

# INVESTOR PRESENTATION

2022 | SEPTEMBER

WE ARE ON YOUR SIDE

## OUR VALUES



INTEGRITY



TRUST



RESPECT



INNOVATION



COURAGE



29% YoY growth in PBT driven by positive performance in all income lines;



74% of the Groups transactions were executed through digital channels with 70% digitally active customers.



I&M Bank was recognized amongst the best in Bank operations category at the Sustainable Finance Initiatives by the Kenya Bankers' Association;



I&M Bank, Kenya signed a Credit Risk Guarantee dubbed Nasira for USD 15million with FMO to facilitate its outreach to MSMEs while the Bank in Rwanda has seen exponential growth in its MSME customers as it provides support to their businesses.



Introduction of financial literacy session in partnership with FMO and IFDC;



## KENYA

### I&M Bank Ltd

- ✓ 227,000+ customers
- ✓ 39 Branches
- ✓ 56 ATMs
- ✓ 1,194 staff



## RWANDA

### I&M Bank (Rwanda) PLC

- ✓ 75,000+ customers
- ✓ 18 Branches
- ✓ 35 ATMs
- ✓ 437 staff



## TANZANIA

### I&M Bank (T) Ltd

- ✓ 25,000+ customers
- ✓ 8 Branches
- ✓ 11 ATMs
- ✓ 190 staff



## MAURITIUS

### Bank One Limited

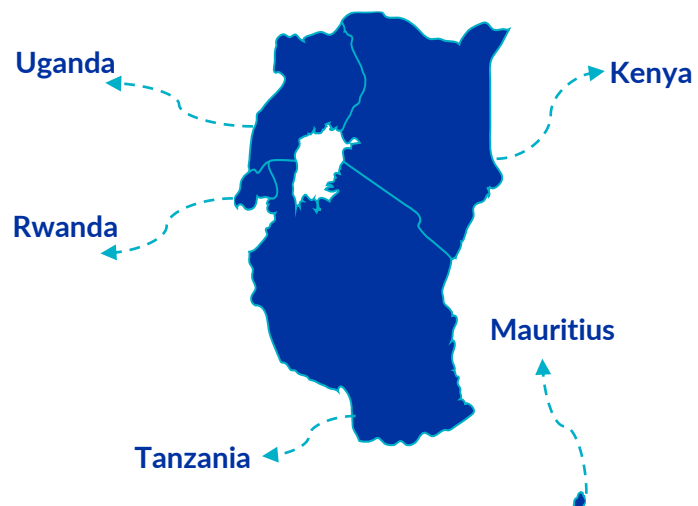
- ✓ 30,800+ customers
- ✓ 7 Branches
- ✓ 10 ATMs
- ✓ 419 staff



## UGANDA

### I&M Bank (Uganda) Ltd

- ✓ 41,600+ Customers
- ✓ 11 Branches
- ✓ 13 ATMs
- ✓ 301 staff



## Key Numbers



83  
Branches



350k+  
Customers



4.0k+  
Shareholders



125  
ATMs



2.5k+  
Staff



**STRATEGIC  
ASPIRATION**  
Eastern Africa's Leading  
Financial Partner for  
Growth

**KEY FOCUS AREAS**

Customer Base Growth  
Ecosystem Banking

Partnerships  
FinTech and other strategic partnerships

Group Operating Model  
Roll out and embedding of the Group  
Operating Model

Omni Channel Implementation ('On the Go')  
Leading to full digital distribution capability

Segment Expansion  
MSME and Retail Business

Innovation  
Digital Orchestrator model ecosystems

Regional Growth  
Geographical expansion into new markets



**OUR TARGETS**



**74%**

Digitally  
Active Customers



**+75%**

Net  
Promoter Score



**+20Bn**

Profit  
Before Tax



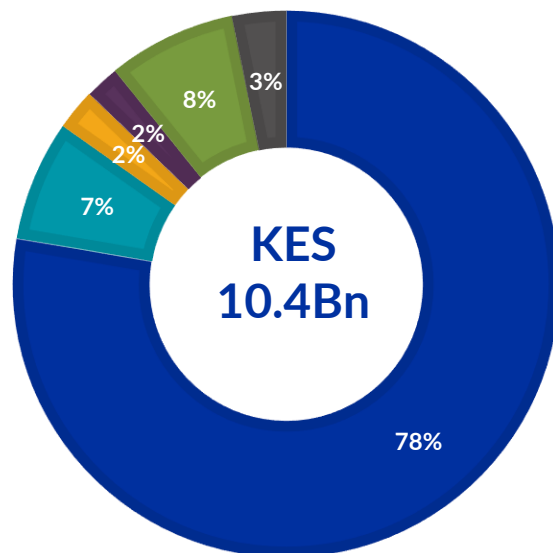
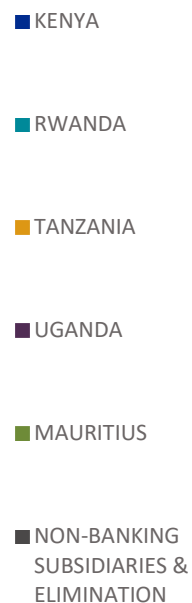
**+21%**

Return  
On Equity

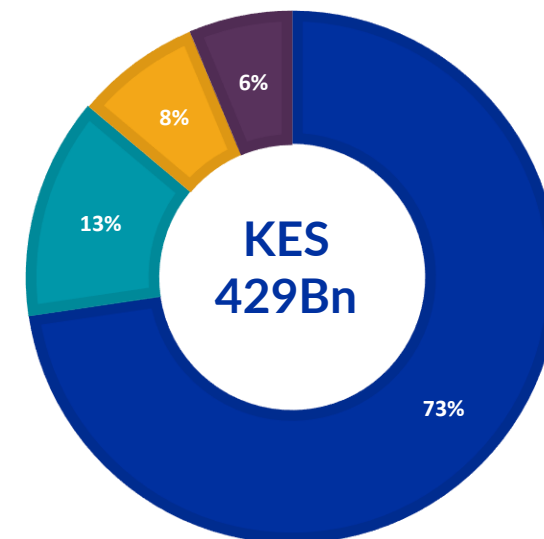


# Group Strategy iMara 2.0 Update

Profit before tax

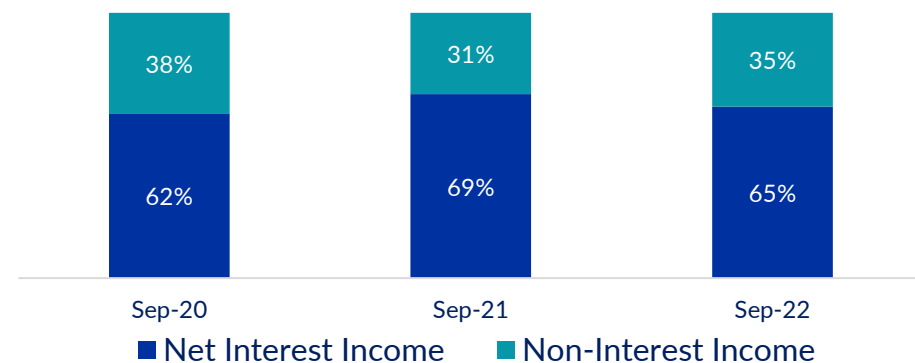


Total Assets

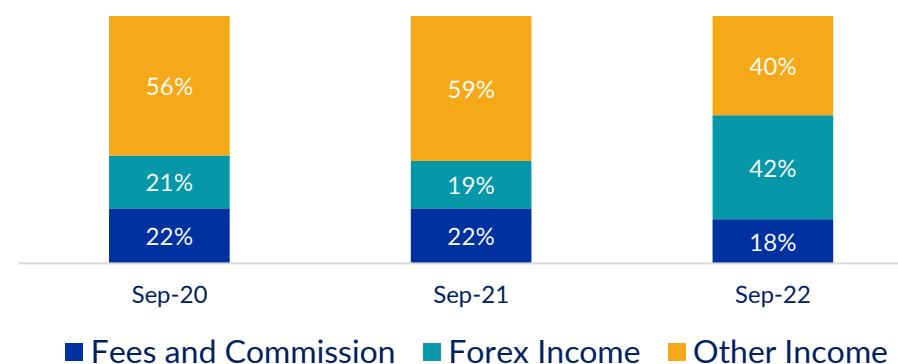


Bank One Mauritius is a joint venture.  
Contribution to the Group is through share of profit

## Operating Income



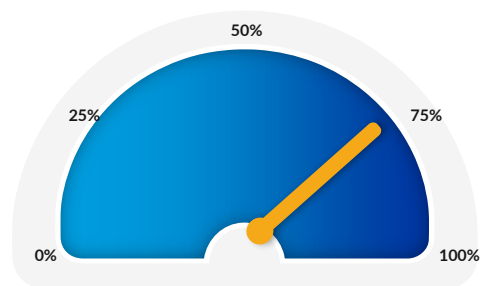
## Breakdown of Non-Interest Income



- ✓ Strong growth in both net interest income(16%) and non-interest income (43%); driven by loan growth and foreign exchange income
- ✓ Overall contribution from FX income and fees and commissions is steadily improving as various initiatives come to fruition;
- ✓ Other income includes net income on financial assets at fair value through profit or loss (FVTPL) and rental income. The reduced contribution in other incomes was attributed to time lag in receipt of dividends from Bank One.



