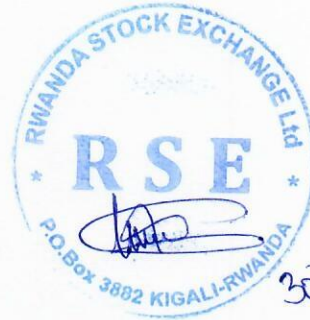




Date: 30th August 2021
Ref: IM/IRO/RSE/30/08/021

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

Attention: Mr. Celestin Rwabukumba



Dear Sir,

Subject: I&M Bank (Rwanda) PLC – 2021 First Half Year & Quarter 2 2021 Financials

Enclosed please find I&M Bank (Rwanda) PLC financials for the period ended 30th June 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**

**i&m
HEAD OFFICE**

**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: William Irwin, Soundararajan Madabhushi, Arun S. Mathur, Robin Bairstow, Crystal Rugege, Paul Simon Morris, Nikhil Hira, Alice Nkulikiyinka, Julius Tichelaar.
Capital: FRW 18,499,200,000



I&M BANK (RWANDA) PLC FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2021

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021

REVIEWED BY EXTERNAL AUDITORS (FIGURES IN FRW '000)

ASSETS	30/06/2021 (Reviewed)	31/12/2020 (Audited)
Cash and balances with Central Bank	21,962,538	30,266,747
Due from Banks	53,367,753	39,302,920
Due from group companies	1,597,234	1,131,523
Investment securities - at fair value through other comprehensive income	51,617,368	48,943,246
Derivative financial instruments	705,396	644,061
Investment securities - at amortized cost	44,265,668	51,263,367
Loans and advances to customers	210,177,989	205,229,128
Other assets	6,217,659	3,001,489
Intangible assets	4,764,520	5,140,236
Property and equipment and right of use assets	34,740,509	32,280,971
TOTAL ASSETS	429,416,634	417,203,688
LIABILITIES	30/06/2021 (Reviewed)	31/12/2020 (Audited)
Deposits from customers	253,871,474	248,435,597
Deposits from banks and other financial Institutions	49,300,575	49,823,984
Items in the course of collection	8,358,356	2,371,917
Other liabilities	9,299,170	11,001,954
Current income tax	952,048	595,345
Deferred income tax	1,408,809	1,393,422
Borrowed funds	38,441,809	39,349,792
Subordinated Debt	9,898,763	9,754,824
TOTAL LIABILITIES	371,531,004	362,726,835
EQUITY	30/06/2021 (Reviewed)	31/12/2020 (Audited)
Share capital	15,150,000	12,120,000
Share premium	6,249,832	6,249,832
Retained earnings	34,338,544	33,995,670
Revaluation reserve	1,861,898	1,861,898
Fair value through OCI reserve	285,356	249,453
TOTAL EQUITY	57,885,630	54,476,853
TOTAL LIABILITIES AND EQUITY	429,416,634	417,203,688
OFF-BALANCE SHEET ITEMS	30/06/2021 (Reviewed)	31/12/2020 (Audited)
Acceptances and Letters of Credit Issued	20,597,058	19,692,072
Guarantees commitments given	35,141,254	42,538,490

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

REVIEWED BY EXTERNAL AUDITORS (FIGURES IN FRW '000)

	30/06/2021 (Reviewed)	30/06/2020 (Reviewed)
Interest and similar income	22,139,935	18,560,419
Interest and similar expense	(8,830,862)	(7,330,502)
Net interest income	13,309,073	11,229,917
Fees and commission income	1,734,877	1,731,402
Fees and commission expense	(877,855)	(963,086)
Net fees and commission income	857,022	768,316
Net foreign exchange income	2,084,548	1,814,514
Other operating income	49,691	252,458
Operating income before impairment charge	16,300,334	14,065,205
Net impairment charge on loans and advances	(1,342,013)	(1,582,490)
Operating income after impairment losses	14,958,321	12,482,715
Employee benefits	(4,980,734)	(4,855,812)
Operating expenses	(3,151,506)	(2,715,768)
Depreciation and amortization expense	(1,637,044)	(1,572,394)
Total operating expenses	(9,769,284)	(9,143,974)
Profit before income tax	5,189,037	3,338,741
Income tax expense	(1,816,163)	(1,168,559)
Profit for period	3,372,874	2,170,182

