



British International Investment announces sale of stake in I&M, the East African banking group, to AfricInvest

- *Transaction marks successful outcome of BII and I&M's equity partnership for over 7 years*
- *Sale to a like-minded investor is one of the most significant transactions in East Africa in recent years and represents vote of confidence in the region's financial services sector*

British International Investment ('BII'), the UK's development finance institution and impact investor, has sold its 10.1 per cent stake in I&M Group PLC ('I&M'), the Eastern African banking group, to AfricInvest, a leading Pan-African Asset Management platform. The acquisition was made through East Africa Growth Holding, a special purpose vehicle entirely controlled and formed by AfricInvest.

I&M Group PLC is a leading banking group in Eastern Africa with presence in Kenya, Mauritius, Tanzania, Rwanda and Uganda. It offers financial services to individuals, Micro, Small and medium-sized enterprises (MSMEs), and corporates across the region. It is listed on the Nairobi Securities Exchange with the Rwandan subsidiary I&M Bank Rwanda PLC listed on the Rwanda Stock Exchange.

BII made its investment in I&M in 2016. Today's announcement is one of the most significant secondary transactions in East Africa in recent years. The commitment made by AfricInvest, a leading, Africa-focused growth equity and private debt investor, also underlines the confidence of the commercial and impact investment community in the financial services sector in the region. The transaction coincides with the 50th anniversary of I&M Bank Limited, the anchor subsidiary of the group which was incorporated on 14th May 1974 as a financial services company before earning a commercial banking license in 1980. The Bank grew exponentially through an aggressive inorganic growth strategy which saw to a series of regional mergers and acquisitions.

Maximilian Biswanger, Investment Director at BII, said: "Having been a trusted equity partner to I&M for over 7 years, today's announcement represents a great outcome to BII's engagement, as we exit to a like-minded partner with a focus on commercial sustainability and development impact. Since our original investment, I&M Group PLC has expanded its role as a true champion to the region's business community and its aspiring personal banking clients, constituting a major driver for sustainable economic development in the region."

Julius Tichelaar, Senior Partner at AfricInvest, commented, "I&M Group PLC has established a very strong franchise in East Africa and the Indian Ocean over the past five decades, with an excellent reputation, the highest integrity and governance standards, and a track record with quality and consistency in performance and earnings. AfricInvest is extremely proud and honoured to be extending its partnership with I&M Group PLC beyond AfricInvest's investment in I&M Bank Rwanda."

Speaking from Nairobi, I&M Group PLC Executive Director Sarit Raja-Shah reflected "It is notable that when BII invested in the company, we had just embarked on our iMara Strategy which was to be implemented in three cycles. Now, as we usher in Africinvest we have just initiated the third iteration of that strategy which has sustainability at its centre and pays respect to the economic, social and climatic state of our planet".

He added, "The years since 2016 saw us bolster our position as a leading financial services conglomerate in Eastern Africa with BII's commercial and technical support and we are positive that Africinvest's investment will provide the Group the support to build on the progress we made with their predecessor. Our new shareholder's demonstrated focus on Sub-Saharan Africa inspires confidence that we will be able to continue the growth momentum and enhance financial inclusion in the markets where we operate".

I&M Group PLC has recorded significant commercial growth since BII's investment in 2016, having almost tripled its loan book from 135 KESbn to 310 KESbn and its customer base from 100k to over 500k. This growth amongst others resulted in the bank reaching Tier 1 status in the Kenya banking industry in 2019. It has also been a pioneer for digital financial services in the region.

In addition, and despite notable headwinds, I&M Group PLC increased its lending to SMEs over the course of our investment (supporting the UN's Sustainable Development Goal ('SDG') 9.3 and SDG 8.10). I&M is also committed to setting an example on the environment (SDG 13), through sustainable solutions for clients (e.g. a green energy lending scheme worth KES6bn) and through the reduction of carbon emissions of its own operations. In alignment with its strategy, AfricInvest will continue to champion I&M's sustainability journey, supporting the bank's commitment to creating lasting, sustainable environmental and social value.