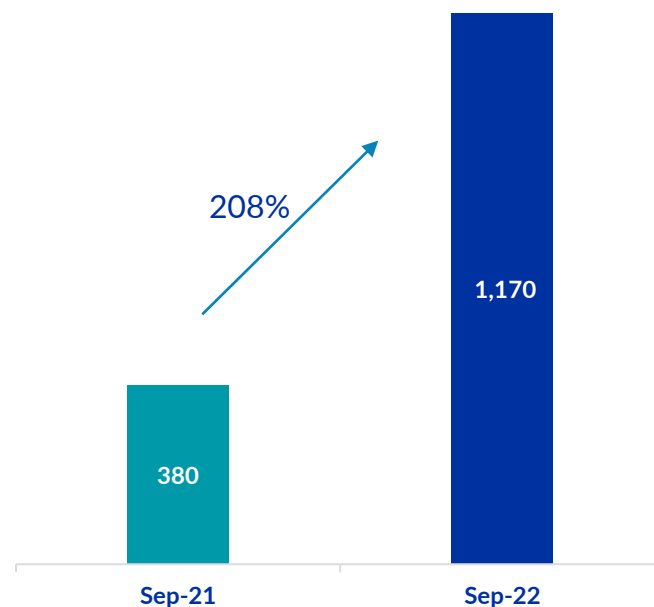
## Digital Transactions



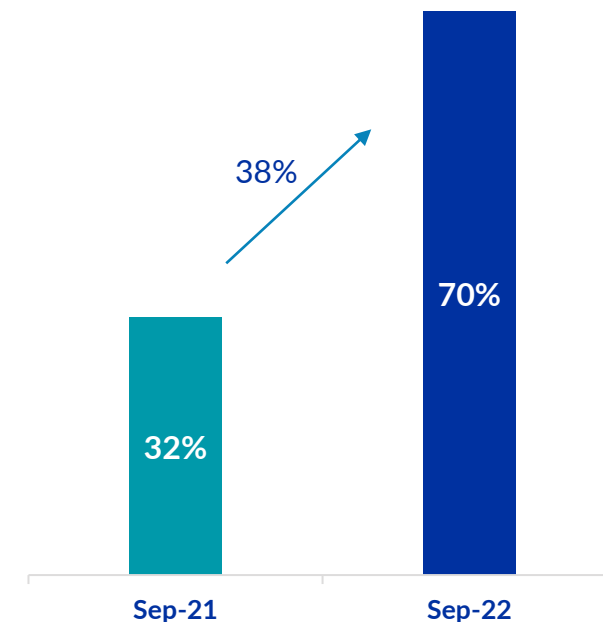
**74%**

of I&M Group's transactions were executed digitally as of September 2022

## Value of Digital Transactions in KES Mn



## % Digitally Active Customers



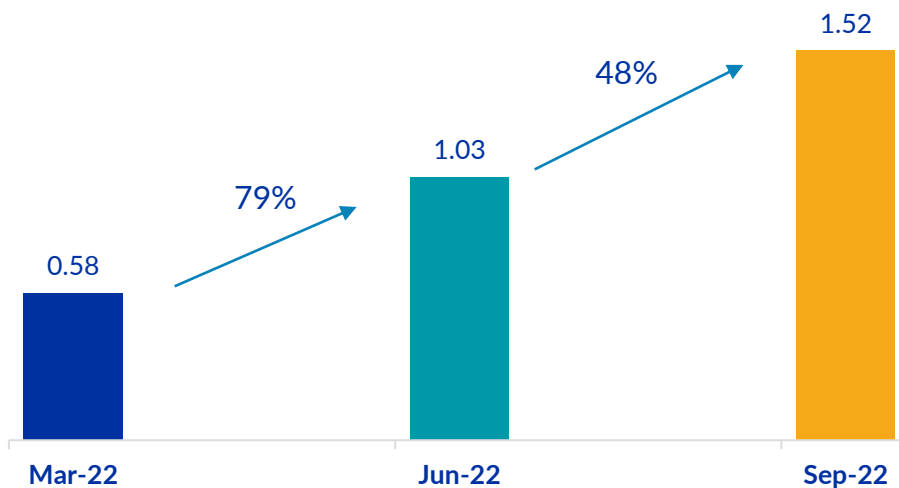
✓ Both branch and digital channels showing steady utilization.

✓ Quantum jump in YoY value of Digital business transactions;

✓ Increased adoption of digital platforms by our customers.



## Unsecured Personal Loans - KES Bn



Launched in October 2021

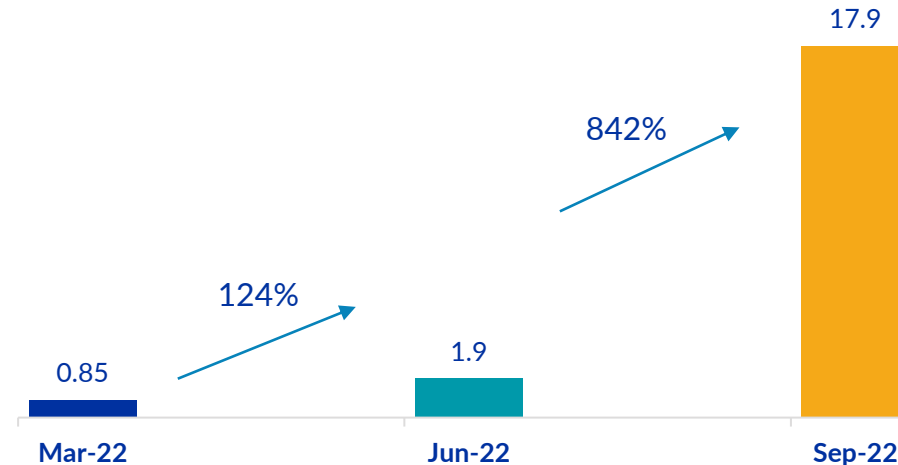
Offered to existing customers through automated lending platform

**KES 770K**  
Average ticket size

**45 Months**  
Average Loan Tenor



## Unsecured Mobile Loans - TZS Bn

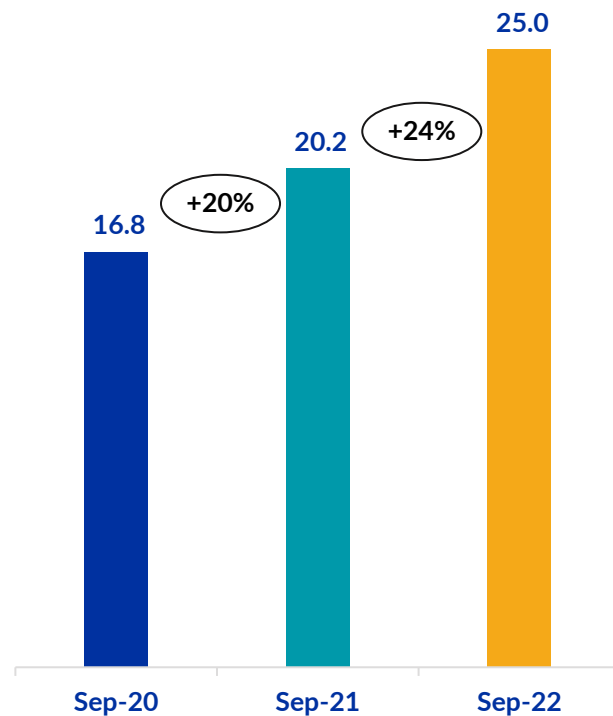


Launched in September 2021  
Mobile loans

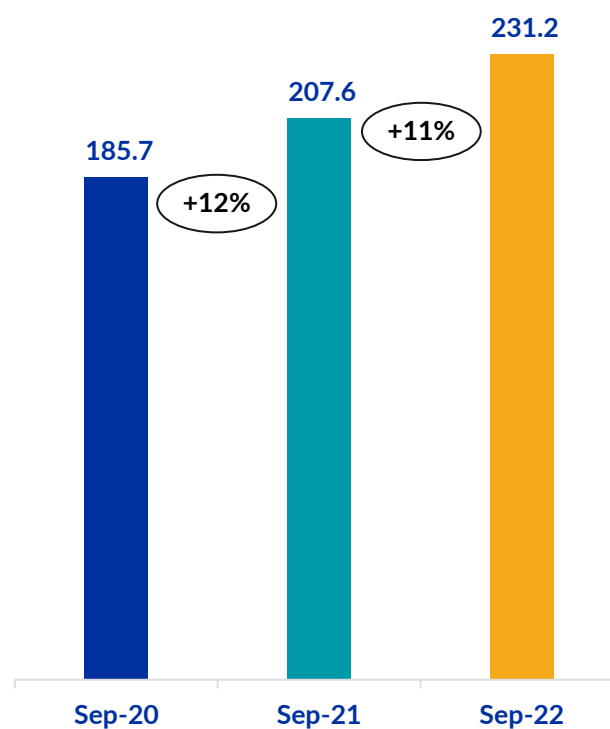
**TZS 13K**  
Average ticket size

**15 Days**  
Average Loan Tenor

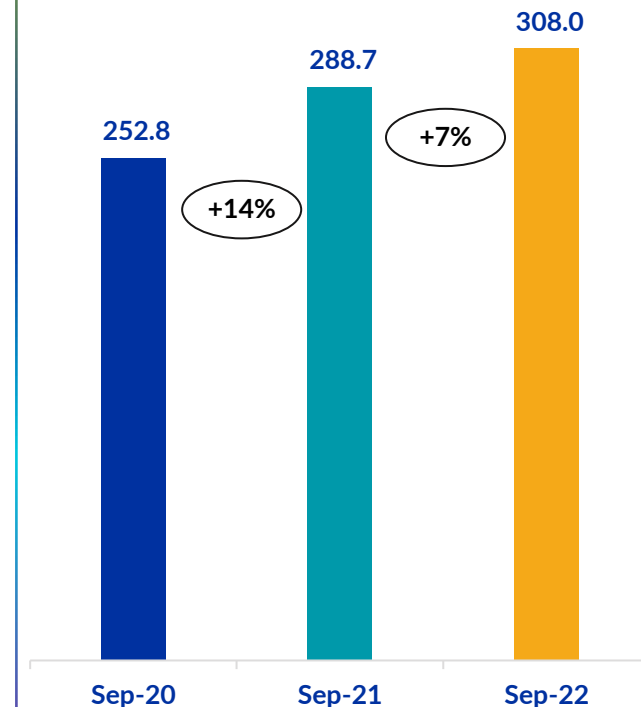
Total Operating Income



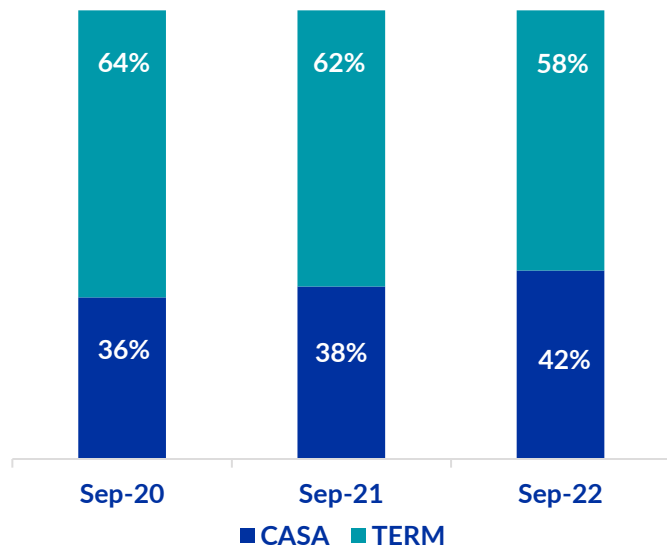
Total Loans and Advances (KES Bn)



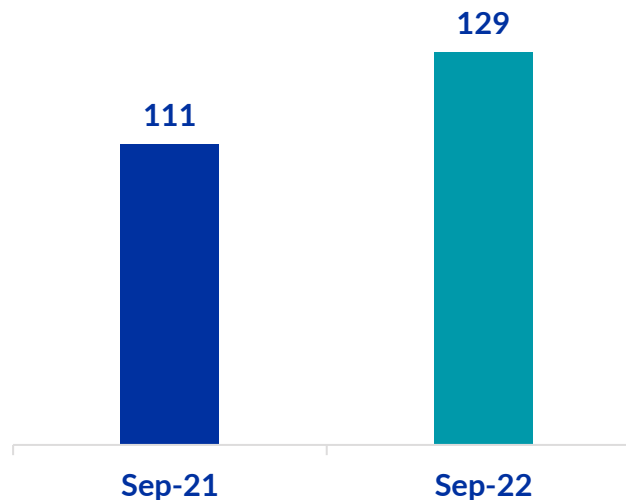
Total Deposits (KES Bn)