Managing Director:
Date: 26th August 2021

Chairman of Board of Directors
Date: 26th August 2021

CONDENSED STATEMENT OF CHANGE IN EQUITY FOR THE PERIOD ENDED 30TH JUNE 2021
REVIEWED 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 2021	12,120,000	6,249,832	1,861,898	33,995,670	-	-	249,453	54,476,853
Profit for the Year	-	-	-	3,372,874	-	-	-	3,372,874
Other comprehensive income	-	-	-	-	-	-	-	-
Disposal of property and equipments	-	-	-	-	-	-	-	-
Deferred tax on Disposal of property and equipments	-	-	-	-	-	-	-	-
Fair value gains through the other comprehensive income net of tax	-	-	-	-	-	-	51,290	51,290
Deferred tax on financial assets measured at FVOCI	-	-	-	-	-	-	(15,387)	(15,387)
Statutory credit risk reserve	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	3,372,874	-	-	35,903	3,408,777
Transactions with owners recorded directly in equity								
Bonus share during the period	3,030,000	-	-	(3,030,000)	-	-	-	-
Rights issue during the period	-	-	-	-	-	-	-	-
Total transactions with owners for the year	3,030,000	-	-	(3,030,000)	-	-	-	-
Balance as at 30 June 2021	15,150,000	6,249,832	1,861,898	34,338,544	-	-	285,356	57,885,630
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
Profit for the year	-	-	-	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 through the other comprehensive income	-	-	-	-	-	-	75,999	75,999
Statutory credit risk reserve	-	-	-	200,117	-	(200,117)	-	-
Total comprehensive income	-	-	(149,197)	5,608,454	-	(200,117)	75,999	5,335,139
Transactions with owners recorded directly in equity								
Bonus share during the period	5,050,000	-	-	(5,050,000)	-	-	-	-
Rights issue during the period	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



I&M BANK (RWANDA) PLC FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH JUNE 2021

OTHER DISCLOSURES

FOR THE PERIOD ENDED 30TH JUNE 2021

REVIEWED BY EXTERNAL AUDITORS (FIGURES IN FRW '000)

I. Capital Strength	
a. Core Capital (Tier 1)	50,956,196
b. Supplementary Capital (Tier 2)	8,210,142
c. Total Capital	59,166,338
d. Total Risk weighted assets	303,688,629
e. Core Capital/Total risk weighted assets ratio	16.78 %
f. Tier 2 ratio	2.70 %
g. Total Capital/Total risk weighted assets ratio	19.48 %
h. Leverage Ratio	11.41 %
II. Credit Risk	
1. Total gross credit risk exposures: after accounting offsets and without taking into account credit risk mitigation	276,753,049
2. Average gross credit exposures, broken down by major types of credit exposure:	
a) loans, commitments and other non-derivative off-balance sheet exposures :	276,753,049
b) debt securities:	95,883,036
c) OTC derivatives :	705,396
3. Regional or geographic distribution of exposures, broken down in significant areas by major types of credit exposure:	
Northern	3,729,025
Southern	2,441,957
Eastern	2,397,243
Western	5,527,126
Kigali City	262,657,698
4. Sector distribution of exposures, broken down by major types of credit exposure and aggregated in the following areas:	
a) Government;	283,418
b) financial;	-
c) manufacturing;	39,105,636
d) infrastructure and construction;	61,678,896
e) services and commerce.	120,769,937
f) others	54,915,162
5. Off Balance sheet items	55,738,312
6. Non-Performing Loans	
(a) Non performing Loans	10,930,524
(b) NPL Ratio	3.95 %

7. Related Parties		
a. Loans to Directors, shareholders and subsidiaries		1,288,877
b. Loans to Employees		5,223,851
8. Restructured loans as at 31 December 2020		
a. No. of borrowers		2,182
b. Amount outstanding (Frw '000)		64,435,273
c. Provision thereon (Frw '000) (regulatory):		4,293,665
d. Restructured loans as % of gross loans		23.28 %
III. Liquidity		
a. Liquidity Coverage ratio (LCR)		339 %
b. Net Stable Funding ratio (NSFR)		130 %
IV. Operational Risk		
Number and types of frauds and their corresponding amount		
Type	Number	Amount Frw000
External - Use of forged payment order	1	151,009
Internal - Use of forged payment order	-	-
Internal - Theft	-	-
V. Market Risk		
1. Interest rate risk		2,013,805
2. Equity position risk		-
3. Foreign exchange risk		620,260
VI. COUNTRY RISK		
1. Credit exposures abroad		55,243,474
2. Other assets held abroad		-
3. Liabilities to abroad		43,663,093
VII. Management and Board Composition		
a. Number of Board members		10
b. Number of independent directors		7
c. Number of non-independent directors		3
d. Number of female directors		2
e. Number of male directors		8
f. Number of Senior Managers		11
g. Number of female senior managers		5
h. Number of male senior managers		6

Managing Director:
Date: 26th August 2021

Chairman of Board of Directors
Date: 26th August 2021

EXPLANATORY NOTES TO THE FINANCIALS

1. **Interest and similar income: 19% increment**
The increase in the interest income is attributed to the growth in our earning assets.
2. **Interest and similar expense: 20% 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.
3. **Non interest income: 6% decrease**
Foreign exchange trading increased by 15% YOY and Net fees and commissions increased by 12% as result of leveraging on digital products.
4. **Impairment losses on loans and advances : 15% Decrease**
The decrease in the net impairment loss is attributable to the decrease in expected credit losses on loans and advances compared to same period last year.
5. **Loans and advances to customers: 2% Increase**
A marginal growth in the loan book portfolio was noted during the year as a result of slow down in the Business.
6. **Share capital: 25% Increment**
The share capital increase is a result of additional 1:4 bonus issued to shareholders effected during the period.



