



STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2020

AUDITED BY EXTERNAL AUDITORS (FIGURES IN FRW '000)

ASSETS	31/12/2020	31/12/2019
Cash and balances with National Bank of Rwanda	30,266,747	30,691,946
Due from banks	39,302,920	28,604,211
Due from group companies	1,131,523	4,272,426
Financial assets at fair value through other comprehensive income	48,943,246	16,444,933
Financial assets at fair value through profit or loss	644,061	429,065
Financial assets at amortised cost	51,263,367	31,665,173
Loans and advances to customers	205,229,128	171,887,690
Other assets	3,001,489	2,470,613
Property and equipment and right of use assets	32,280,971	25,685,690
Intangible assets	5,140,236	5,747,279
TOTAL ASSETS	417,203,688	317,899,026
LIABILITIES	31/12/2020	31/12/2019
Deposits from banks and other financial Institutions	49,823,984	51,567,393
Deposits from customers	248,435,597	191,804,341
Items in the course of collection	2,371,917	1,364,320
Current income tax	595,345	245,479
Other liabilities	11,001,954	5,892,252
Deferred income tax	1,393,422	1,642,339
Long term debt	39,349,792	13,336,947
Subordinated debt	9,754,824	9,259,073
TOTAL LIABILITIES	362,726,835	275,112,144
EQUITY	31/12/2020	31/12/2019
Share capital	12,120,000	5,050,000
Share premium	6,249,832	400,000
Retained Earnings	33,995,670	33,437,216
Revaluation Reserves	1,861,898	2,011,095
Fair Value Reserve	249,453	173,454
Statutory credit risk reserve	-	200,117
Proposed Dividends	-	1,515,000
TOTAL EQUITY	54,476,853	42,786,882
TOTAL LIABILITIES AND EQUITY	417,203,688	317,899,026
OFF STATEMENT OF FINANCIAL POSITION ITEMS	31/12/2020	31/12/2019
Acceptances and Letters of Credit Issued	19,692,072	13,224,224
Guarantees commitments given	42,538,490	40,385,462

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31st DECEMBER 2020

AUDITED BY EXTERNAL AUDITORS (FIGURES IN FRW '000)

	31/12/2020	31/12/2019
Interest and similar income	39,123,691	34,808,787
Interest and similar expense	(16,710,944)	(12,942,802)
Net interest income	22,412,747	21,865,985
Fees and commission income	3,588,222	3,420,566
Fees and commission expense	(1,619,018)	(1,179,536)
Net fees and commission income	1,969,204	2,241,030
Net foreign exchange income	5,277,228	3,280,146
Other operating income	1,531,921	1,075,428
Operating income before impairment	31,191,100	28,462,589
Net impairment charge on loans and advances	(5,536,066)	(1,067,391)
Operating Income after impairment losses	25,655,034	27,395,198
Employee benefits	(8,934,839)	(10,005,526)
Operating expenses	(5,773,005)	(5,604,198)
Depreciation and amortization expense	(3,108,842)	(2,795,100)
Total operating expenses	(17,816,686)	(18,404,824)
Profit before income tax	7,838,348	8,990,374
Income tax expense	(2,698,567)	(2,848,432)
Profit for the period	5,139,781	6,141,942
Other comprehensive income		
Financial instruments at FVOCI – net after tax change in fair value	75,999	62,442
Total other comprehensive income for the period	75,999	62,442
Total comprehensive income for the period	5,215,780	6,204,384

Nikhil Hira

Chairman of Board Audit committee
Date: 29th March 2021

[Signature]

Managing Director:
Date: 29th March 2021

**I&M BANK (RWANDA) PLC FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31st DECEMBER 2020**

STATEMENT OF CHANGE IN EQUITY FOR THE PERIOD ENDED 31st DECEMBER 2020

AUDITED BY EXTERNAL AUDITORS (FIGURES IN FRW '000)

