



We Are On Your Side

**Q3 2023
INVESTOR
PRESENTATION**



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The Financial results of the Bank can be sourced from the link below: <https://www.imbankgroup.com/rw/about-us/annual-reports/>

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Operating context & Business Highlights

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Tailwinds

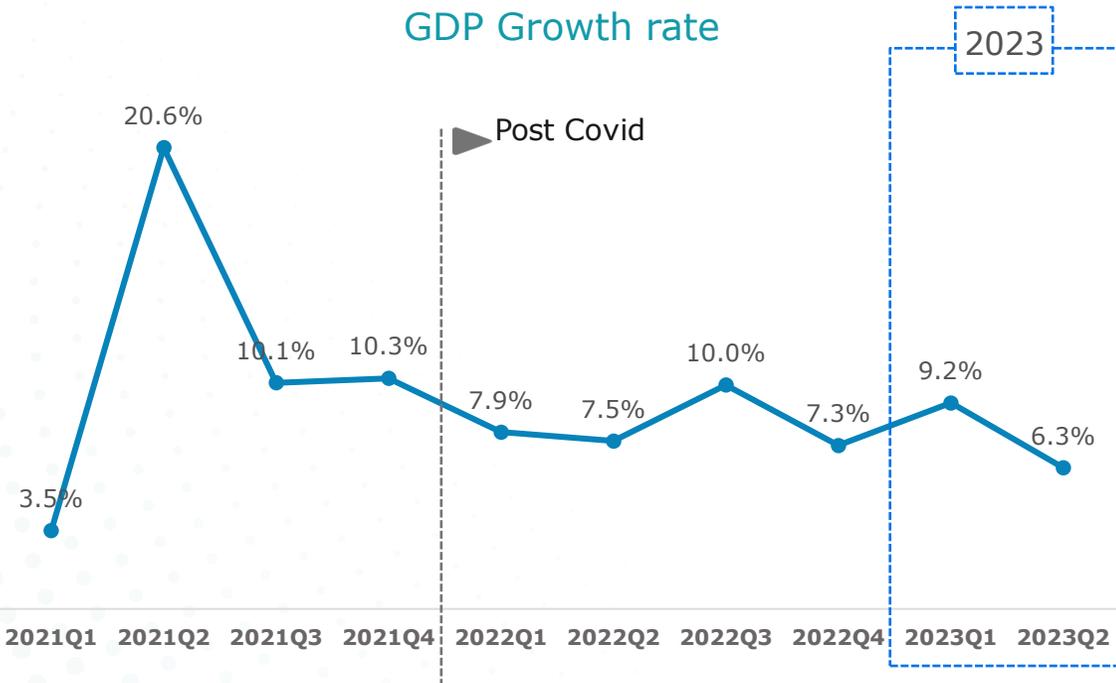
- ✓ Strong forecasted GDP growth rates persist despite the global economic slowdown.
- ✓ Investing in technology to establish meaningful connections with the modern consumer while optimizing profitability.
- ✓ Right strategy & business model towards emerging segments i.e., MSMEs and Retail.
- ✓ New opportunities for the industry as climate finance gain greater prominence.

