



Group

We Are On Your Side

FY 2022

INVESTOR PRESENTATION



INTEGRITY



COURAGE



TRUST



RESPECT



INNOVATION





We Are On Your Side

What did 2022 look like?

Despite economic recovery....2022 presented macro-economic challenges....

Economic Tailwinds



Economic recovery in East Africa projected at 4.8% as business activities improved across the region, noting uneven recovery across the sectors.



Improved confidence on the back of peaceful elections in Kenya.



Improved economic and business environment in Tanzania



Improving economic conditions and business climate in Mauritius following recovery of the tourism sector.

Economic Headwinds



Full recovery hampered by rising cost of living emanating from an increase in commodity prices due to global events.



Region is battling one of the worst droughts in 40 years resulting in growing poverty levels and loss of livelihood.



Strengthening of the dollar against regional currencies adversely impacting the macroeconomic environment.



Balancing act being called for between fiscal and monetary policy to support economic growth but manage inflationary pressures

....Our growing geographical footprint offered strong customer proposition



Over 350K Customers



83 Branches




123 ATMs



Over 2.5K Staff



Over 4K Shareholders




UGANDA
I&M Bank Uganda Limited
✓ 75,000+ Customers
✓ 11 Branches
✓ 13 ATMs
✓ 296 staff

I&M Burbidge Capital (U) Limited



RWANDA
I&M Bank (Rwanda) PLC
✓ 41,000+ customers
✓ 18 Branches
✓ 35 ATMs
✓ 424 staff




TANZANIA
I&M Bank (T) Limited
✓ 25,000+ customers
✓ 8 Branches
✓ 11 ATMs
✓ 181 staff



KENYA
I&M Bank Limited
✓ 227,000+ customers
✓ 39 Branches
✓ 55 ATMs
✓ 1,217 staff

I&M Burbidge Capital Limited
✓ Investment Advisory firm
I&M Bancassurance Intermediary Ltd
✓ 6,300+ customers
✓ Staff force of 20
I&M Capital Ltd
✓ Licensed as a fund manager by CMA
I&M Realty Ltd
✓ Real Estate arm of the Group
Giro Ltd
✓ Investment Company
Investments & Mortgages Nominees Ltd
✓ Management Company



MAURITIUS
Bank One Limited, Mauritius
✓ 30,000+ customers
✓ 7 Branches
✓ 9 ATMs
✓ 410 staff

..and we remain on track to meet our strategic aspirations on the back of strong performance in 2022



STRATEGY

*Net Promoter Score - 62% (2021 - 74%)

Revenue from new business - 9% (2021 - 7%)

14% Regional Banking Subsidiary PBT Contribution ▲2%



FINANCIALS

Total Assets KES 437Mn ▲5%

Net Loans and Advances KES 239Mn ▲13%

Profit Before Tax KES 15.0Bn ▲21%



FUNDING AND LIQUIDITY

Deposits KES 312Mn ▲5%

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

Liquidity Ratio 46% (2021 - 52%)



SHAREHOLDER VALUE

Return on Equity - 15% (2021 - 12%) ▲3%

EPS KES 6.77 (2021 - KES 4.92) ▲38%

DPS KES 2.25 (2021 - KES 1.50) ▲50%



*Net Promoter Score impacted by first time inclusion of I&M Uganda
I&M Kenya NPS score - 72%

Eastern Africa's Leading Financial Partner for Growth



Customer Base Growth
Ecosystem Banking

Segment Expansion
MSME and Retail Business

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

Innovation
Digital Orchestrator model ecosystems

Regional Growth
Geographical expansion into new markets

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

Partnerships
FinTech and other strategic partnerships

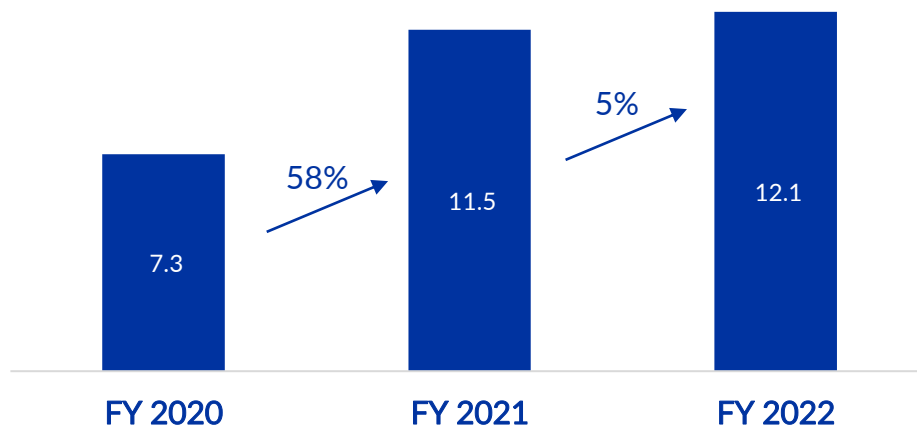


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**How have we achieved
this?**

Corporate & Institutional Banking

Total Operating Income (KES Bn)



Steady growth in Corporate & Institutional banking income since embarking on the iMara 2.0 strategy even as we diversify our revenue streams

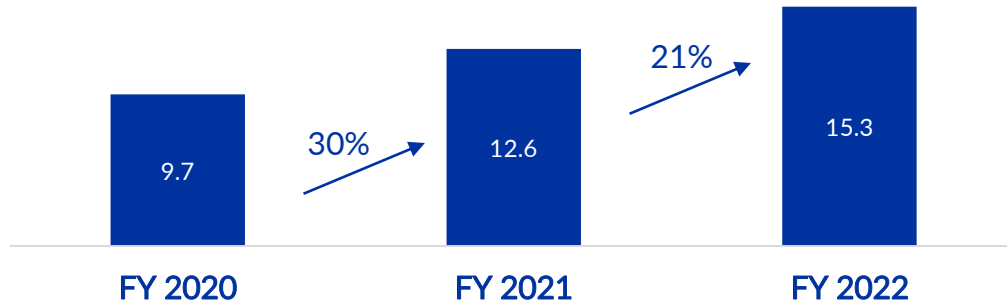
Maintained leadership in trade finance;

- ✓ One of the fastest growing in the industry
- ✓ 4th in the Industry in terms of value of trade finance and LCs

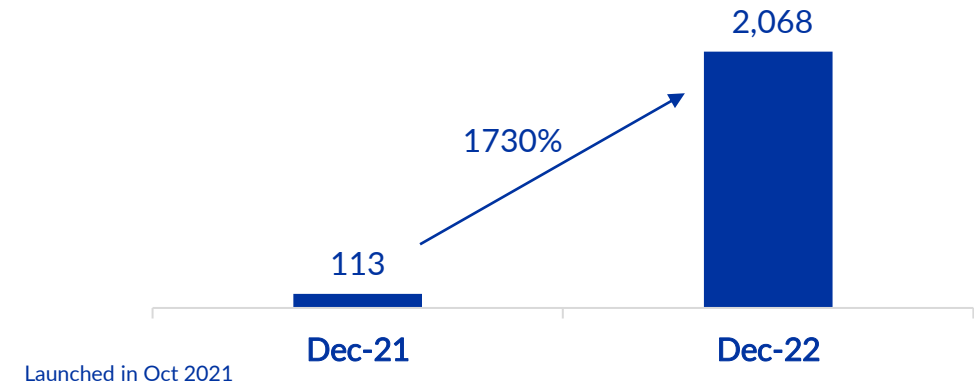
Group's new areas of focus areas include Agriculture, Oil & Gas and Public Sector

Business & Personal Banking

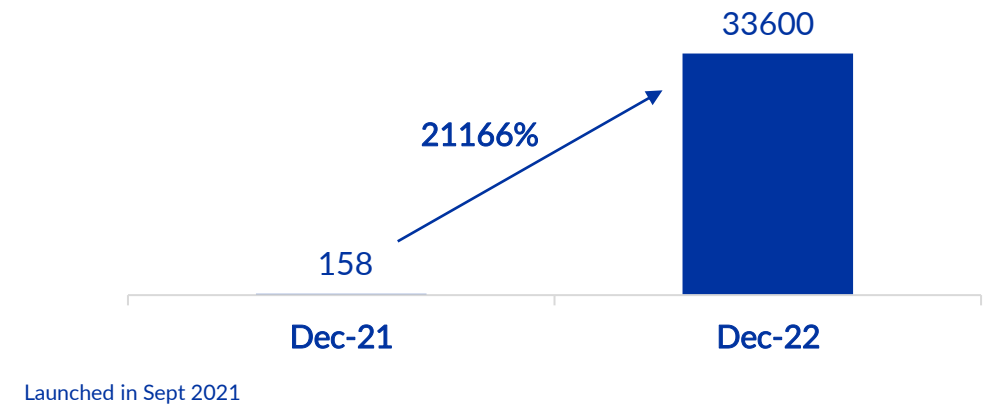
Operating Income KES Bn



Digital Unsecured Personal Loans – Kes Mn



Digital Unsecured Personal Loans – Tz Mn



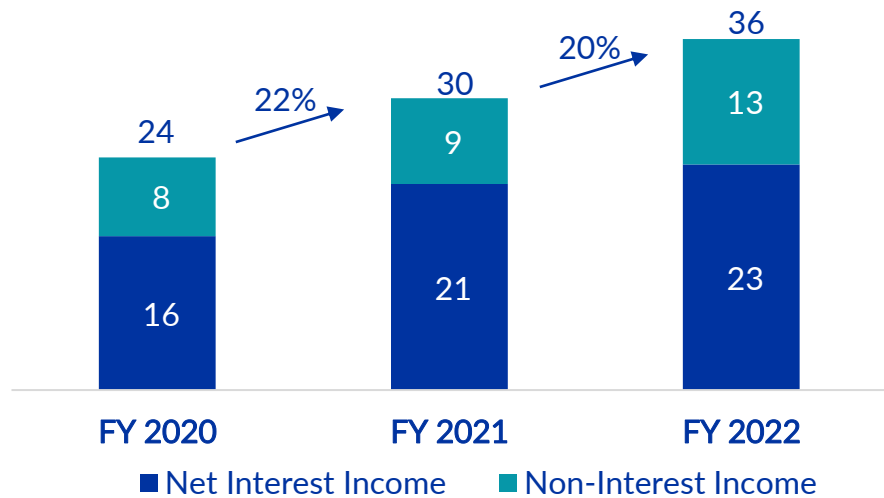
- ✓ Significant growth in operating income from the Personal and Business Banking segment
- ✓ Growth in customer base by c.32,000

