

Q1 2022 RESULTS INVESTOR PRESENTATION

Our Brand Promise
We Are On Your Side

Our Core Values



INTEGRITY



TRUST



RESPECT



INNOVATION



COURAGE



Eastern Africa's Leading Financial Partner For Growth



KENYA

I&M Bank LIMITED

- ✓ 210,000+ customers
- ✓ 39 Branches
- ✓ 54 ATMs
- ✓ 1,157 staff



TANZANIA

I&M Bank (T) Limited

- ✓ 17,000+ customers
- ✓ 8 Branches
- ✓ 9 ATMs
- ✓ 182 staff



RWANDA

I&M Bank (Rwanda) PLC

- ✓ 65,000+ customers
- ✓ 18 Branches
- ✓ 33 ATMs
- ✓ 424 staff



MAURITIUS

Bank One Limited

- ✓ 35,000+ customers
- ✓ 8 Branches
- ✓ 10 ATMs
- ✓ 424 staff



UGANDA

I&M Bank (Uganda) Ltd*

- ✓ 75,000+ Customers
- ✓ 14 Branches
- ✓ 17 ATMs
- ✓ 314 staff



86
Branches



123
ATMs



Over 400k
Customers



Over
2.5k Staff



Over 3.5k
Shareholders



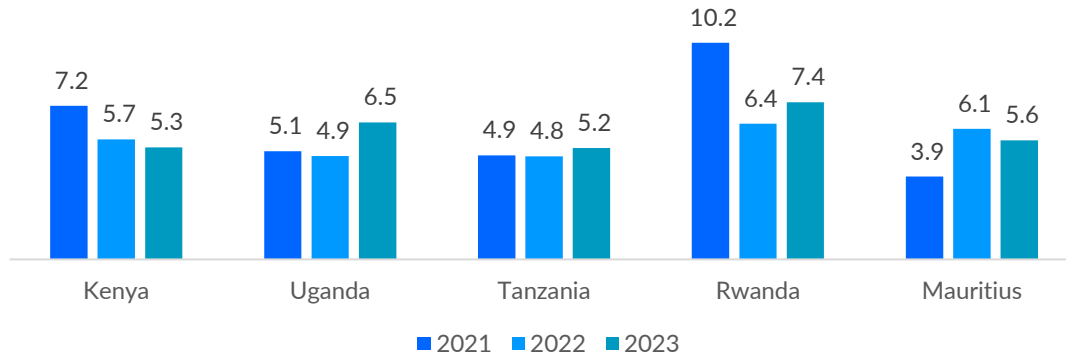


Macroeconomic Highlights

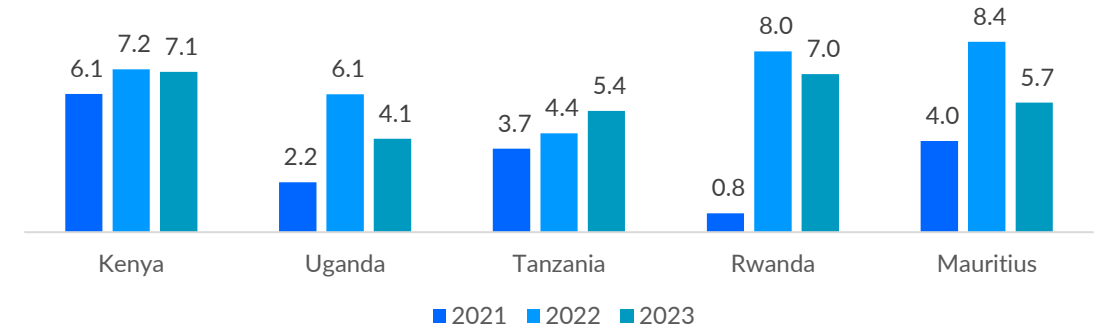
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Macroeconomic Update – Eastern African Economies

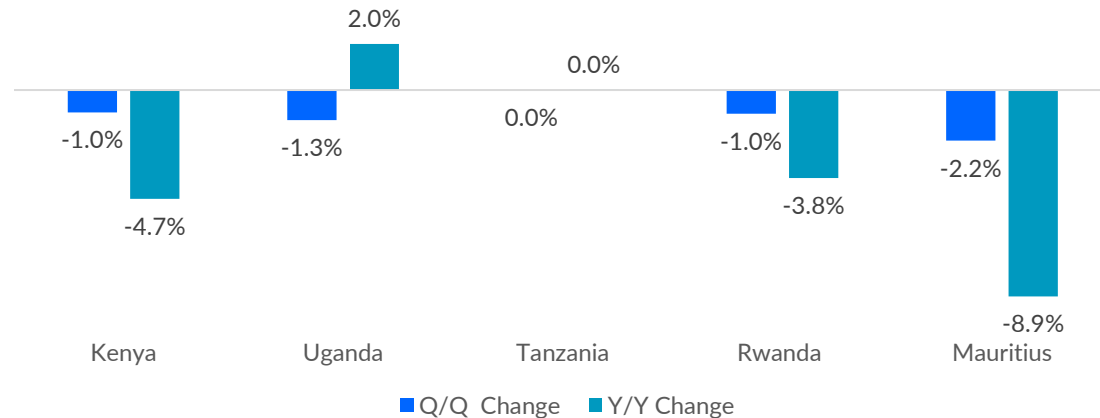
GDP Growth Outlook (%)