Headwinds

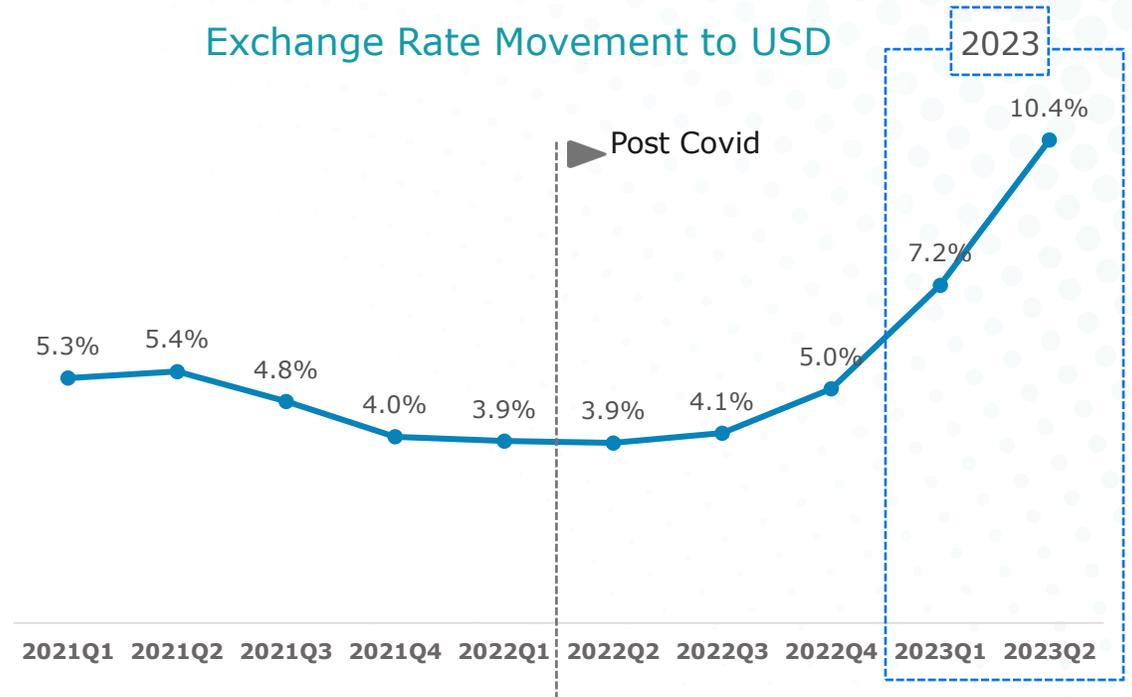
- ✗ The devaluation of local currencies is intensifying inflationary pressure, diminishing purchasing power, and adversely affecting trade.
- ✗ A more stringent monetary policy and a lack of available foreign currency.
- ✗ Additional cost to invest in new technology.
- ✗ Fiscal pressures in the region suggest heightened costs due to tax increases, while constrained liquidity in the markets influences the cost of funds.

Macro economic environment

GDP Growth rate



Exchange Rate Movement to USD



Q3 2023	
GDP growth (Q2 '23)	6.3%
Total budget (FY 23/24)	FRW 5,030bn
Trade deficit	\$379.47mn
Headline Inflation	12.7%

Data Source: National Institute of Statistics of Rwanda

Depreciation against USD

In July 2023, the Rwandan franc declined by **14.51% YoY** and **10.03% YTD**. In the region, KSH fell by 19.84%, TZS by 3.41% YoY, while UGX saw a 6.59% appreciation. The Central Bank projects the Rwandan franc's depreciation for 2023 to be within a range of **12% to 15%**.

