TABLE OF CONTENT

Part 1: Strategic Highlights

Part 2: Economic Overview

Part 3: Group Consolidated Performance FY 2020

Part 4: Subsidiary Performance FY 2020

Part 5: Appendices
Part 1: Strategic Highlights
The Group has refreshed its iMara strategy during 2020

iMara 2.0 Strategy

Eastern Africa’s leading Financial Partner for Growth

1. Driving Business Growth
   - Key initiatives:
     1) Defending Existing Business
     2) Revenue diversification
     3) Sales Force Effectiveness enhancement
     4) Digital Orchestrator

2. Build a resilient organisation
   - Key initiatives
     5) Funding and Liquidity management
     6) Enhancing Enterprise risk management framework
     7) Embedding cyber security
     8) Redesigning credit risk systems and processes
     9) Embracing Env., Social and Governance Responsibility

3. Optimising the operating model
   - Key initiatives
     10) Core IT infrastructure resilience
     11) Process efficiency – standardisation and shared services
     12) Leverage Group synergies

A. Customer Experience
   - Design and delivery with customer at top of mind

B. Cultural Transformation
   - Transforming to a digital and agile culture

C. Strategic Partnerships
   - Collaborations to deliver efficient and profitable growth

D. Data Analytics
   - Data driven decision making

KPIs

- % new business revenue
- PBT
- ROE
- % digitally active customers
- Net Promoter Score
- Employee Engagement
To support the refreshed strategy there has been a re-organisation and continued investment in existing entities and in Uganda"

**Group Structure** – A new organizational structure has been implemented to oversee operationalization of Group's regional footprint. This will

- Improve customer experience.
- Unlock synergies through greater integration with subsidiaries.
- Drive quality controls for capital expenditure.
- Improved governance through standardization of reporting.

**Additional Investment** – I&M Holdings increased its investment in I&M (Rwanda) Plc through purchase of additional shares valued at RWF 4.4 billion (Approx. KES 480 million) during a rights issue and supported the joint venture, Bank One Limited through a capital injection of MUR 150M.

**Regional Expansion** – I&M Holdings is in the final stages of the acquisition of 90% of the shareholding of Orient Bank Ltd, Uganda. The transaction shall be completed upon receipt of all relevant regulatory approvals.
A number of investments have been made in the Group's platforms to improve customer experience and resilience.

**Card Management System**
Implementation and operationalization of an end-to-end solution for issuance and acquiring of Debit, Credit, and Prepaid cards including merchant management and 3D Secure.

**CVP Revamp**
Review of current product offering and development of customer value propositions.

**Technology**
Continued investment in future-state infrastructure paving the way for (i) development of market driven solutions and (ii) achieve operational efficiencies to ultimately improve customer experience.

**Anti Money Laundering and Fraud Management**
Strengthening of AML management through implementation of a platform to further enhance the proactive approach of risk and fraud identification.
A number of market driven solutions are being rolled out across the Group

**I&M On the Go**
Pilot launch of the I&M On the Go project for Corporate and Business Customers. The digital solution is aimed at improving the digital experience for I&M Bank customers using human centered design principles, collaboration and latest technology.

**I&M Webpay-Link**
Launch of the e-commerce platform providing a payment solution that allows businesses to accept payments from their customers through VISA, MasterCard and UnionPay cards. Businesses do not need to have a website to enjoy this service.

**Revamp of the Diaspora Banking**
Introduction of a WhatsApp chat banking facility; pension scheme offering; increased number of I&M Bank Diaspora Banking Agents in several countries; wider range of international money remittance services such as Small World; a Deal Facilitation service for buying property; Special Diaspora Assistance at USD30 – USD50; a unique I&M WebPay facility and I&M Custody and Investment Services.

