



Date: 29th November 2021
Ref: IM/IRO/RSE/29/11/021

Rwanda Stock Exchange
Po Box 3882
Kigali – Rwanda

Attention: Mr. Celestin Rwabukumba



Dear Sir,

Subject: I&M Bank (Rwanda) PLC – 2021 Quarter 3 2021 Financials

Enclosed please find I&M Bank (Rwanda) PLC financials for the period ended 30th September 2021 to be availed to the public.

We look forward to a continued good working relationship and co-operation.

Yours sincerely,

FOR AND ON BEHALF OF I&M BANK (RWANDA) PLC

Dederi WIMANA
Chief Financial Officer

Iddy RUGAMBA
Company Secretary



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PRESS RELEASE

I&M Bank (Rwanda) PLC delivers a 45 percent growth in Profit Before Tax on the back of continued investments in digital solutions for its customers.

Kigali, Rwanda, 30th November 2021: I&M Bank (Rwanda) PLC has announced its financial results for the period ended 30th September 2021

In line with the favorable momentum in the local economy, the Bank has reported profits before tax of RWF 8.3 Billion for the first nine months of 2021, up from RWF 5.8 Billion recorded in the same period last year.

Commenting on the financial results, Mr. Robin Bairstow, the CEO of I&M Bank (Rwanda) PLC said:

“Our results highlight our efforts in improving our digital infrastructure in line with our strategy and aspiration to be Rwanda’s leading financial partner for growth. We will continue building state-of-the-art digital platforms and growing the MSME sector which significantly supports the Rwandan economy.”

KEY FINANCIAL PERFORMANCE

During the period under review, the Bank’s balance sheet and income metrics improved on the backdrop of a solid capital base and liquidity.

BALANCE SHEET HIGHLIGHTS

- The Bank’s asset base rose to RWF 435 billion, reflecting a 4% year on year growth as a result of an increase in the loan book and investments in government securities.
- The Bank’s customer lending portfolio grew by 6% to RWF 217 billion in September 2021 (RWF 205 billion in September 2020).
- The quality of the loan book improved with the NPL ratio of 3.6 %
- The Bank closed the period with RWF 298 billion of customer’s deposits, and a loan-to-deposit ratio of 73%. The Liquidity coverage ratio stood at 415% as at end September 2021
- The Shareholder’s Equity of the Bank grew to RWF 60 billion, up from RWF 54 billion as at 31st December 2020. The Bank’s capital position remained strong with Tier 1 & Tier 2 CAR being at 16% and 19% respectively

INCOME STATEMENT HIGHLIGHTS

- The Bank recorded a profit after tax of RWF 5.4 billion, reflecting a 46% growth over last year. This has been supported by increased net interest income which rose by 21% from the levels in 2020, closing the period at RWF 20 billion
- The operating income for the Bank increased to RWF 24 billion, a 15% increase year on year.
- The Bank’s net fees and commission income increased by 14% on the back of income from digital products and an increase in off balance sheet income.
- The Bank improved its cost-to-income ratio to 60% from 64% for the year before, while also maintaining a positive cost/income jaws (after impairment) of 11%.
- The total operating expenses for the Bank was at RWF 14 billion, which reflected a 6.7% year on year increase on account of increased investment in digitisation.
- The Bank’s loan impairment charges for the period stood at RWF 1.5 billion, which is 20% lower year on year, in light of improved macroeconomic conditions and despite a challenging start of the year for all stakeholders.

COMMITMENT TO CREATING VALUE

Commenting on the Bank's commitment to create long term value to all the stakeholders, the CEO Mr. Bairstow said "Underpinning our performance is our commitment to being there for our customers and for the community we serve. Throughout this pandemic period, we lent our full weight on safeguarding the lives and livelihoods of our staff through implementation of remote working, as well as conducting staff wellbeing and mental-health programs. For our customers, we created long term value by leading from the front in the fight against COVID-19 through moratoria, government supported lending and other support measures.

Through the IFE grant, the bank has helped to retain over 1,900 jobs in 139 MSMEs".