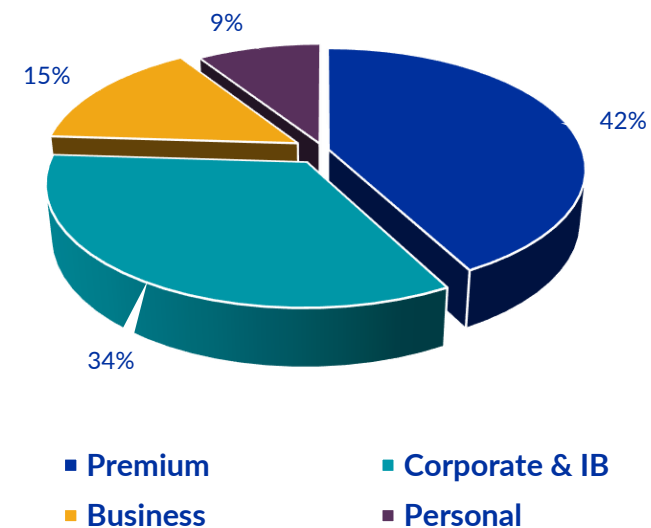
Customer Deposit Mix



CASA in KES Bn



Customer Deposits by Segments



✓ We continue to rebalance our deposit book

**17%** Increase in CASA driven by revamped customer value propositions

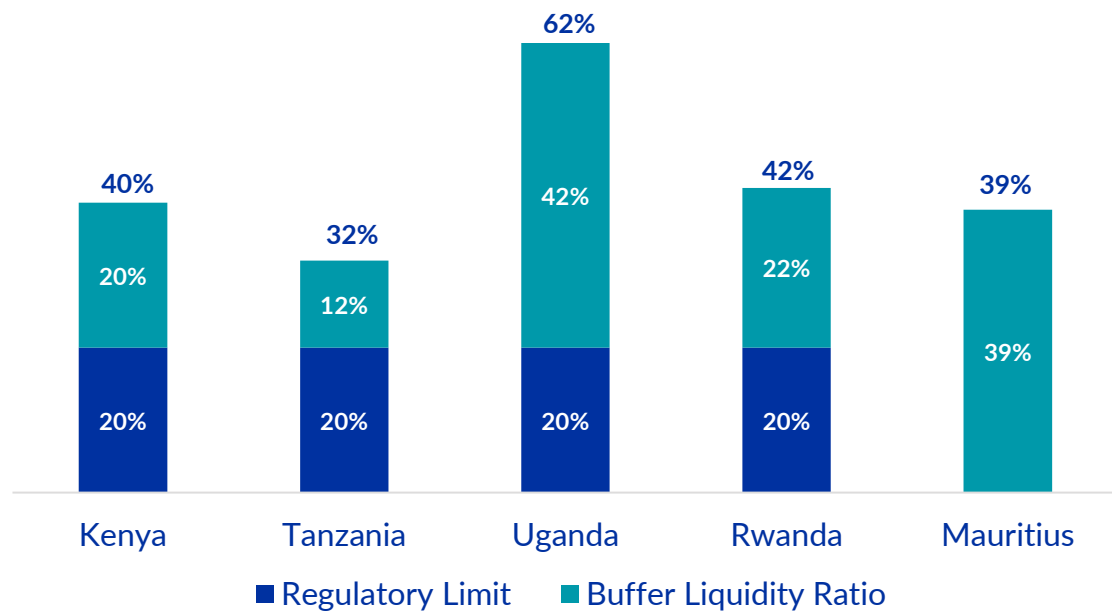
✓ Customer base remains well diversified across the different segments

## | The Group maintains strong liquidity and capital positions across all subsidiaries

PILLAR 2: Building a  
Resilient Organisation

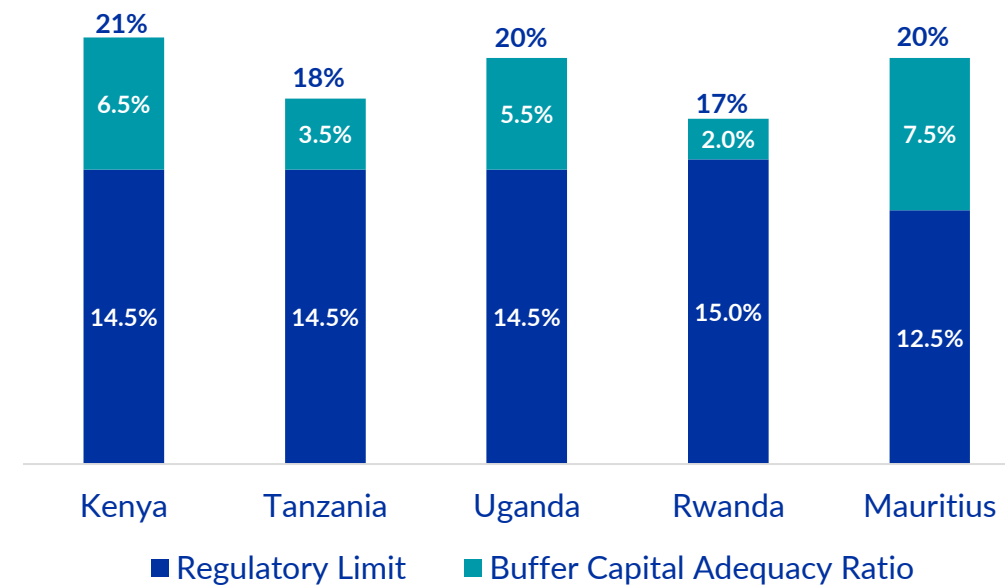


### Liquidity Ratios



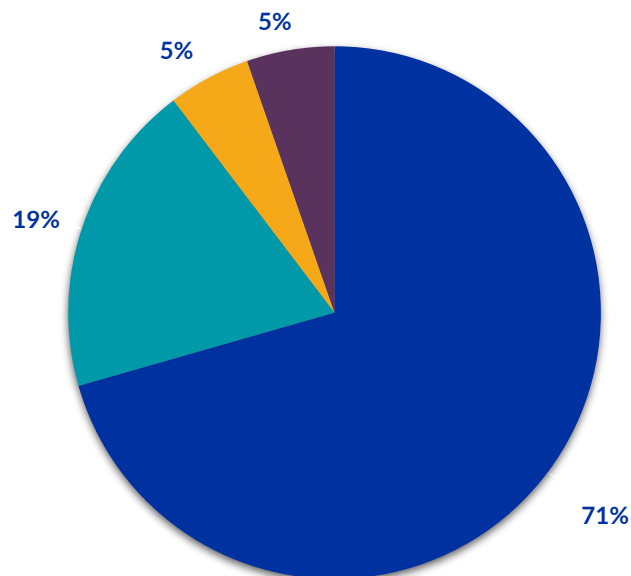
Mauritius has no regulatory limit,

### Capital Adequacy



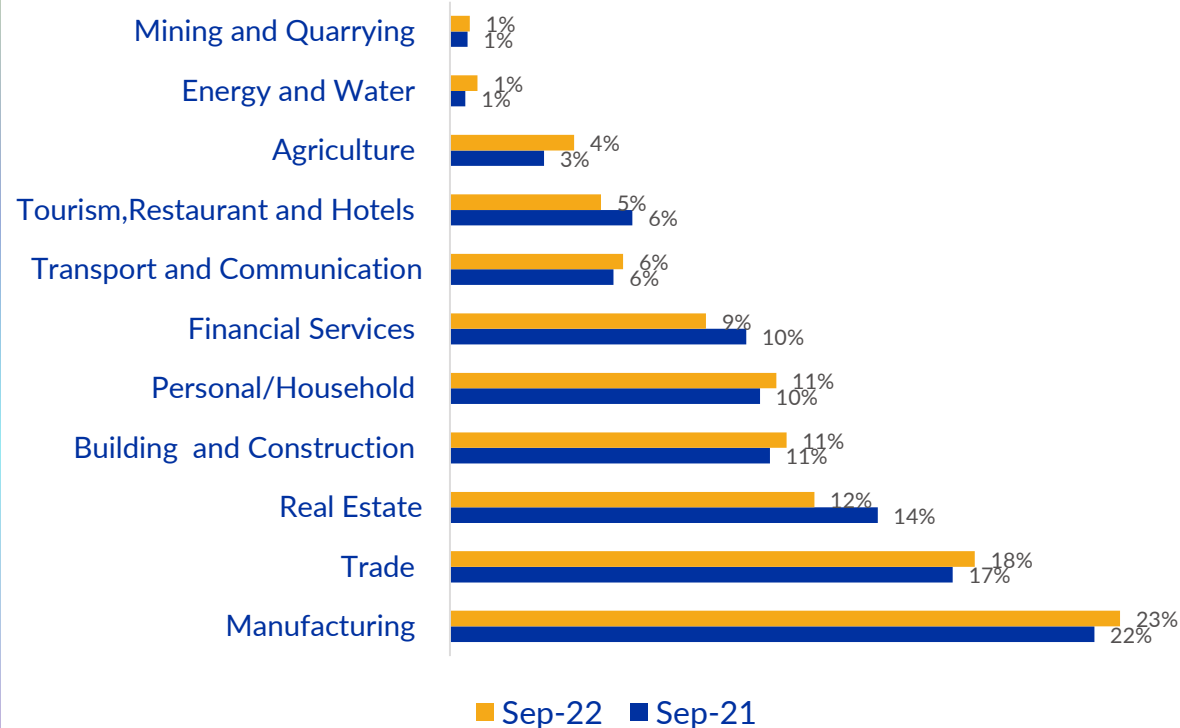
Total Capital to Risk weighted assets ratio