**Early Warning System**
Early warning system was developed to predict if and/or when customers fall into arrears or excesses with the aim to save 2% of the cost of provision from change in status from normal to watch for facilities.
The Group continues to invest in its shared growth agenda with Society

The different entities participated in coordinated activities with governments and other partners to support vulnerable communities impacted by the COVID-19 pandemic. I&M Kenya set aside KES 50 Mn, I&M Rwanda Plc contributed RWF 153.4M, Bank One in Mauritius donated Mur 150K and an additional MUR 2 for any transaction done digitally while I&M Tanzania supported the government by donating hand-washing tanks and soap to the Ministry of Health.

Partnership with the Kenya Community Development Foundation aimed at inculcating a culture of environmental conservation and sustainable management of resources among Children and Youth in 172 learning institutions; in 4 sub-counties within Narok and Kilifi Counties over a three-year period.

The I&M Foundation provided a grant of KES 2,000,000/- to provide data bundles to facilitate attendance of online classes that benefited 62 financially constrained students at the St. Anne’s Suresh Raja Shah Secondary School in Kairi in Form 1 to Form 3.

Through the I&M Bank Foundation Maa Trust received KShs.1M to support Maa Beadwork Social Enterprise that engages 579 Maasai women, living in the Maasai Mara, by supporting them to have sustainable livelihoods.
Part 2: Economic Overview
**Economic Overview**

**Global Conditions**
The IMF estimates the global economy to have shrunk by 4.4% in 2020 as a result of the global Covid-19 pandemic\(^1\). There is great uncertainty about the path of economic growth this year, much of it due to risks surrounding evolution of the virus and the speed and effectiveness of vaccination rollouts\(^2\).

**Sub Saharan Africa**
The regional GDP contracted by 3 percent in 2020 is expected to recover modestly to 3.1 percent in 2021. This outlook is subject to some key downside risks, particularly regarding the path of the COVID-19 pandemic and the resilience of the region’s health systems\(^3\).

**Pandemic Impact**
Kenya’s GDP contracted by 0.1% in 2020 having been depressed by slow down of the economy due to Covid-19 containment measures. For 2021, GDP is projected to grow by 7.6% under the assumption that economic activity will normalize due to a full reopening of the economy. This is likely to be revised with a lockdown having been imposed in March 2021 in the capital city and four other counties\(^4\).

**Exchange Rate Developments**
\(^3\)Significant currency depreciations in most Africa currencies observed in April (during the peak of the crisis) continued through the fourth quarter of 2020 and particularly severe in in tourism-dependent economies such as Mauritius and Seychelles.

Source:
\(^1\)Reuters update Dec 2020, \(^2\)ACCA’S Q4 Global economic conditions survey, \(^3\)Source IMF report: Regional Economic Outlook June 2020, \(^4\)IMF April 2021 Press release No. 21/98
Part 3: Group Consolidated Performance: FY 2020
## IMHP Performance Highlights Dec 2020 Vs Prior Year

