

## STATEMENT OF FINANCIAL POSITION AS AT 31<sup>ST</sup> DECEMBER 2023

AUDITED BY EXTERNAL AUDITOR (FIGURES IN FRW '000)

ASSETS	31/12/2023	31/12/2022
Cash and balances with National Bank of Rwanda	85,543,980	16,767,428
Due from Banks	74,462,501	54,395,647
Due from group companies	9,745,444	2,995,560
Financial assets at fair value through other comprehensive income	58,910,155	53,751,644
Financial assets at fair value through profit or loss	1,872,070	1,685,336
Debt securities at amortised cost	85,436,329	81,546,649
Loans and advances to customers	313,892,313	231,719,807
Other assets	11,121,541	9,856,340
Intangible assets	2,985,829	3,181,176
Property, equipment and right of use assets	21,215,402	21,559,957
Investment Property	13,588,671	13,874,622
<b>TOTAL ASSETS</b>	<b>678,774,235</b>	<b>491,334,166</b>
LIABILITIES	31/12/2023	31/12/2022
Deposits from Banks	162,522,953	62,182,772
Deposits from customers	376,545,358	295,239,951
Current income tax	1,180,051	1,725,939
Other liabilities	13,737,015	10,276,134
Deferred income tax	1,758,737	3,126,307
Long term debt	44,380,776	36,698,561
Subordinated debt	-	10,762,769
<b>TOTAL LIABILITIES</b>	<b>600,124,890</b>	<b>420,012,433</b>
EQUITY	31/12/2023	31/12/2022
Share capital	15,150,000	15,150,000
Share premium	6,249,832	6,249,832
Retained earnings	55,570,864	47,674,841
Revaluation reserve	1,962,506	1,945,902
Fair value through OCI reserve	(283,857)	301,158
<b>TOTAL EQUITY</b>	<b>78,649,345</b>	<b>71,321,733</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>678,774,235</b>	<b>491,334,166</b>
OFF BALANCESHEET ITEMS	31/12/2023	31/12/2022
Acceptances and Letters of Credit Issued	28,458,781	27,038,793
Guarantees commitments given	59,060,375	47,189,649

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023

AUDITED BY EXTERNAL AUDITOR (FIGURES IN FRW '000)

	31/12/2023	31/12/2022
Interest and similar income	56,102,518	50,352,640
Interest and similar expenses	(20,772,466)	(18,284,610)
<b>Net interest income</b>	<b>35,330,052</b>	<b>32,068,030</b>
Fees and commission income	6,198,237	5,028,575
Fees and commission expenses	(3,841,152)	(2,660,308)
<b>Net fees and commission income</b>	<b>2,357,085</b>	<b>2,368,267</b>
Net trading income	8,994,974	5,158,421
Other operating income	1,923,065	2,834,922
<b>Net operating income before change in expected credit losses and other credit impairment charges</b>	<b>48,605,176</b>	<b>42,429,640</b>
Net Impairment charge on loans and advances to customers	(2,803,467)	(3,373,077)
<b>Net operating income</b>	<b>45,801,709</b>	<b>39,056,563</b>
Employee benefits	(12,011,898)	(10,277,519)
Other operating expenses	(13,683,544)	(11,024,355)
Depreciation and amortization expenses	(4,531,087)	(4,331,277)
<b>Total operating expenses</b>	<b>(30,226,529)</b>	<b>(25,633,151)</b>
<b>Profit before income tax</b>	<b>15,575,180</b>	<b>13,423,412</b>
Income tax expense	(4,885,157)	(4,110,037)
<b>Net profit for the year after tax</b>	<b>10,690,023</b>	<b>9,313,375</b>
Other comprehensive income		
Fair value loss on financial assets measured at FVOCI	(832,304)	(290,609)
Deferred tax on financial assets measured at FVOCI	247,289	87,183
Revaluation of land and building	-	(26,057)
Deferred tax on revaluation	16,604	7,817
<b>Total other comprehensive income for the year</b>	<b>(568,411)</b>	<b>(221,666)</b>
<b>Total comprehensive income for the year</b>	<b>10,121,612</b>	<b>9,091,709</b>

The financial statements were approved and authorized for issue by the Board of Directors on 28<sup>th</sup> February 2024 and were signed on their behalf by:

  
Benjamin Mutimura  
Managing Director

  
Nikhil Hira  
Chairman of Board Audit committee

**I&M BANK (RWANDA) PLC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023**

**STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023**

AUDITED BY EXTERNAL AUDITOR (FIGURES IN FRW '000)

