



PRESS RELEASE: 2021 FINANCIAL RESULTS

I&M BANK (RWANDA) PLC REPORTS RWF 10.9 BILLION OF PROFIT BEFORE TAX ACHIEVED ON THE BACK OF A REBOUND OF THE LOCAL ECONOMY AND REDUCED CREDIT IMPAIRMENT CHARGES.

Kigali, Rwanda, 23rd March 2022, I&M Bank (Rwanda) PLC has announced its financial results for the year ended 31st December 2021.

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. These results are a credit to our customer relationships and the hard work of all our staff."

2021 FINANCIAL PERFORMANCE (VS 2020)

Income Statement highlights

- The Bank has reported RWF 31.7 Billion in net revenue in 2021, up 24% year-on-year, driven by an increase in net interest income of 20% and a 69% reduction in credit impairment charges.
- The growth in digital adoption (74% of all customer-initiated transactions in the Bank now go through digital channels) helped drive improvements in efficiency and customer satisfaction, with the Bank's cost-to-income ratio at 62.1%. Operating Expenses for the year were RWF 21 Billion versus RWF 17.8 Billion for the same period in 2020.
- Net credit impairment charges as of 31st December 2021 were RWF 1.7 Billion, down from RWF 5.5 Billion recorded in 2020 on the back of improved macroeconomic conditions and easing of business and health restrictions.
- These results led to a return on Equity (ROAE) of 15.69% from 10.99% recorded in 2020, and a Return on Assets of 2.07% from 1.39% in 2020.
- Profit after tax for the period was RWF 9.2 Billion, a 78% year-on-year growth impacted by the reduction in income tax expenses due to the tax incentive benefited from the Bank's investment in its new headquarters.

Balance sheet highlights

- Net customer loans in 2021 increased by 8% year-on-year to RWF 222 Billion from RWF 205 Billion. The growth was supported by new deals booked across all segments and improvements in credit quality with the NPL ratio curtailed at 3.45%.
- Total financial investments as of 31st December 2021 were RWF 91.5 Billion (2020: RWF101 Billion).
- Deposits held for customers and financial institutions were up by 10% to RWF 327 Billion, resulting in a loan-to-deposit ratio of 68%. Borrowings position for the period were RWF 61 Billion.
- The liquidity coverage ratio was 504% as of the end of December 2021.
- The Bank's capital position remained strong with common equity tier 1 & tier 1 of 18.08% and 20.75% respectively.

Commitment to creating value

Commenting on the Bank's commitment to creating long-term value for all stakeholders, the Board Chairman – Mr. Bonaventure Niyibizi – said "Underpinning our performance is our relentless focus and progress on improving the customer experience, shareholder engagement, and serving our community. The Bank reiterated its commitments to supporting the community we operate in, especially in 2021, with a special focus on health, education, capacity building, rehabilitation, and environmental sustainability".

Sustainable and inclusive growth

Speaking on the Bank's commitment to continuously support innovation through offering digital solutions to customers, Mr. Bairstow (CEO) said, "We have delivered on our iMara 2.0 strategic objectives in 2021, with disciplined execution and have delivered strong outcomes despite covid-19 and macro-economic headwinds. Our strategy hinges on 3 main pillars: Driving business growth, building a resilient organisation, and optimising our operating model.

In the reported period, our customer base grew by 30% year-on-year, with our MSME segment finding its full momentum in 2021 - its growth in customer base was 80%. Further to this, our efforts to support the growth of this sector were recognized in the IFC Global Finance Award where the Bank received the Product Innovation of the Year Gold Award.

As part of sustainable development and commitment to the country's economy, the Bank invested in its new head office – this has expanded our reach within our community providing ample access to personal and business banking, select banking, and corporate services. The building is at 100% occupancy rate and is one of the greenest buildings in Rwanda, as evidenced by the use of solar roofings for electricity generation, siphonic drainage for water treatment and its concave exterior and bespoke bricks that helps cool the interior, hence reducing its pollution footprint by avoiding excessive air conditioning usage.

Outlook for 2022

The CEO, Mr. Robin Bairstow, further added: "We have good momentum coming into 2022 and are confident that we can continue to execute against our strategy. Our focus is now to build on our solid foundation and continue the revenue diversification programme through on-boarding of new businesses.

Together with our continuous investment in digital innovation for an improved revenue generation mix, the Bank has launched a new Bancassurance product and will be availing both general and life insurance. And most recently, also we have launched a micro-loan product through our mobile-banking partner, SPENN, in line with our digital transformation strategy. Currently, the platform boasts a user base of more than three hundred thousand users.

Further, we will continue applying cost management best practices to ensure that healthy margins are maintained.

Delivering for our shareholders

Our financial performance in 2021 has yielded improved earnings per share of RWF 6.61, a 40% growth from RWF 4.72 recorded in 2020.

In that regard, The Board of Directors of I&M Bank Rwanda have recommended the payment of RWF 1.2 dividend per share (restated after bonus and rights issue shares), to be approved during the Annual General Meeting of shareholders.

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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. I&M Bank Rwanda offers the full range of personal, business, institutional and corporate banking products throughout its locations. The Bank has been listed on the Rwanda Stock Exchange since March 2017.

The Bank is also a subsidiary of I&M Group PLC, a leading regional financial services group in Eastern Africa with a presence in Kenya, Tanzania and Uganda as well as a joint venture in Mauritius. 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.