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit Before Tax</strong></td>
<td>10,952m</td>
<td>-25%</td>
</tr>
<tr>
<td><strong>Net Interest Income</strong></td>
<td>15,600m</td>
<td>+1%</td>
</tr>
<tr>
<td><strong>Non Interest Income</strong></td>
<td>8,638m</td>
<td>+4%</td>
</tr>
<tr>
<td><strong>Fee (less LPF) / Income</strong></td>
<td>28%</td>
<td>+1%</td>
</tr>
<tr>
<td><strong>Customer Deposits</strong></td>
<td>262.7bn</td>
<td>+14%</td>
</tr>
<tr>
<td><strong>Loans &amp; Advances [Gross]</strong></td>
<td>187.4bn</td>
<td>+7%</td>
</tr>
<tr>
<td><strong>Cost/Income Ratio</strong></td>
<td>42%</td>
<td>+1%</td>
</tr>
<tr>
<td><strong>Return on Capital</strong></td>
<td>13%</td>
<td>-3%</td>
</tr>
<tr>
<td><strong>Fee (Less LPF) / Cost</strong></td>
<td>85%</td>
<td>-6%</td>
</tr>
<tr>
<td><strong>Return on Assets</strong></td>
<td>3%</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Performance Highlight</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance Sheet Growth</strong></td>
<td>I&amp;M Holdings PLC, recorded a 14% growth in its Balance Sheet size for its 2020 Full Year Financial Results, up from Kshs. 315.2 billion in 2019 to Kshs.358.09 billion in 2020, bolstered largely by growth in customer deposits</td>
<td></td>
</tr>
<tr>
<td><strong>Loan Performance</strong></td>
<td>The Group, in line with its Brand Promise on placing its customers’ interests first, instituted a raft of measures aimed at cushioning them from the COVID-19 crisis. Key among them was increased financing to businesses supporting COVID-19 mitigation measures, waiver of fees of select loans like Mortgages and loan repayment holidays for its lending customers. The Group's lending book therefore recorded a growth of 7% compared to December 2019, to close at Kshs 187.3 billion up from Kshs 175.3 billion for the similar period last year</td>
<td></td>
</tr>
<tr>
<td><strong>Non Funded Income</strong></td>
<td>Growth of non funded income was marginal during the year, subdued by the different emergency measures arising from the pandemic, to facilitate online customer transactions free of cost for a certain duration this however has accelerated the use of Alternative Banking Channels.</td>
<td></td>
</tr>
</tbody>
</table>
# I&M Holdings PLC – Income Statement Highlights

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Dec-18 Kshs Mn</th>
<th>Dec-19 Kshs Mn</th>
<th>Dec-20 Kshs Mn</th>
<th>Dec 20 vs Dec 19 Y-Y % ▲</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Interest Income</td>
<td>15,594</td>
<td>15,510</td>
<td>15,600</td>
<td>1%</td>
</tr>
<tr>
<td>Non Funded Income</td>
<td>7,597</td>
<td>8,285</td>
<td>8,638</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total Operating Income</strong></td>
<td><strong>23,191</strong></td>
<td><strong>23,795</strong></td>
<td><strong>24,238</strong></td>
<td><strong>2%</strong></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>8,481</td>
<td>9,461</td>
<td>10,134</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Profit before Loan Loss Provisions</strong></td>
<td><strong>14,710</strong></td>
<td><strong>14,334</strong></td>
<td><strong>14,104</strong></td>
<td><strong>-2%</strong></td>
</tr>
<tr>
<td>Loan Loss Provisions</td>
<td>3,807</td>
<td>636</td>
<td>2,473</td>
<td>289%</td>
</tr>
<tr>
<td><strong>Profit before Share of JV</strong></td>
<td><strong>10,903</strong></td>
<td><strong>13,698</strong></td>
<td><strong>11,631</strong></td>
<td><strong>-15%</strong></td>
</tr>
<tr>
<td>Share of Profit from JV</td>
<td>595</td>
<td>905</td>
<td>(679)</td>
<td>-175%</td>
</tr>
<tr>
<td><strong>Profit Before Tax</strong></td>
<td><strong>11,498</strong></td>
<td><strong>14,603</strong></td>
<td><strong>10,952</strong></td>
<td><strong>-25%</strong></td>
</tr>
<tr>
<td><strong>Profit After Tax</strong></td>
<td><strong>8,503</strong></td>
<td><strong>10,769</strong></td>
<td><strong>8,413</strong></td>
<td><strong>-22%</strong></td>
</tr>
</tbody>
</table>
I&M Holdings PLC – Balance Sheet Highlights

