



RWANDA'S LEADING PARTNER
FOR GROWTH

Our core values



Integrity



Respect



Trust



Innovation



Courage

Our Brand Promise

We are on **your side**



I&M BANK (RWANDA) PLC
QUARTER 3 2021 RESULTS
INVESTOR PRESENTATION



Index

1

Financial Highlights
& Trend Analysis

2

Performance Drivers &
Strategy Update

3

Appendix



Delivered another strong set of results in Q3, reflecting business momentum

Growth

- **Net operating income up 29% YoY** driven by **the 21% increase in net interest income** and efficiency improvement.
- **Customer growth up by 25% YTD to 50,578 customers** (SME: +64%, Corporate: +17%; Retail: +22%).
- **Net Loans up by 6% YTD**, and **improved NPL ratio of 3.58%** driven by improvement in macro-economic conditions.

Profitability

- **Q3-21 profit before tax of RWF 8.347 Bn: +45% YoY**
- **Positive cost/income jaws: +11%**
- **Improved cost-to-income ratio: 59.6%** (down from 64.1% in Q3-20)
- **Improved EPS of 4.77**

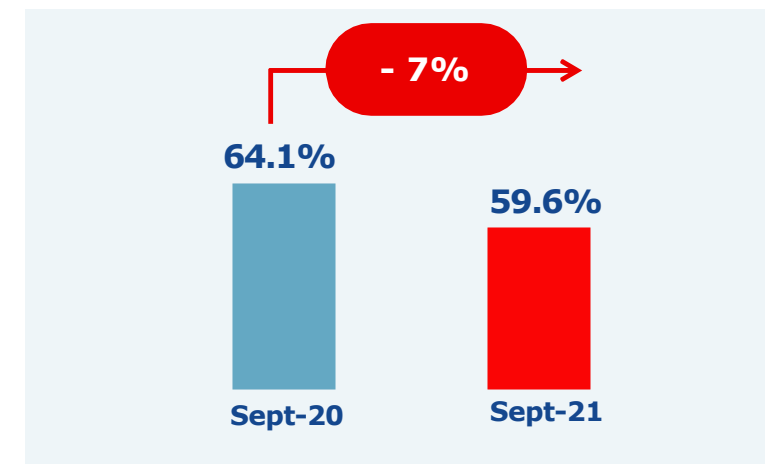
Strength

- **Impairment provisions decreased by 20% YoY.** Loan-loss provisions stood at RWF 1.5Bn.
- **Strong capital adequacy position: Tier I CAR of 16.14%; Tier II of 18.76%**
- **Healthy funding & liquidity positions: LCR of 415%**
- **Shareholder value:** pay-out of RWF 3 per share to all shareholders in the registry as of 4th June 2020, as approved during the Annual General Meeting of 22nd June 2020 – upon approval from the National Bank of Rwanda.

9M-21 underlying profit of RWF 8.3 Billion, driven by solid headline earnings growth and lower cost of credit.

RWF Million	Sept-21	Sept-20	%
Net interest income	19,620	16,263	21
Net fee income	1,592	1,390	15
Trading and other income	3,069	3,522	-13
Total operating income	24,280	21,175	15
Operating expenses	-14,470	-13,566	7
Net operating income	9,810	7,609	29
Net Impairment Charge	-1,464	-1,839	-20
Profit Before Tax	8,347	5,770	45
Tax Expense	-2,921	-2,020	
Profit After Tax	5,425	3,751	

Cost-to-Income ratio



- 2021 nine months performance reflects continued benefits of our **diversification strategy**.
- Net impairment decrease driven by an improved macroeconomic outlook and lower unsecured balances.