CONTINUED INVESTMENT IN DIGITAL SOLUTIONS

Speaking on the Bank's commitment to continuously support innovation through offering digital solutions to customers, Mr. Bairstow said, "We have significantly sustained our contribution in the financial sector over the years. We remain committed to diversifying our financial services and leveraging on existing opportunities to better serve the Rwandan population through investments and partnerships in new technologies. Our efforts in supporting the growth of the MSME sector was recognized with the Product Innovation of the Year Gold Award at the Global Finance Awards 2021 organized by the SME Finance Forum in partnership with International Finance Corporation (IFC) for delivering outstanding products and services to our SME clients and segment. Our MSME division has recorded a customer base growth of 65% over the last year. We will continue to make major investments in digital technology in line with the I&M Group strategy that places digitisation as a key growth accelerator".

In Q4 the Bank will continue investing in digital products and services as well as supporting its customers so as to manage net interest income. Further it will continue applying cost management best practices to ensure that healthy margins are maintained.

For further information, please contact:

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More information on I&M Bank (Rwanda) PLC can also be found on our website: <https://www.imbankgroup.com/rw>

ABOUT I&M BANK (RWANDA) PLC

Incorporated in 1963, I&M Bank (Rwanda) Plc. is the oldest Bank in Rwanda. It is today one of the leading players in the industry with a strong footprint across the country.

The Bank, which is listed on the Rwanda Stock Exchange (RSE), is a subsidiary of I&M Group PLC, a leading regional financial services group in Eastern Africa. I&M Group PLC has other banking subsidiaries in Kenya, Tanzania and Uganda as well as a joint venture in Mauritius and is listed on the Nairobi Securities Exchange. I&M Group has a long history in banking and has established a wide network of correspondent banks across the globe and enjoys a strong relationship with leading international Development Financial Institutions.



FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2021

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER 2021

UNREVIEWED BY EXTERNAL AUDITOR (FIGURES IN FRW '000)

ASSETS	9/30/2021	12/31/2020 (Audited)
Cash and balances with Central Bank	32,337,214	30,266,747
Due from Banks	50,134,273	39,302,920
Due from group companies	1,550,970	1,131,523
Investment securities - at fair value through other comprehensive income	54,804,761	48,943,246
Derivative financial instruments	809,012	644,061
Investment securities - at amortized cost	36,997,186	51,263,367
Loans and advances to customers	217,067,828	205,229,128
Other assets	2,054,882	3,001,489
Intangible assets	4,502,652	5,140,236
Property and equipment and right of use assets	35,054,337	32,280,971
TOTAL ASSETS	435,313,115	417,203,688
LIABILITIES	9/30/2021	12/31/2020 (Audited)
Deposits from customers	263,910,019	248,435,597
Deposits from banks and other financial Institutions	33,939,560	49,823,984
Items in the course of collection	1,626,473	2,371,917
Other liabilities	10,560,320	11,001,954
Current income tax	1,296,929	595,345
Deferred income tax	1,462,642	1,393,422
Borrowed funds	52,478,099	39,349,792
Subordinated Debt	9,975,315	9,754,824
TOTAL LIABILITIES	375,249,357	362,726,835
EQUITY	9/30/2021	12/31/2020 (Audited)
Share capital	15,150,000	12,120,000
Share premium	6,249,832	6,249,832
Retained earnings	36,391,062	33,995,670
Revaluation reserve	1,861,898	1,861,898
Fair value through OCI reserve	410,966	249,453
TOTAL EQUITY	60,063,758	54,476,853
TOTAL LIABILITIES AND EQUITY	435,313,115	417,203,688
OFF-BALANCE SHEET ITEMS	9/30/2021	12/31/2020 (Audited)
Acceptances and Letters of Credit Issued	19,236,896	19,692,072
Guarantees commitments given	37,511,145	42,538,490

CONDENSED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 30TH SEPTEMBER 2021

UNREVIEWED BY EXTERNAL AUDITOR (FIGURES IN FRW '000)

	9/30/2021	9/30/2020
Interest and similar income	32,942,111	28,369,227
Interest and similar expense	(13,321,702)	(12,106,181)
Net interest income	19,620,409	16,263,046
Fees and commission income	2,988,629	2,516,981
Fees and commission expense	(1,397,087)	(1,127,016)
Net fees and commission income	1,591,542	1,389,965
Net foreign exchange income	3,009,368	3,455,966
Other operating income	59,138	66,127
Operating income before impairment	24,280,457	21,175,104
Net Impairment losses on loans and advances to customers	(1,463,680)	(1,838,845)
Operating income after impairment losses	22,816,777	19,336,259
Employee benefits	(7,301,155)	(7,145,370)
Operating expenses	(4,702,056)	(4,105,383)
Depreciation and amortization expense	(2,466,809)	(2,315,104)
Total operating expenses	(14,470,020)	(13,565,857)
Profit before income tax	8,346,757	5,770,402
Income tax expense	(2,921,365)	(2,019,641)
Profit for the period	5,425,392	3,750,761