Q3 '23 Financial Highlights

INCOME STATEMENT

Frw10.9bn

Profit Before Tax  **7%**

 **6%** **Frw25.1bn**
Net interest income

 **17%** **Frw4.3bn**
Fees and commissions income

 **75%** **Frw6.4bn**
Net foreign exchange income

BALANCE SHEET

Frw558.5bn

Total Assets  **14%**

 **18%** **Frw273.6bn**
Loans and advances

 **10%** **Frw150.3bn**
Investment securities

 **15%** **Frw412.7bn**
Total deposits

CAPITALISATION & LIQUIDITY

16.9%

Tier 1 CAR

18.3%

Tier 2 CAR

206.0% *Liquidity coverage ratio above 100% regulatory limit*

KEY RATIOS

12.9% **1.8%**

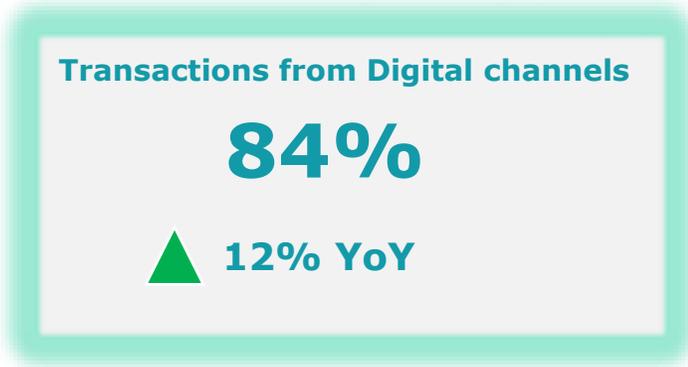
ROE ROA

3.4%
Non-Performing loans

65.3%
Cost to income ratio

Q3 '23 Non-Financial Highlights

- launched online onboarding for individuals and sole proprietors.
- You can now pay for Irembo Gov services through our platforms
- I&M Bank is an early adopter, embracing e-Kash interoperability and forming a strategic partnership with Old Mutual to support MSME growth.