- ✓ Launch of digital unsecured personal lending
- ✓ Launch of Workplace Banking - 24 Schemes close to 200,000 potential customers

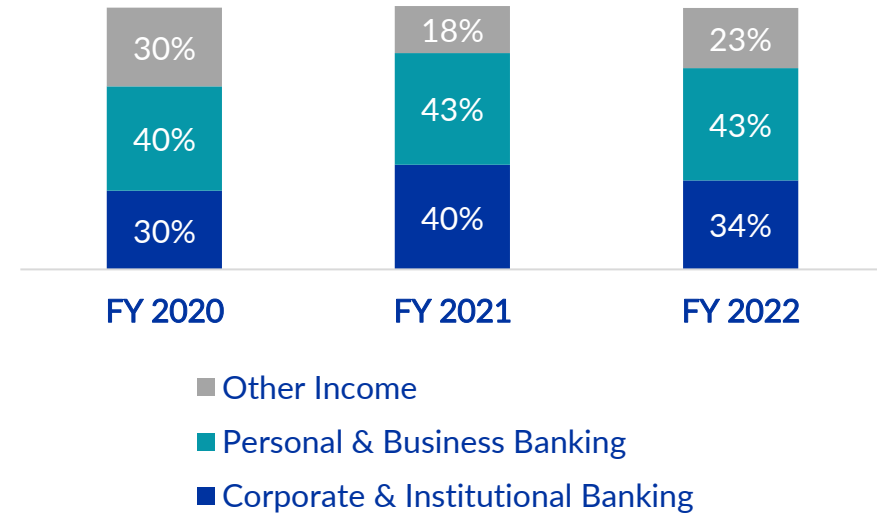
Growth by Strategic Partnerships with Ecosystem Players through:

- ✓ Supply Chain Financing
- ✓ Stock Financing
- ✓ Farmer Financing

Operating Income (KES Bn)

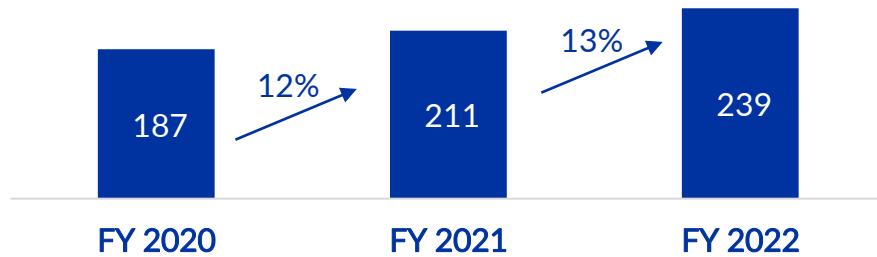


Operating income by Breakdown by Business Segments

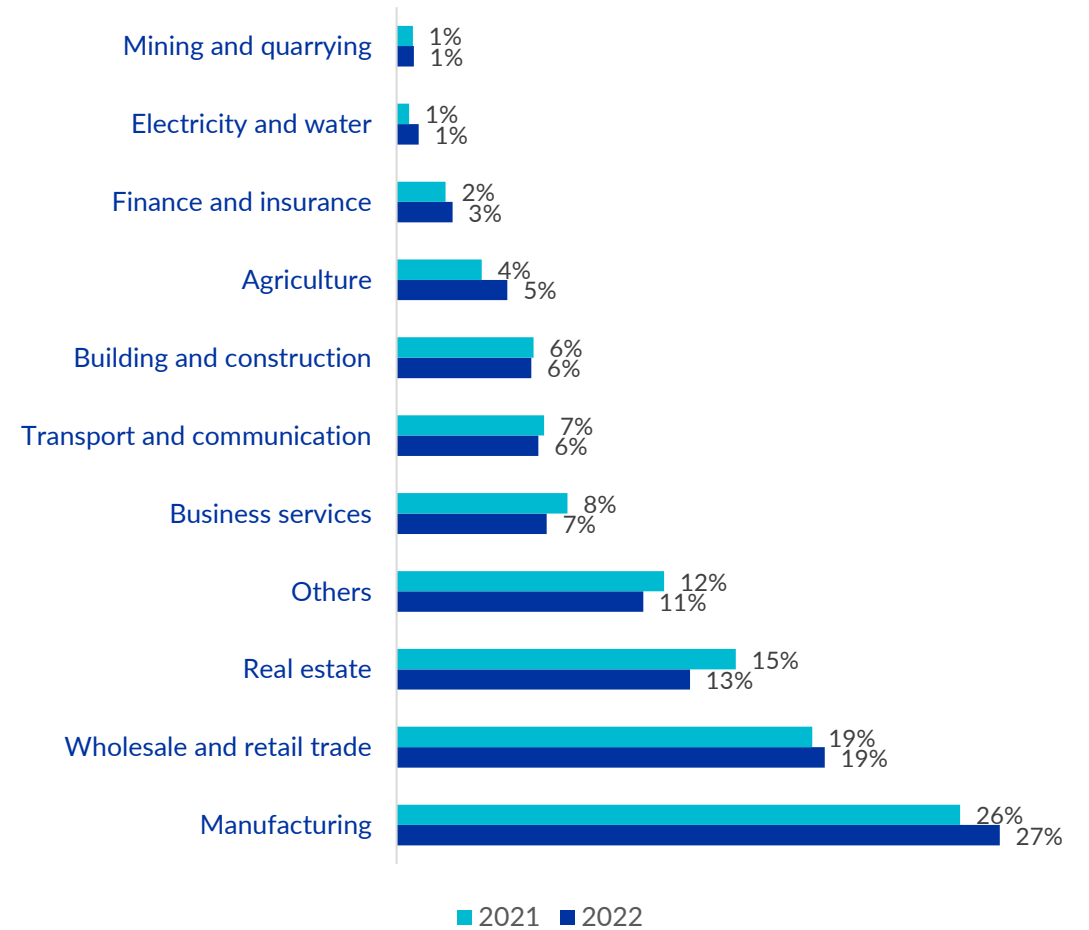


Other income includes treasury income, rental income, dividends and income from non-banking subsidiaries

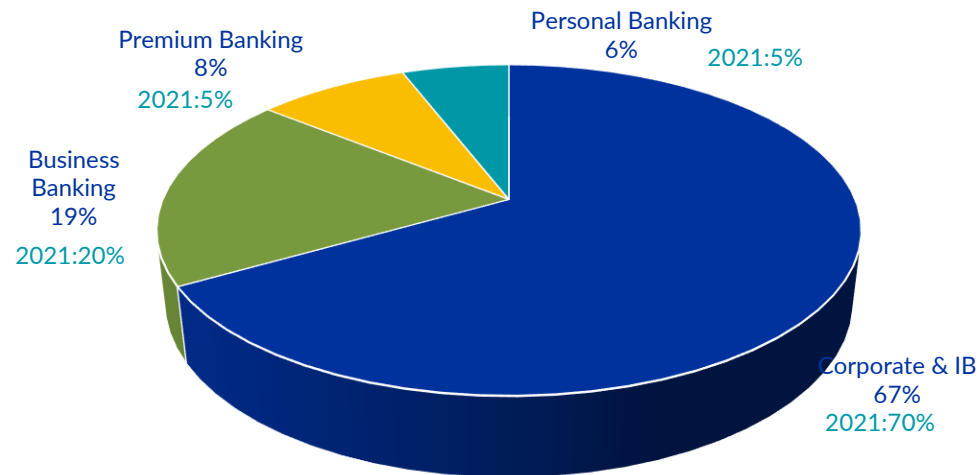
Total Loans and Advances (KES Bn)



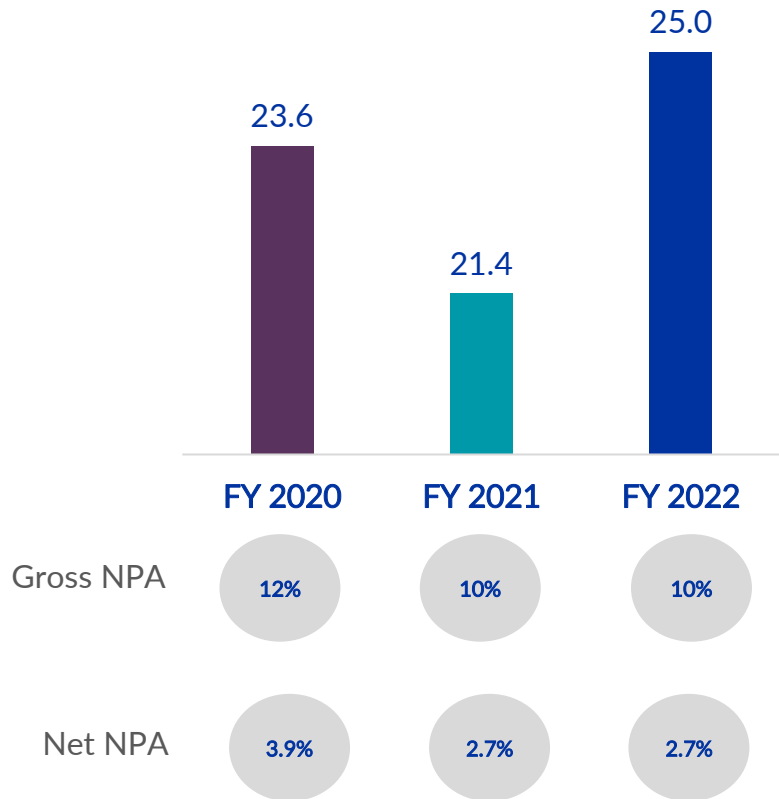
Sectoral Distribution of Loans & Advances