Average Inflation (%)



EA Currency Movement - 2022



- ❑ GDP Growth projections for 2022 for Eastern African economies (that the Group operates in) is expected to be higher than overall SSA growth of 3.8%;
- ❑ Significant downsides to growth remain to overall outlook
 - ❑ **Balancing growth vs inflationary pressures** – especially due to the reliance on food and energy imports;
 - ❑ **Limiting the economic impact of the Russia / Ukraine conflict** without increasing debt
 - ❑ **Managing exchange rate movements** – Tightening monetary policy in the US, higher import costs and lower export volumes are factors already impacting EA currencies;
- ❑ Current Account pressure and higher levels of debt servicing could also further impact FX movements;



Key Highlights

We Are On Your Side

Group Financial Highlights



Shareholder Value

Return on Equity - 15.1% (2021 - 11.5%)

Return on Asset - 2.6% (2021 - 2.1%)

Earnings per Share Kshs 1.55 (2021 - Kshs 1.08)



Financials

Total Assets Kshs 431Mn ▲ 18% (y/y)

Net Loans and Advances Kshs 218Mn ▲ 13% (y/y)

Profit after Tax Kshs 2.6Bn ▲ 44% (y/y)



Funding & liquidity

Deposits Kshs 309Mn ▲ 18% (y/y)

Total Capital Adequacy Ratio 21% (2021 - 22%)

Liquidity Ratio 53% (2021 - 47%)

- ✓ Strong growth trajectory supported by continued recovery in economic activity across all subsidiaries; 21% increase in operating income driven by growth in all income lines;
- ✓ Regional subsidiary PBT contribution increased to 27% (from 17%) driven by recoveries in Uganda and Mauritius and continued growth in Rwanda and Tanzania;
- ✓ Net NPL ratio remained flat at 3% from December 2021 despite strong loan growth as Group focused on recoveries especially in Kenya;
- ✓ Strong capital and liquidity ratios across all banking subsidiaries

Group maintains strong growth trajectory in Q1 2022

Key highlights driving growth across the subsidiaries – Q1 2022

Kenya:

- ✓ Partnership with Mastercard to introduce debit and credit cards targeting corporate C-Suite;
- ✓ Launch of unsecured lending solutions through the digital platform to drive financial inclusion;

Rwanda

- ✓ Launch of Bancassurance;
- ✓ Strong headway on digitization with 75% of the customers initiating transactions via digital channels;
- ✓ Rwanda's MSME product continued to grow strongly in Q1 2022;

Tanzania

- ✓ Launch of Bancassurance;

Uganda

- ✓ Focus on growth and turnaround in the business;

Mauritius

- ✓ Successful revamp and growth in retail mortgages



Group Financial Highlights

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Group - 38% growth in PBT to Kes 3.7Bn

Statement of Comprehensive Income	Mar-22	Mar-21	Mar 22 vs Mar 21	Comments
	Kshs Mn	Kshs Mn	Y-Y %	
Net Interest Income	5,205	4,313	21%	Interest income buoyed on the back of growth in loans and advances and government securities across the Group;
Non-Funded Income	2,195	1,825	20%	Increase in transactional fees and commissions and improved margins in foreign exchange trading income as trade activity picked up;
Total Operating Income	7,400	6,138	21%	Strong growth from both interest and non-interest income;
Operating Expenses	3,369	2,804	20%	Cost growth driven by inflationary pressures, integration of Uganda business, continued investment in digitization and staff in key support areas;
Profit before Loan Loss Provisions	4,031	3,334	21%	
Loan Loss Provisions	481	759	-37%	Loan loss provisions reduced on the back of provisions released and recoveries;
Profit before Share of JV	3,550	2,575	38%	
Share of Profit/(loss) from JV	120	84	44%	Profit growth from better economic activity and recoveries in Mauritius;
Profit Before Tax	3,670	2,659	38%	