Well-funded, diversified and highly liquid balance sheet (large % contribution from deposits from customers & banks)

RWF Billion	Sept-21	Dec-20	Sept-20	% Var. Dec-20	% Var. Sep-20
Loans & Advances	217.1	205.2	208.1	6%	4 %
Financial Investments	92.6	100.9	74.0	-8%	24%
Other Assets	125.6	111.1	99.7	13%	26%
Total Assets	435.3	417.2	381.8	4%	14%
Deposits from customers	263.9	248.4	237.5	6.2%	11%
Deposits from Banks	33.9	49.8	49.7	-32%	-32%
Borrowings	62.5	49.1	40.0	27%	56%
Other Liabilities	14.9	15.4	9.5	-3%	57%
Shareholders' Equity	60.1	54.5	45.1	10%	33%
Total Liability & Equity	435.3	417.2	381.8	4%	14%

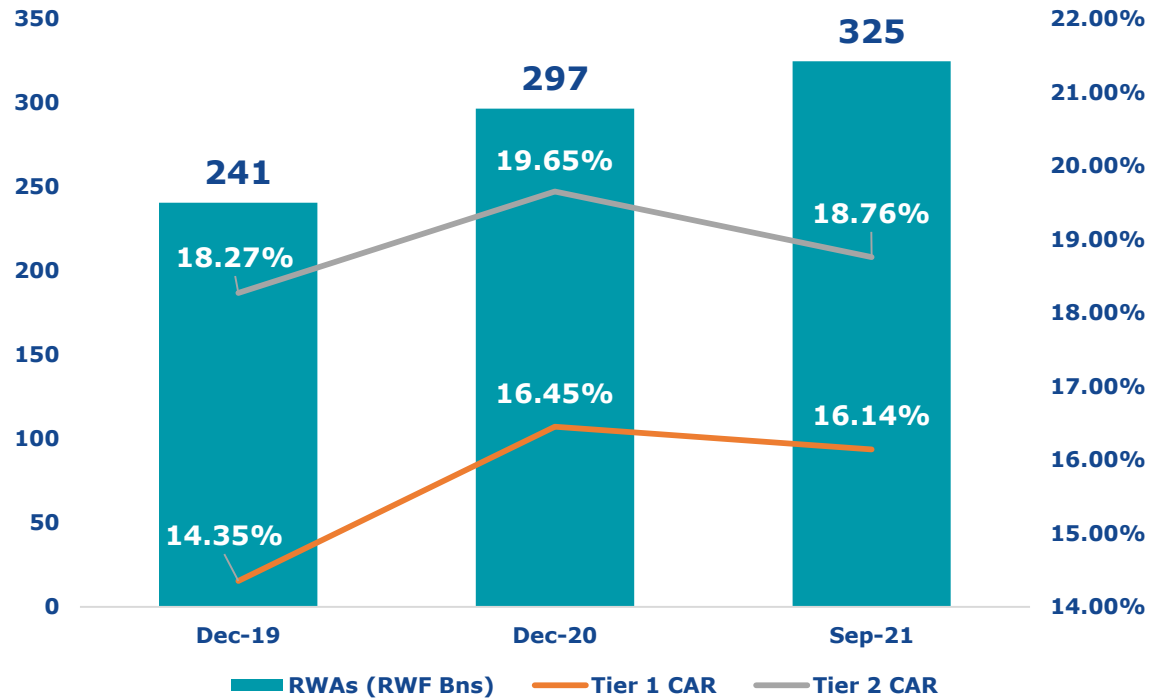
Credit Quality indicators

	Sept-21	Dec-20
NPL Ratio	3.58%	3.51%

- **Loans & advances** reflects refocused business environment and element of de-risking.
- **Borrowings** increased following the release of second tranche of USD 10Mn with development bank.
- **Shareholder's Equity** increase following new capital injection by way of Rights Issue in Oct-2020.