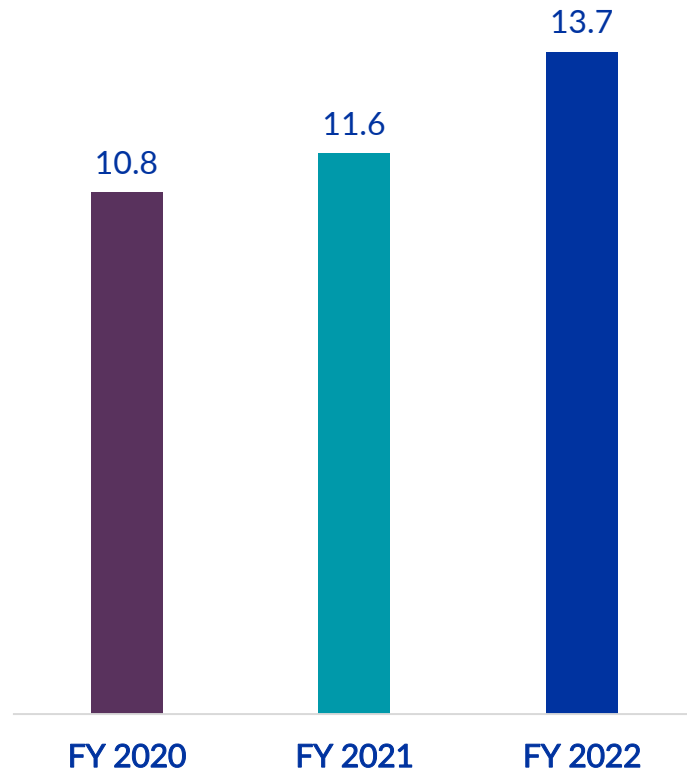
Loans and Advances by business segment



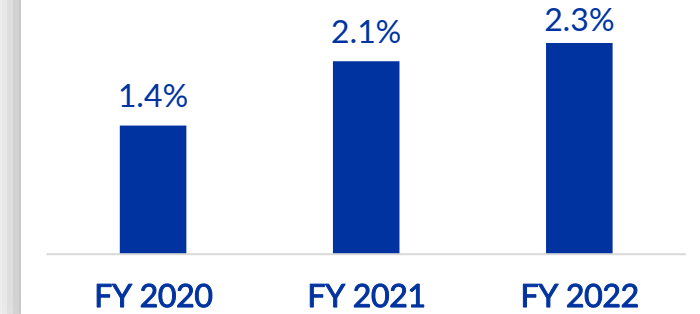
Gross NPLs (KES Bn)



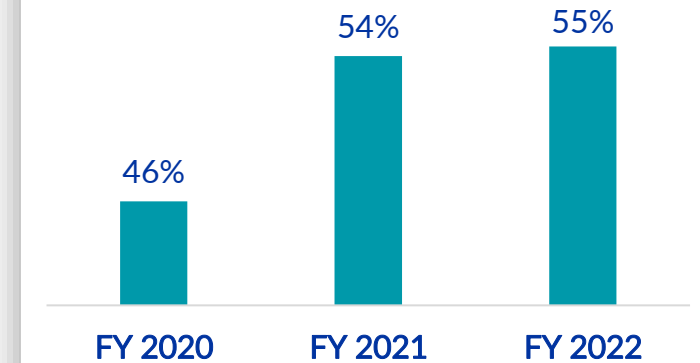
Loan Loss Provisions (KES Bn)



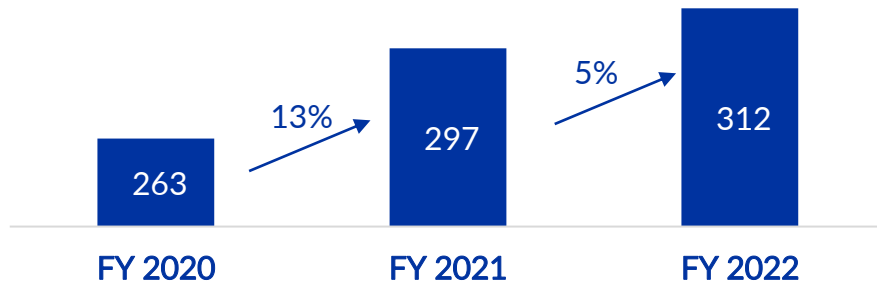
Cost of Risk



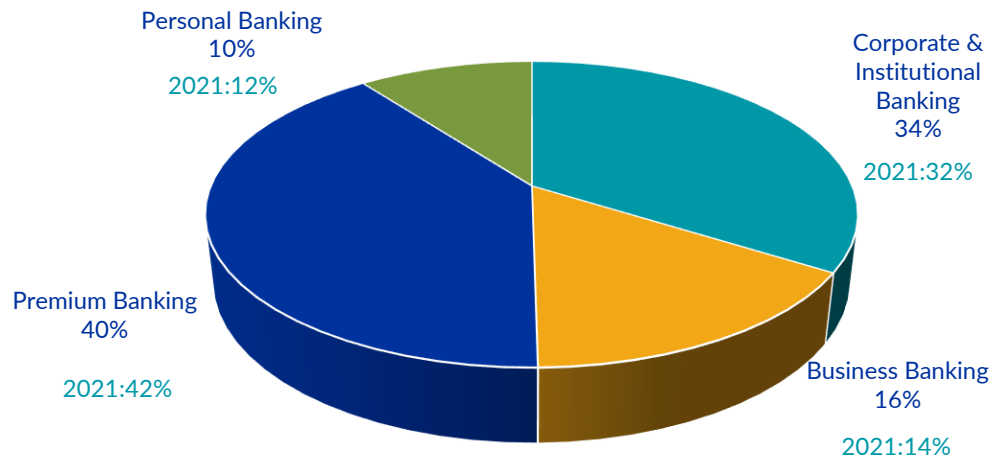
Coverage Ratio



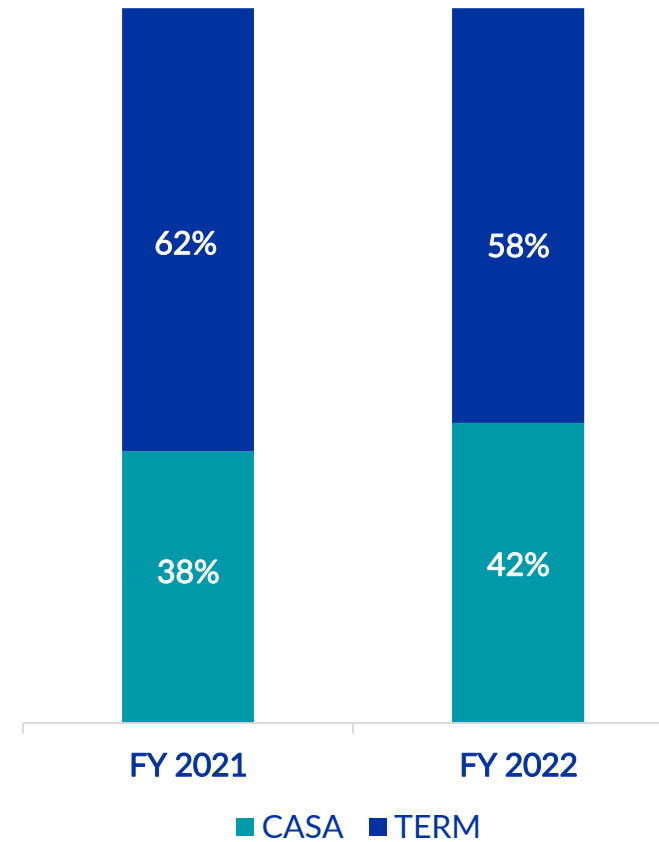
Total Deposits (KES Bn)