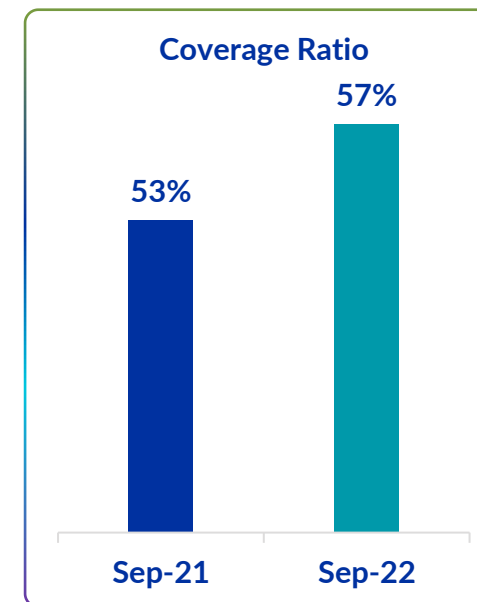
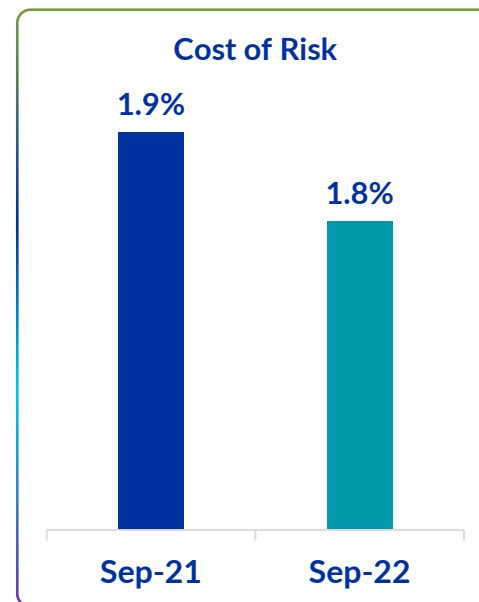
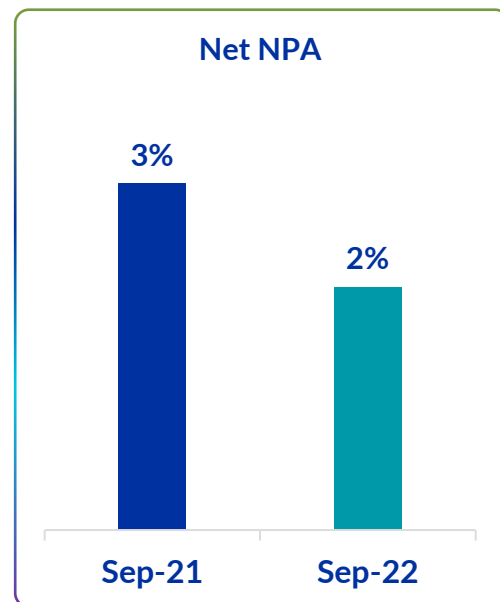
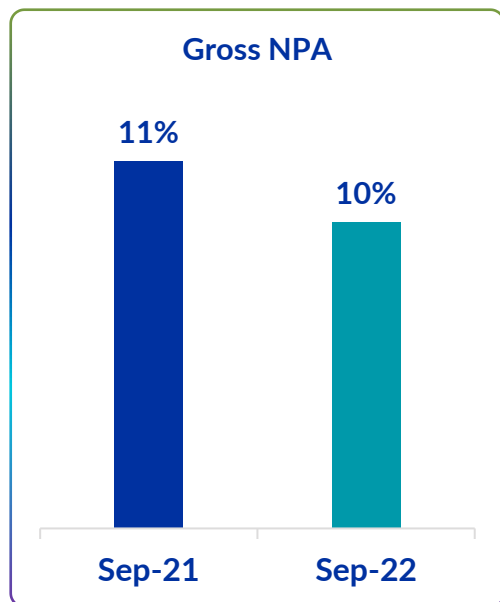
Loans & Advances by Segment



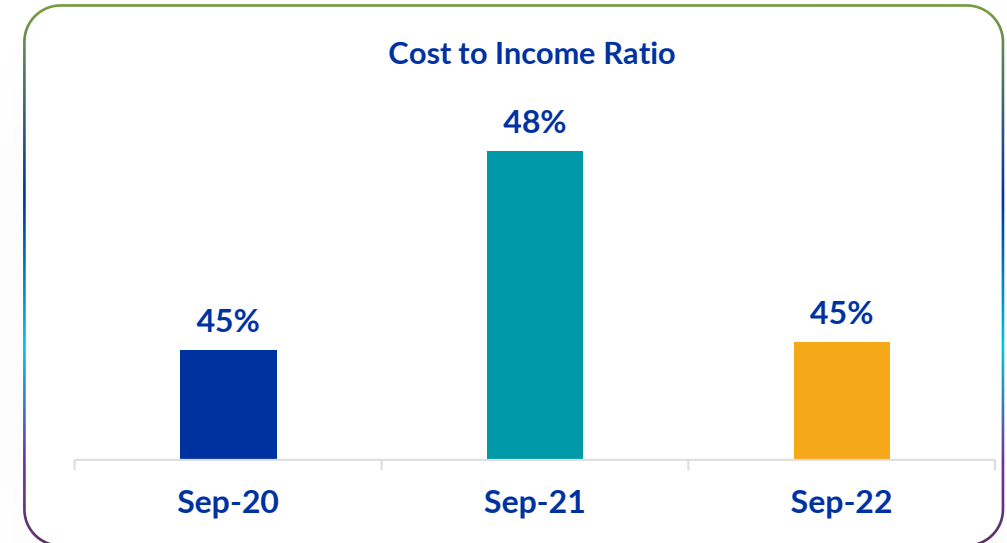
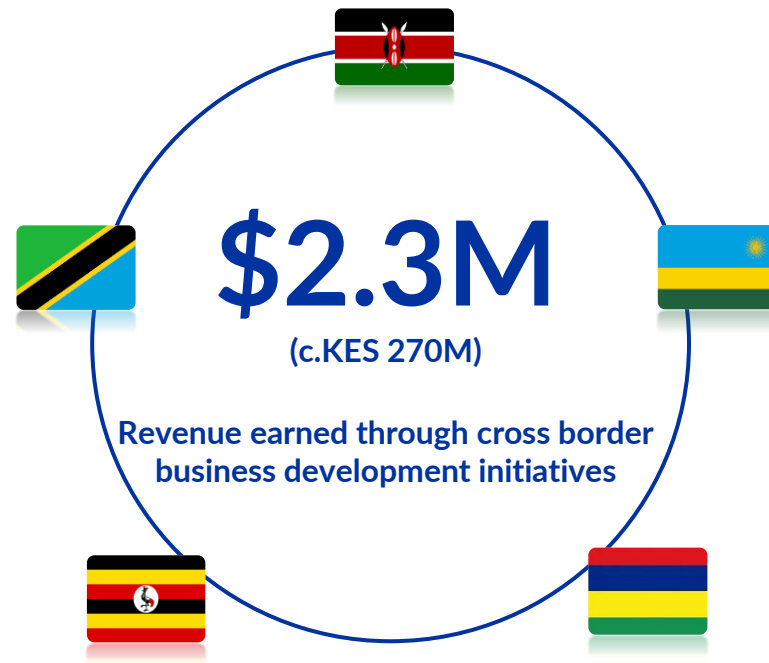
■ Corporate & IB ■ Business ■ Premium ■ Personal

Sectoral Distribution of Loans & Advances





## Cross border business development initiative

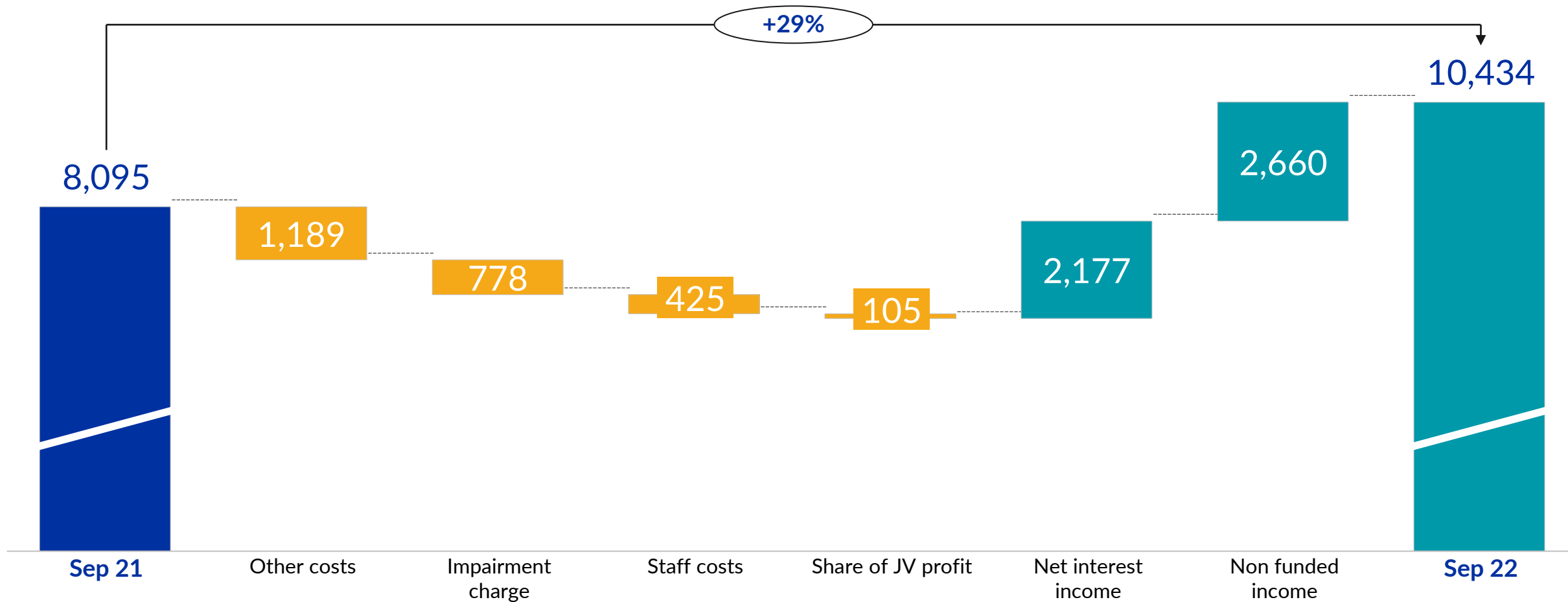


- ✓ Improved CIR attributed to 24% YoY growth in total operating income
- ✓ I&M Uganda now on track contributing to improved CIR



A large graphic consisting of a dark blue diamond shape with a teal border, centered on a horizontal band that transitions from teal on the left to dark blue on the right. The diamond is surrounded by a pattern of small, light blue squares arranged in concentric arcs.

# Group Financial Highlights



Net Interest Income (KES)

**16,165m**

+16% ↑

Non-Interest Income(KES)

**8,844m**

+43% ↑

Digitally Active  
Customers

**70%**

Net Loans & Advances (KES)

**231bn**

+11% ↑

Customer Deposits (KES)

**308bn**

+7% ↑

Transactions from  
Digital Channels

**74%**

Cost/Income Ratio

**45%**

Absolute -3% ↑

Return on Equity

**14%**

Absolute 2% ↑

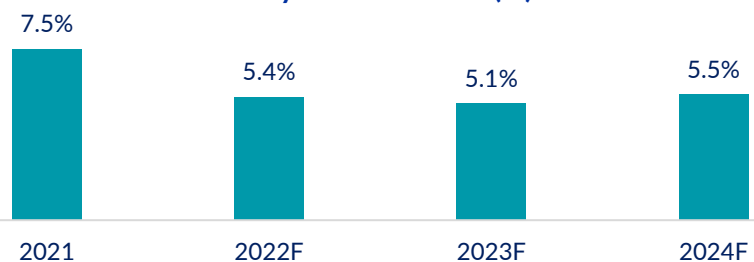
Contribution from Regional  
Banking Subsidiaries

**19%**

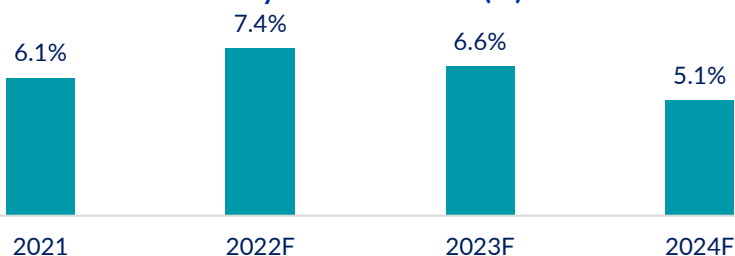
The background features a large, light blue diamond shape with a dotted pattern, centered on the page. A horizontal bar, split into teal and dark blue sections, passes through the center of the diamond. The text 'Subsidiary Performance Highlights' is written in white within the dark blue portion of the bar.