Group - 18% growth in total assets to KES 431Bn

Statement of Financial Position	Mar-22	Mar-21	Mar 22 vs Mar 21	Comments
	Kshs Mn	Kshs Mn	Y-Y %	
Cash & Bank Balances	28,835	14,963	93%	Cash & Bank increased following the acquisition in Uganda and increased balances in subsidiaries with their respective regulators;
Investments & Placements	123,880	125,466	-1%	
Loans & Advances (net)	218,406	193,159	13%	Loans growth on account of continued economic recovery across the region;
Total Assets	430,831	364,376	18%	Total asset growth on the back of strong loan growth during the period;
Customer Deposits	309,424	263,133	18%	Continued focus on increasing deposits through our digital channels;
Borrowings	19,939	14,721	32%	Tier II debt support from DFIs for on lending to SME sector;
Total Liabilities	355,587	294,849	21%	
Shareholders' Funds**	70,512	65,556	8%	

**Excludes non-controlling interest

Subsidiary Performance Highlights

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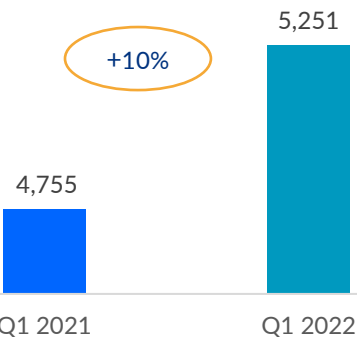


Kenya – Growth trajectory in line with strategic initiatives

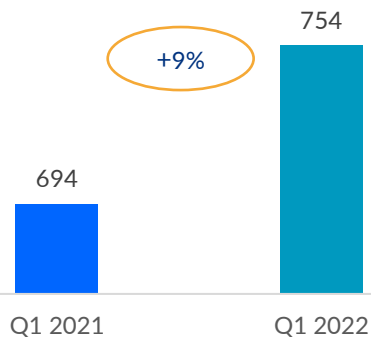


P&L (Kshs Mn)

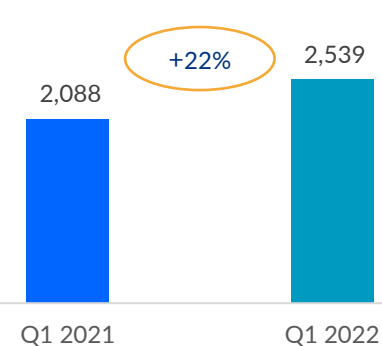
Operating Income



Loan Loss Provision



PBT



- ✓ Increase in profitability driven by strong income growth and cost containment – cost to income ratio down to 38%;
- ✓ Operating income supported by new customer acquisitions and cross selling activities during the quarter; Strong growth in both net interest and non- interest income;
- ✓ Kenyan subsidiary remains prudent on loan loss provisions in specific sectors, on the back of global and local macro-economic environment

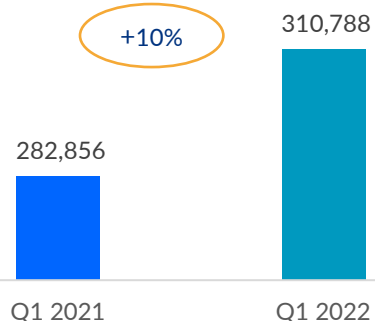
Key Ratios	Q1 2022	Q1 2021
Efficiency Ratio (CTI)	37.3%	41.5%
Cost of Risk	1.9%	1.9%
ROE	14.0%	11.7%
ROA	2.4%	2.1%

Kenya – Growth trajectory in line with strategic initiatives

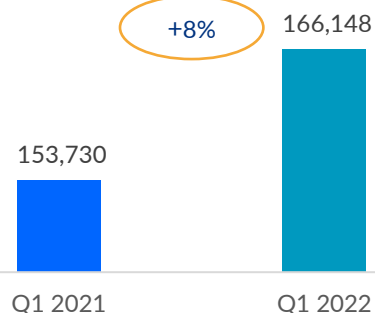


Balance Sheet (Kshs Mn)

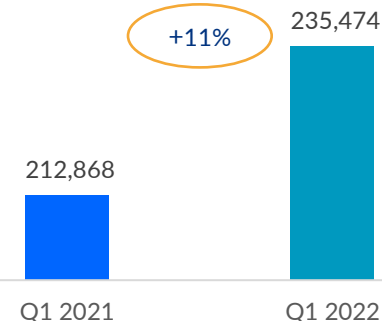
Total Assets



Net Loans & Advances



Customer Deposits



- ✓ Total Assets growth supported by both increase in Loan and Advances portfolio and investments in Government Securities during the quarter;
- ✓ 8% increase in Loans and Advances supported by the continued improvement in economic activity across all sectors;
- ✓ Continued focus on deposit mobilization especially through its digital channels following the launch of its app and web platform I&M On the Go (OTG);
- ✓ Strong capital and liquidity ratios