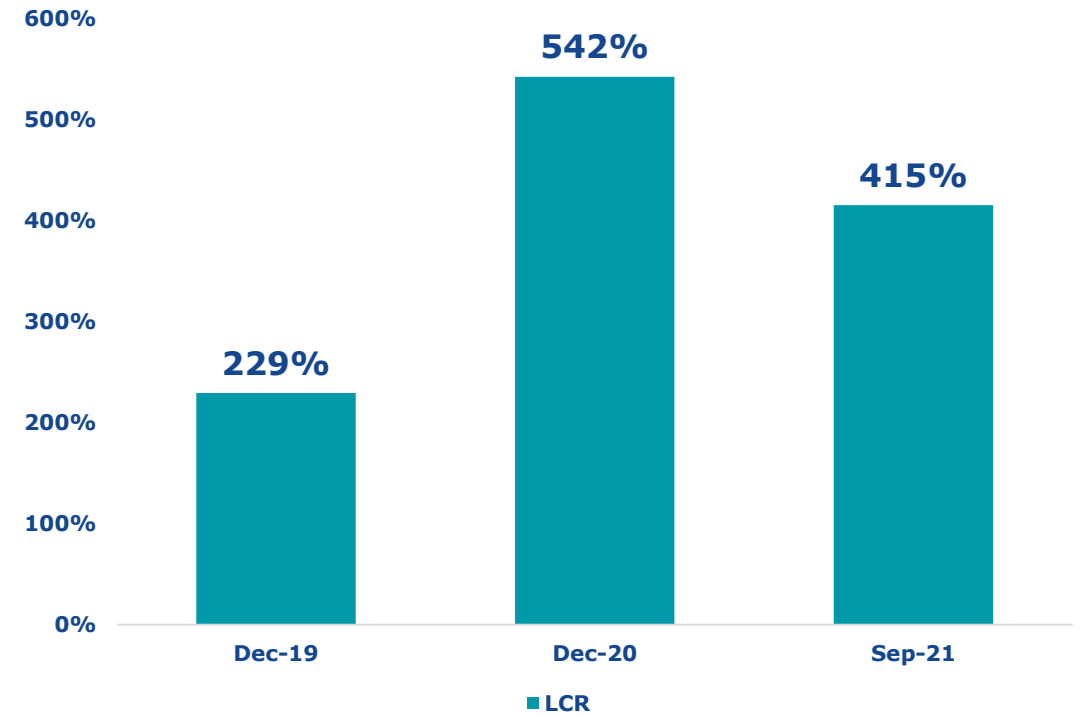
Strong capital levels & liquidity Ratios

Capital Adequacy Ratio



Regulatory requirement:
 Tier I CAR: 13%
 Tier II CAR: 15%

Liquidity Coverage Ratio



Regulatory requirement:
 LCR: minimum of 100%

Key ratios reflects the business growth and tangible momentum behind our strategy execution.

	Dec-20	Sept-21
Liquidity Coverage Ratio, %	542	415
Cost/ Income Ratio, %	57.86	59.7
Return on Equity (ROAE), %	10.99	12.6 ⁽¹⁾
Return on Assets (ROAA), %	1.39	1.65 ⁽²⁾
Net Loans to Deposit Ratio, %	68.8	72.9
Earning per share, RWF	4.24	4.77 ⁽³⁾

⁽¹⁾Return on Average Equity of Sep-21 computed on annualized PAT against average MoM equity.

⁽²⁾ Return on Average Assets of Sep-21 computed on annualized PAT against average MoM total assets.

⁽³⁾ Earning per share as of Sep-21 computed on annualized PAT against the average outstanding shares.