## Subsidiary Performance Highlights

## Kenya GDP Growth (%)



## Kenya Inflation Rate (%)



Source: IMF Outlook, October 2022, CBK MPC September 2022

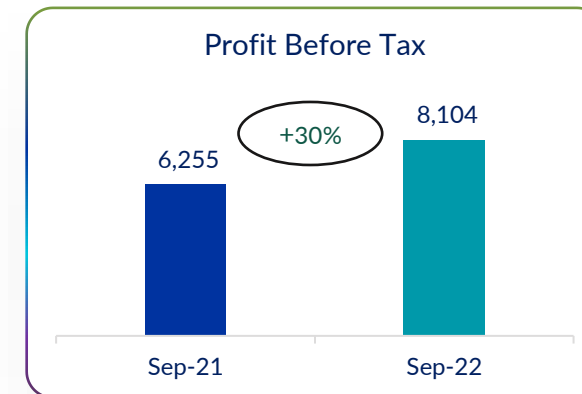
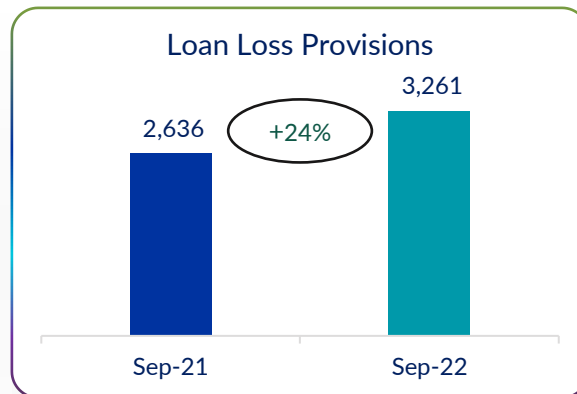
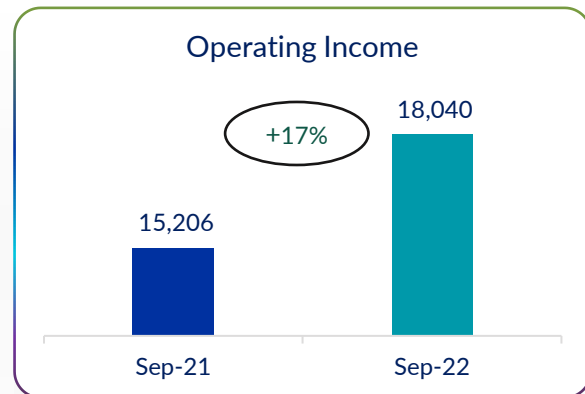
## Macro-economic Outlook

- GDP expected to slowdown to 5.4% in 2022 and 5.1% in 2023;
- Economic performance in Q2 2022 at 5.2% (Q1 2022: 6.8%), with economic momentum driven by financial services, transport, whole and retail sectors;
- Inflation remains a key concern globally and locally; The persistent drought, increase in food and fuel prices due to supply side shocks are elevating the pressure on the economy; Inflation increased to 9.6% in October 2022;
- Foreign exchange reserves have been consistently declining since the beginning of the year with import cover below the desired 4.5 months cushion;

## Monetary Policy & Banking Sector

- The CBK increased the policy rate by 75bps to 8.25% at the September 2022 MPC on the back of elevated global risks;
- Private sector credit growth remains strong at 12.5% as at August 2022; (7.0%: August 2021) driven by manufacturing, business services and trade;
- NPL ratio decreased to 14.2% as at August 2022 (from 14.7% in June 2022), with recoveries seen in building & construction, manufacturing and transport & communications sectors;
- Banking sector liquidity and capital adequacy ratios remain strong (>50% and 18% respectively);

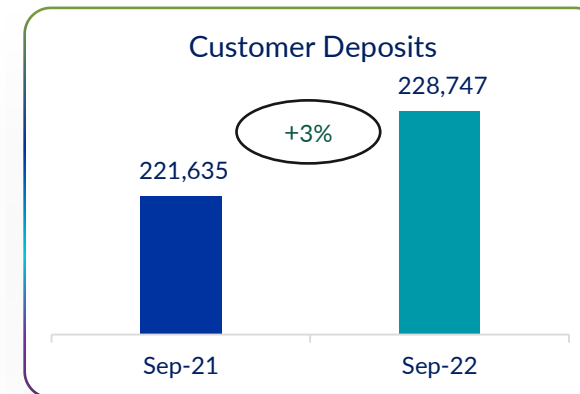
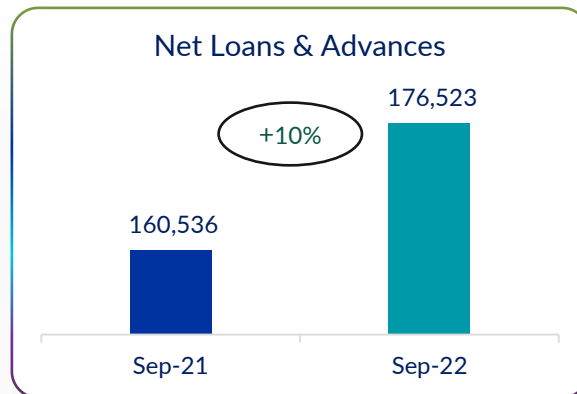
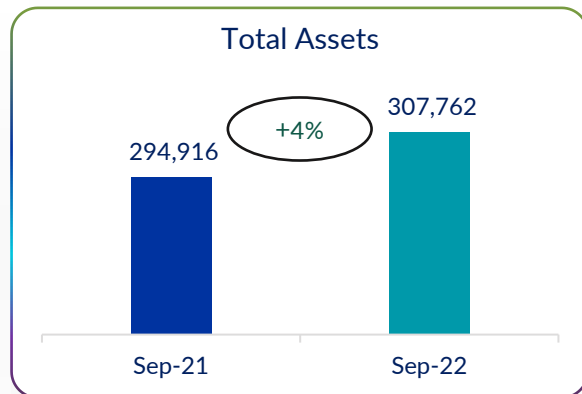
## P&L (KES Mn)



- Increase in profitability driven by income growth and cost containment – cost to income ratio improved to 37% (2021: 42%)
- Strong growth in non-interest income (42% y/y); supported by improved forex trading and fees; enhanced Customer Value Propositions (CVPs) and growth in payment card business.
- The Bank remains prudent on loan loss provisions in specific sectors on the back of global and local macro-economic environment.

Key Ratios	Sep-21	Sep-22
Efficiency Ratio (CTI)	42%	37%
Cost of Risk	2.3%	2.6%
ROE	12%	16%
ROA	2.1%	2.5%

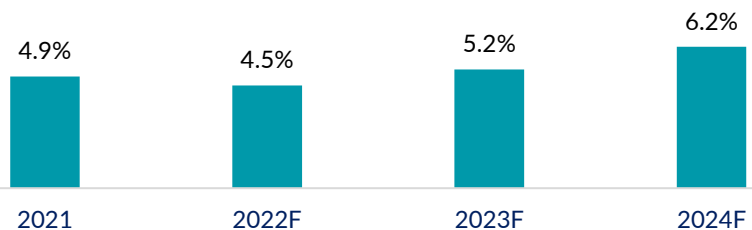
## Balance Sheet (KES Mn)



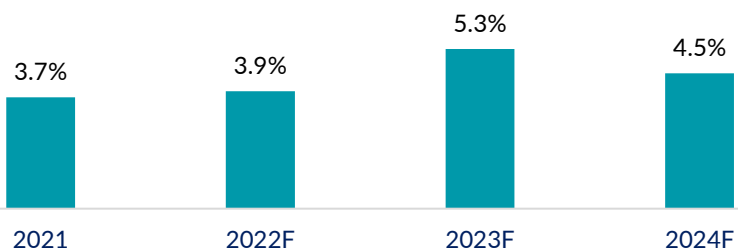
- 10% growth in Loans and Advances supported by MSME product and digital lending
- Deposits have grown by 3% y/y with challenges coming from the Government's borrowing appetite. Continued focus on CASA led to a 15% y/y growth.
- The Bank remains well capitalised and liquid to support business growth

Key Ratios	Sep-21	Sep-22
Loan to Deposit Ratio	72%	77%
Net NPA	4%	2%
Total Capital/Risk Weighted Assets	21%	21%
Liquidity Ratio	46%	40%

## Tanzania GDP Growth (%)



## Tanzania Inflation Rate (%)



Source: IMF Outlook, October 2022, National Bureau of Statistics, Bank of Tanzania, Economic Review September 2022

## Macro-economic Outlook

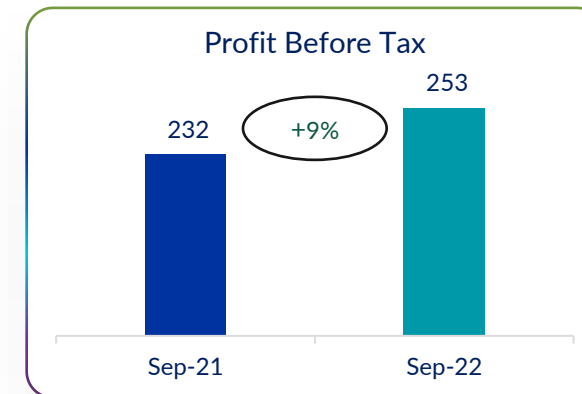
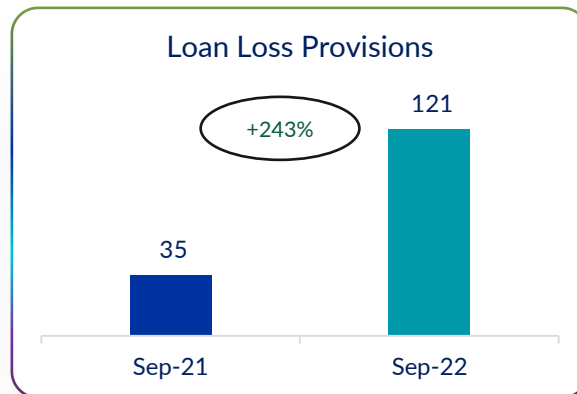
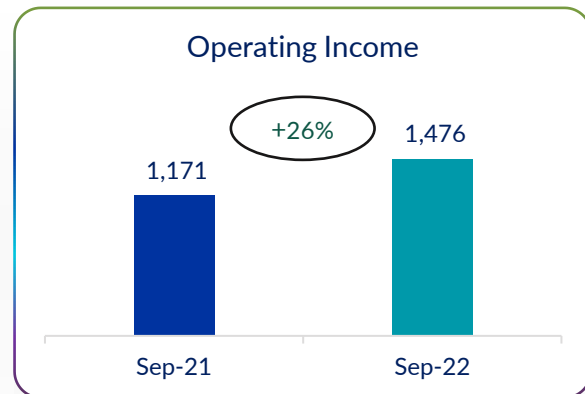
- GDP expected to slowdown to 4.5% in 2022 and improve to 5.2% in 2023;
- The economy grew by 5.4% in Q1 2022 despite external shocks driven by improvements in agriculture, construction, mining and manufacturing;
- Inflation rate increased by 4.8% in September 2022 (4.6% in August 2022) driven by both food and non-food inflation;