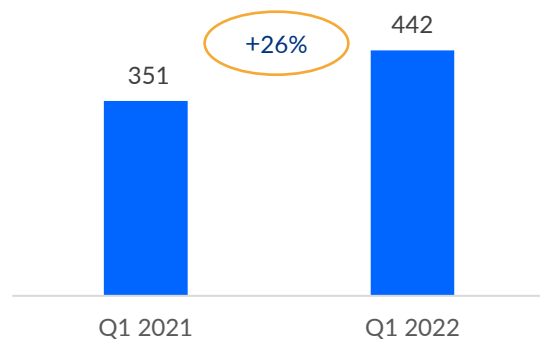
Key Ratios	Q1 2022	Q1 2021
Loan to Deposit Ratio	70.6%	72.2%
Net NPA	2.7%	5.2%
Total Capital / Total Risk Weighted Assets	20.8%	21.6%
Liquidity Ratio	47.1%	48.3%

Tanzania: Improving performance amidst cautious optimism

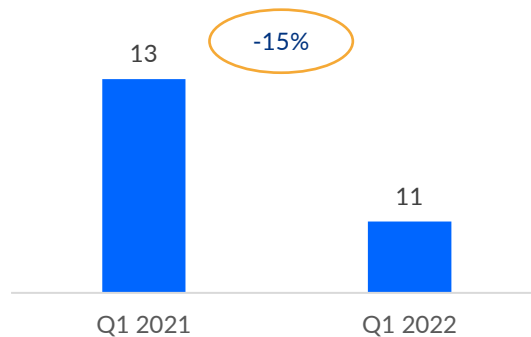


P&L (Kshs Mn)

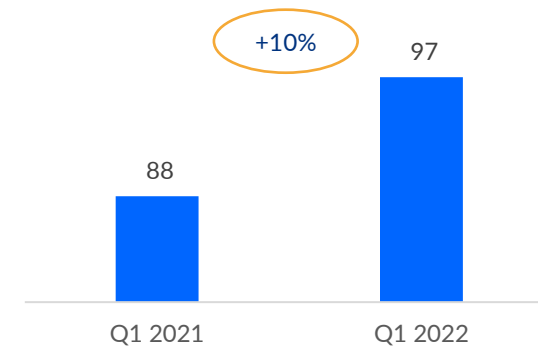
Operating Income



Loan Loss Provisions



PBT



- ✓ Operating income growth supported by digital lending activities following digital channels introduced in 2021; Non-interest income also boosted by trade finance activities as the Tanzanian economy recovers;
- ✓ Operating expenses increased by 34% y/y driven by digitization initiatives;
- ✓ Reduction in loan loss provisions attributed to recoveries

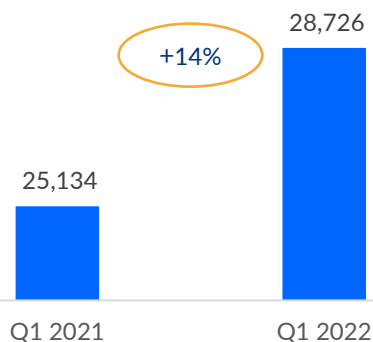
Key Ratios	Q1 2022	Q1 2021
Efficiency Ratio (CTI)	75.6%	71.2%
Cost of Risk	0.3%	0.3%
ROE	6.3%	6.4%
ROA	1.0%	1.0%

Tanzania: Improving performance amidst cautious optimism

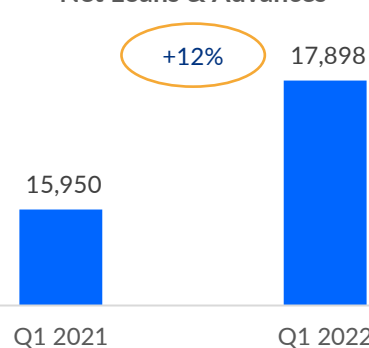


Balance Sheet (Kshs Mn)

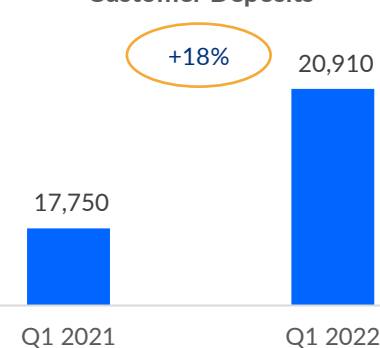
Total Assets



Net Loans & Advances



Customer Deposits



- ✓ Asset growth supported by both the lending book and investment portfolio;
- ✓ Loan portfolio growth on the back of increased economic activity post- COVID and improved market sentiments;
- ✓ Deposit growth has been supported by CASA mobilisation initiatives;
- ✓ Improved liquidity and strong capital ratios