(*) Source: BNR, Financial sector statistics

Index

1

Financial Highlights &
Trend Analysis

2

Performance Drivers
& Strategy Update

3

Appendix

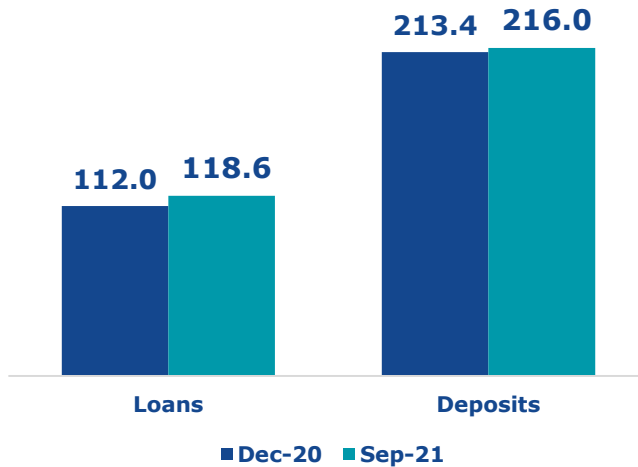


We continue to be guided by our iMara 2.0 strategy



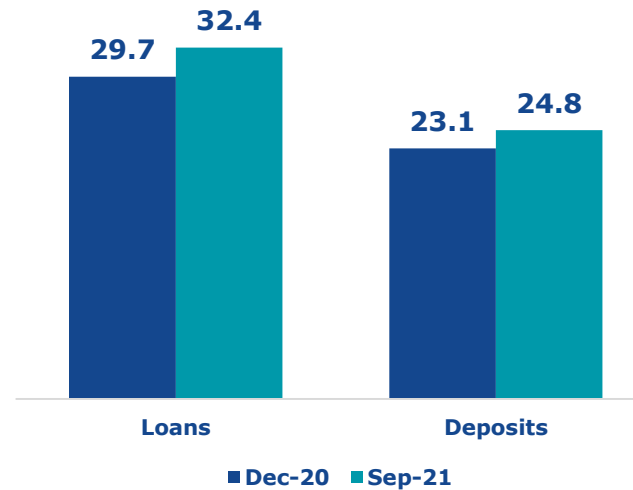
Continue to maintain a strong underlying performance across all business segments

Corporate Banking



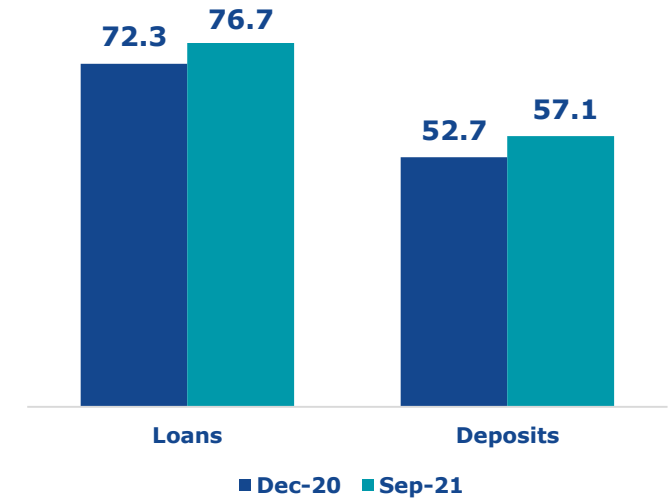
- Continue to strengthen our position as the Bank of choice for corporate and institutions.
- Empowering our transaction banking business.

Business Banking



- Kicked-off full command implementation of the MSME' strategy.
- Streamlined the credit process through reduction of credit touch points

Retail Banking



- Focus on accelerating digital adoption.
- Expansion of target market.

Focus on digitization and revenue generation



Key sales achievements

- Deployed low-cost deposits attraction strategy;
- Continued strength in digital adoption with 72% of Bank's transactions done on alternative channels, compared to 52% recorded in 2020.
- +45,117 new users YTD on SPENN platform. More expected with micro-lending product.
- Streamline of credit process through reduction of touch points
- Expanded income streams through boosted card business & alternative channels (i.e. Whatsapp Banking)
- Leverage on digital channels and Bancassurance business line.
- Enhanced transaction banking services through Intercountry Banking Service.



Product launch & Review

- Roll-out phase for merchant acquiring (Point-of-Sale) machines with Corporate & Business Banking customers.
- Roll-out of SPENN micro-lending expected before end of Q4 2022
- Roll-out of online customer onboarding

Covid-19 vaccinations encouraged across the board

Rwanda: 43.27% of the population has received at least of the doses recommended.