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Dec-18 Kshs Mn</th>
<th>Dec-19 Kshs Mn</th>
<th>Dec-20 Kshs Mn</th>
<th>20 vs 19 Y-Y % ▲</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Bank Balances</td>
<td>14,867</td>
<td>15,386</td>
<td>19,403</td>
<td>26%</td>
</tr>
<tr>
<td>Investments &amp; Placements</td>
<td>85,832</td>
<td>97,587</td>
<td>120,047</td>
<td>23%</td>
</tr>
<tr>
<td>Loans &amp; Advances (net)</td>
<td>166,737</td>
<td>175,329</td>
<td>187,391</td>
<td>7%</td>
</tr>
<tr>
<td>Other Assets</td>
<td>21,086</td>
<td>26,989</td>
<td>31,258</td>
<td>16%</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>288,522</strong></td>
<td><strong>315,291</strong></td>
<td><strong>358,100</strong></td>
<td><strong>14%</strong></td>
</tr>
<tr>
<td>Customer Deposits</td>
<td>213,139</td>
<td>229,737</td>
<td>262,681</td>
<td>14%</td>
</tr>
<tr>
<td>Borrowings</td>
<td>13,756</td>
<td>10,856</td>
<td>14,773</td>
<td>36%</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>10,753</td>
<td>13,836</td>
<td>12,582</td>
<td>-9%</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>237,648</strong></td>
<td><strong>254,429</strong></td>
<td><strong>290,037</strong></td>
<td><strong>14%</strong></td>
</tr>
<tr>
<td>Shareholders' Funds</td>
<td>50,874</td>
<td>60,862</td>
<td>68,063</td>
<td>12%</td>
</tr>
<tr>
<td>Metric</td>
<td>Dec 18</td>
<td>Dec 19</td>
<td>Dec-20</td>
<td></td>
</tr>
<tr>
<td>--------------------------------</td>
<td>---------</td>
<td>---------</td>
<td>--------</td>
<td></td>
</tr>
<tr>
<td>Liquidity</td>
<td>47%</td>
<td>46%</td>
<td>49%</td>
<td></td>
</tr>
<tr>
<td>Cost/Income Ratio</td>
<td>37%</td>
<td>40%</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>Net NPA</td>
<td>5.8%</td>
<td>4.7%</td>
<td>3.9%</td>
<td></td>
</tr>
<tr>
<td>Gross NPA</td>
<td>12.6%</td>
<td>11.4%</td>
<td>11.8%</td>
<td></td>
</tr>
<tr>
<td>Return on Equity</td>
<td>17%</td>
<td>19%</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>Return on Assets</td>
<td>2.9%</td>
<td>3.4%</td>
<td>2.3%</td>
<td></td>
</tr>
<tr>
<td>Capital Adequacy Ratio</td>
<td>16%</td>
<td>17%</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>Loan to Deposit Ratio</td>
<td>78%</td>
<td>76%</td>
<td>71%</td>
<td></td>
</tr>
<tr>
<td>Cost of Risk</td>
<td>2.1%</td>
<td>0.3%</td>
<td>1.2%</td>
<td></td>
</tr>
</tbody>
</table>
I&M Holdings PLC – Subsidiary Contribution

**CONTRIBUTION TO PBT KSHS ‘BN’**

- **Dec-19**: 12.00
- **Dec-20**: 10.3

**% CONTRIBUTION TO LOANS & ADVANCES**

- **Dec-19**:
  - Kenya: 73%
  - Rwanda: 5%
  - Tanzania: 6%
  - Mauritius: 16%
- **Dec-20**:
  - Kenya: 75%
  - Rwanda: 6%
  - Tanzania: 5%
  - Mauritius: 13%

**% CONTRIBUTION TO SHAREHOLDERS FUNDS**

- **Dec-19**:
  - Kenya: 83%
  - Rwanda: 4%
  - Tanzania: 5%
  - Mauritius: 9%
- **Dec-20**:
  - Kenya: 83%
  - Rwanda: 4%
  - Tanzania: 4%
  - Mauritius: 7%

**% CONTRIBUTION TO DEPOSITS**

- **Dec-19**:
  - Kenya: 68%
  - Rwanda: 5%
  - Tanzania: 3%
  - Mauritius: 23%
- **Dec-20**:
  - Kenya: 70%
  - Rwanda: 5%
  - Tanzania: 4%
  - Mauritius: 21%