## Monetary Policy & Banking Sector

- The Bank of Tanzania (BoT) Monetary Policy Committee (MPC) approved for BoT to continue reducing liquidity in the market as a way to curb inflation.
- Private sector credit grew by 20.7% in August 2022 (3.2%: August 2021) driven by recovery in the private sector, improved business environment and supportive fiscal and monetary policy conditions;
- Decline in NPL to 8.9% in Q2 2022 attributed to targeted efforts by BoT efforts to bring down this to its target ratio of 5%;



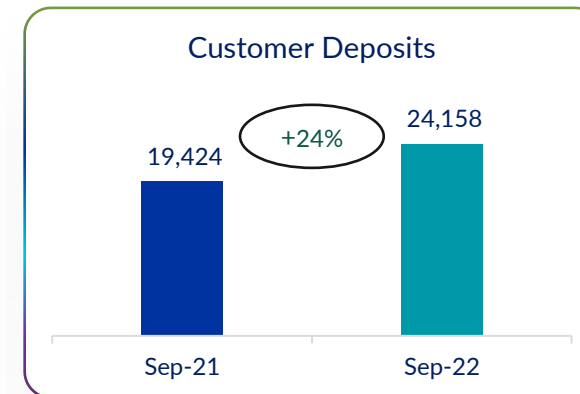
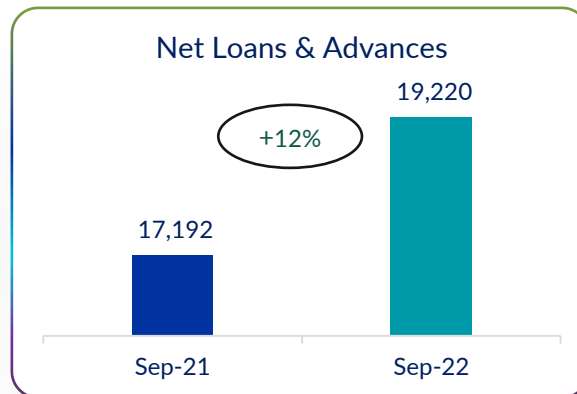
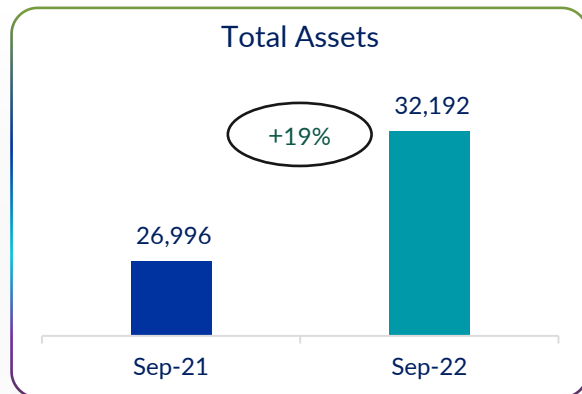
## P&L (KES Mn)



- Operating income supported by strong growth in non-funded income attributed to enhanced trade lines, forex income and increased card transactions.
- Business growth and continued focus on cost containment, while investing in the digital platform, led to an improved cost to income ratio.
- Prudent approach to provisioning on the back of potential macro challenges increased the loan loss provision to 121m.

Key Ratios	Sep-21	Sep-22
Efficiency Ratio (CTI)	77%	75%
Cost of Risk	0.3%	0.9%
ROE	5%	5%
ROA	1%	1%

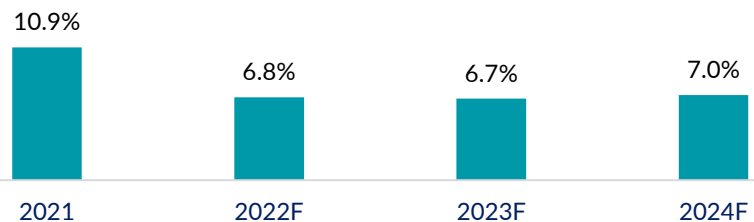
## Balance Sheet (KES Mn)



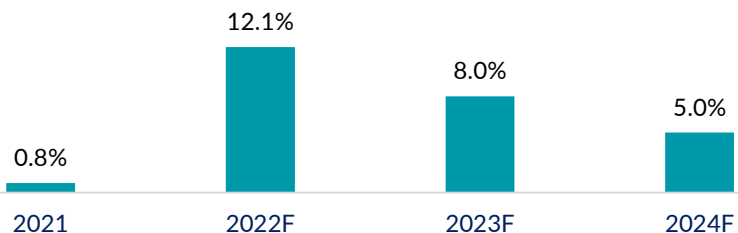
- 19% y/y growth in Total Assets driven by an expanding loan book and investments in Government Securities.
- Customer deposits grew by 24% y/y as a result of focused and deliberate efforts to grow CASA.
- Statutory ratios are well above regulatory thresholds.

Key Ratios	Sep-21	Sep-22
Loan to Deposit Ratio	89%	80%
Net NPA	7%	11%
Total Capital/Risk Weighted Assets	20%	18%
Liquidity Ratio	27%	32%

## Rwanda GDP Growth (%)



## Rwanda Inflation Rate (%)



Source: IMF Outlook, October 2022, National Bank of Rwanda, Economic Review, August 2022

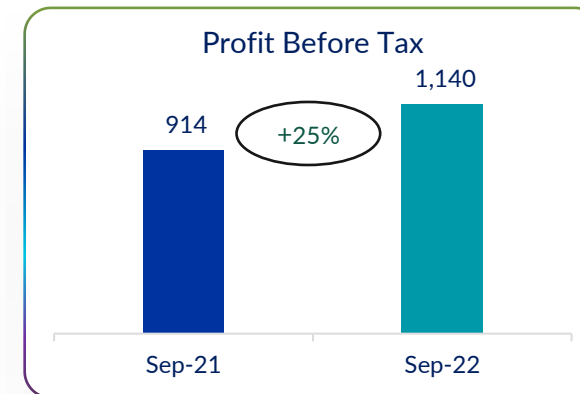
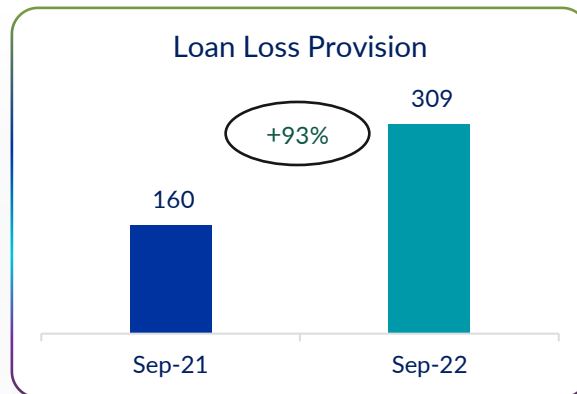
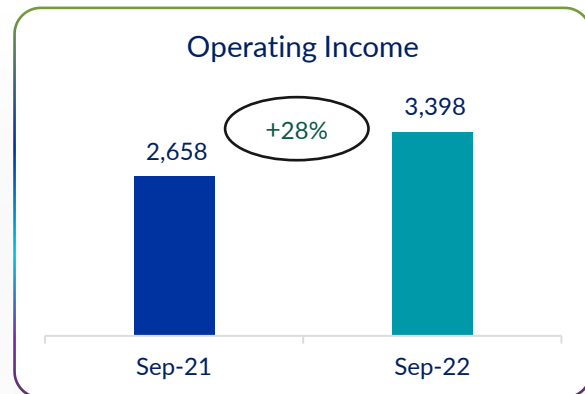
## Macro-economic Outlook

- GDP expected to slowdown to 6.7% in 2023;
- Rwandan Economy grew by 7.5% in Q2 2022 driven by strong performance in the industry and services sectors;
- Inflation remains a key concern globally and locally; The persistent drought, increase in food and fuel prices due to supply side shocks are elevating the pressure on the economy; headline inflation increased to 17.6% in September 2022;

## Monetary Policy & Banking Sector

- The National Bank of Rwanda (BNR) increased the policy rate by 150bps from 5% to 6.5% in Q3 2022.
- Credit growth declined by 1.2% in June 2022 (June 2021: 7.8%);
- Industry NPL ratio dropped to 4.3% as at June 2022 (from 5.1% in June 2021), mainly due to improved ability to service loans driven by economic recovery.

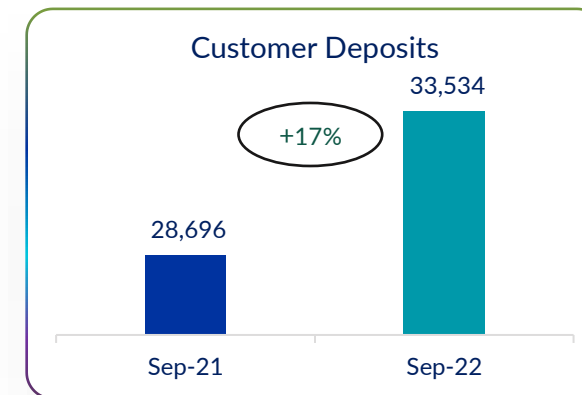
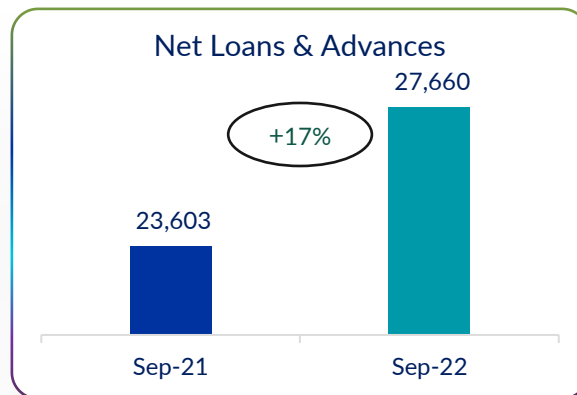
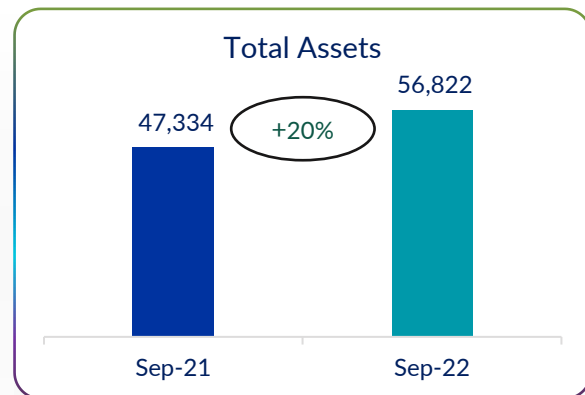
## P&L (KES Mn)



- Operating Income grew by 28% YoY driven by increase in net interest income (20%) and non-funded income (47%) supported by good product mix.
- Loan Loss Provision increased on the back of prudent provisioning policy.

