

KINGDOM SECURITIES

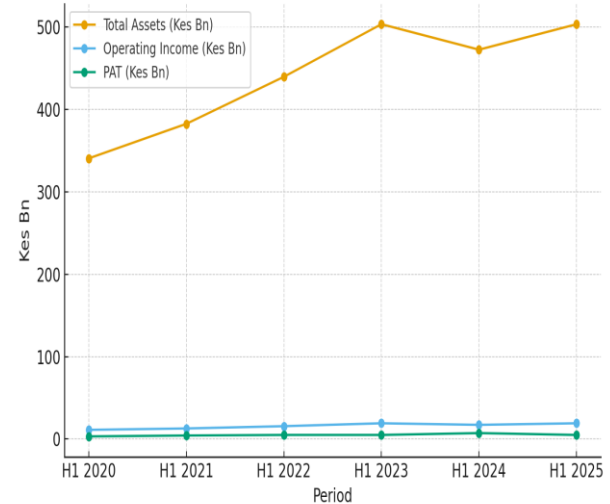
I&M Group released its half-year 2025 financial results showing resilient performance amid a challenging operating environment. Total interest income grew by 20.67% to Kes. 21.31Bn compared to Kes. 17.45Bn in H1 2024, supported mainly by higher income from loans and advances and government securities. Net interest income rose by 16.27% to Kes. 12.21Bn, reflecting improved asset yields despite increased funding costs. Non-interest income improved significantly by 36.54% to Kes. 6.92Bn, driven by higher fees, commissions, and foreign exchange trading income. Consequently, total operating income expanded by 21.64% to Kes. 19.13Bn compared to Kes. 15.78Bn a year earlier. However, operating expenses increased by 45.84% to Kes. 12.54Bn, largely on account of higher staff costs and loan loss provisions. Profit before tax for the period stood at Kes. 6.60Bn, representing a 9.27% decline from Kes. 7.28Bn in H1 2024, reflecting the impact of elevated costs. Net profit after tax closed at Kes. 4.93Bn, down from Kes. 5.19Bn in H1 2024.

The Group's balance sheet expanded steadily, underscoring strong growth in assets and customer deposits. Total assets increased by 7.42% to Kes. 503.50Bn as at June 2025 compared to Kes. 468.40Bn in June 2024, supported by higher loans and advances to customers which grew to Kes. 269.75Bn. Customer deposits rose by 9.49% to Kes. 356.76Bn, reflecting continued customer confidence and franchise strength. Shareholders' equity stood at Kes. 126.79Bn, compared to Kes. 122.22Bn in the prior year, supported by retained earnings growth. Despite margin pressures and rising operating costs, I&M Group maintained a solid capital base and liquidity position, positioning the bank for sustainable growth in the second half of 2025.

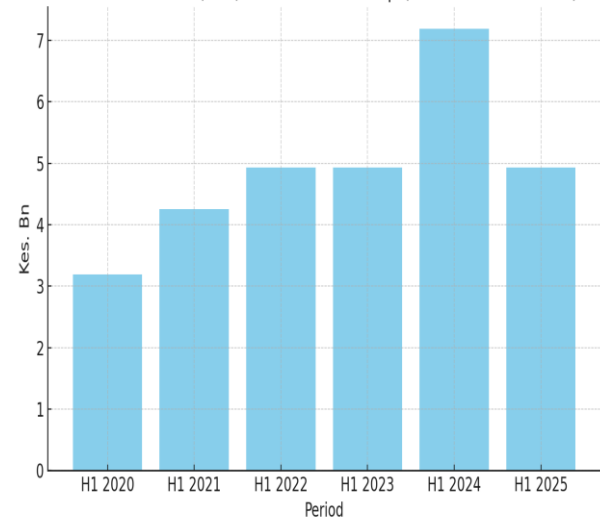
I&M Group -Plc

Earning Update- H1 2025

I&M Group Half-Year Financial Performance Trends (H1 2020 - H1 2025)



Profit After Tax (PAT) Trend - I&M Group (H1 2020 - H1 2025)



Period	Total Assets (Kes Bn)	Operating Income (Kes Bn)	PAT (Kes Bn)
H1 2020	340.64	11.13	3.19
H1 2021	382.57	12.81	4.25
H1 2022	439.67	15.58	4.93
H1 2023	503.55	19.1	4.93
H1 2024	472.6	17.19	7.19
H1 2025	503.5	19.1	4.93



I&M Group -Plc

Earning Update- H1 2025

Historical Trend Analysis

Over the six-year review period, I&M Group demonstrated consistent growth in its balance sheet and revenue streams. Total assets expanded from Kes. 340.64Bn in H1 2020 to Kes. 503.50Bn in H1 2025, reflecting a 47.8% increase. Operating income nearly doubled, growing from Kes. 11.13Bn in H1 2020 to Kes. 19.10Bn in H1 2025, supported by rising interest and non-interest income. Profit after tax (PAT) also showed resilience, averaging Kes. 5.00Bn over the period, despite cyclical cost pressures. These trends underscore the Group's ability to generate sustainable earnings while maintaining a solid balance sheet foundation.

Income Statement Summary

Item	H1 2024	H1 2025
Interest Income	Kes. 19.64Bn	Kes. 21.31Bn
Net Interest Income	Kes. 11.50Bn	Kes. 12.21Bn
Non-Interest Income	Kes. 6.25Bn	Kes. 6.92Bn
Operating Income	Kes. 17.19Bn	Kes. 19.10Bn
Operating Expenses	Kes. 8.20Bn	Kes. 10.30Bn
Profit Before Tax	Kes. 9.55Bn	Kes. 6.90Bn
Profit After Tax	Kes. 7.19Bn	Kes. 4.93Bn

Balance Sheet Summary

Item	H1 2024	H1 2025
Total Assets	Kes. 472.60Bn	Kes. 503.50Bn
Loans & Advances	Kes. 310.00Bn	Kes. 330.00Bn
Customer Deposits	Kes. 370.00Bn	Kes. 395.00Bn
Borrowings	Kes. 36.00Bn	Kes. 41.00Bn
Shareholders' Equity	Kes. 65.99Bn	Kes. 59.93Bn

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Recommendation Guide:

Analysts' stock ratings are defined as follows:

- **Buy** – A buy rating reflects 1) An analyst has a bullish conviction on a stock 2) A 30% or greater expected return.
 - **Accumulate** – An accumulate rating reflects 1) An analyst has a lesser bullish conviction on a stock 2) Expected return falls between 10% and 30%.
 - **Hold** – A hold rating reflects 1) An analyst has a neutral conviction (lack of bullish or bearish conviction) on a stock 2) Expected return falls within the range of 5% to 10%.
 - **Speculative Buy** – A speculative buy rating reflects 1) An analyst has a bullish conviction accompanied by a substantially higher than normal risk 2) Expected return falls above 10%.
 - **Sell** – A sell rating reflects 1) An analyst has a bearish conviction on a stock 2) Expected return falls below 5%.
- *Expected Return (ER) represents the sum of both capital appreciation and the dividend yield

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