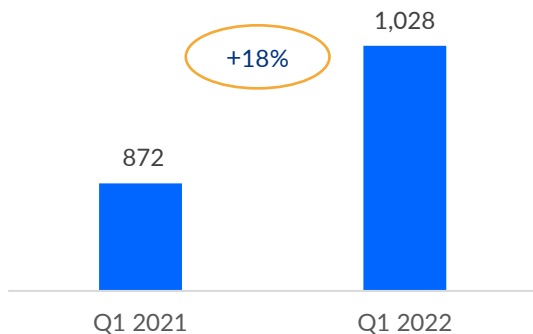
Key Ratios	Q1 2022	Q1 2021
Loan to Deposit Ratio	85.6%	89.9%
Net NPA	7.9%	9.0%
Total Capital / Total Risk Weighted Assets	20.1%	18.2%
Liquidity Ratio	30.1%	26.0%

Rwanda: Strong performance supported by consistent business growth

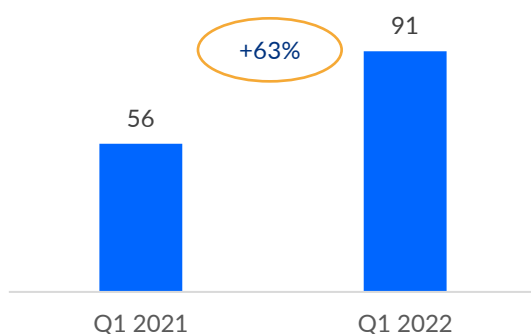


P&L (Kshs Mn)

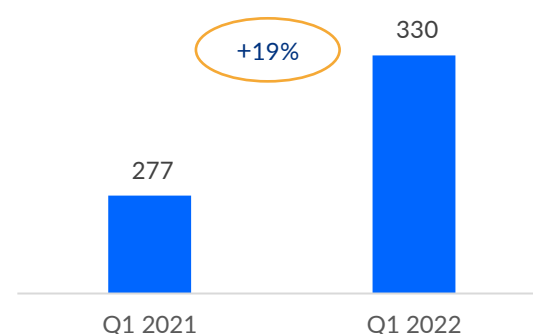
Operating Income



Loan Loss Provision



PBT



- ✓ Operating income growth supported by significant growth in the MSME portfolio leading to higher net interest income and growth in the fee-based income;
- ✓ Operating expenses increased by 13% y/y driven by continued digitization initiatives;
- ✓ Increase in Loan loss provisions in line with growth in the MSME portfolio

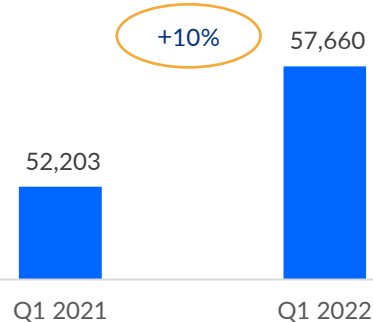
Key Ratios	Q1 2022	Q1 2021
Efficiency Ratio (CTI)	62.1%	61.8%
Cost of Risk	1.5%	1.0%
ROE	12.8%	13.0%
ROA	1.6%	1.6%

Rwanda: Strong performance supported by consistent business growth

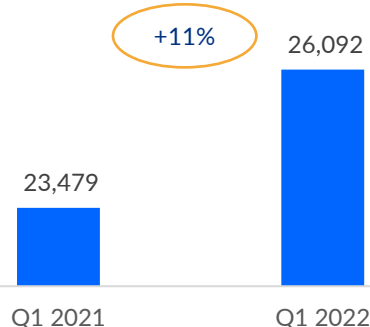


Balance Sheet (Kshs Mn)

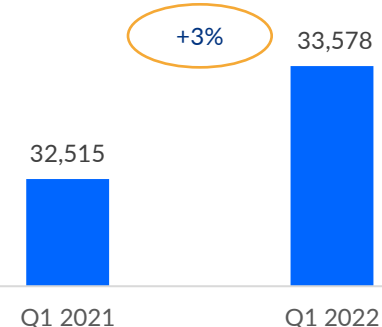
Total Assets



Net Loans & Advances



Customer Deposits



- ✓ Asset growth primarily driven by growth in the loan book as the MSME product continues to deliver strong customer growth;
- ✓ Strategic shift towards growing the loan portfolio to profitably deploy surplus liquidity
- ✓ Strong capital and liquidity ratios