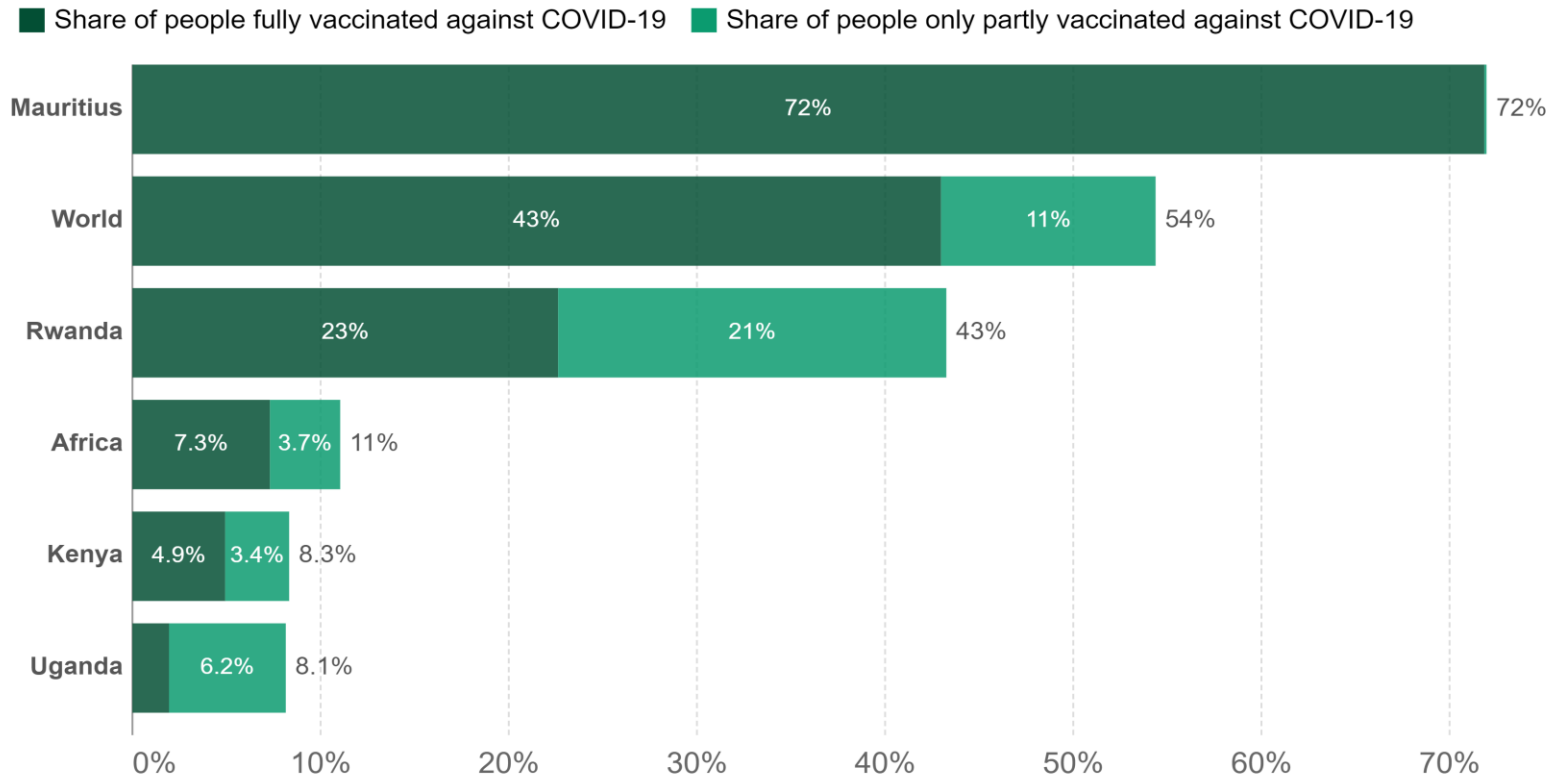
I&M Rwanda: nearly 100% of all staffs are fully vaccinated, enabling business to resume smoothly.

Source: [COVID-19 Data Explorer – Our World in Data](#)

Share of people vaccinated against COVID-19, Nov 29, 2021

Alternative definitions of a full vaccination, e.g. having been infected with SARS-CoV-2 and having 1 dose of a 2-dose protocol, are ignored to maximize comparability between countries.

Our World
in Data



Source: Official data collated by Our World in Data. This data is only available for countries which report the breakdown of doses administered by first and second doses in absolute numbers.

CC BY

Improved prospects and Sustainability

Accolades



"Product Innovation of the Year" by SME Finance Forum

Awarded for delivering outstanding products and services to our SME clients and SME segment.



"Best Large Taxpayer (2020) by Rwanda Revenue Authority



"Best Bank (2021) in Rwanda" by CFI.co

Recognized for technological innovations such as Near Field Communication (NFC) enabled ATMs.

Credit Ratings

Upgraded GCR Ratings as capital position improves and operating environment pressure eases.