**% CONTRIBUTION TO TOTAL ASSETS**

- **Dec-19**:
  - Kenya: 70%
  - Rwanda: 5%
  - Tanzania: 4%
  - Mauritius: 21%
- **Dec-20**:
  - Kenya: 70%
  - Rwanda: 6%
  - Tanzania: 4%
  - Bank One: 19%
## Sectorial Distribution of Loans & Advances

The sectorial distribution comprises the 3 banking subsidiaries, I&M Bank Kenya Ltd, I&M Bank Tanzania Ltd & I&M (Rwanda) Plc

<table>
<thead>
<tr>
<th>Sector</th>
<th>Dec-19</th>
<th>Dec-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>27%</td>
<td>26%</td>
</tr>
<tr>
<td>Real estate</td>
<td>18%</td>
<td>19%</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>19%</td>
<td>18%</td>
</tr>
<tr>
<td>Others</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Building and construction</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td>Transport and communication</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Business services</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Finance and insurance</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Mining and quarrying</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Electricity and water</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

The table above shows the sectorial distribution of loans & advances for the years December 2019 (Dec-19) and December 2020 (Dec-20). The distribution is depicted in a bar chart, with sectors such as manufacturing, real estate, wholesale and retail trade, others, building and construction, transport and communication, business services, agriculture, finance and insurance, mining and quarrying, and electricity and water. The percentages indicate the proportion of loans and advances allocated to each sector.
The sectorial distribution comprises the 3 banking subsidiaries, I&M Bank Kenya Ltd, I&M Bank Tanzania Ltd & I&M (Rwanda) Plc.
Businesses continue to hold funds in higher yielding deposits with reduced investments activities due to the pandemic.

The deposit mix comprises the 3 banking subsidiaries.
Other income includes:
1. Net income on financial assets at fair value through profit or loss (FVTPL),
2. Rental income

Fee implies Non Funded Income (NFI)
Consolidated Loans & Advance and NPLs

**Gross NPLs**
- Dec-19: 21,310
- Dec-20: 23,595
  - Increase: 11%

**Interest on Advances**
- Dec-19: 22,364
- Dec-20: 21,885
  - Decrease: 2%

**Loan Loss Provisions**
- Dec-19: 636
- Dec-20: 2,473
  - Increase: 289%

**Coverage Ratio**
- Dec-19: 59%
- Dec-20: 67%

**Cost of Risk**
- Dec-19: 0.3%
- Dec-20: 1.2%
Value to Shareholders

Return on Equity

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>15%</td>
<td>17%</td>
<td>18%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Return on Assets

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>3.0%</td>
<td>2.9%</td>
<td>3.4%</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

Dividend & Bonus Issue – I&M Holdings board of directors has proposed a dividend of KSh2.25 per share for the year 2020 and a bonus issue of one bonus share for every ordinary share held.
Other Operational KPIs

- **System Uptime Performance**
  - 2019: 98%
  - 2020: 99%

- **Branch Transactions**
  - 2019: 36%
  - 2020: 33%

- **Alternate Banking Channels Transactions**
  - 2019: 64%
  - 2020: 67%

**Complaint Resolution Rate**
- 2020: 89%
- 2019: 84%

*Above is for I&M Bank Limited, Kenya and also reflective of the Group.*
Part 4: Subsidiary Performance: FY 2020
**Kenyan Banking Sector Overview & Highlights**

<table>
<thead>
<tr>
<th>GDP</th>
<th>Policy Measure on Impact of Pandemic</th>
<th>Increase in NPLs</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP is estimated to grow at 4.4% in 2021 assuming no lockdowns are imposed due to the pandemic</td>
<td>There was growth in credit to the private sector, this relative recovery towards the end of 2020 was supported by continued recovery in demand from the COVID-19 related disruptions and the accommodative monetary policy</td>
<td>Adverse effects of the pandemic on economic activity continue to weaken the capacity of borrowers to service their loans.</td>
</tr>
</tbody>
</table>

**Banking Sector**

The COVID-19 pandemic has led to significant changes in banks’ balance sheets and profit and loss positions, but the system remains sound and stable.