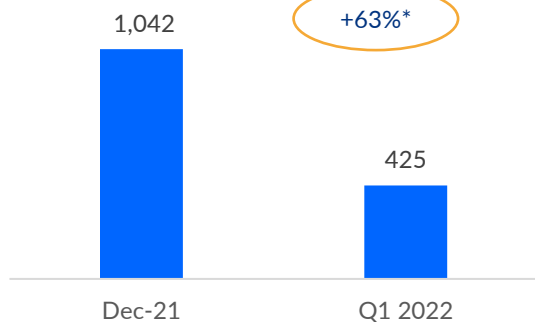
Key Ratios	Q1 2022	Q1 2021
Loan to Deposit Ratio	77.7%	72.2%
Net NPA	-0.6%	1.1%
Total Capital / Total Risk Weighted Assets	20.2%	19.2%
Liquidity Ratio	55.8%	58.0%

Uganda: Continued focus on integration to gear business for growth opportunities

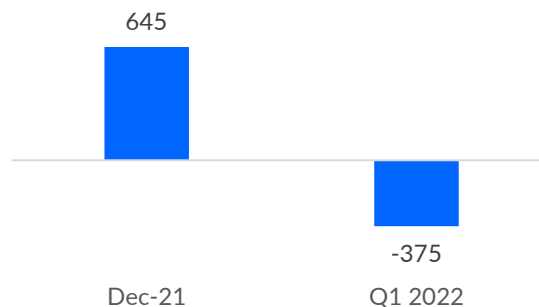


P&L (Kshs Mn)

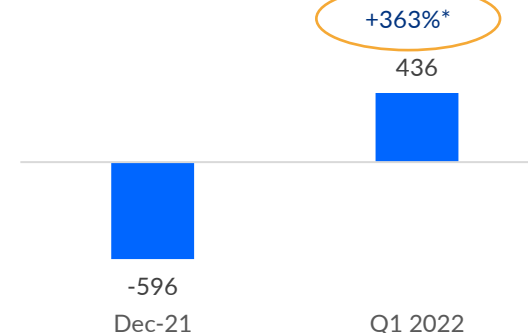
Operating Income



Loan Loss Provision



PBT



*Annualised Growth

- ✓ I&M Uganda became part of the Group from Q2 2021 (hence no comparative data for Q1 2021);
- ✓ Income growth in Q1 2022 supported by both increase in funded and non-funded income as well as a decline in interest expense;
- ✓ Cost rationalization measures post acquisition continue yielding desired results for the business;
- ✓ Drop in loan loss provisions on account of recoveries

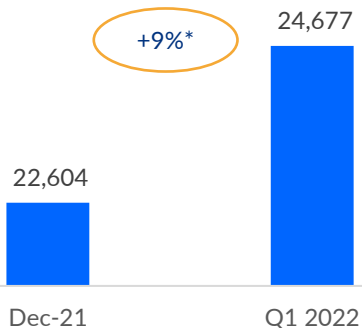
Key Ratios	Q1 2022	Dec-2021
Efficiency Ratio (CTI)	85.7%	95.3%
ROE	-	-24.5%
ROA	-	-1.7%

Uganda: Continued focus on integration to gear business for growth opportunities

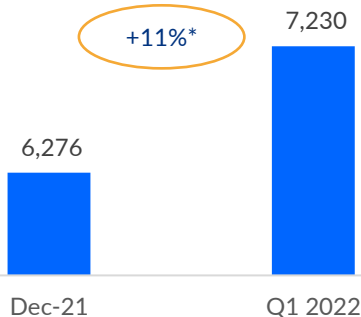


Balance Sheet (Kshs Mn)

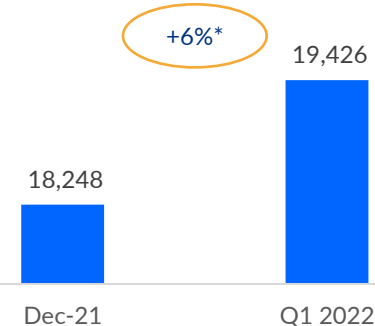
Total Assets



Net Loans & Advances



Customer Deposits



*Quarter on Quarter Growth

- ✓ Growth in Loan and Advances portfolio supported by business opportunities as Uganda recovers post COVID-19 containment measures and integration into the Group provides new customer acquisitions;
- ✓ Customer deposit growth during the quarter following stabilization of the business post acquisition of the bank;
- ✓ Strong liquidity to support expected growth