Stable Outlook.

Long Term
A (RW)

Short Term
A1 (RW)

I&M Head Office & Old building

- Fitted with solar paneling for energy generation for Bank Head Office and Main branch operations.
- Space for renting is let at full-capacity.
- Old building is rented at 50% capacity.
- Rental incomes expected to materialize in 2022.

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 Bank and has not been independently verified by any other party. No responsibility, liability or obligation (whether in tort, contract or otherwise) is accepted by the Bank 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 Bank. Any such future outlook may involve significant assumptions and subjective judgments 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 realized 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 Bank. Any such future outlook is based on the beliefs, expectations and opinions of the Bank at the date the statements are made, and the Bank 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 Bank can be sourced from the link: <https://www.imbankgroup.com/rw/about-us/annual-reports/>

Index

1

Financial Highlights &
Trend Analysis

2

Performance Drivers &
Strategy Update

3

Appendix



Appendix

Economic Overview

Banking sector overview

Our Bank

- I&M Bank Journey
- Balance Sheet & Quarterly Income Statement



Economic Overview



Global conditions

- The global economy is experiencing a strong but uneven recovery with estimated growth of 6% in 2021 and 4.9% in 2022. ⁽¹⁾
- There remains 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 in many of world's low-income countries.



Sub-Saharan Africa

- The regional GDP contracted by 1.8% in 2020 is expected to recover modestly to 3.7% in 2021 and 3.8% in 2022. The rebound largely results from a sharp improvement in global trade and commodity prices ⁽²⁾



Pandemic Impact

- Rwanda's GDP rebounded in the first half of 2021 with growth of 20.6% driven by a faster recovery of the agriculture sector and the industry sector, following a GDP contraction in 2020. ⁽³⁾
- The country is expected to grow to 5.7% in 2021, supported mainly by high infrastructure spending and a pick-up in the tourism sector as the effects of the pandemic dissipate. ⁽⁴⁾



Exchange Rate Developments

- Significant currency depreciations in most Africa currencies observed during the peak of the crisis continued through the first and second quarter of 2021 and particularly severe in in tourism dependent economies.

Sources:

(1) IMF, World Economic Outlook Update October 2021

(2) IMF, Regional Economic Outlook (sub-Saharan Africa) April 2021

Sources:

(3) National Statistics, Second Quarter GDP publication – September 2021

(4) AFDB, African Economic Outlook 2021

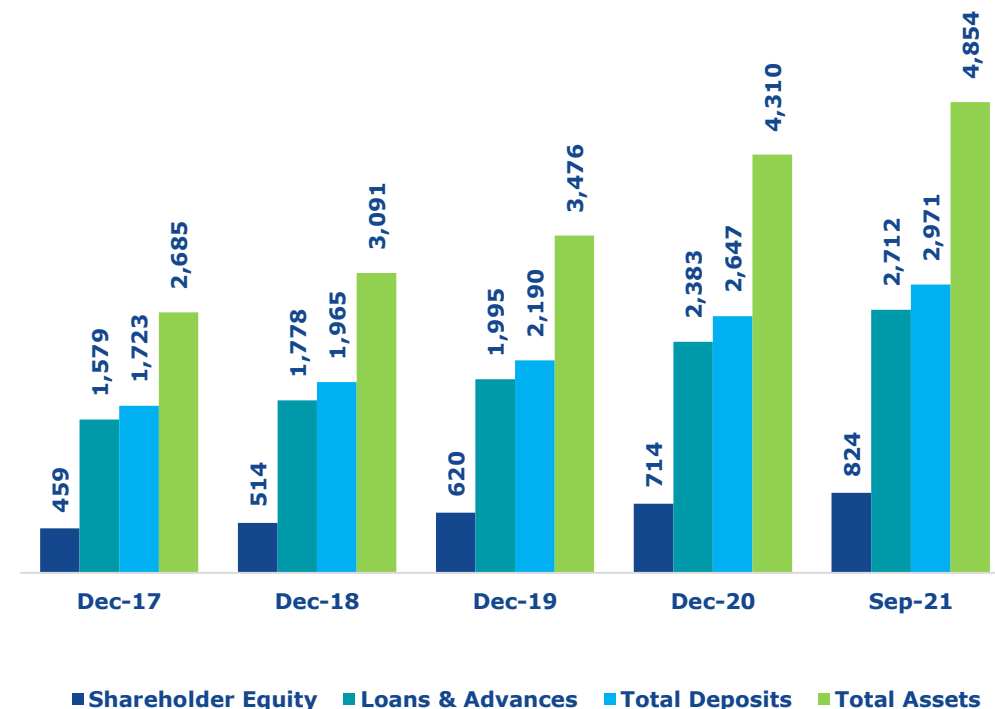
Rwanda – Banking sector overview



Sector review

- Banking sector assets recorded growth of 20% YoY in Sept 2021 to RWF 4,853Bn from RWF 4,028Bn as of Sept 2020.
- Customer deposits increased to RWF 2,970Bn, a 16% YoY growth from the Sept 2020 levels.
- The industry remains well capitalized and liquid, with aggregate Tier 2 CAR of 22.2% and LCR of 221.4% (Sept 2021).
- Credit risk slightly improved with NPL ratio of 5.1% (Sept-2021) supported by improving macroeconomic conditions.
- Profitability indicators as of end Sept 2021 stood at 2.5% and 14.8% for the Return on Average Assets and Return on Average Equity respectively.

Source:
BNR, Financial sector statistics



Appendix

Economic Overview

Banking sector overview

Our Bank

- I&M Bank Journey
- Balance Sheet & Quarterly Income Statement



I&M JOURNEY



2003: The Government of Rwanda increased the share capital to Frw 7.6 Bn and BCR became 86.8% owned by the Government of Rwanda.

I&M Bank Rwanda is listed on the Rwanda Stock Exchange (RSE)

2004: Actis acquired 80% share in BCR after a recapitalization.

1963

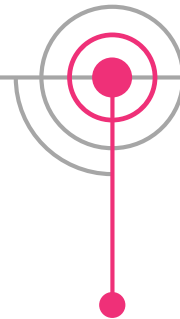


Banque Commerciale du Rwanda (BCR) was incorporated as the first commercial Bank in Rwanda.

2003-4



2012

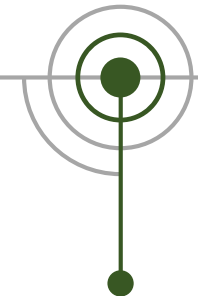


I&M Bank enters Rwanda with the acquisition of a majority shareholding in BCR, in consortium with Proparco and DEG.