**Liquidity**

The loan-to-deposit ratio recovered after a decline in the first half of the year, as banks adjusted their operating strategies in line with the prevailing business environment. Banks’ intermediation priorities have been navigating the profitability – liquidity trade-offs.

Source KBA bulletin
### I&M Bank Ltd, Kenya – Financial highlights

**Highlights**  
Dec 2020 Vs Dec 2019  
**Reported PBT in KES**  
2019: 12bn  
2020: 10.3bn  
**Net Revenue in KES**  
2019: 18.4bn  
2020: 18.4bn  
**Cost/Income**  
2019: 33%  
2020: 35%  
**NFI/Total Income**  
2019: 36%  
2020: 36%  
**Loans/Deposits**  
2019: 72%  
2020: 69%  
**Gross NPL Ratio**  
2019: 12%  
2020: 13%  

Figures in Kenyan Shillings

<table>
<thead>
<tr>
<th>Category</th>
<th>Dec-19 (Kshs Bn)</th>
<th>Dec-20 (Kshs Bn)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Loans (Kshs Bn)</strong></td>
<td>142</td>
<td>150</td>
<td>+6%</td>
</tr>
<tr>
<td><strong>Deposits (Kshs Bn)</strong></td>
<td>195</td>
<td>218</td>
<td>+12%</td>
</tr>
<tr>
<td><strong>Assets (Kshs Bn)</strong></td>
<td>254</td>
<td>284</td>
<td>+12%</td>
</tr>
<tr>
<td><strong>Equity (Kshs Bn)</strong></td>
<td>47</td>
<td>52</td>
<td>+11%</td>
</tr>
</tbody>
</table>
### Economic Review - Tanzania

#### GDP

- The overall GDP rate dropped to 4.5% by Q3-2020 compared to 5.7% registered in Q1-2020 and 7.3% registered in the corresponding period in 2019. The economic outlook remains positive in 2021 as the recovery continues to gather momentum, albeit at a marginal pace. The GDP is projected to grow by 5.5% and 6% in 2020 and 2021, respectively\(^2\)

#### Economic Outlook

- The protracted global health crisis that continues in 2021 could undermine global demand and thus the Tanzanian economy.

- Many downside risks remain as potential further waves of the virus could weigh on the domestic economy, while the recent surge of cases in the country and globally threatens the recovery of foreign demand\(^1\)

#### Banking Sector

- The total assets in the Banking industry grew by 0.6% to TZS 33.6 trillion in the year 2020. The overall deposits reported an increase of 5.49% to TZS 24.8 trillion. Credit growth registered a net increase of 7% from TZS 17.0 trillion in 2019 to TZS 18.2 trillion in 2020.

- The Bank of Tanzania implemented several measures to ease liquidity conditions in the monetary sector, including a reduction in the discount rate. They have also reduced reserve requirements to enhance credit to the private sector and facilitate regulatory flexibility for loan restructuring, where it is warranted\(^2\).