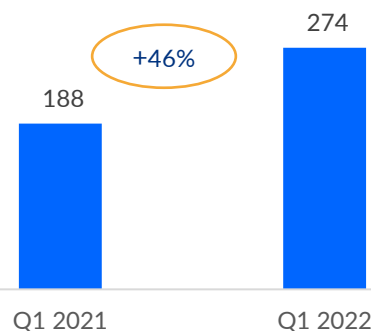
Key Ratios	Q1 2022	Dec-2021
Loan to Deposit Ratio	37.1%	34.3%
Net NPA	4.6%	1.1%
Total Capital / Total Risk Weighted Assets	16.4%	14.7%
Liquidity Ratio	51.8%	52.1%

Mauritius: Improved bottom-line sustained by loan loss recoveries

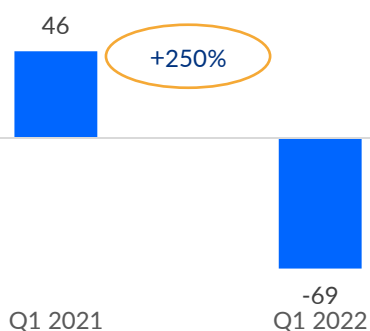


P&L (Kshs Mn)

PBT



Loan Loss Provision



- ✓ Profitability largely driven by recoveries as focus remains on reengineering the balance sheet for future growth;
- ✓ Operating expenses growth continues to be driven by digitization of the business as part of the overall I&M Group strategy; Digital platform seeing good momentum in growth;
- ✓ Business has seen strong recoveries from specific loan book that had previously come under distress, which reduced overall provisions

Key Ratios	Q1 2022	Q1 2021
Efficiency Ratio (CTI)	74.4%	70.0%
ROE	10.5%	7.2%
ROA	0.9%	0.5%

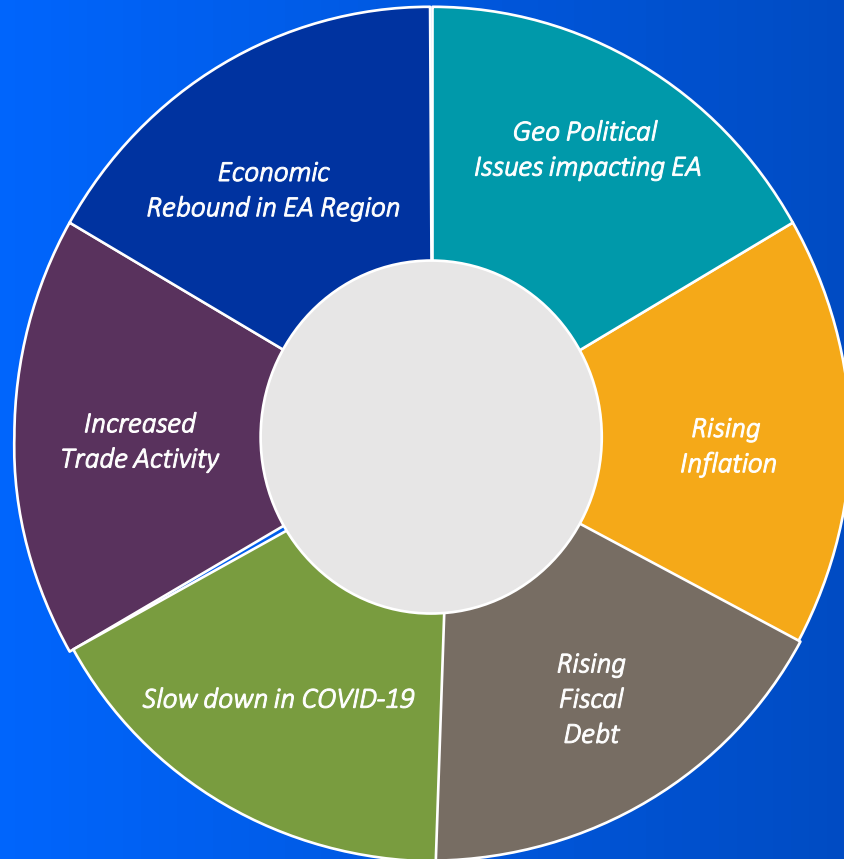
Key Ratios	Q1 2022	Q1 2021
Loan to Deposit Ratio	46.5%	39.2%
Net NPA	0.4%	2.1%
Total Capital / Total Risk Weighted Assets	20.5%	18.8%
Liquidity Ratio	41.5%	54.7%

Group Outlook

We Are On Your Side



Group Outlook – Navigating business growth amidst key risk factors;



Entrench the financial services in the customer's operations while making it as convenient as possible for them to do business.