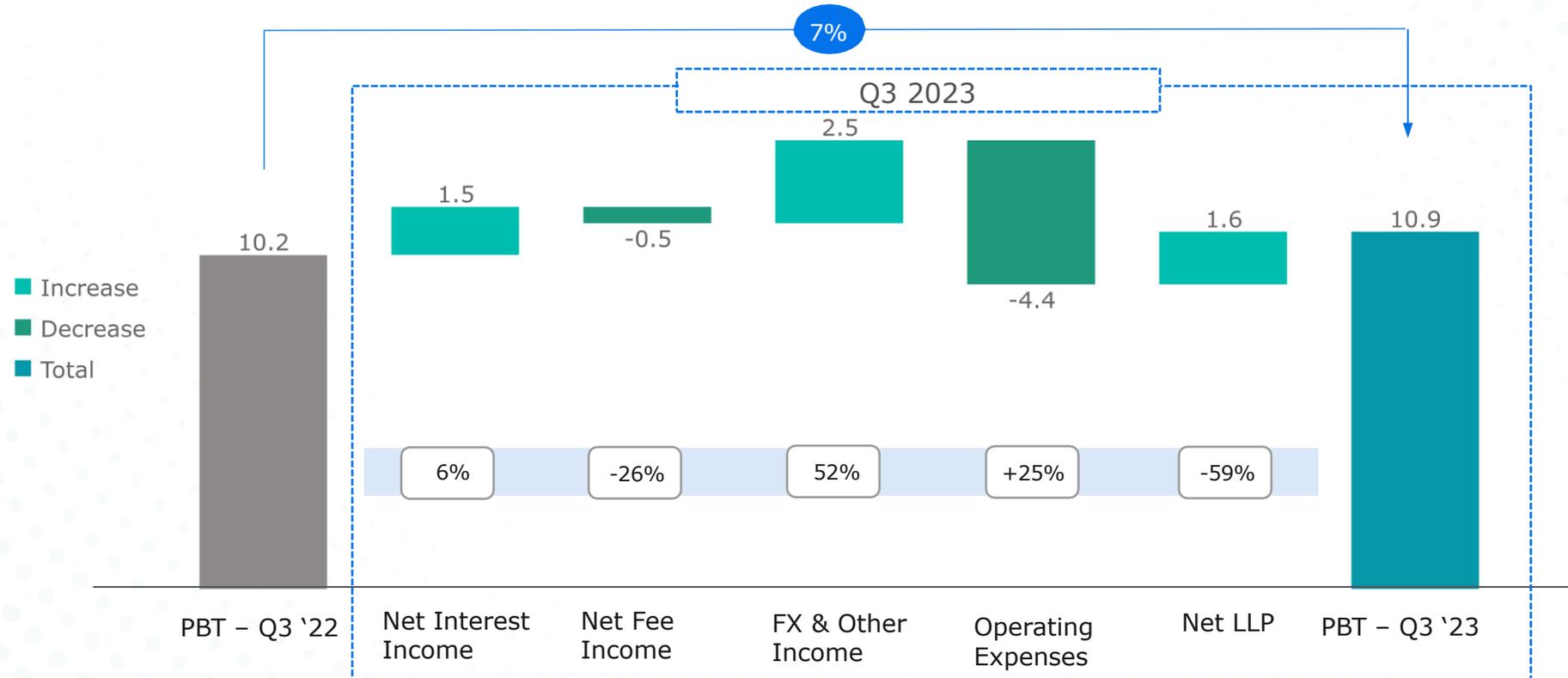


Financial Review

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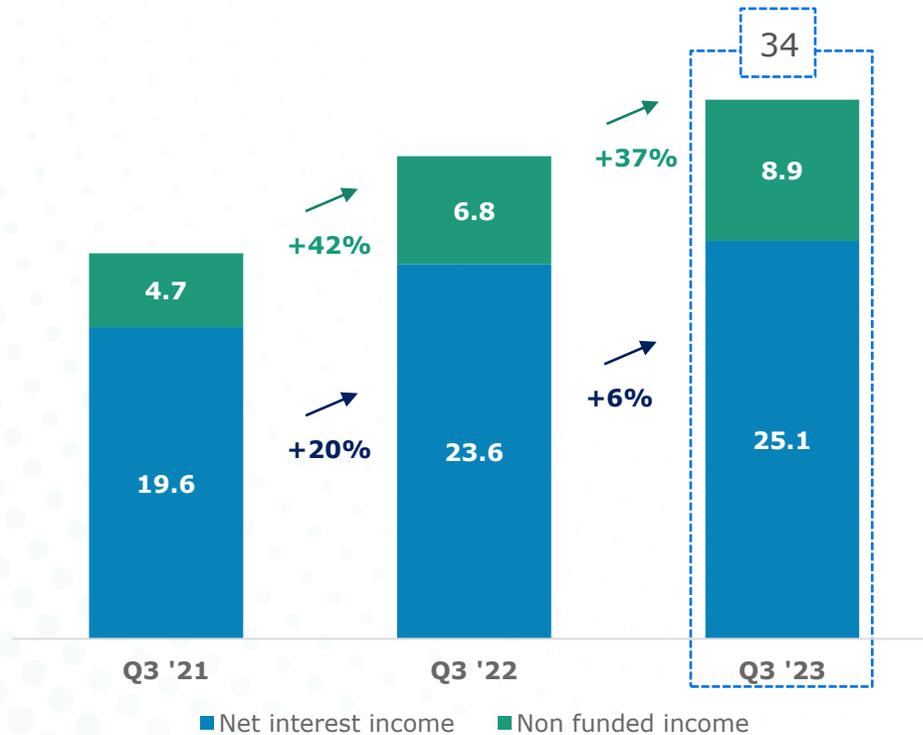
Strong rate of profit growth sustained throughout the quarter

Profit before Tax Q3'23 vs Q3'22 – (RWF Bn)

