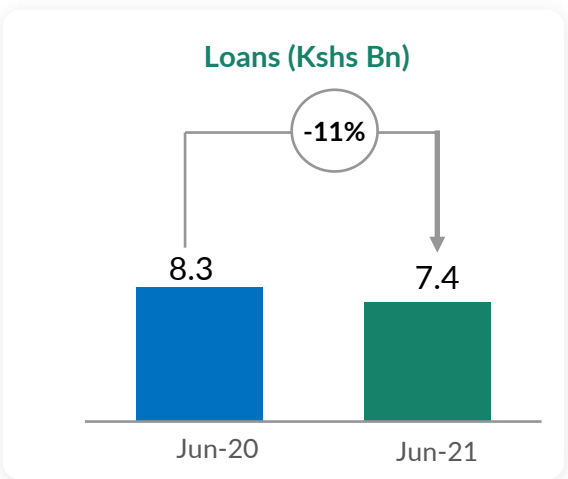
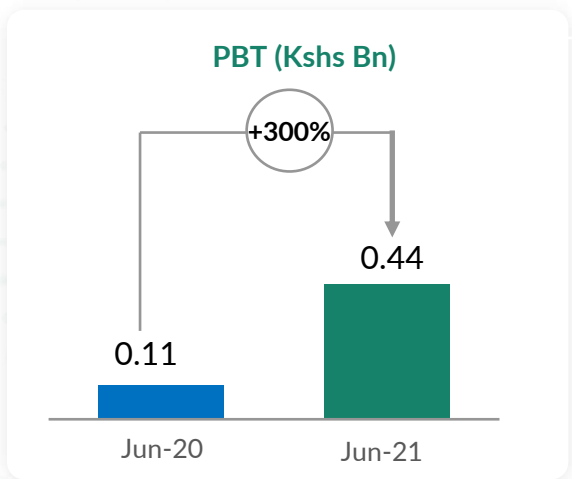
Assets (Kshs Bn)



Equity (Kshs Bn)



# Orient Bank Limited, Uganda: Showing positive growth





## The Group's Ambition

### Our Aspiration

To be Eastern Africa's Leading Financial Partner for Growth

### Our Vision

To become a company where:

- ✓ the best people want to work
- ✓ the first choice where customers want to do business and
- ✓ where shareholders are happy with their investment

### Our Mission

To become partners of growth for all our stakeholders by:

- ✓ Meeting our customers expectations
- ✓ Motivating and developing every employee and
- ✓ Enhancing shareholder value