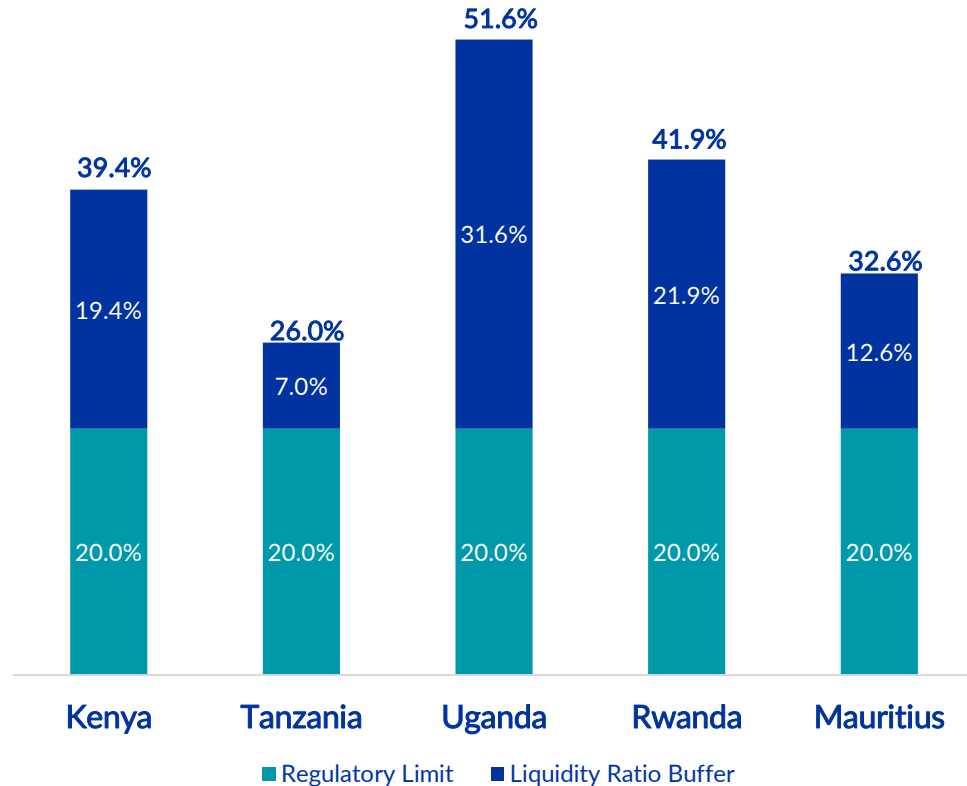
Deposits by business segments



Customer Deposit Mix

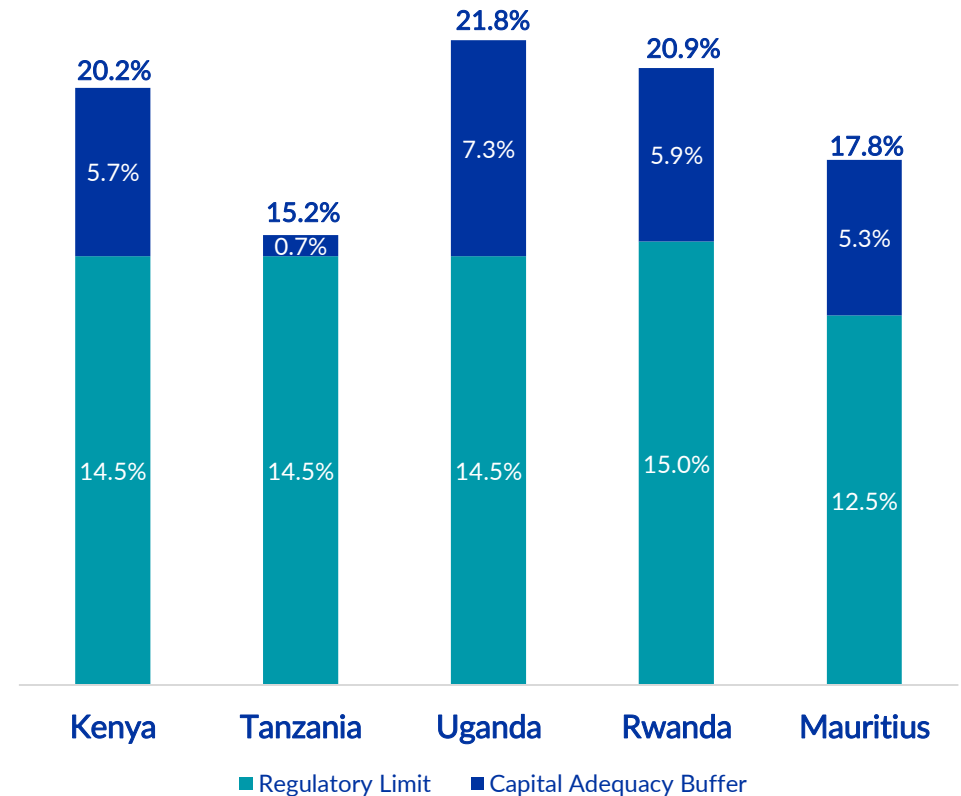


Liquidity Ratio



Mauritius has no regulatory limit, measured against internal threshold

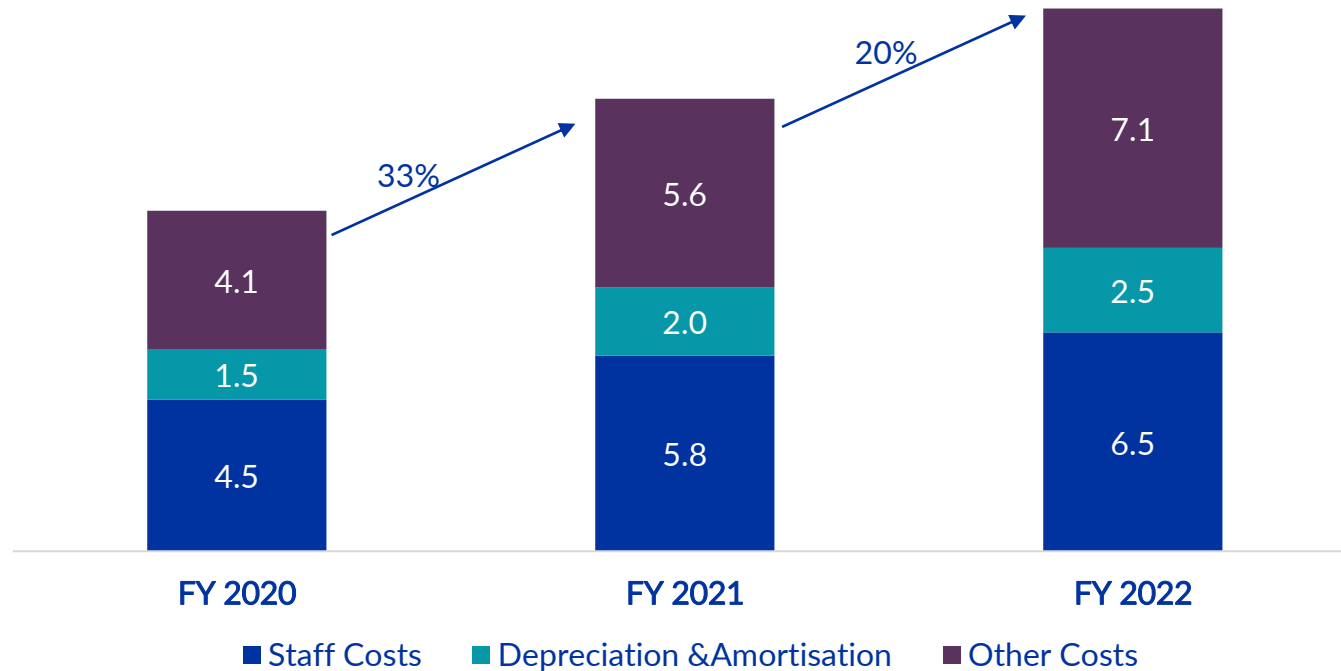
Capital Adequacy Ratios



Total Capital to total risk weighted asset ratio

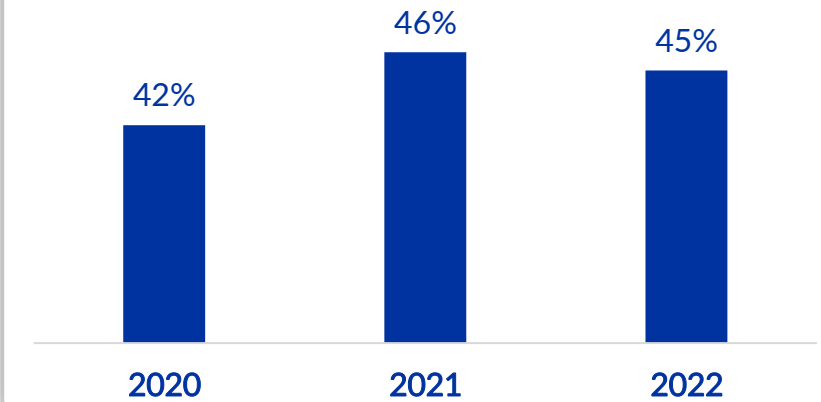
Under iMara 2.0 strategy the Group's focus has been on investing in digital platforms to diversify revenue streams and scaling business opportunities

Total Operating Costs (KES Bn)



* Other costs include annual maintenance costs, administrative and back-office costs

Cost to Income Ratio



- ✓ YoY growth on investment to support technology resiliency
- ✓ Implementation of the Future State Enterprise Infrastructure
- ✓ Microsoft Technology refresh initiatives


- ✓ Increase in staff numbers from 2,152 in 2020 to 2,528 in 2022 (▲17%)
- ✓ Investments in Employee Learning and Development initiatives KES 95 mn

Our consistent performance has been supported by our transformation journey

Investments in our platforms




'On-The-Go' OTG -
Redesigned mobile app and
web platform



New card
management
system



Future State Enterprise
Infrastructure



Digital lending
Solution



Successes of our investments in contributing to our growth

Digitally Active Customers



2019
48%



2022
70%

Digital Transactions



2019
<68%



2022
76%

Net Promoter Score



2019
<47%



2022
62%*

* I&M Kenya NPS score – 72%



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Group Financial Highlights

2022: Our Business showing strong growth momentum

Statement of Comprehensive Income	December 2020 KES Mn	December 2021 KES Mn	December 2022 KES Mn	Year on Year Growth
Net Interest Income	15,600	20,877	22,945	10%
Non-Funded Income	8,638	8,736	12,724	46%
Total Operating Income	24,238	29,612	35,669	20%
Operating Expenses	10,134	13,549	16,093	19%
Profit before Loan Loss Provisions	14,104	16,063	19,575	22%
Loan Loss Provisions	2,473	4,200	5,245	25%
Profit before Share of JV	11,631	11,864	14,330	21%
Share of Profit from JV	(679)	549	662	21%
Profit Before Tax	10,952	12,413	14,992	21%
Profit After Tax	8,412	8,624	11,584	34%

2022: Our Business showing strong growth momentum

Statement of Financial Position	December 2020	December 2021	December 2022	Y-Y %
	KES Mn	KES Mn	KES Mn	
Cash & Bank Balances	19,403	27,547	22,818	(17%)
Investments & Placements	101,711	125,535	113,112	(10%)
Loans & Advances (net)	187,391	210,620	238,590	13%
Other Assets	49,594	51,450	62,079	21%
Total Assets	358,100	415,151	436,599	5%
Customer Deposits	262,681	296,747	312,336	5%
Borrowings	14,773	19,547	16,794	(14%)
Other Liabilities	12,582	24,811	25,819	4%
Total Liabilities	290,037	341,103	354,950	4%
Shareholders' Funds	68,063	74,048	81,649	10%

2022: Group Ratios

	Dec 2020	Dec 2021	Dec 2022
Liquidity	51%	52%	46%
Cost/Income Ratio	42%	46%	45%
Net NPA	3.9%	2.7%	2.7%
Gross NPA	12%	10%	10%
Return on Equity	13%	12%	15%
Return on Assets	2.5%	2.2%	2.7%
Capital Adequacy Ratio	22%	21%	21%
Loan to Deposit Ratio	71%	71%	76%
Cost of Risk	1.4%	2.1%	2.3%

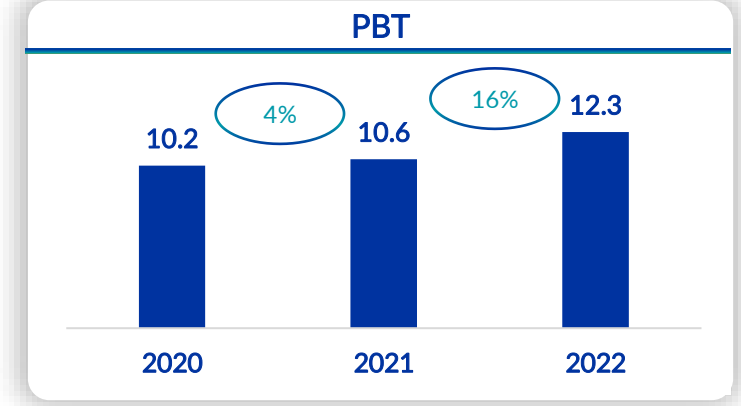
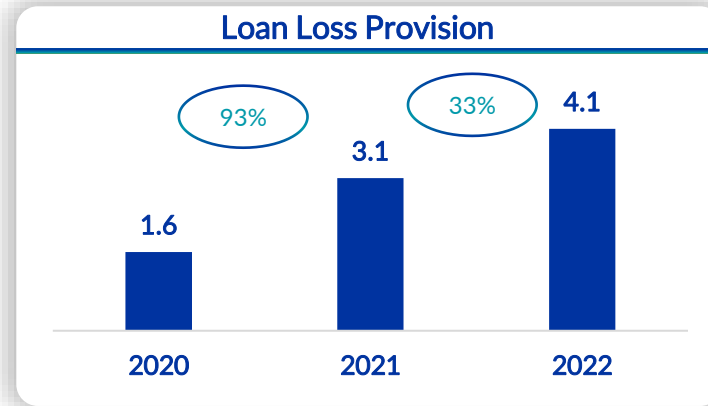
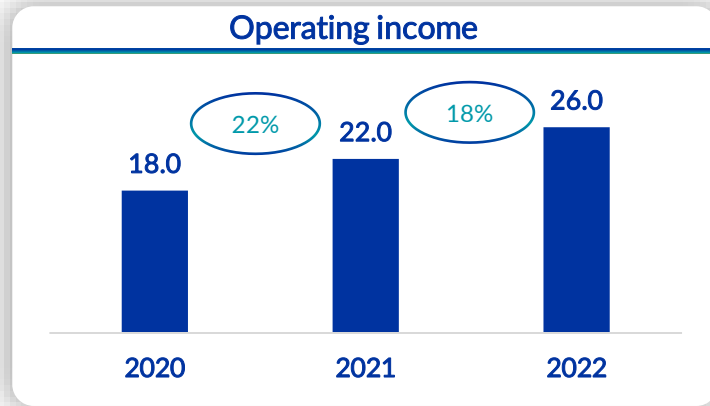