Managing Director:
Date: 24th November 2021

Chairman of the Board of Directors:
Date: 24th November 2021



FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2021

OTHER DISCLOSURES

UNREVIEWED BY EXTERNAL AUDITOR (FIGURES IN FRW '000)

FOR THE PERIOD ENDED 30 TH SEPTEMBER 2021	
I. Capital Strength	
a. Core Capital (Tier 1)	52,424,040
b. Supplementary Capital (Tier 2)	8,516,525
c. Total Capital	60,940,565
d. Total Risk weighted assets	324,874,010
e. Core Capital / Total risk weighted assets ratio	16.14 %
f. Tier 2 ratio	2.62 %
g. Total Capital/Total risk weighted assets ratio	18.76 %
h. Leverage Ratio	11.24 %
II. Credit Risk	
1. Total gross credit risk exposures: after accounting offsets and without taking into account credit risk mitigation	227,646,908
2. Average gross credit exposures, broken down by major types of credit exposure:	
a) loans, commitments and other non-derivative off-balance sheet exposures :	227,646,908
b) debt securities:	91,801,946
c) OTC derivatives :	809,012
3. Regional or geographic distribution of exposures, broken down in significant areas by major types of credit exposure:	
Northern	3,886,081
Southern	2,448,612
Eastern	2,365,357
Western	5,574,508
Kigali City	270,120,391
4. Sector distribution of exposures, broken down by major types of credit exposure and aggregated in the following areas:	
a) Government;	234,164
b) financial;	223,208
c) manufacturing;	39,414,658
d) infrastructure and construction;	81,222,370
e) services and commerce.	109,561,384
f) others	53,739,165
5. Off Balance sheet items	56,748,041
6. Non-Performing Loans	
(a) Non performing Loans	10,087,872
(b) NPL Ratio	3.58%
7. Related Parties	
a. Loans to Directors, shareholders and subsidiaries	5,279,206
b. Loans to Employees	5,140,966

8. Restructured loans as at 30th September 2021		
a. No. of borrowers	1,757	
b. Amount outstanding (Frw '000)	56,877,938	
c. Provision thereon (Frw '000) (regulatory):	1,525,829	
d. Restructured loans as % of gross loans	20%	
III. Liquidity		
a. Liquidity Coverage ratio (LCR)	415%	
b. Net Stable Funding ratio (NSFR)	145%	
IV. Operational Risk		
Number and types of frauds and their corresponding amount		
Type	N°	Amount Frw000
External - Use of forged payment order	1	149,589
Internal - Use of forged payment order		-
Internal - Theft		-
V. Market Risk		
1. Interest rate risk	2,098,718	
2. Equity position risk	-	
3. Foreign exchange risk	639,154	
VI. COUNTRY RISK		
1. Credit exposures abroad	52,458,123	
2. Other assets held abroad	-	
3. Liabilities to abroad	54,369,239	
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	14	
g. Number of female senior managers	5	
h. Number of male senior managers	9	

Managing Director:
Date: 24th November 2021

Chairman of the Board of Directors:
Date: 24th November 2021

EXPLANATORY NOTES TO THE FINANCIALS

Interest and similar income up by 16 per cent compared to last year same period. Supported by loan book growth of 6 per cent and investment securities of FRW 92 Billions .

Interest and similar expense up by 10 per cent year on year. In line with the growth of our sources of funds. Since the beginning of 2021, Customers deposits and borrowed funds increased by 6 per cent and 33 per cent respectively.

Balance sheet management led to 21 per cent increase in Net interest income.

Net fees and commissions increased by 12 per cent as result of leveraging on digital products and increase on off Balance sheet income.

Improvement in Assets quality led to a 16 per cent decrease in net Impairment losses on loans and advances. NPL ratios closed at 3.58 per cent.

Total operating expenses, excluding provisions, increased by 7 per cent, in line with the business growth. The Bank is ensuring control of its costs as well as efficiency in the service delivered.

The Bank remains liquid and well capitalised with Tier I & II capital ratios closing at 16.14 per cent and 18.76 per cent respectively and liquidity coverage ratio at 415 per cent.

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3. Follow the instructions and get started

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