---

Source: 1 IMF World Economic Outlook and Focus Economics Newsletters. 2 IMF Country Report
I&M Bank (T) Ltd, Tanzania – Financial highlights

<table>
<thead>
<tr>
<th>Highlights</th>
<th>Dec 2020 Vs Dec 2019</th>
<th>Loans (Kshs Bn)</th>
<th>Deposits (Kshs Bn)</th>
<th>Assets (Kshs Bn)</th>
<th>Equity (Kshs Bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported PBT in KES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019: 0.4bn</td>
<td>2020: 0.4bn</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Revenue in KES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019: 1.7bn</td>
<td>2020: 1.7bn</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost/Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019: 60%</td>
<td>2020: 63%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NFI/Total Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019: 23%</td>
<td>2020: 24%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans/Deposits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019: 112%</td>
<td>2020: 88%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross NPL Ratio</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019: 11.7%</td>
<td>2020: 16%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figures in Kenyan Shillings
Country expects a recovery of 7.5% growth in 2021 following the projected contraction of 14.2% with the announcements around COVID-19 vaccines offering some glimmer of hope for 2021. How it should be noted that global passenger travel is expected to take up to 4 years to return to 2019 levels.

The government introduced several measures to alleviate the impact of the pandemic including a reduction in the cash reserve ratio, a special relief support of MUR 5 billion, a moratorium on loan repayments, and the creation of the MIC with a fund of MUR 2bn to support the affected sectors of the Economy. They have also placed on hold the revised impairment recognition and measurement guidelines for Banks.

The country faces the challenge of being listed on the EU Blacklist. However, Significant progress has been made to remedy the five areas of deficiencies identified under the FATF Action Plan and, if matters stay on course, Mauritius is likely to be removed from the list by mid-2021.

The borders have since remained closed leading to adverse consequences for the hospitality sector - the second largest economic driver of the country.

### Bank One, Mauritius– Financial highlights

<table>
<thead>
<tr>
<th>Highlights Dec 2020 Vs Dec 2019</th>
<th>Loans (Kshs Bn)</th>
<th>Deposits (Kshs Bn)</th>
<th>Assets (Kshs Bn)</th>
<th>Equity (Kshs Bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reported PBT in KES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019: 1.9bn</td>
<td>63</td>
<td>133</td>
<td>154</td>
<td>10</td>
</tr>
<tr>
<td>2020: -1.5bn</td>
<td>51</td>
<td>132</td>
<td>157</td>
<td>9</td>
</tr>
<tr>
<td><strong>Net Revenue in KES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019: 4.2bn</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020: 3.6bn</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cost/Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019: 47%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020: 59%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NFI/Total Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019: 28%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020: 30%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Loans/Deposits</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019: 48%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020: 39%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gross NPL Ratio</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019: 4.2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020: 8.7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figures in Kenyan Shillings
Economic Review - Rwanda

**GDP**

- 2020 GDP is estimated to have contracted by 0.2% and is projected to recover to 5.7% GDP growth in 2021. This recovery is expected to be driven by improvements in the business environment and investment in major growth sectors.

**Economic Outlook**

- The implementation of the African Continental Free Trade Area is expected to boost intraregional trade, which will support growth—especially if Rwanda increases its share of intraregional exports.

- On the downside, simmering regional political tensions and a resurgence of the COVID–19 virus could result in trade disruptions.

**Policy Measure on Impact of Pandemic**

Demand for new loans dropped by 9 percent y/y in 2020H1, but private sector credit continued to grow, supported by loan restructuring. Headline inflation declined to 7.2 percent y/y in October, driven by a decrease in public transport fares and moderation of food inflation.

**Banking Sector**

Banks’ non-performing loans (NPLs) ratio stood at 5.2 percent at end-September, only slightly above the regulatory benchmark, as they restructured 45 percent of their loan portfolio.

Source: afdb – ¹Rwanda Economic Outlook, ²IMF Country Report January 2021
I&M Bank (Rwanda) Plc – Financial highlights

Highlights
Dec 2020 Vs Dec 2019
Reported PBT in KES
2019: 1bn
2020: 0.9bn
Net Revenue in KES
2019: 3.1bn
2020: 3.4bn
Cost/Income
2019: 65%
2020: 57%
NFI/Total Income
2019: 23%
2020: 28%
Loans/Deposits
2019: 90%
2020: 83%
Gross NPL Ratio
2019: 2.6%
2020: 3.5%