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Subsidiary Performance Highlights

Contributed 82% to Group PBT

Profit and Loss (KES bn)

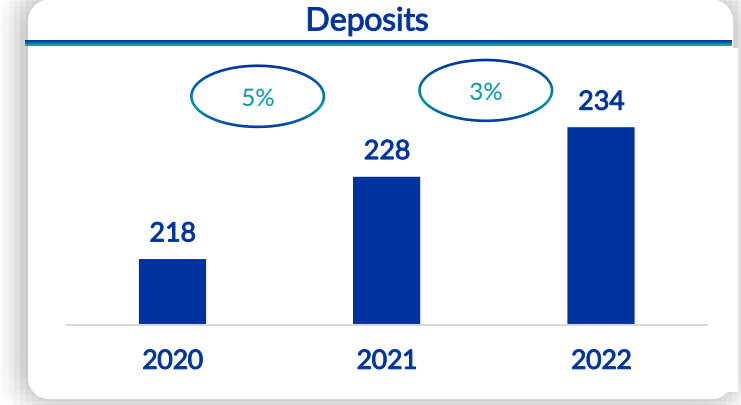
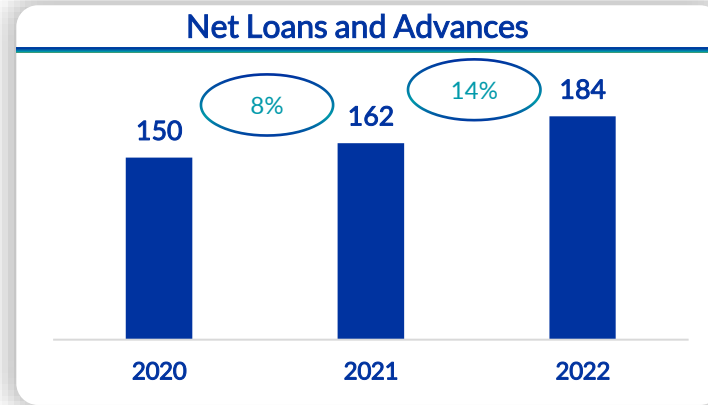
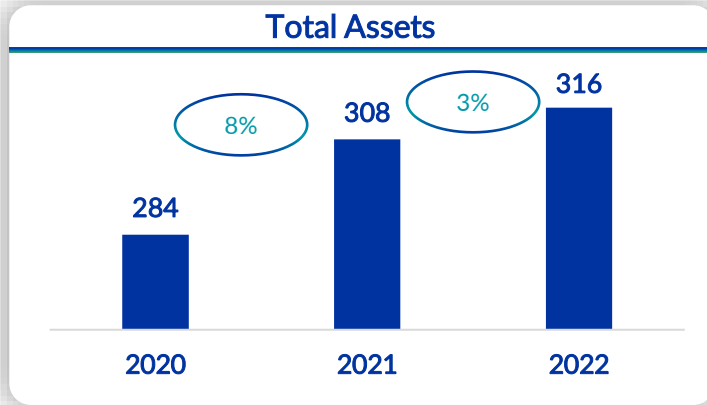


Key Ratios	Dec-20	Dec-21	Dec-22
Cost to income ratio	36.7%	38.6%	36.2%
Cost of Risk	1.1%	1.8%	2.3%
ROE	16.6%	13.5%	18.3%
ROA	3.1%	2.4%	3.1%

- ✓ Strong PBT growth of 16% in 2022
- ✓ Operating income contributing 72% (2021: 75%) to the Group total income
- ✓ Key initiatives to grow our retail presence through digital journey bearing fruits, on the back growing revenues and stable costs

Contributed 72% to Group Assets

Balance Sheet (KES bn)

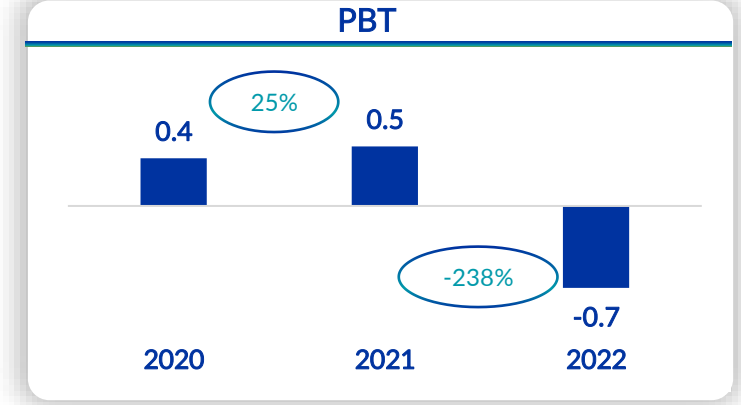
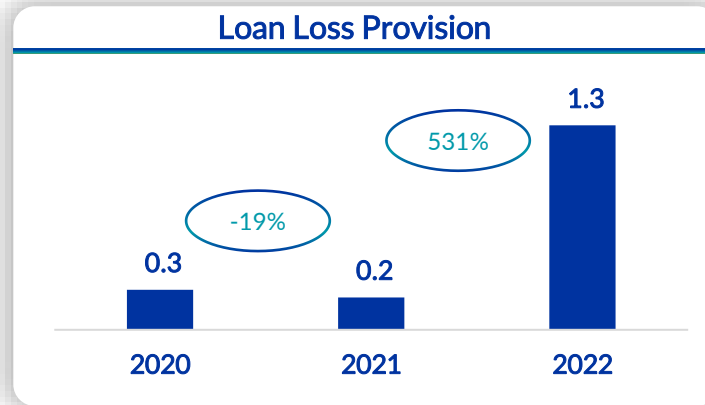
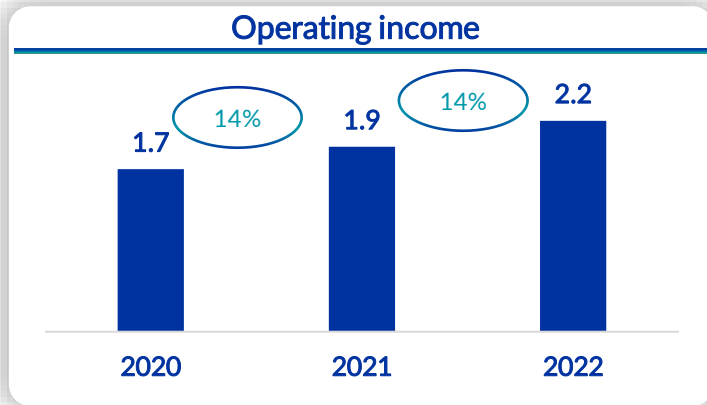


Key Ratios	Dec-20	Dec-21	Dec-22
Loan to Deposit Ratio	68.8%	71.1%	78.6%
Net NPA	4.2%	2.9%	2.6%
Total Capital/Total Risk Weighted Assets	23%	21%	20%
Liquidity Ratio	51%	48%	39%

- ✓ Net Loans and advances had strong growth momentum on the back of growth in both our corporate and retail business segments
- ✓ Market interest rates increased during the year, leading to higher cost of funds; The CASA mix stood at 34%: 66% (2021: 31%: 69%)
- ✓ We continue to maintain strong liquidity and capital adequacy in the Kenyan subsidiary

Contributed 6% to Group Banking Subsidiaries' Operating Income

Profit and Loss (KES bn)

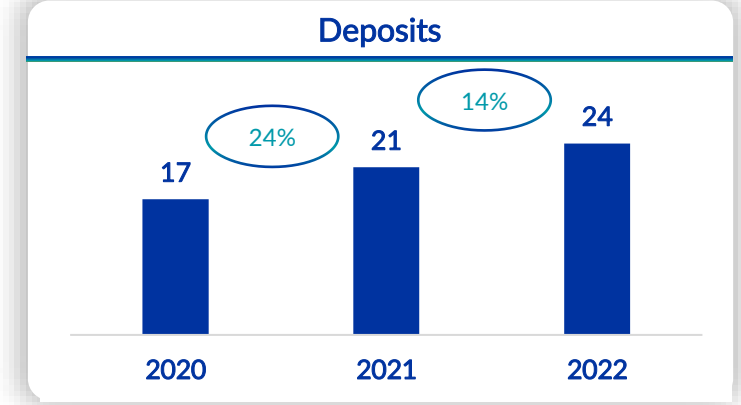
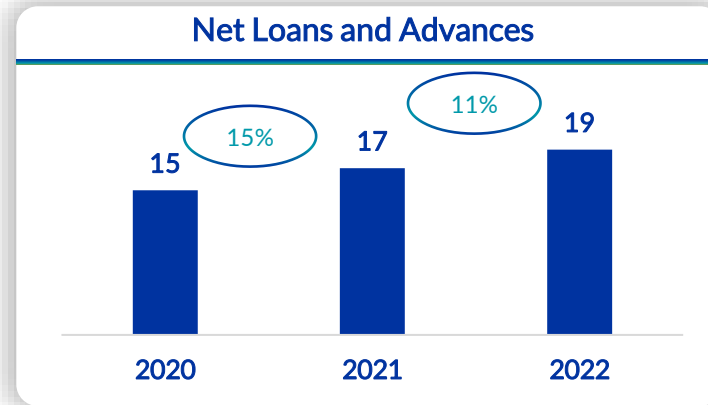
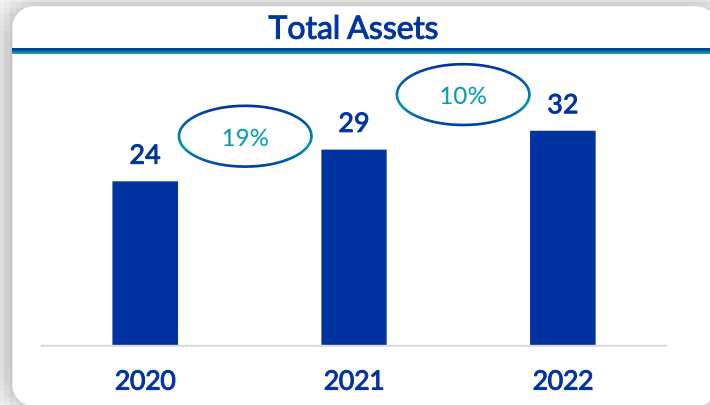