Key Ratios	Sep-21	Sep-22
Efficiency Ratio (CTI)	60%	57%
Cost of Risk	1%	2%
ROE	13%	14%
ROA	2%	2%

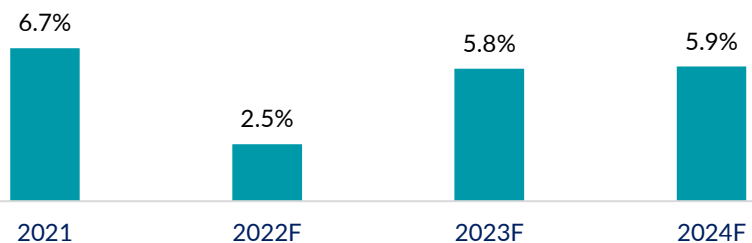
## Balance Sheet (KES Mn)



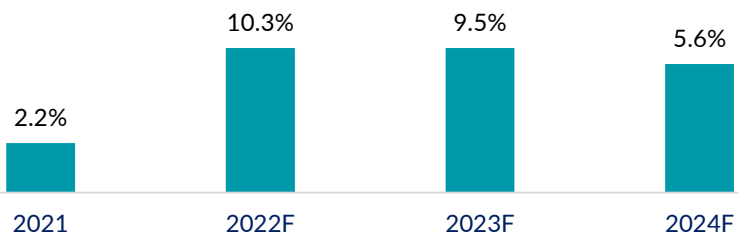
- Continued growth in Total Assets supported by strong loan growth across all segments.
- CASA continues to perform well closing at 83% of total deposits.

Key Ratios	Sep-21	Sep-22
Loan to Deposit Ratio	82%	83%
Net NPA	4%	1%
Total Capital/Risk Weighted Assets	19%	20%
Liquidity Ratio	51%	42%

## Uganda GDP Growth (%)



## Uganda Inflation Rate (%)



Source: IMF Outlook, October 2022, BoU MPC October 2022, Financial Stability Review, June 2022

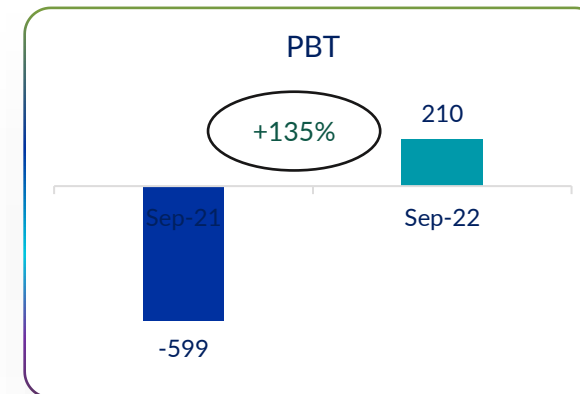
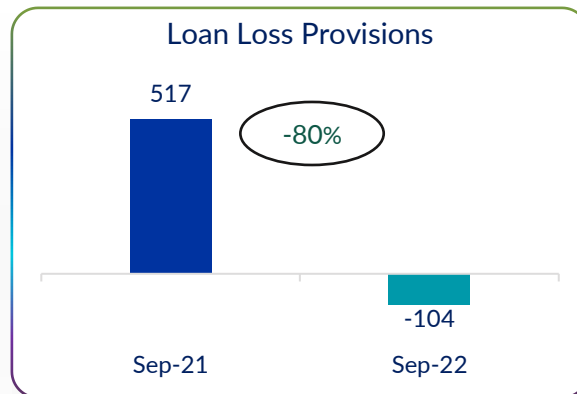
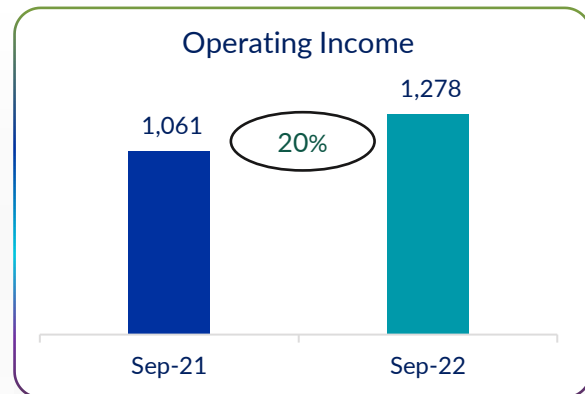
## Macro-economic Outlook

- GDP growth projections reduced to 2.5% in 2022. Recent Ebola outbreak could have knock on effects on the economy and supply chain disruptions.
- Inflation increased rose to 10% in September 2022 (highest level recorded since 2012 ) driven by increasing food and energy prices.
- Increase in interest rates of government securities with recent auction of 1 year bill at 15.5%
- Public debt stock increased by 14% y/y in Q3 2022

## Monetary Policy & Banking Sector

- The Bank of Uganda (BoU) increased the policy rate by 100bps to 10.0% at the October MPC;
- Private sector credit grew by 9.2% as at June 2022; (6.8%: June 2021);
- NPL ratio reduced to 5.4% in June 2022 (5.9%: March 2022) as a result of ongoing COVID-19 Credit Relief Measures (implemented in October 2021) and write offs;

## P&L (KES Mn)

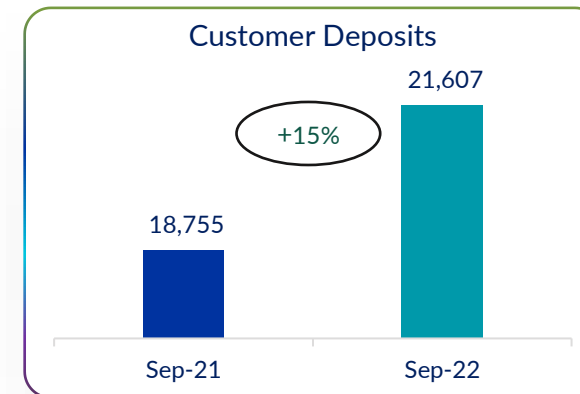
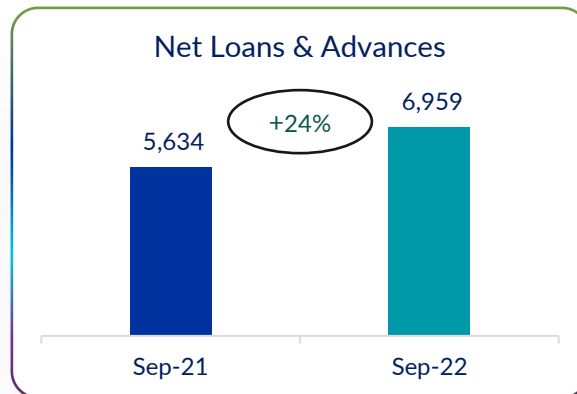
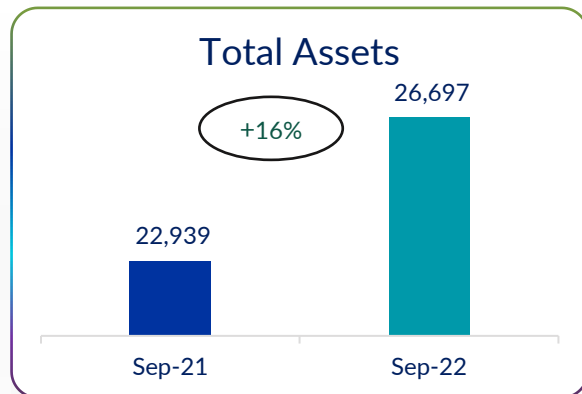


- Operating income growth supported by 26% increase in net interest income on loans and advances.
- New investments in systems and technology as part of the integration process.
- Strong recoveries (KES 242Mn) to date have helped the bottom line.

Key Ratios	Sep-21	Sep-22
Efficiency Ratio (CTI)	108%	92%
Cost of Risk	0.4%	2.2%
ROE	-38%	-4%
ROA	-4.0%	-0.5%

\*Sep 21 excludes one-off gain from sale of property of KES 234Mn)

## Balance Sheet (KES Mn)

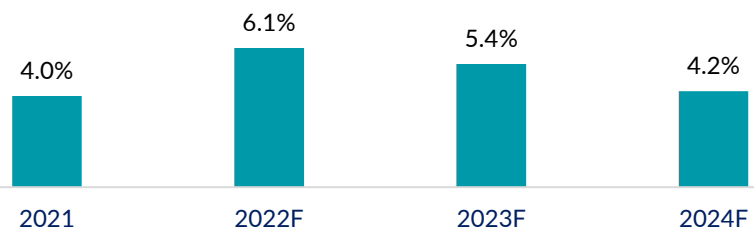


- Growth in Loans and advances supported by disbursements to new customers and leveraging off cross border relationships.
- Growth in Customer deposits driven by increased customer engagement leveraging the I&M brand coupled with Workplace banking activations.

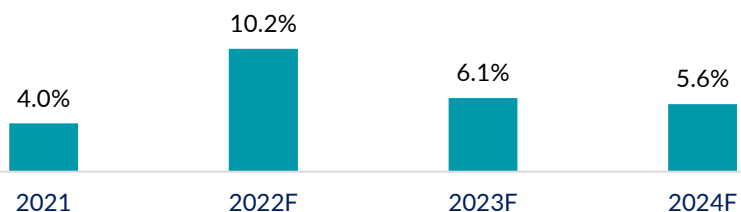
Key Ratios	Sep-21	Sep-22
Loan to Deposit Ratio	30%	32%
Net NPA	11%	19%
Total Capital/Risk Weighted Assets	19%	17%
Liquidity Ratio	56%	62%