Target **NPS score +75%**



Focus on growing regional business and aligning all entities with the Group's strategic focus.



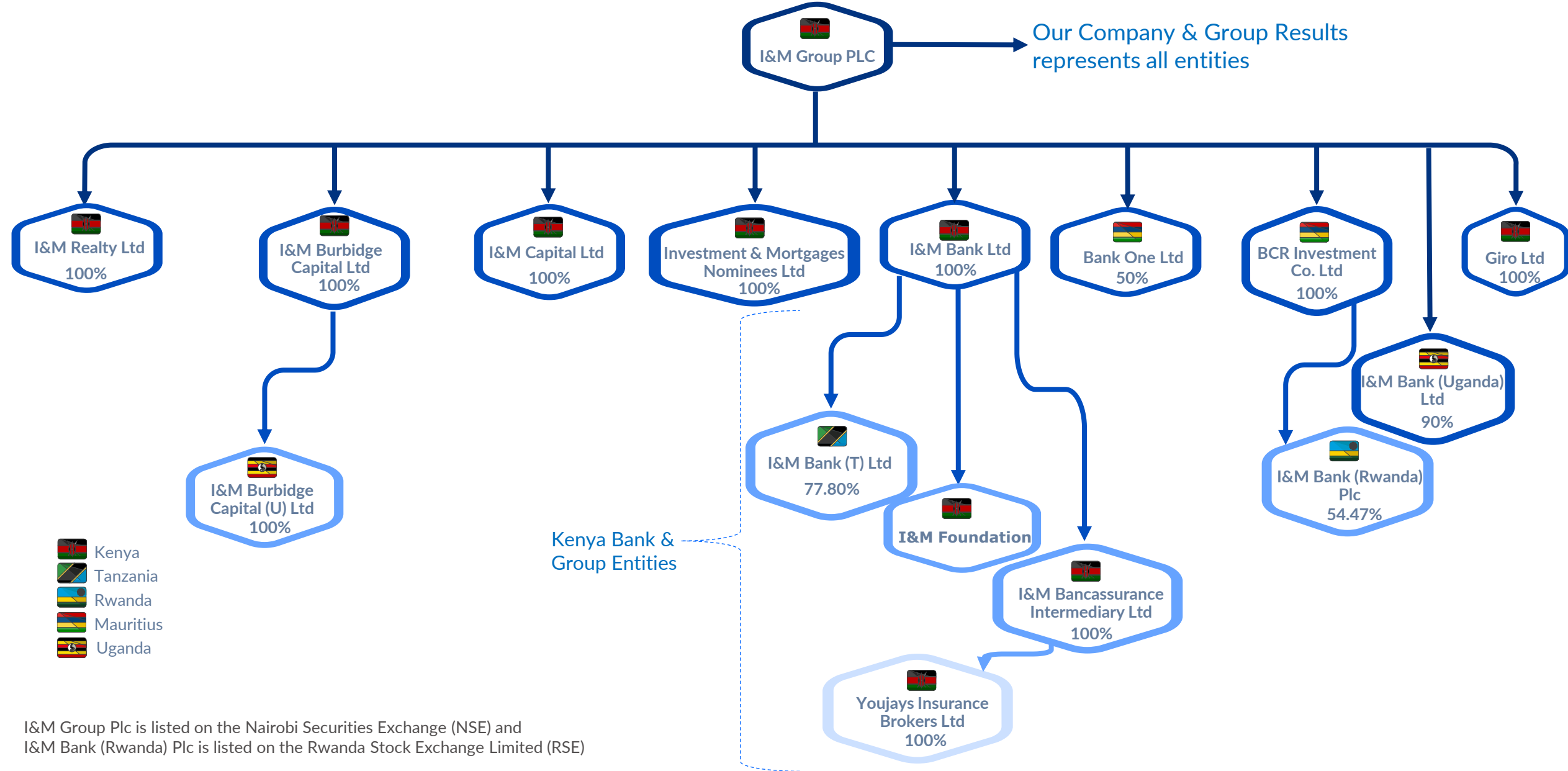
Continued investment in digital innovation and platforms in our journey towards transformation

65% active Customers On Digital Channels 85% of transactions through digital channels

The background of the slide features a photograph of a modern, curved glass building at dusk. The building's windows are illuminated from within, and its reflection is visible in the glass facade. The sky is a mix of deep blue and orange from the setting or rising sun. A semi-transparent dark blue rectangle is positioned over the upper half of the image, and a thick, white, wavy line curves across the bottom of the slide.

Appendix

Our Organization Structure...The Group includes banking and non-banking entities





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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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