## Brand Promise

# We Are On Your Side

## Our Core Values



Mutual Respect



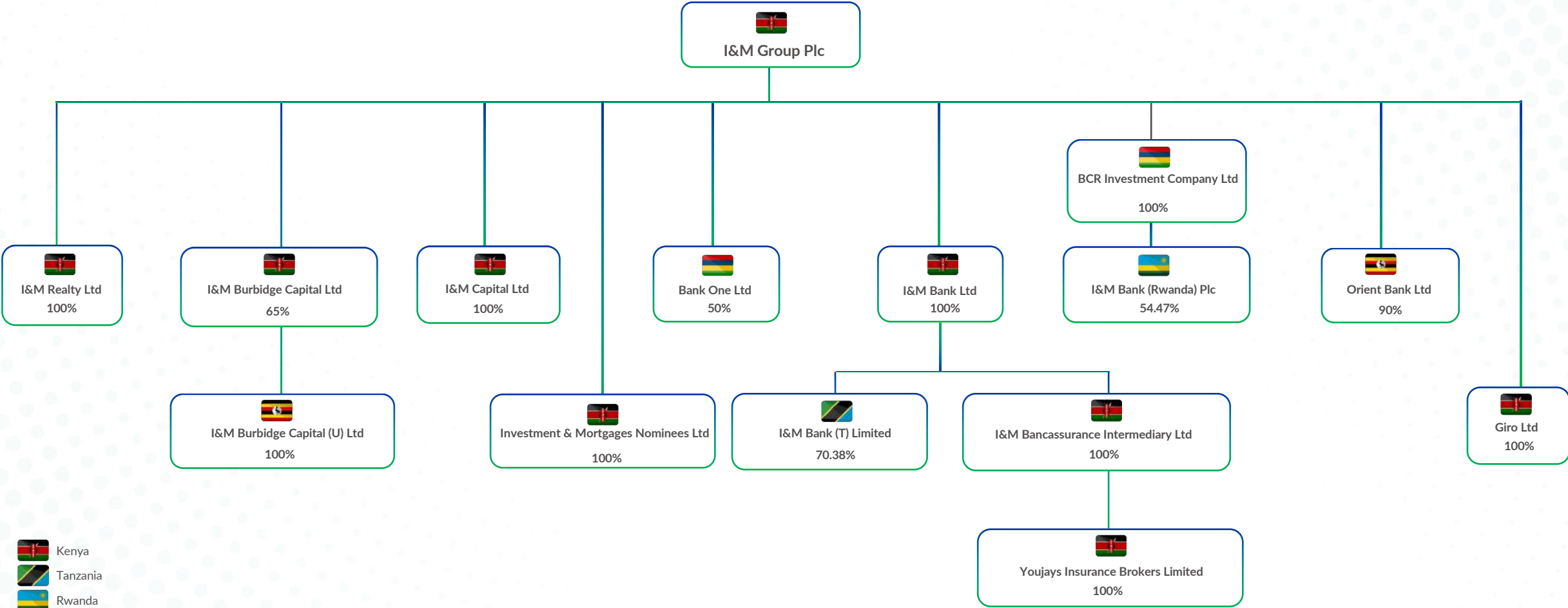
Fairness








Innovativeness



# Group Legal Organization

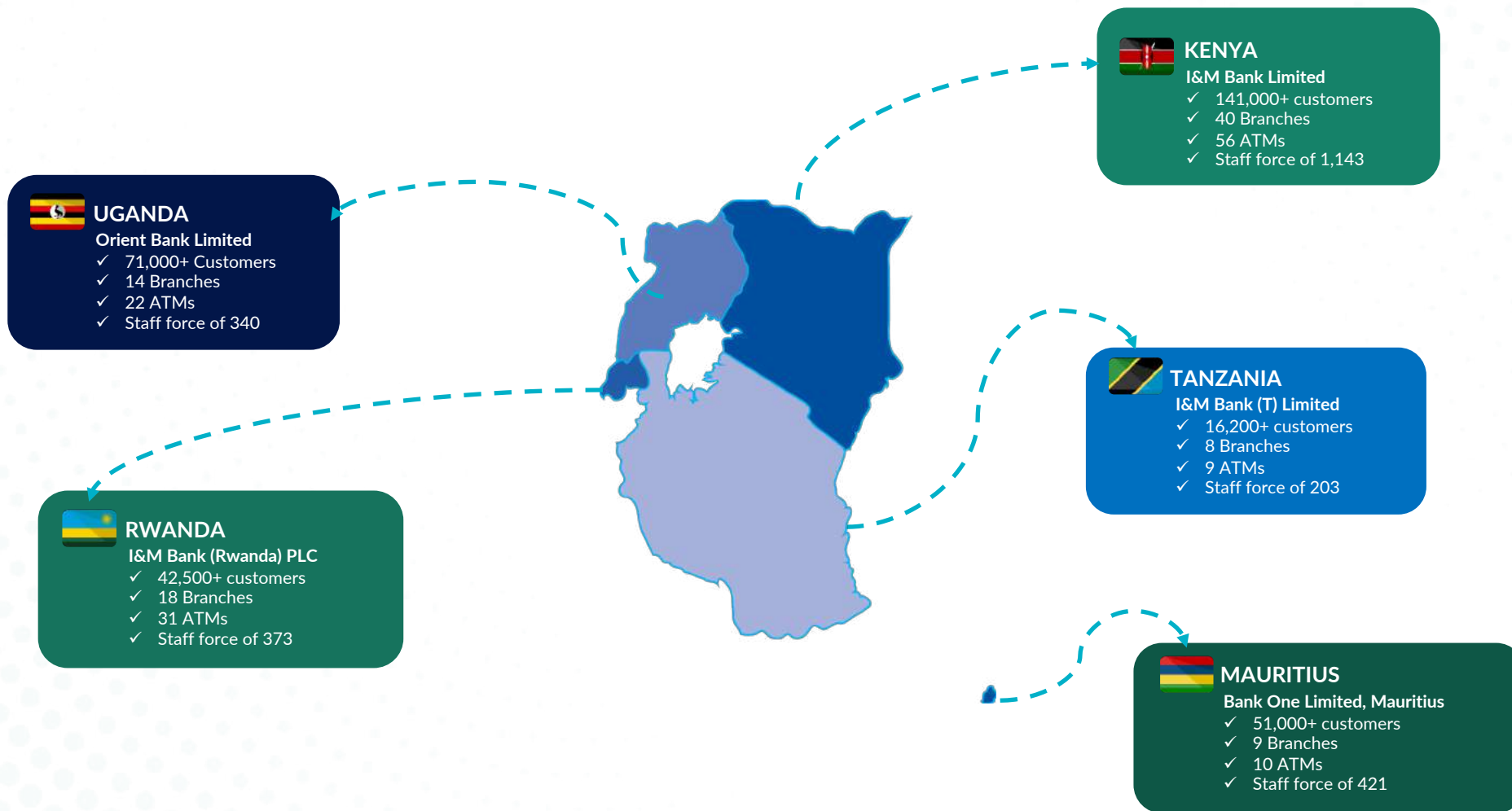


-  Kenya
-  Tanzania
-  Rwanda
-  Mauritius
-  Uganda

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



# Our Geographical Footprint



# Non Banking Subsidiaries

## I&M Burbidge Capital



### 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.



### Branch Network

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



### Regulation

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



### Staff Force

Staff force of 11

## I&M Bancassurance Intermediary Limited



### 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 provision 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 Force

Staff force of 20 dedicated to this unit

## Non Banking Subsidiaries

### I&M Realty



#### 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).

### I&M Nominees Ltd



#### Incorporation

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



#### Acquisition

The Company was previously 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.

## Non Banking Subsidiaries

Giro  
Ltd



### 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

I&M  
Foundation



### 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



# Disclaimer

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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

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