



Date: 29th March 2021
Ref: IM/IRO/RSE/29/03/021

**Rwanda Stock Exchange
Po Box 3882
Kigali – Rwanda**

Attention: Mr. Celestin Rwabukumba



Dear Sir,

Subject: I&M Bank (Rwanda) PLC Quarter 3 2020 Financials

Enclosed please find I&M Bank (Rwanda) PLC financials for the year ended 31st December 2020 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

**Anita UMULISA
Chief Financial Officer**

**Iddy RUGAMBA
Company Secretary**

I&M BANK (RWANDA) PLC
KN 03AV/9 P.O. Box 354, Kigali, Rwanda
Tel: +250 788 162 000 | Fax: +250 252 573 395
Email: info@imbank.co.rw | Website: www.imbank.com/rwanda
TIN N°: 100054122

BOARD OF DIRECTORS: Bonaventure Niyibizi, Soundararajan Madabhushi, Arun S. Mathur, Robin Bairstow, Crystal Rugege, Paul Simon Morris, Nikhil Hira, Alice Nkulikiyinka, Julius Tichelaar.
Capital: FRW 18,369,832,000



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 |


Chairman of Board Audit committee
Date: 29th March 2021


Managing Director:
Date: 29th March 2021

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 |

**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 |

Nikhil Hira

Chairman of Board Audit committee
Date: 29th March 2021

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Managing Director:
Date: 29th March 2021

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.


Chairman of Board Audit committee
Date: 29th March 2021


Managing Director:
Date: 29th March 2021