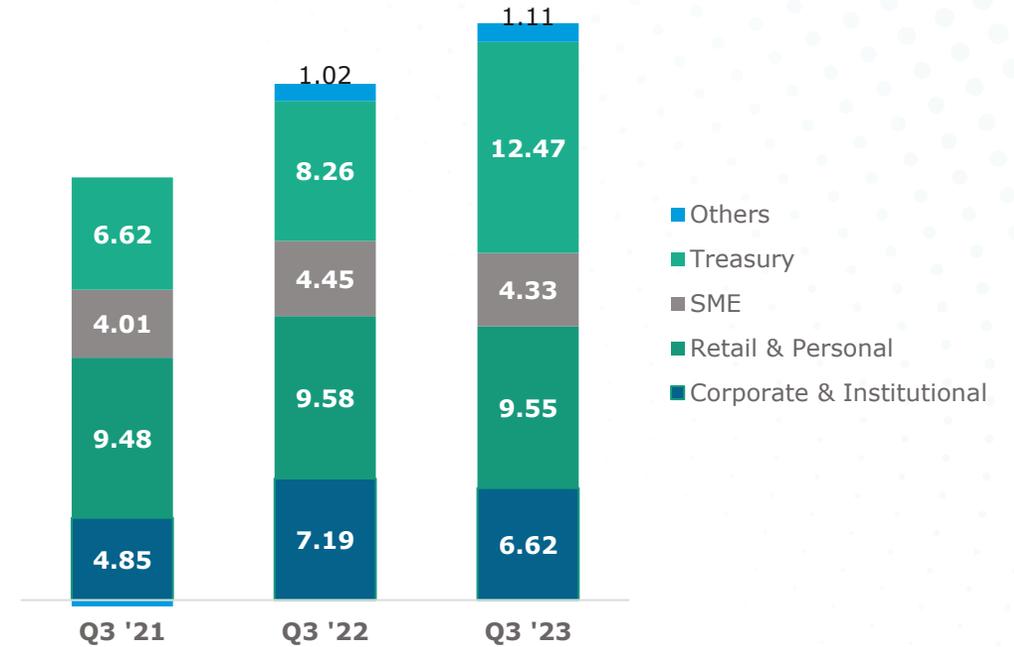


Operating Income breakdown

Total Operating Income – (RWF Bn)

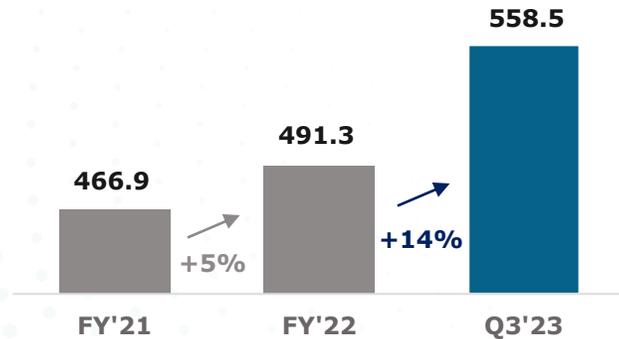


Operating income Q3'23 vs Q3'22 – (RWF Bn) – Per segment

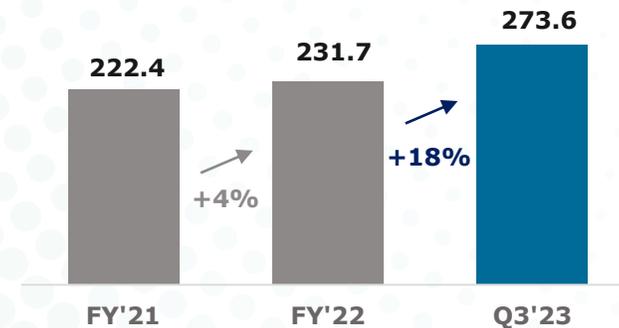


Double digit balance sheet growth, Well-funded and diversified

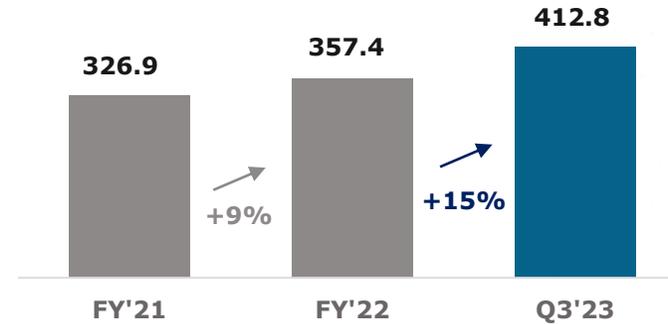
Total Assets Q3'23 - FY'21 – (RWF Mn)