	Share capital	Share premium	Revaluation reserves	Retained earnings	Fair value reserve	Total
<b>At 01 January 2023</b>	<b>15,150,000</b>	<b>6,249,832</b>	<b>1,945,902</b>	<b>47,674,841</b>	<b>301,158</b>	<b>71,321,733</b>
Net profit for the year after tax	-	-	-	10,690,023	-	<b>10,690,023</b>
<b>Other comprehensive income</b>						
Effect of change in tax rate on deferred tax on revaluation			16,604	-	-	<b>16,604</b>
Net change in fair value through the other comprehensive income	-	-	-	-	(585,015)	<b>(585,015)</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>16,604</b>	<b>10,690,023</b>	<b>(585,015)</b>	<b>10,121,612</b>
<b>Transactions with owners recorded directly in equity</b>						
Dividend declared and paid - 2022	-	-	-	(2,794,000)	-	<b>(2,794,000)</b>
<b>Total transactions with owners for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,794,000)</b>	<b>-</b>	<b>(2,794,000)</b>
<b>Balance as at 31 December 2023</b>	<b>15,150,000</b>	<b>6,249,832</b>	<b>1,962,506</b>	<b>55,570,864</b>	<b>(283,857)</b>	<b>78,649,345</b>
<b>At 01 January 2022</b>	<b>15,150,000</b>	<b>6,249,832</b>	<b>1,964,142</b>	<b>38,335,409</b>	<b>504,584</b>	<b>62,203,967</b>
Net profit for the year after tax	-	-	-	9,313,375	-	<b>9,313,375</b>
<b>Other comprehensive income</b>						
Transfer of revaluation surplus on disposed land and building	-	-	(26,057)	26,057	-	-
Deferred tax on revaluation	-	-	7,817	-	-	<b>7,817</b>
Net change in fair value through the other comprehensive income	-	-	-	-	(203,426)	<b>(203,426)</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(18,240)</b>	<b>9,339,432</b>	<b>(203,426)</b>	<b>9,117,766</b>
<b>Balance as at 31 December 2022</b>	<b>15,150,000</b>	<b>6,249,832</b>	<b>1,945,902</b>	<b>47,674,841</b>	<b>301,158</b>	<b>71,321,733</b>

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Benjamin Mutimura  
Managing Director:



Nikhil Hira  
Chairman of Board Audit committee

## STATEMENT OF CASH FLOWS AS AT 31<sup>ST</sup> DECEMBER 2023

AUDITED BY EXTERNAL AUDITOR (FIGURES IN FRW '000)

	31/12/2023	31/12/2022
<b>Net cash flows generated from / (used in) operating activities</b>	<b>100,194,492</b>	<b>(10,089,620)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(2,519,298)	(2,020,126)
Purchase of intangible assets	(1,514,847)	(548,120)
Proceeds from disposal of property and equipment	-	240,751
<b>Net cash used in investing activities</b>	<b>(4,034,145)</b>	<b>(2,327,495)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(2,794,000)	(1,812,001)
Repayment of principal of lease liabilities	(845,140)	(526,488)
Proceeds from long term debt	11,659,000	467,531
Principal repayment on subordinated and long-term debt	(20,961,082)	(16,792,400)
<b>Net cash outflows from financing activities</b>	<b>(12,941,221)</b>	<b>(18,663,358)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>83,219,126</b>	<b>(31,080,473)</b>
<b>Cash and cash equivalents at start of the year</b>	<b>69,097,552</b>	<b>100,178,025</b>
<b>Cash and cash equivalents at end of the year</b>	<b>152,316,678</b>	<b>69,097,552</b>

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## OTHER DISCLOSURES FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023

AUDITED BY EXTERNAL AUDITOR (FIGURES IN FRW '000)