Managing Director:
Date: 26th August 2021



Chairman of Board of Directors
Date: 26th August 2021



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PRESS RELEASE: 2021 FIRST HALF-YEAR FINANCIAL RESULTS

I&M BANK (RWANDA) PLC. HAS REPORTED A 55 PERCENT INCREASE IN PROFIT BEFORE TAX (PBT) AT THE BACK OF CONTINUOUS INVESTMENT IN DIGITAL AVENUES FOR ITS CUSTOMERS.

Today I&M Bank (Rwanda) Plc. (the "Bank"), announced its half-year financial performance results for the period ended 30th June 2021.

The Bank is pleased to report that despite lower than expected business activities we have delivered a profit before tax of RWF 5.2Billion. This is a 55 percent increase of the same period last year.

Operating income is RWF 14.9Billion increasing by 20 percent year on year. This income growth has been driven by increased Net Interest revenue which is 19 percent higher than the same period last year and closed at RWF 13.3Billion. The Bank has experienced strong growth in revenues from the loan portfolio and own account trading in high yield securities.

Whilst the credit impairment charges have decreased by 15 percent attributed to the improved macroeconomic conditions and prudent provisioning which was made in 2020.

The team have managed to control costs under trying circumstances and recorded an increase in Total Operating Expenses of only 7 percent year on year to RWF 9.8Billion maintaining positive cost/income jaws of 10 percent and a cost-to-income ratio of 59.9 percent.

In the reported period, the Bank's net loan portfolio closed at FRW 210Billion. The quality of our loan book portfolio remains resilient with a Non-Performing Loan (NPL) ratio of 3.95 percent as of end June 2021.

Our customer deposits closed the reported quarter at RWF 303Billion, recording an increase of 2 percent year to date. The loans-to-deposits ratio closed at a credible 69.3 percent.

Our Tier 1 Capital & Total capital ratio were at 16.78 percent and 19.48 percent.

Commenting on the financial results, Mr. Bonaventure Niyibizi - the Chairman of the Board of Directors at I&M Bank (Rwanda) Plc. said: "With a constantly evolving economic landscape in times where the whole world is dealing with a pandemic, we have managed to remain relevant to our customers and the community we serve. We are doing this by adjusting the way we conduct business to meet market needs and tailoring our products and services to what our customers require with the highly commendable efforts from the Government of Rwanda to contain the transmission of Covid-19. We have been focusing on growing our support to the MSME sector which we believe is the backbone of the Rwandan economy, we have also invested in technology to maintain our reputation as a Bank of the future."

The chairman further added: "We have now moved into our iconic new head office. The building is environment friendly with one of the lowest carbon footprints in the country. We believe our customers and employees will find this a conducive, productive and stimulating environment. The Bank's commendable performance is attributable to a professional team and committed employees and shareholders readiness to increase the capital."

The Managing Director, Mr. Robin Bairstow, underscored significant investment made during the first half of 2021: "Our focus remains on supporting customers, revenue growth and efficient cost control. Together with our continuous investment in digital innovation for an improved revenue generation mix with more than seventy percent of all customer transactions initiated via digital or non-traditional channels. The Bank's strong performance is underpinned by the commitment and drive of our people."

He went on to say: "The Bank has progressed on its strategic effort to create long-term value for stakeholders, through continued investments in Environmental, Social and Governance initiatives as a means to building resilience as well as to mitigate against emergent operational, cyber and credit risk. I&M Bank (Rwanda) PLC was recognized as the best bank (2021) by Capital Finance International (CFI.co) recognized the Bank's product offering, strategy, short-term and medium growth plans as well as client diversity."

The Bank was also recognized for its technological innovations such as Near Field Communication (NFC) enabled ATMs with contactless technology enabling for operational efficiency and enhanced user experience and our support to MSMEs in Rwanda. Through the KFW supported IFE grant facility, we have managed to secure over 1800 jobs and we plan to work with new business to continue to protect this sector. We are truly excited to announce that we are about to bring on board 26 new graduates from our I&M Academy, these are high achieving university graduates who have undergone an intensive training and now join us as management trainees and as part of the future of I&M Bank."

Mr Bairstow further added: "The prospects of I&M Bank Rwanda are much reflected in the recent upgraded GCR rating of A & A1, for long and short term respectively on the back of a strengthened capital position, resilient asset quality amidst a challenging operating environment, sustained sound funding structure, and robust liquidity."

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.imbank.com/rwanda>

About I&M Bank (Rwanda) Plc

Incorporated in 1963, I&M Bank (Rwanda) Plc is the oldest Bank in Rwanda. It is today a leading player in the industry with a strong footprint across the country. The Bank, which is listed on the Rwanda stock exchange, is a subsidiary of I&M Holdings Plc ("the Holding"), a leading regional financial services group in East Africa. The Holding has other operations in Kenya, Tanzania, Uganda and 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 the leading international Development Financial Institutions.