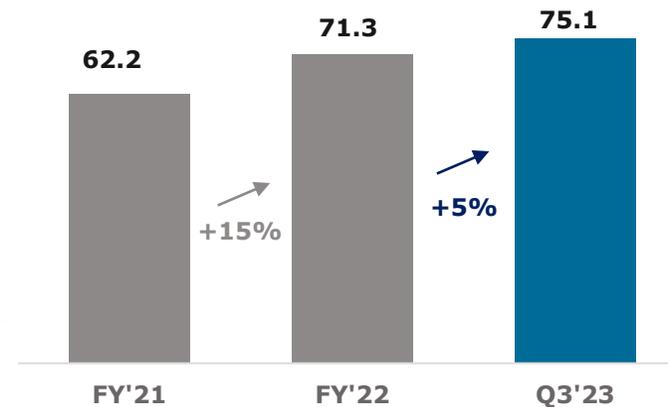
Loans and advances Q3'23 - FY'21 – (RWF Mn)



Customer deposits Q3'23 - FY'21 – (RWF Mn)



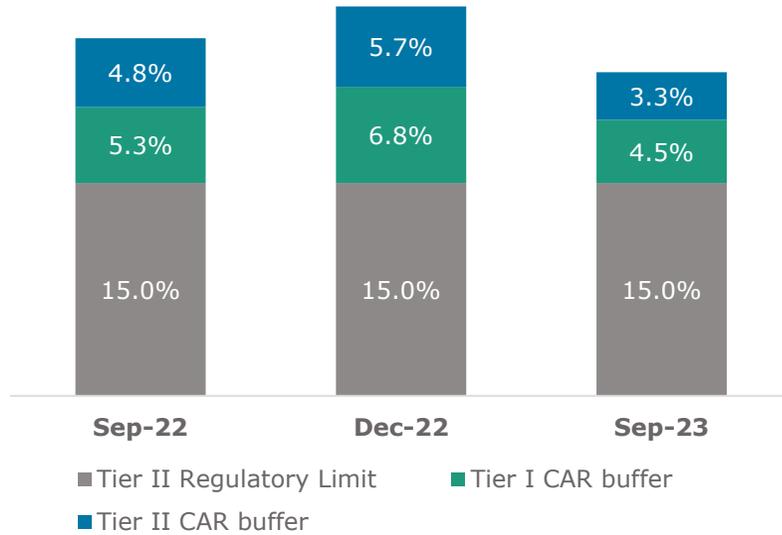
Total Equity Q3'23 - FY'21 – (RWF Mn)



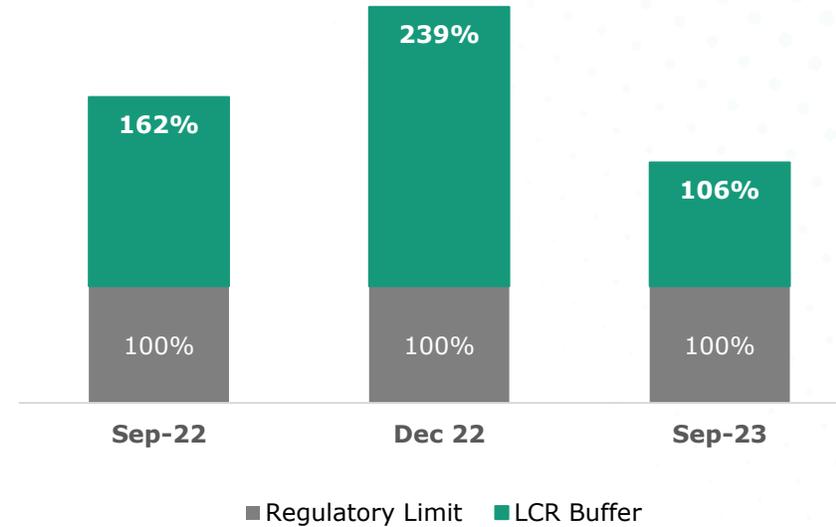
- Growth in total assets supported by both increase in Loan and Advances portfolio and investments in Government Securities;
- The 18% increase in loans and advances was driven by an increased run rate across all segments;
- Deposit liabilities increased on the back of growth in customer base of 20% YoY; Continued focus on deposit mobilization and CASA collection solutions;