BII has actively supported I&M Group PLC in this journey as a committed shareholder and partner, resulting in key strategic and operational developments under the group's iMara strategy, including:

- Enhancing the bank's value proposition for SME and personal banking clients, with various innovative products launched including the only free bank to mobile wallet transfer offering and Kenya's largest unsecured personal loan which was introduced to the market through an award-winning marketing campaign. Net promoter score expressing client satisfaction doubled in recent years, from approx. 34% to close to 70%.

- Digital transformation through launch of innovative digital channels, resulting in significant increase of digital active customer base to >75% while digital transactions account for over 80% in 2023.
- Expansion of regional presence in Eastern Africa, most notably expansion into Uganda in 2020. Non-Kenyan subsidiaries now account for approx. 24% of PBT in 2023.

BII's impact thesis for investing in I&M Group PLC included supporting the banks' expansion outside of Kenya and expanding its client segments and improving its customer value proposition in Kenya, both of which were achieved during the lifetime of the investment. In addition, BII and I&M have also cooperated on several value-add initiatives for ESG and Governance improvements.

- BII's ESG team worked with I&M on E&S capacity building initiatives by offering training to stakeholders and collaborating on the development of bank-wide E&S tools.
- BII's dedicated Business Integrity team supported I&M to help enhance their financial crime and anti-corruption procedures.

AfricInvest has been committed to the financial services industry for over three decades, which has seen a rapid pace of innovation and disruption. Leveraging I&M's strong digital infrastructure and its innovative drive to cater to evolving customer needs, AfricInvest is uniquely equipped to collaborate and support the group in its expansion in the region. Having previously acquired a 24.76% share in I&M Bank Rwanda in 2019, AfricInvest aims to further contribute to a resilient and impactful financial services industry in East Africa through this investment.

About I&M Group PLC

I&M Bank was founded in 1974 as a financial services company and later converted to a commercial bank. It is now a wholly owned subsidiary of I&M Group PLC, a public company listed at the Nairobi Securities Exchange (NSE).

I&M Group has a long-standing presence in the Kenyan market with presence in banking, insurance and real estate. The Group offers a full range of banking and financial services covering corporate, business and personal banking, wealth management, bancassurance and advisory services with presence spanning across 5 countries in Kenya, Uganda, Tanzania, Rwanda and Mauritius through a joint venture with CIEL Group (Bank One).

I&M Group PLC is regulated by the Central Bank of Kenya, Capital Markets Authority of Kenya and the Nairobi Securities Exchange.

For more information visit www.imbankgroup.com

For Media Enquiries, please contact:

Group GM, Marketing & Communication

Mwihaki Wachira

mwihaki.wachira@imbank.co.ke

About British International Investment

British International Investment is the UK's development finance institution and impact investor. As a trusted investment partner to businesses in Africa, Asia and the Caribbean, BII invests to support the UK Government's Clean Green Initiative and to create productive, sustainable and inclusive economies in our markets. Between 2022-2026, at least 30 per cent of BII's total new commitments by value will be in climate finance. BII is also a founding member of the 2X Challenge which has raised over \$16 billion to empower women's economic development. The company has investments in over 1,470 businesses across 65 countries and total assets of £8.1 billion. For more information, visit: www.bii.co.uk | [watch here](#). Follow British International Investment on [LinkedIn](#) and [X](#).

About AfricInvest

AfricInvest is a leading pan-African investment platform active in multiple alternative asset classes, including private equity, venture capital, private credit, blended finance and listed equities. Since inception, the AfricInvest platform has raised over \$2bn to finance over 200 companies at various development stages, delivering value and impact for our investors, portfolio companies, and the communities we serve. The AfricInvest's 100-strong team of investment experts in more than ten offices across three continents has a proven track record of providing attractive risk-adjusted returns while spurring productivity growth, creating jobs, and ultimately improving African lives through inclusive and sustainable development.

AfricInvest's acquisition of the I&M stake was made through AfricInvest Fund IV and AfricInvest's Financial Inclusion Vehicle (FIVE). FIVE is an evergreen investment vehicle dedicated to the financial sector in Africa. Launched in December 2017, FIVE aspires to contribute to the achievement of universal access to financial services on the continent.

For further information, contact:

ann.wyman@africinvest.com