	Share capital	Share premium	Revaluation reserves	Retained earnings	Proposed dividends	Statutory credit risk reserve	Fair value reserve	Total
At 01 January 2020	5,050,000	400,000	2,011,095	33,437,216	1,515,000	200,117	173,454	42,786,882
Total comprehensive income for the year								
Profit for the Year	-	-	-	5,139,781	-	-	-	5,139,781
	-	-	-	5,139,781	-	-	-	5,139,781
Other comprehensive income								
Disposal of property and equipments	-	-	(268,556)	268,556	-	-	-	-
Deferred tax on Disposal of property and equipments	-	-	119,359	-	-	-	-	119,359
Net change in fair value of financial instruments at FVOCI	-	-	-	-	-	-	75,999	75,999
Statutory credit risk reserve	-	-	-	200,117	-	(200,117)	-	-
Total other comprehensive income	-	-	(149,197)	468,673	-	(200,117)	75,999	195,358
Total comprehensive income	-	-	(149,197)	5,608,454	-	(200,117)	75,999	5,335,139
Transactions with owners recorded directly in equity								
New Bonus issue during the year	5,050,000	-	-	(5,050,000)	-	-	-	-
Rights issue during the year	2,020,000	5,849,832	-	-	-	-	-	7,869,832
Dividends: Final for 2019 payable	-	-	-	-	(1,515,000)	-	-	(1,515,000)
Total transactions with owners for the year	7,070,000	5,849,832	-	(5,050,000)	(1,515,000)	-	-	6,354,832
Balance as at 31 December 2020	12,120,000	6,249,832	1,861,898	33,995,670	-	-	249,453	54,476,853
At 01 January 2019	5,050,000	400,000	2,011,095	28,763,104	2,985,000	145,151	213,148	39,567,498
Profit for the Year	-	-	-	6,141,942	-	-	-	6,141,942
Other comprehensive income								
Statutory credit reserve	-	-	-	(54,966)	-	54,966	-	-
Fair value through the other comprehensive income (FVOCI)	-	-	-	-	-	-	89,499	89,499
Deferred tax-FVOCI	-	-	-	-	-	-	(27,057)	(27,057)
Total comprehensive income	-	-	-	6,086,976	-	54,966	62,442	6,204,384
Transactions with owners recorded directly in equity								
Reclassification within equity	-	-	-	102,136	-	-	(102,136)	-
Dividends: Final for 2018 paid	-	-	-	-	(2,985,000)	-	-	(2,985,000)
Proposed dividend - 2019	-	-	-	(1,515,000)	1,515,000	-	-	-
Total transactions with owners for the year	-	-	-	(1,412,864)	(1,470,000)	-	(102,136)	(2,985,000)
Balance as at 31 December 2019	5,050,000	400,000	2,011,095	33,437,216	1,515,000	200,117	173,454	42,786,882



**STATEMENT OF CASH FLOWS AS AT
31st DECEMBER 2020**

AUDITED BY EXTERNAL AUDITORS (FIGURES IN FRW '000)

	31/12/2020	31/12/2019
Net cash flows /generated (used in) from operating activities	(14,926,774)	19,155,442
Cash flows from investing activities		
Purchase of property and equipment	(8,544,743)	(7,470,152)
Purchase of intangible assets	(836,835)	(2,389,924)
Proceeds from disposal of property and equipment	36,362	35,692
Net cash used in investing activities	(9,345,216)	(9,824,384)
Cash flows from financing activities		
Dividend paid	-	(2,985,000)
Principal elements of lease payments	(705,943)	(2,642,333)
Proceeds from long term debt	28,108,332	8,864,436
Principal repayment on long term debt	(2,316,059)	(1,155,547)
Grant Received	4,119,905	-
Proceeds from Rights issue	7,869,832	-
Net cash inflows/(outflows) from financing activities	37,076,067	2,081,556
Net increase / (decrease) in cash and cash equivalents	12,804,077	11,412,614
Cash and cash equivalents at start of the year	46,491,651	35,079,037
Cash and cash equivalents at end of the year	59,295,728	46,491,651

**OTHER DISCLOSURES
FOR THE PERIOD ENDED 31st December 2020**

AUDITED BY EXTERNAL AUDITORS (FIGURES IN FRW '000)