Key ratios reflect tangible momentum behind strategy execution

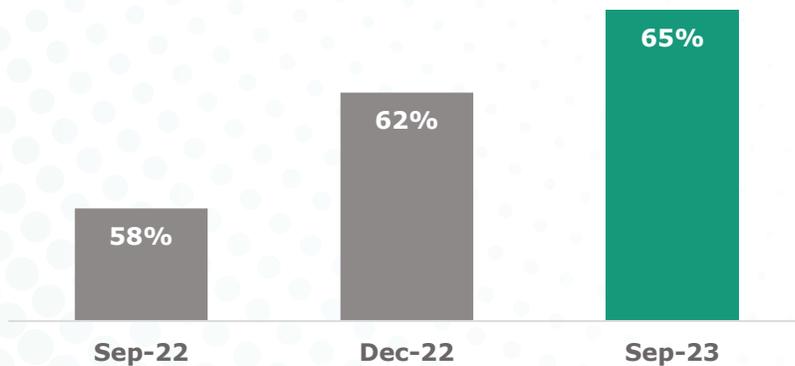
Capital Adequacy Ratios



Liquidity Coverage Ratio



CIR



- Capital adequacy ratio decreased compared to December 2022 due to increase in market and operational risks.
- Liquidity coverage ratio reduced due to deposits from financial institutions maturing in 30 days.
- Year on year increase in CIR is due to continuous investment in information systems in line with business growth.



Bank

Strategy Update & Outlook

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Increased returns driven by strong performance across all business segments

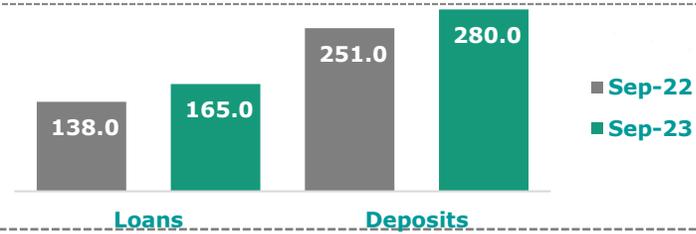
Segments

Q3'23

Q3'23 vs Q3'22 YoY

Corporate & Institutional Banking

Customer Deposits FRW280bn
Gross Loans and Advances FRW165bn



Business Banking

Customer Deposits FRW46bn
Gross Loans and Advances FRW39bn



Retail banking

Customer Deposits FRW83bn
Gross Loans and Advances FRW80bn



■ Q3 '23 ■ Q3 '22

01

Business Growth



4 new brick and mortar branches to be opened



Revenue from new businesses **up 8% of our TNR**



86% of Digitally Active customers

02

Resilient Organisation



LCR of **206%** and a total loan-to-deposits ratio of **62.69%**



I&M Leading with an end-to-end digital customer online onboarding



The bank employs state of the art cybersecurity technology to ensure the highest level of digital security.

03

Operating model optimisation



We've aligned our corporate culture, staff skill set, and investment in IT to achieve our vision in line with the digital transformation

Aspiration

Rwanda's leading Financial Partner for Growth

Strategic Pillars
And initiatives

1. Driving Business Growth

Key initiatives:

- 1) Geographic expansion
- 2) Revenue diversification
- 3) Sales Force Effectiveness enhancement
- 4) Digital Orchestrator

2. Building 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 Environmental, 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