	31/12/2023	31/12/2022
<b>I. Capital Strength</b>		
a. Core Capital (Tier 1)	72,178,702	64,728,521
b. Supplementary Capital (Tier 2)	5,905,599	4,688,410
c. Total Capital	78,084,301	69,416,931
d. Total Risk weighted assets	433,529,860	336,154,741
e. Core Capital/Total risk weighted assets ratio	16.65%	19.26%
f. Tier 2 ratio	1.36%	1.39%
g. Total Capital/Total risk weighted assets ratio	18.01%	20.65%
h. Leverage Ratio	10.83%	12.35%
<b>II. Credit Risk</b>		
<b>1. Total gross credit risk exposures: after accounting offsets and without taking into account credit risk mitigation</b>	<b>411,298,771</b>	<b>314,268,373</b>
<b>2. Average gross credit exposures, broken down by major types of credit exposure:</b>		
a) loans, commitments and other non-derivative off-balance sheet exposures :	411,298,771	314,268,373
b) debt securities:	135,298,293	135,298,293
c) OTC derivatives :	1,872,070	1,685,336
<b>3. Regional or geographic distribution of exposures, broken down in significant areas by major types of credit exposure:</b>		
Northern	5,950,018	5,157,158
Southern	2,459,948	2,349,907
Eastern	2,273,918	2,208,951
Western	5,627,398	8,507,404
Kigali City	394,987,490	296,044,953
<b>4. Sector distribution of exposures, broken down by major types of credit exposure and aggregated in the following areas:</b>		
a) Government;	45,777,817	-
b) financial;	49,492	901
c) manufacturing;	89,511,067	51,138,912
d) infrastructure and construction;	62,031,885	64,485,082
e) services and commerce.	154,767,127	152,148,734
f) others	59,161,382	46,494,744
<b>5. Off Balance sheet items</b>	<b>87,519,156</b>	<b>74,228,443</b>
<b>6. Non-Performing Loans</b>		
(a) Non performing Loans	9,913,051	13,198,333
(b) NPL Ratio	2.41%	4.20%
<b>7. Related Parties</b>		
a. Loans to Directors, shareholders and subsidiaries	3,549,080	5,035,011
b. Loans to Employees	6,985,209	5,619,315

# I&M BANK (RWANDA) PLC FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023

	31/12/2023		31/12/2022	
<b>8. Restructured loans</b>				
a. No. of borrowers	910		1,179	
b. Amount outstanding (Frw '000)	39,844,144		42,925,569	
c. Provision thereon (Frw '000) (regulatory):	4,346,671		1,177,987	
d. Restructured loans as % of gross loans	9.7%		13.7%	
<b>III. Liquidity</b>				
a. Liquidity Coverage ratio (LCR)	186%		339%	
b. Net Stable Funding ratio (NSFR)	128%		147%	
<b>IV. Operational Risk</b>				
Number and types of frauds and their corresponding amount				
<b>Type</b>	<b>N°</b>	<b>Amount FRW'000</b>	<b>N°</b>	<b>Amount FRW'000</b>
External - Use of forged payment order	1	21,372	2	52,028
Internal - Use of forged payment order	-	-	-	-
Internal - Theft	-	-	-	-
<b>V. Market Risk</b>				
1. Interest rate risk	2,100,471		2,004,389	
2. Equity position risk	-		-	
3. Foreign exchange risk	258,143		103,701	
<b>VI. Country Risk</b>				
1. Credit exposures abroad	104,602,279		53,298,734	
2. Other assets held abroad	-		-	
3. Liabilities to abroad	27,263,436		41,182,125	
<b>VII. Management and Board Composition</b>				
a. Number of Board members	9		9	
b. Number of independent directors	6		6	
c. Number of non-independent directors	3		3	
d. Number of female directors	2		2	
e. Number of male directors	7		7	
f. Number of Senior Managers	13		13	
g. Number of female senior managers	5		5	
h. Number of male senior managers	8		8	

## EXPLANATORY NOTES TO THE FINANCIALS

The Bank's net profit for the financial year 2023 grew by 15 percent year on year to Frw 10.7 billion, primarily driven by enhanced core earnings across all business segments.

### Net interest income:

Net interest income increased by 10 percent, primarily reflecting improved margins generated by our interest-earning assets, particularly in our loan portfolio and investment securities which grew by 35 percent and 7 per cent year on year respectively.

### Non-interest income:

The surge in non-interest income was attributable to:

A 23 percent year on year growth in fees and commission income driven by total revenues from payment activities, following investments in enhancing the digital experience, resulting in an upswing in digital transactions.

A 74 percent year on year growth in foreign currency trading profits, aligning with a higher volume of foreign exchange transactions.

### Operating expenses and impairment

Total operating expenses increased by 18 percent, in line with business growth, improving system stability, and investment in the digitization journey. Impairment charges decreased by 17% despite loan book expansion, attributed to successful recoveries. This reduced the cost of risk on gross loans and advances to 94 basis points from 1.61%, indicating improved asset quality.

### Capital position

The Tier 1 and 2 capital stand at 16.65 percent and 18.01 percent, respectively. Additionally, the liquidity coverage ratio is 186 percent. The Return on Equity and Return on Assets are 14.39 percent and 1.96 percent, respectively.

### Balance sheet growth:

The 35 percent growth in the balance sheet reflects the confidence customers place in the Bank and the effective strategies put in place to grow the overall customer base.

The Board of Directors of I&M Bank (Rwanda) PLC has recommended the payment of FRW 1.41 dividend per share to be approved during the Annual General Meeting of shareholders.

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