Figures in Kenyan Shillings
Non Banking Subsidiaries
I&M Burbidge Capital Ltd

Revenue
The advisory business reported a 12% (KES 5.9Mn) increase in revenues

Capital Raising Webinar
IMBC in partnership with ISBI hosted its Annual Capital Raising Seminar via webinar

Partnered with EAVCA to host a roundtable discussion based on Covid-19 Valuations and Deal Structures

IMBC won the Deal Makers Africa 2020 M&A Awards under the Financial Advisers Category (Deal Flow) for the 2nd time

I&M Insurance Agency Ltd

Revenue
The Insurance agency contributed Kshs 91Mn to Group profitability

Partnership with Underwriters
The agency is continually partnering with underwriters in developing customized products in agriculture, ordinary life assurance and Group life and pension.
I&M Realty Limited

New I&M Head Quarters

Teams have relocated in phases into the new headquarters on 1st Parklands Avenue.

Sustainability

The building generates an estimated 100 kWh per year, which covers a portion of its consumption through the use of photo-voltaic solar.

Pandemic Relief

The company offered tenants rent concessions as a relief from the impact of Covid-19 Pandemic.
Part 5: Appendices
Group Overview

Our Purpose

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

Our Vision

To Become A Company Where The Best People Want To Work

The First Choice Where Customers Want To Do Business, And

Where Shareholder Are Happy With Their Investment
Our Culture

“Nurture A Culture Of Fairness To Our Partners”

This is with regards to 3 key relationships:

Employee - Employer  
Customer - Bank  
Shareholder - Group
Our FootPrint

I&M Bank (Rwanda) Plc
- Branches: 18
- ATMs: 31
- Staff: 373
- Customers Over: 42,000

I&M Bank Tanzania Limited
- Branches: 8
- ATMs: 9
- Staff: 203
- Customers Over: 16,000

Other Non Banking Entities
- Staff: 32

I&M Bank Limited, Kenya
- Branches: 40
- ATMs: 56
- Staff: 1,143
- Customers Over: 140,000

Bank One Limited
- Branches: 9
- ATMs: 10
- Staff: 421
- Customers Over: 50,000
I&M Holdings PLC (IMHP) Structure
## 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 been dormant. It is currently in the process of acquiring a Fund Manager license.*

---

## Giro Limited

**Incorporation**


**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.
Disclaimer

The contents herein have been presented in good faith. The information, statements and opinions set out in this presentation and subsequent discussion do not constitute a public offer for the purposes of any applicable law or an offer to sell or solicitation of any offer to purchase any securities or other financial instruments or any advice or recommendation in respect of such securities or other financial instruments.

The information contained in this presentation and subsequent discussion, which does not purport to be comprehensive nor render any form of financial or other advice, has been provided by the Group and has not been independently verified by any party. No responsibility, liability or obligation (whether in tort, contract or otherwise) is accepted by the Group or any member of the Group or any of its affiliates or any of its officers, employees, agents or advisers as to or in relation to this presentation and any subsequent discussions (including the accuracy, completeness or sufficiency thereof) or any other written or oral information made available or any errors contained therein or omissions therefrom, and any such liability is expressly disclaimed.

This presentation and subsequent discussion may contain projections, estimates, forecasts, targets, opinions, prospects, results, returns and future outlook with respect to the financial condition, results of operations, capital position and business of the Group. Any such future outlook may involve significant assumptions and subjective judgements which may or may not prove to be correct and there can be no assurance that any of the matters set out are attainable, will actually occur or will be realised or are complete or accurate. The assumptions may prove to be incorrect and involve known and unknown risks, uncertainties, contingencies and other important factors, many of which are outside the control of the Group. Any such future outlook is based on the beliefs, expectations and opinions of the Group at the date the statements are made, and the Group does not assume, and hereby disclaims, any obligation or duty to update, revise or supplement them if circumstances or management’s beliefs, expectations or opinions should change.

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