Enablers

Customer Experience

Design and delivery with customer at top of mind

Cultural Transformation

Transforming to a digital and agile culture

Strategic Partnerships

Collaborations to deliver efficient and profitable growth

Data Analytics

Data driven decision making

KPIs

% growth of new business revenue

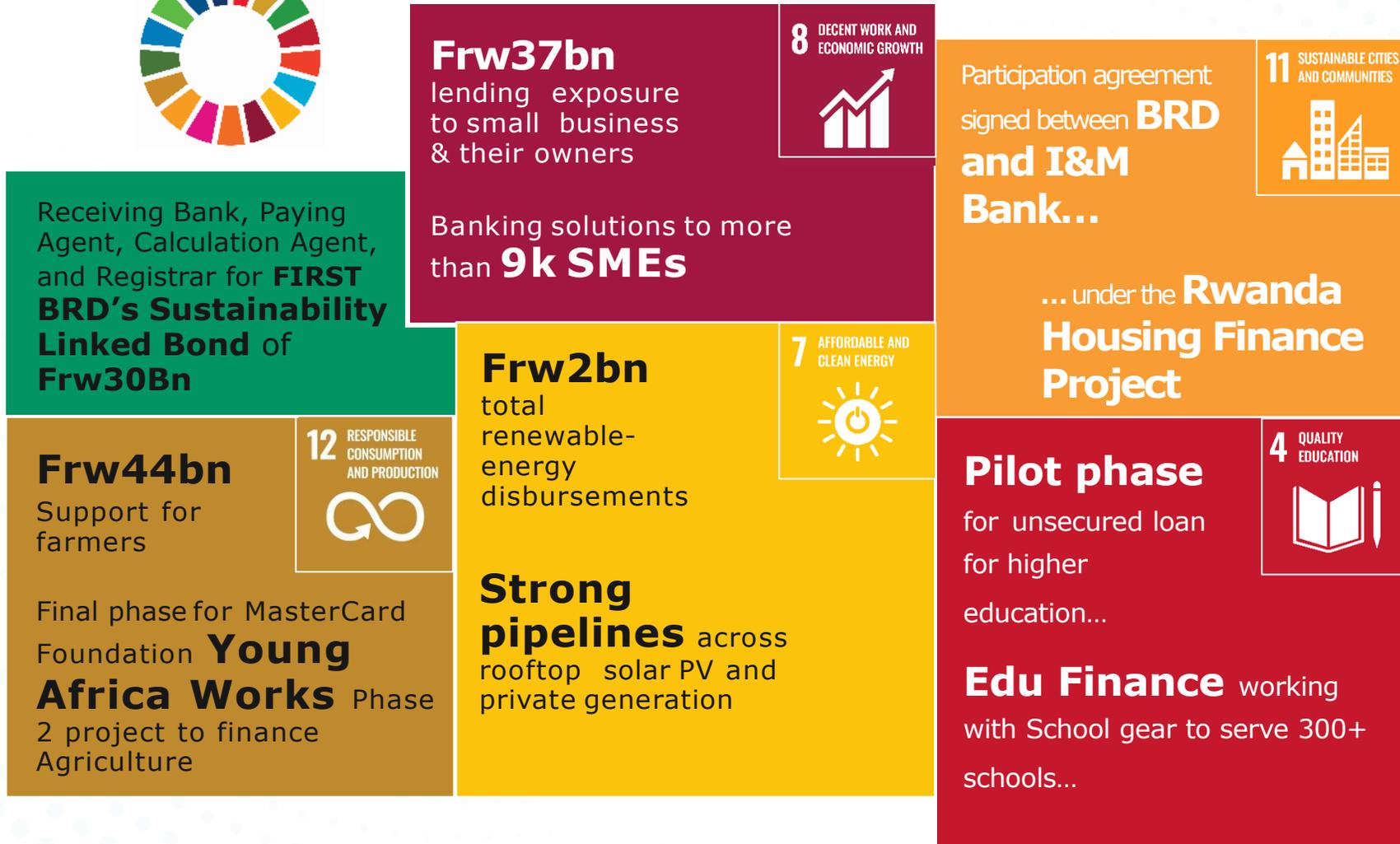
PBT

ROE

% of Digitally Active customers

Net Promoter Score

Employee Engagement



Thank You

Q&A

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