I. Capital Strength	
a. Core Capital (Tier 1)	48,800,553
b. Supplementary Capital (Tier 2)	9,495,250
c. Total Capital	58,295,803
d. Total Risk weighted assets	296,639,446
e. Core Capital/Total risk weighted assets ratio	16.45 %
f. Tier 2 ratio	3.20 %
g. Total Capital/Total risk weighted assets ratio	19.65 %
h. Leverage Ratio	10.02 %
II. Credit Risk	
1. Total gross credit risk exposures: after accounting offsets and without taking into account credit risk mitigation	274,621,842
2. Average gross credit exposures, broken down by major types of credit exposure:	
a) loans, commitments and other non-derivative off-balance sheet exposures :	274,621,842
b) debt securities:	100,206,614
c) OTC derivatives :	644,062
3. Regional or geographic distribution of exposures, broken down in significant areas by major types of credit exposure:	
Northern	3,294,875
Southern	2,301,071
Eastern	2,131,107
Western	5,583,210
Kigali City	261,311,579
4. Sector distribution of exposures, broken down by major types of credit exposure and aggregated in the following areas:	
a) Government;	377,110
b) financial;	-
c) manufacturing;	53,097,765
d) infrastructure and construction;	65,746,321
e) services and commerce.	116,385,221
f) others	39,015,425
5. Off Balance sheet items	62,230,562
6. Non-Performing Loans	
(a) Non performing Loans	9,628,881
(b) NPL Ratio	3.51 %
7. Related Parties	
a. Loans to Directors, shareholders and subsidiaries	67
b. Loans to Employees	5,164,311



Chairman of Board Audit committee
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I&M BANK (RWANDA) PLC FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31st DECEMBER 2020

8. Restructured loans as at 31 December 2020		
a. No. of borrowers		1,663
b. Amount outstanding (Frw '000)		69,028,314
c. Provision thereon (Frw '000) (regulatory):		1,589,029
d. Restructured loans as % of gross loans		25.14 %
III. Liquidity		
a. Liquidity Coverage ratio (LCR)		542 %
b. Net Stable Funding ratio (NSFR)		155 %
IV. Operational Risk		
Number and types of frauds and their corresponding amount		
Type	Number	Amount Frw000
External - Use of forged payment order		-
Internal - Use of forged payment order		-
Internal - Theft		300
V. Market Risk		
1. Interest rate risk		1,846,203
2. Equity position risk		-
3. Foreign exchange risk		579,272
VI. COUNTRY RISK		
1. Credit exposures abroad		36,528,842
2. Other assets held abroad		-
3. Liabilities to abroad		44,389,403
VII. Management and Board Composition		
a. Number of Board members		9
b. Number of independent directors		6
c. Number of non-independent directors		3
d. Number of female directors		2
e. Number of male directors		7
f. Number of Senior Managers		11
g. Number of female senior managers		5
h. Number of male senior managers		6

EXPLANATORY NOTES TO THE FINANCIALS

- Interest and similar income: 12% increment**
The increase in interest income is attributable to the growth noted in the loan book portfolio and the investments made in the money market during the year.
- Interest and similar expense: 29% increment**
The increase is in line with the growth of our sources of funds : Deposits and Long term borrowings in order to support the business growth.
- Non interest income: 33% Increment**
Net fees and commissions decreased by 12% as result of a slow down in the business environment (due to the current pandemic), and an increase in channels and digital products expenses . We noted a considerable positive trend in foreign exchange income.
- Total operating expenses: 3% decrease**
Employee Expenses decreased by 7% . Last year, the Bank has paid as a benefit to its long serving employees a voluntary service scheme (VSS) resulting in an increment in the cost within the FY 2019.
- Impairment losses on loans and advances : 419% increment**
In line with prudent planning for uncertainty in the future caused by the pandemic, the Bank increased its impairment provisions by more than fivefold compared to last year.
- Loans and advances to customers: 19% Increase**
The loan book portfolio registered resilient growth during the year both in the Corporate and Retail segment .
- Customer Deposits: 30% increase**
The growth in Customers deposits is a reflection of covid-19 related precautionary savings behaviour as well as postponement in implementation of some projects.
- Borrowed Funds :195% Increased**
The Bank received during the year long term fund facility of Usd 15M from FMO and USD 10 M from IFC in order to support the growth mainly in the SME sector and to provide working capital loans to companies whose cash flows have been disrupted by the global COVID-19 pandemic.
- Share capital: 140% Increment**
The share capital increase is a result of both additional one to one bonus issue to shareholders effected during the period and a capital injection by shareholders through the rights issue.



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