Key Ratios	Dec-20	Dec-21	Dec-22
Cost to income ratio	62.6%	64.2%	73.0%
Cost of Risk	1.6%	1.2%	6.5%
ROE	8.0%	7.7%	-10.9%
ROA	1.3%	1.3%	-1.7%

- ✓ Operating income continued to grow consistently in 2022 as the business climate improved in Tanzania
- ✓ Opex increased on the back of continued investment in the digital platforms and high inflationary environment
- ✓ Profitability impacted by the significant increase in loan loss provisions

Contributed 7% to Group Assets

Balance Sheet (KES bn)

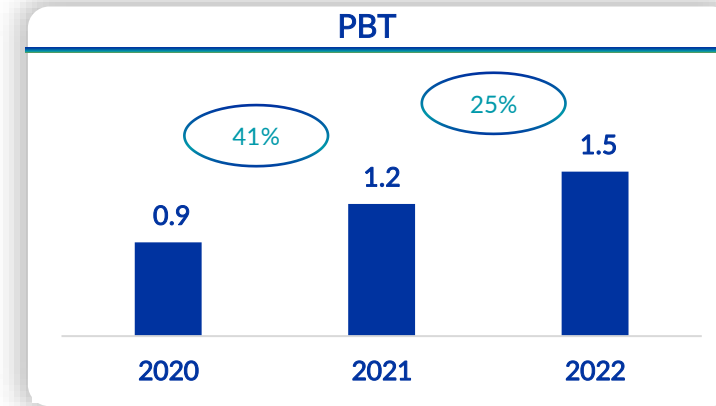
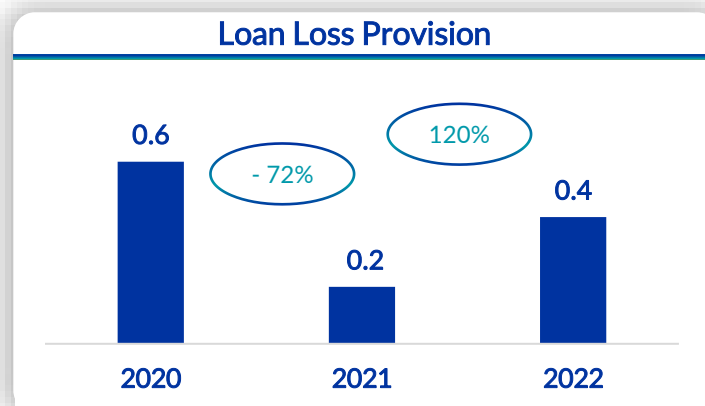
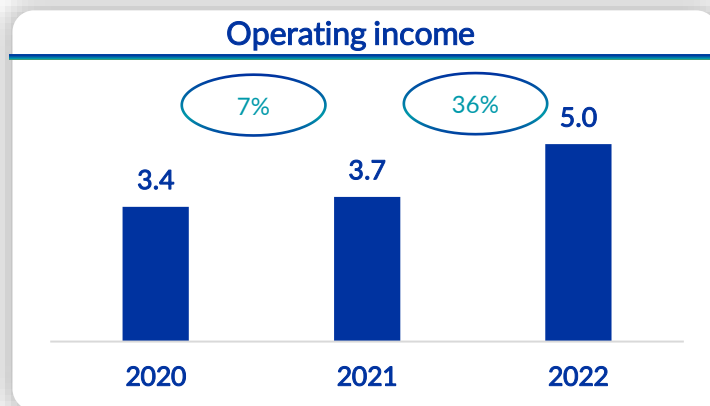


Key Ratios	Dec-20	Dec-21	Dec-22
Loan to Deposit Ratio	88%	81%	80%
Net NPA	4.0%	5.7%	11.0%
Total Capital/Total Risk Weighted Assets	21%	19%	16%
Liquidity Ratio	29%	31%	27%

- ✓ The loan portfolio continued to show strong growth on the back of ecosystem partnerships via our Kamilisha product
- ✓ Subsidiary focused on prudent asset liability management leading to steady deposit growth

Contributed 10% to Group PBT

Profit and Loss (KES bn)

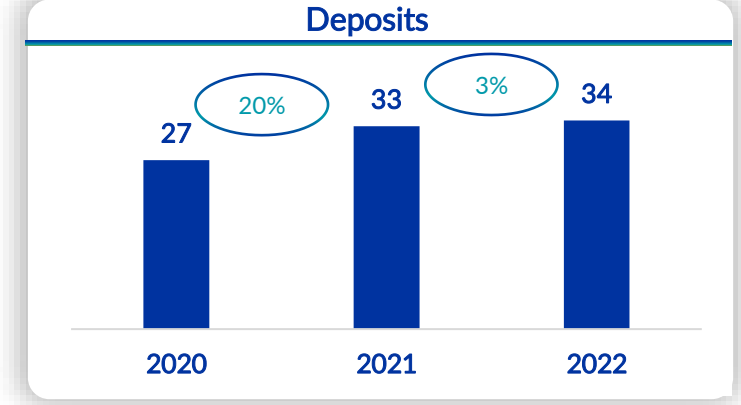
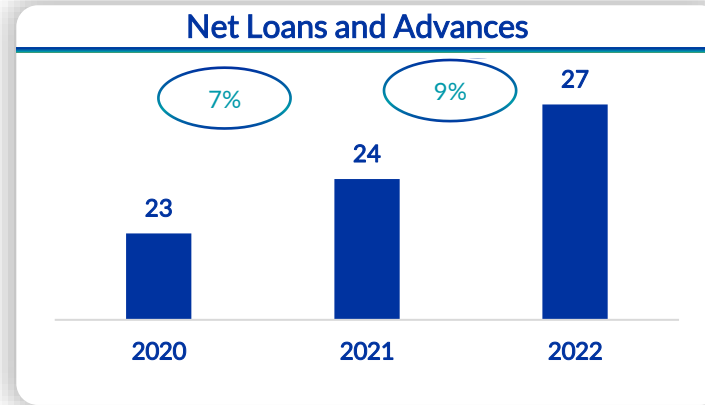
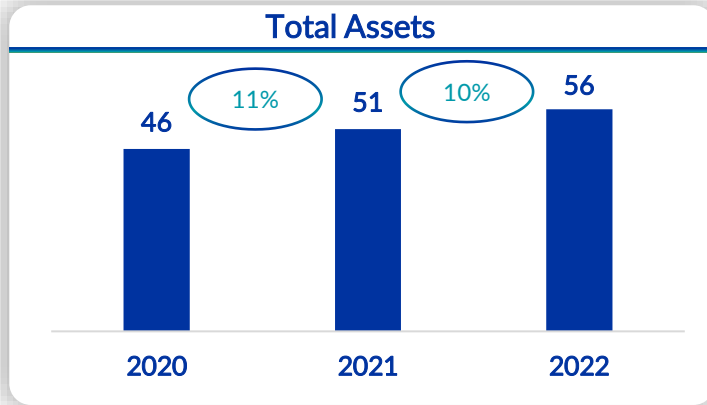


Key Ratios	Dec-20	Dec-21	Dec-22
Cost to income ratio	57.1%	62.3%	60.4%
Cost of Risk	2.8%	0.7%	1.4%
ROE	11.3%	15.6%	13.9%
ROA	1.5%	2.1%	1.9%

- ✓ Strong growth in operating income and PBT driven by improving net margins and growth in forex and fees and commissions.
- ✓ Continued focusing on efficiency leveraging its digital investments to grow the business

Contributed 13% to Group Assets

Balance Sheet (KES bn)

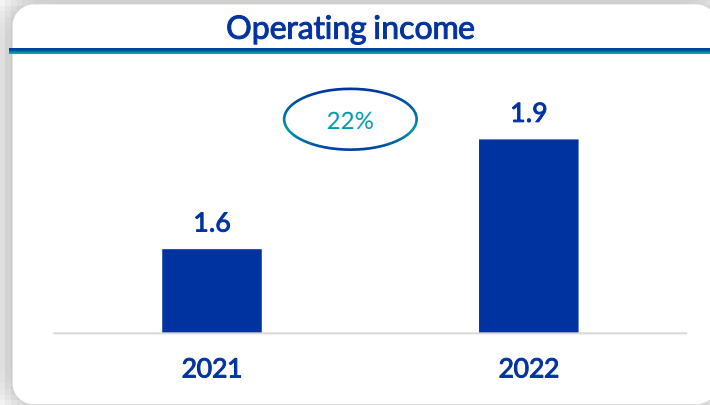


Key Ratios	Dec-20	Dec-21	Dec-22
Loan to Deposit Ratio	82.6%	83.7%	78.5%
Net NPA	0.0%	1.1%	1.6%
Total Capital/Total Risk Weighted Assets	20%	21%	21%
Liquidity Ratio	53%	57%	42%