2017



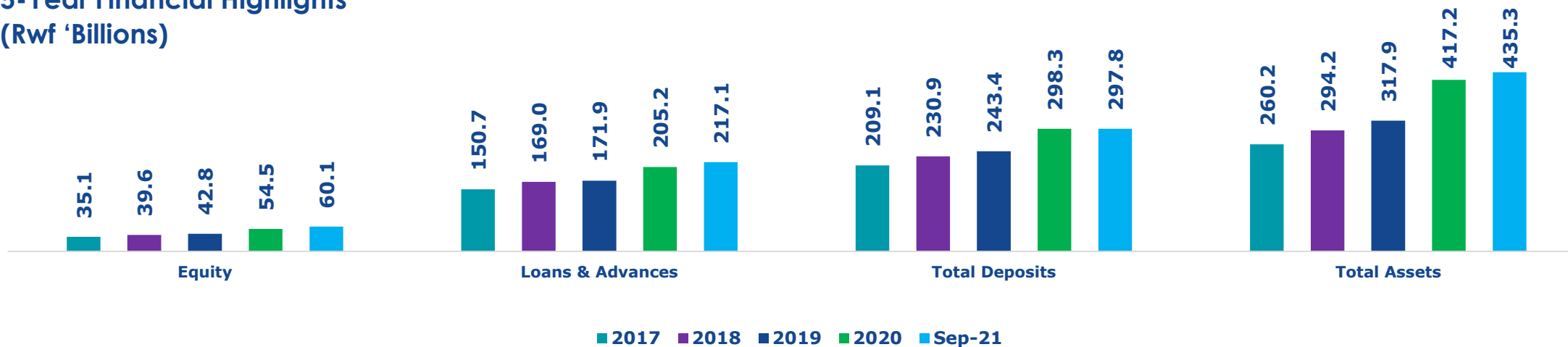
2018



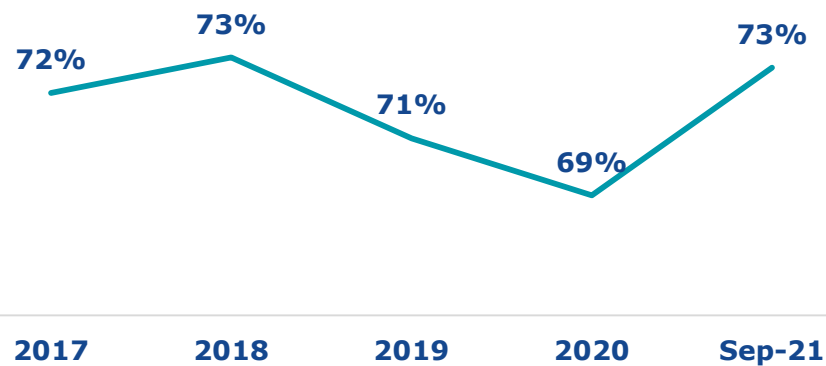
Digitalization journey
- Launch of new core banking systems.

Proven continuous growth across key financial metrics

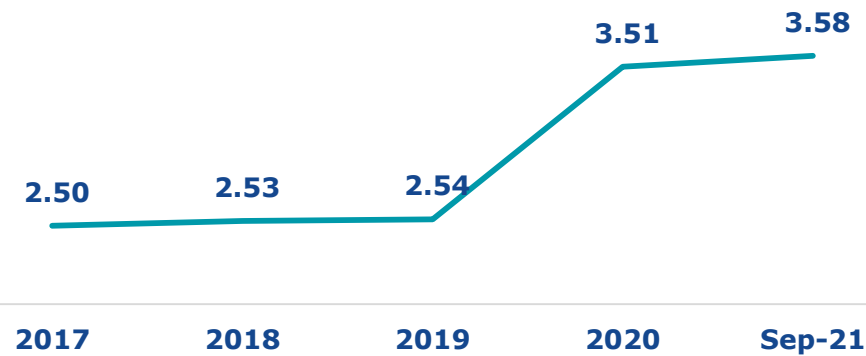
5-Year Financial Highlights (Rwf 'Billions)



Loan-to-Deposit Ratio



NPL Ratio



Quarterly Income Statements

RWF Millions	<u>Q1'20</u>	<u>Q2'20</u>	<u>Q3'20</u>	<u>Q4'20</u>	<u>Q1'21</u>	<u>Q2'21</u>	<u>Q3'21</u>	<u>9M'20</u>	<u>9M'21</u>
Net interest income	5,593	5,637	5,033	6,150	6,656	6,653	6,311	16,263	19,620
Net fee income	447	321	622	579	397	455	740	1,390	1,592
Trading and Other Income	1,142	925	1,455	3,287	990	1,149	929	3,522	3,069
Total operating income	7,183	6,883	7,110	10,016	8,043	8,258	7,980	21,175	24,280
Operating expenses	(4,472)	(4,672)	(4,422)	(4,251)	(5,013)	(4,757)	(4,701)	(13,566)	(14,470)
Net operating income	2,710	2,211	2,688	5,765	3,030	3,501	3,279	7,609	9,810
Net Impairment charge	(347)	(1,236)	(256)	(3,697)	(508)	(834)	(122)	(1,839)	(1,464)
Profit before tax	2,364	975	2,432	2,068	2,522	2,667	3,158	5,770	8,347
Tax Expense	(827)	(341)	(851)	(679)	(883)	(934)	(1,105)	(2,020)	(2,921)
Profit after tax	1,536	634	1,581	1,389	1,639	1,734	2,053	3,751	5,425



Thank you

I&M Bank (Rwanda) PLC
KN 03 Ave, 9
P.O. BOX 354
Kigali, Rwanda

E: invest@imbank.co.rw
T: + 250 788 16 2040



I & M Building