## Mauritius GDP Growth (%)



## Mauritius Inflation Rate (%)



Source: IMF Outlook, October 2022, Care-Edge Ratings, October 2022

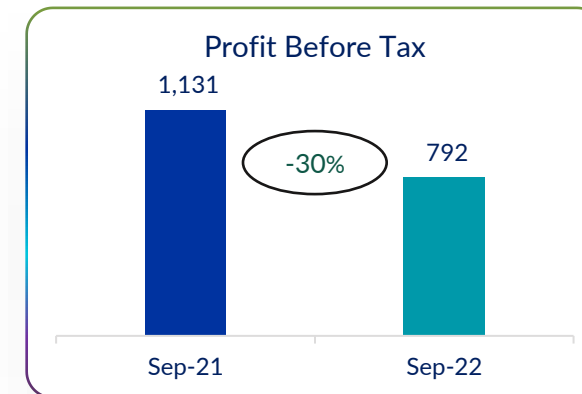
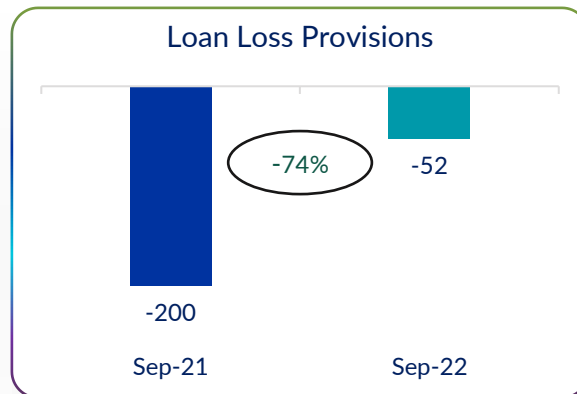
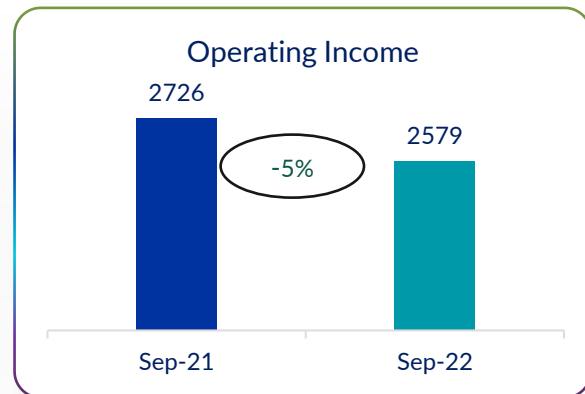
## Macro-economic Outlook

- GDP expected to improve to 6.1% in 2022, on the back of recovery in the economy.
- The Mauritius economy grew by 15.9% in Q2 2022 largely driven by manufacturing, construction, accommodation and food services sectors;
- Inflation increased by 11.9% y/y in September 2022, increasing for the 3<sup>rd</sup> consecutive month;

## Monetary Policy & Banking Sector

- The Bank of Mauritius (BoM) increased its policy rate by 75bps at the September 2022 MPC and a further increase of 100 bps in November to 4.0%.
- Private sector credit growth remains strong at 12.3% as at June 2022; (7.7%: June 2021);

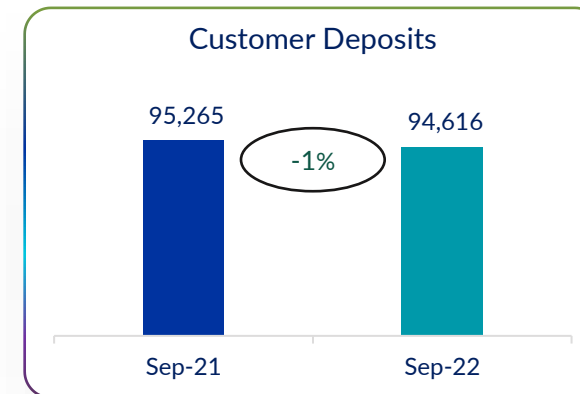
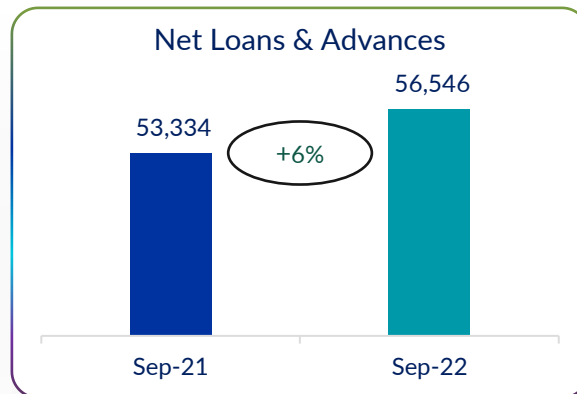
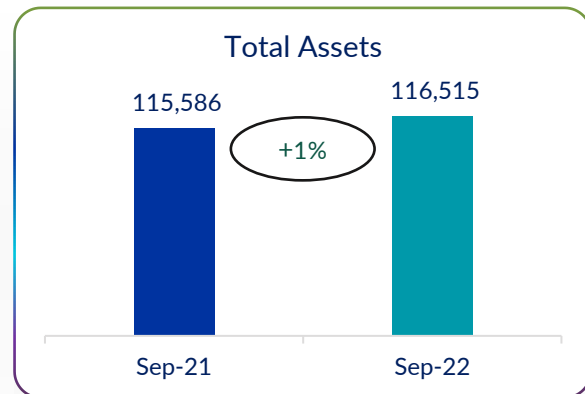
## P&L (KES Mn)



- Operating income declined due to one-off gain from the sale of Government securities in early 2021.
- Decline in profitability attributed to lower recoveries compared to 2021.

Key Ratios	Sep-21	Sep-22
Efficiency Ratio (CTI)	66%	71%
Cost of Risk	0.5%	0.1%
ROE	13%	10%
ROA	0.9%	0.8%

## Balance Sheet (KES Mn)



- Loans and advances benefitted from growth on onshore and offshore business.
- Gross NPL ratio of 2.8% as at end of September 2022 remains among the lowest in the market.
- The deposit book has stabilized as the Bank continues to run down high-cost deposits as they matured.
- At the end of the period the Liquidity Coverage Ratio stood at 400% reflecting the strong liquidity position of Bank and poised for growth.

Key Ratios	Sep-21	Sep-22
Loan to Deposit Ratio	56%	60%
Net NPA	3%	2%
Total Capital/Total Risk Weightage Assets	21%	20%
Liquidity Ratio	39%	39%

A large, stylized diamond shape composed of two overlapping rounded rectangles, one in a lighter teal and one in a darker blue. The text 'Group Summary' is centered in white. The diamond is set against a background of concentric dotted circles and is flanked by two horizontal bars, one teal and one dark blue.

# Group Summary



Profit Before Tax

10.4 bn

+29% ↑



Customer Deposits

308bn

+7% ↑



Net Loans & Advances

231bn

+11% ↑



Return on Equity

14%

+2% ↑

A large, stylized graphic consisting of a dark blue diamond shape with a teal outline, centered on a horizontal band that transitions from teal on the left to dark blue on the right. The diamond is surrounded by a pattern of small, light blue squares arranged in a circular, dotted fashion.

# Group Outlook

**STRATEGIC  
ASPIRATION**  
Eastern Africa's Leading  
Financial Partner for  
Growth

**KEY FOCUS AREAS**

Customer Base Growth  
Ecosystem Banking

Partnerships  
FinTech and other strategic partnerships

Group Operating Model  
Roll out and embedding of the Group  
Operating Model

Omni Channel Implementation ('On the Go')  
Leading to full digital distribution capability

Segment Expansion  
MSME and Retail Business

Innovation  
Digital Orchestrator model ecosystems

Regional Growth  
Geographical expansion into new markets



**OUR TARGETS**



**74%**

Digitally  
Active Customers



**+75%**

Net  
Promoter Score



**+20Bn**

Profit  
Before Tax

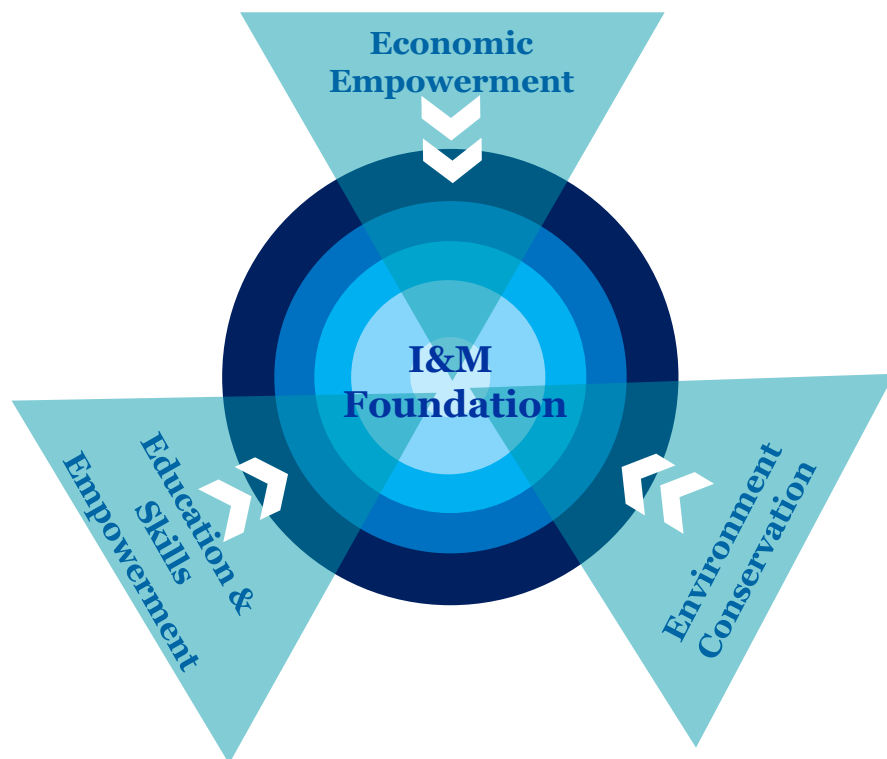


**+21%**

Return  
On Equity

# Appendices





## Education & Skills Empowerment



- **KES 28Mn** - Supporting education and skills empowerment
- **111** - Number of high school scholarships provided through the I&M Foundation fund
- **15** - Additional university students supported to complete their undergraduate studies at Strathmore University

## Environment Conservation



- **KES 57Mn** - Committed to a project in partnership with Kenya Community Development Foundation to inculcate a culture of environmental conservation in communities in Narok and Kilifi Counties
- **400** - Hass grafted avocado tree seedlings to Palmhouse dairies farmers group
- **100 plus** - endemic trees planted to support the reforestation program in Mahebourg Mauritius
- **KES 1.2Mn** - Supporting conservation of endangered species of mountain gorillas

## Economic Empowerment



- **KES 1.5Mn** - Supporting the 2nd phase of Maa Beadwork social enterprise to provide environmentally sustainable livelihood through the Maa Trust.

# Some of the initiatives driving business growth

PILLAR 1: Driving Business Growth

## Jumia Offer



10% on value  
below 3k

Kes 300 Cap  
Value above  
3k

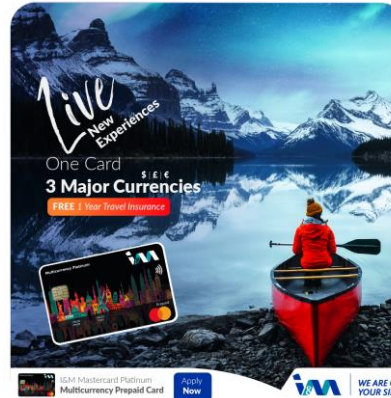


Get 10% discount  
on spend up to Kes 3,000.

Learn More



## Multicurrency Campaign



Customers who purchase  
the MCY cards in Nov & Dec  
22 to get free travel  
insurance

## Visa Infinite Credit Card Campaign



Top 2 customers to have:

1. Carried out 4 transactions & above

## Wealth Management Campaign



## I&M Brisk Campaign



## Service Guarantee



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# THANK YOU

WE ARE ON YOUR SIDE

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