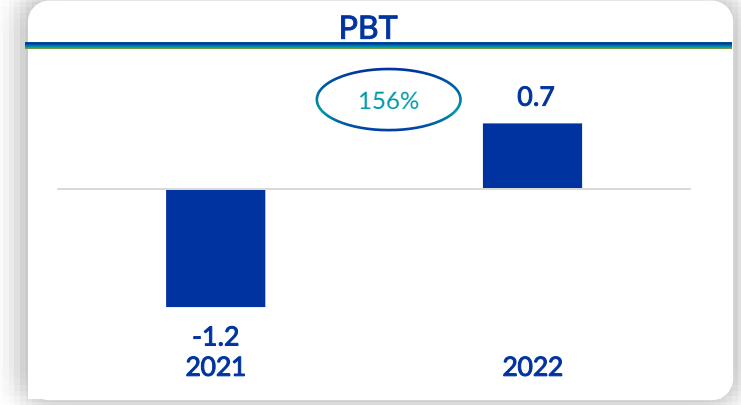
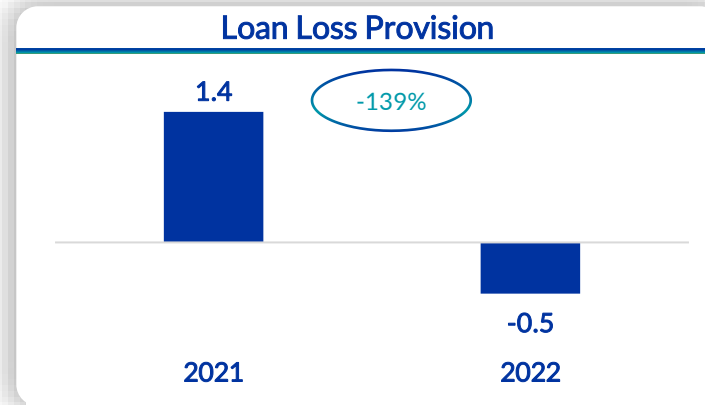
- ✓ Growth in loans driven by growth in business banking segment and increased market penetration in the MSME space
- ✓ Deposit growth impacted by increase in rates, leading to reduction in FCY deposits
- ✓ Capital Adequacy and liquidity ratios remain healthy and well above regulatory requirements

Contributed 5% to Group PBT

Profit and Loss (KES bn)



* 2021 operating income exc. one off sale



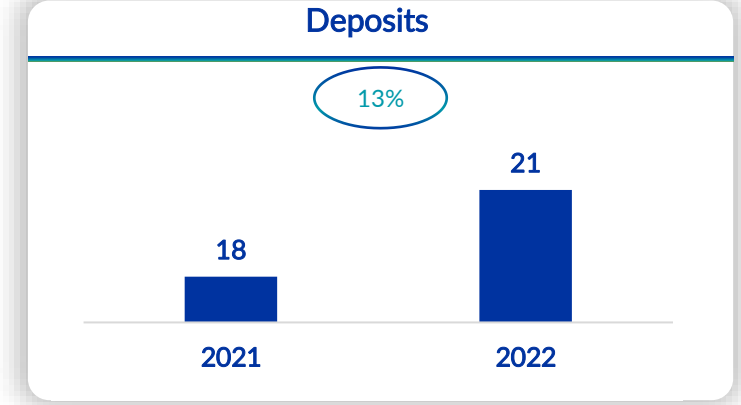
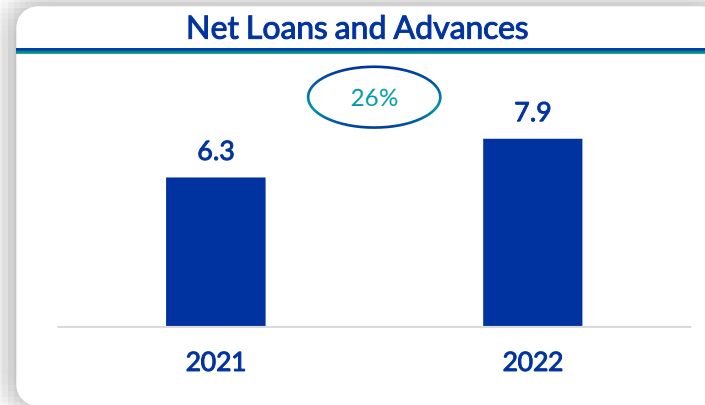
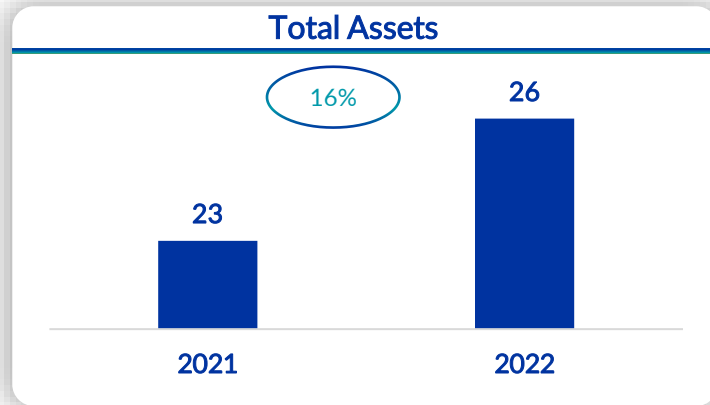
Key Ratios	Dec-21	Dec-22
Cost to income Ratio	100.0%	89.9%
Cost of Risk	-	-7%
ROE	-35.3%	7.3%
ROA	-5.1%	1.2%

- ✓ Operating income supported by growth in the balance sheet and revenue diversification initiatives
- ✓ PBT bolstered by recoveries

*2021 figures are Full Year, while subsidiary became part of Group in May 2021

Contributed 6% to Group Assets

Balance Sheet (KES bn)



Key Ratios	Dec-21	Dec-22
Loan to Deposit Ratio	34.4%	38.2%
Net NPA	0.1%	1.9%
Total Capital/Total Risk Weighted Assets	14.5%	16.1%
Liquidity Ratio	49%	52%

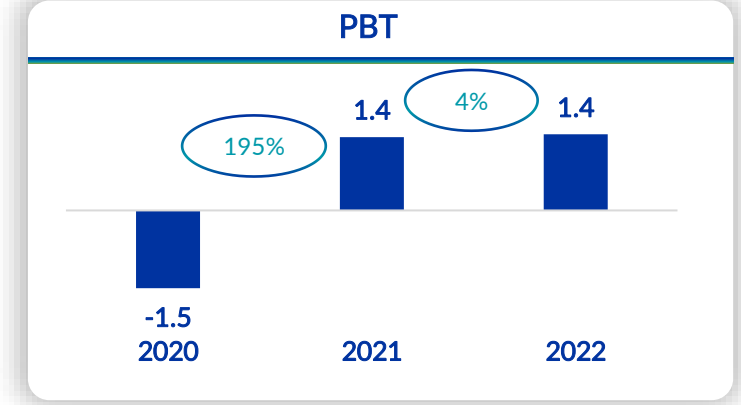
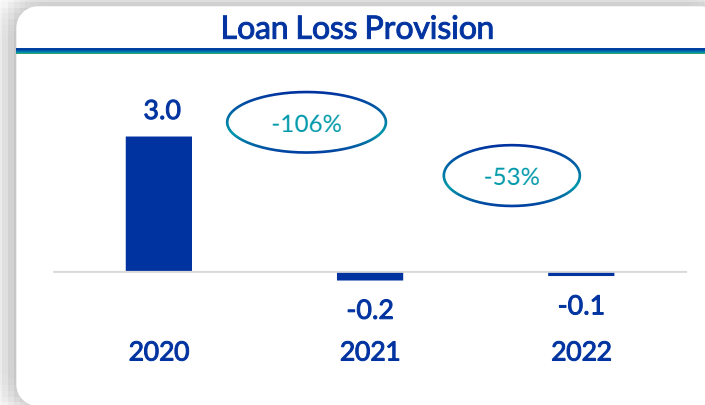
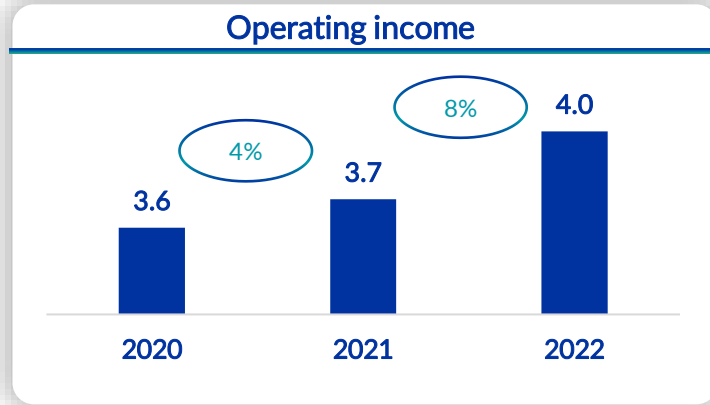
- ✓ Loans and deposits growth supported by improving economic climate in Uganda and focused integration to entrench the I&M Brand.
- ✓ CASA ratio continues to improve currently at 75%
- ✓ Strong liquidity and well capitalized to support future growth as the business leverages of cross border business

*2021 figures are Full Year, while subsidiary became part of Group in May 2021

Contributed 4% to Group PBT*

*I&M Group's share of 50% PAT = KES 0.66bn

Profit and Loss (KES bn)

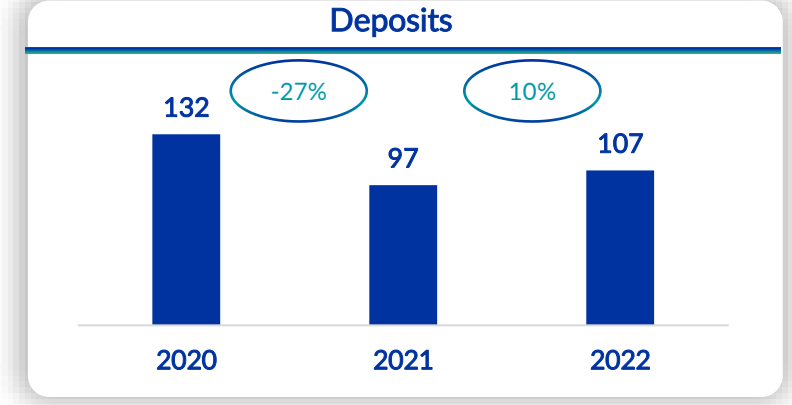
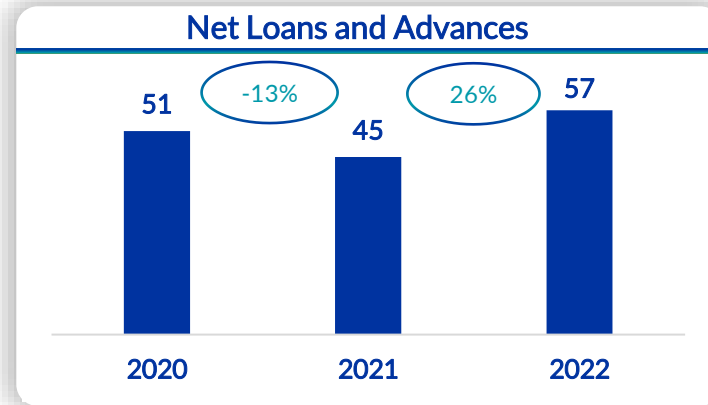
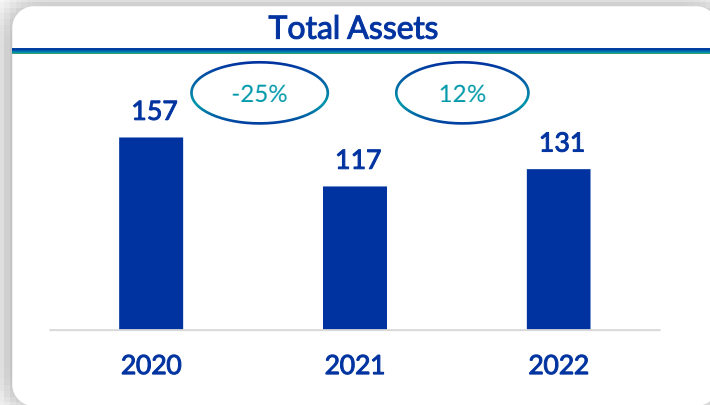


Key Ratios	Dec-20	Dec-21	Dec-22
Cost to income ratio	59.6%	66.4%	66.9%
Cost of Risk	5.2%	-0.4%	-0.2%
ROE	-14.0%	11.4%	13.6%
ROA	-0.9%	2.1%	2.5%

- ✓ Operating income growth supported by increase in the net interest income on the back of balance sheet growth
- ✓ PBT growth on the back of stable costs and improving income streams

Balance sheet growth following 2-year period of de-risking

Balance Sheet (KES bn)



Key Ratios	Dec-20	Dec-21	Dec-22
Loan to Deposit Ratio	38.8%	46.1%	52.8%
Net NPA	2.1%	0.6%	0.3%
Total Capital/Total Risk Weighted Assets	20%	21%	17.6%
Liquidity Ratio	57%	38%	33%

- ✓ Private Banking business grew led by its strong international custody services and investment solutions
- ✓ Strong capital and liquidity ratios to support growth in 2023

2022: Our Business showing strong growth momentum

Profit Before Tax (KES)

14,992m

+21% ↑

Total Income (KES)

35,668m

+20% ↑

Cost/Income Ratio

45%

2021: 46%

Net Loans & Advances (KES)

239bn

+13% ↑

Customer Deposits (KES)

312bn

+5% ↑

Return on Equity

15%

Absolute 3% ↑



Culture Transformation

2022 marked the roll out of our cultural transformation program *PAMOJA "Together we Shine"*, in which over 2,000 staff completed the Culture Change Cascade workshop



Talent Management

Focus on development of top talent via the launch of High Potential and Manager Excellence programs - across all banking entities within the Group



Leadership Development

Development of leadership competency framework and structuring learning and development initiatives to support the execution of iMara 2.0 strategy



Employee Engagement

2022 Employee Engagement Score stable at 74% within Africa range of 67 - 82%

We are focused on reskilling and upskilling our teams to align to our growth strategy

Focusing on creating an enabling environment for a better tomorrow

Environmental Conservation

The I&M Foundation in collaboration with 4 community partners in two Counties - Kilifi and Narok:

- Set up tree nurseries with 106,000 tree seedlings.
- Launched a campaign dubbed " Grow 10 trees" adopted by community members, schools

Economic Empowerment

Transforming lives through sustainable economic empowerment.

- The I&M Foundation impacted 579 women in the Maasai Mara region.
- KES 10 million pooled into the second phase of the project for business capacity building.

SUSTAINABLE DEVELOPMENT GOALS



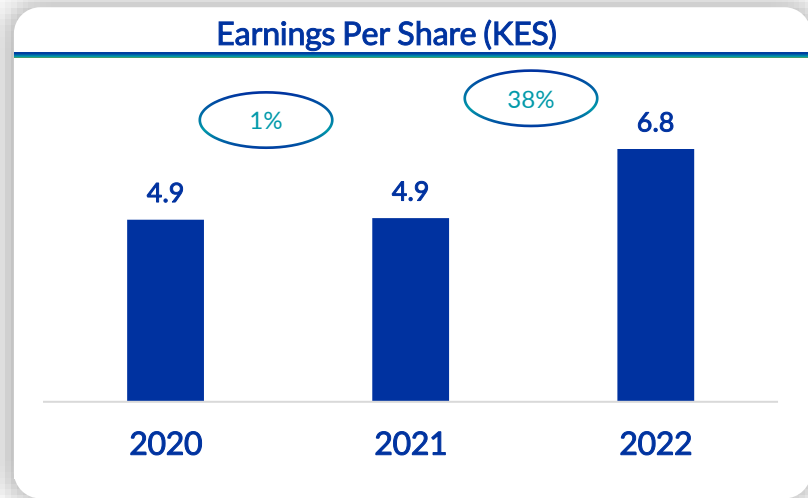
Education and skills development

- The I&M Foundation offered scholarships to 133 students for Secondary and Tertiary level.
- 86% of Palmhouse Foundation Alumni qualified for University placements in Kenya

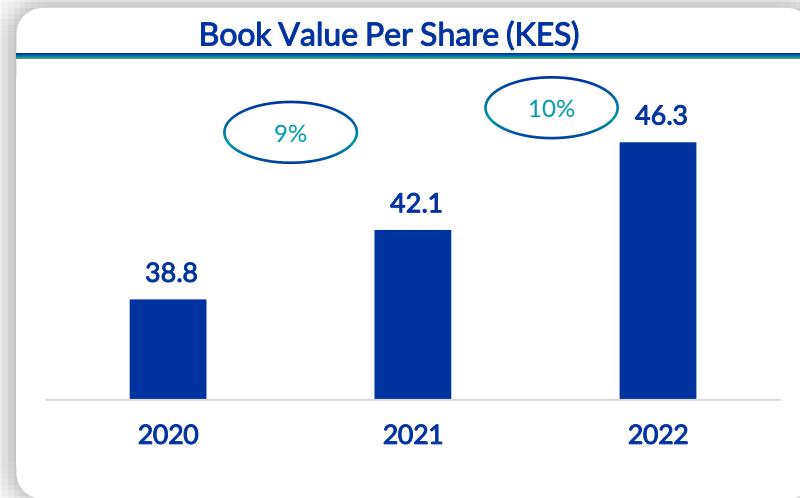
Enabling Giving

- Supported food relief packages to support humanitarian cause in Northern Kenya impacting 500 households - 5000 beneficiaries.
- Installation of the solar pump to provide energy and reliable water supply at Nyumbani Village

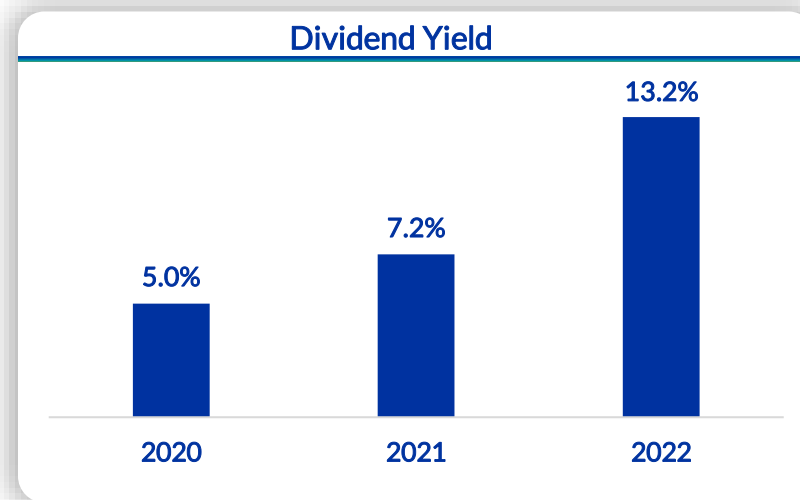
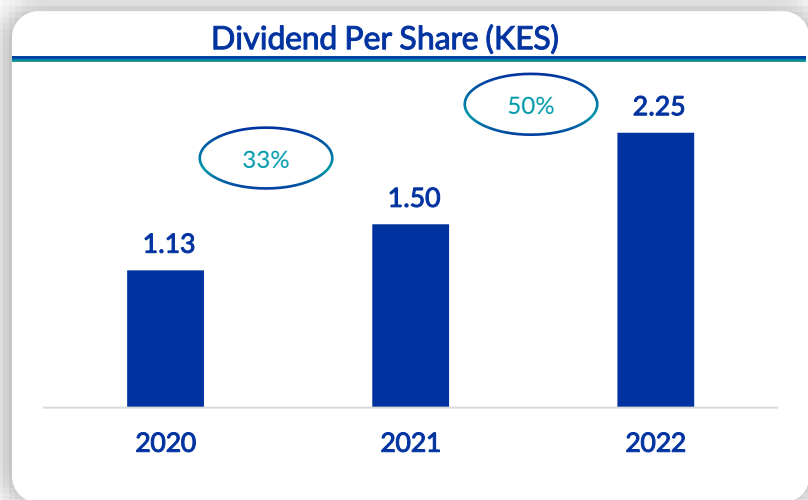
Financial Metrics



Current P/E – 2.5x




Current P/B – 0.4x



Share price – KES 17

GROUP OUTLOOK: Aspiring towards our 2023 targets



Continue leveraging on corporate strength



Focus on providing our Corporate Customers with value add services, maintain our advantage in Trade Finance, leverage in Agriculture and Oil&Gas opportunities



Grow our personal and business banking across all our subsidiaries



Grow our reach through strategic branch expansion, revamp our agency partnerships and enhance our digital platforms / partnerships




Leveraging Group Synergies



Continued investment in digital innovation in regional subsidiaries & optimisation of our Group Synergies




Profit Before Tax KES



+20Bn

Return on Equity




+21%

Digitally Active Customers



74%

Net Promoter Score



75%



We Are On Your Side

Q&A



Thank You

I&M GROUP PLC
1 PARK AVENUE
1ST PARKLANDS
P.O. BOX 30238 - 00100
TEL: +254 (0)20 3221000
Investor-Relations@imgroup-plc.com



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