

# BK GROUP PLC

## INVESTOR PRESENTATION

### Q4 & FY 2021



BK GROUP PLC





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## **Group Overview**

Strategic Objectives, Subsidiaries overview

pg. 03

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## **Full Year 2021 Financial Results**

For the twelve months ended December 31<sup>st</sup>, 2021

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## **Growth Strategy**

Delivering growth on all fronts

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## **Appendix**

Conducive operating environment

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## GROUP OVERVIEW

# Four Key Strategic Objectives

## Strategic Objectives

**Become the  
Universal Financial  
Services provider of  
Choice for all  
Rwandans**

**Control Risk,  
strengthen systems  
and revolutionize  
customer experience**

**Digital Financial  
Institution**

**People**



### **Vision**

BK Group Plc aspires to be the leading provider of the most innovative financial solutions in the region.



### **Mission**

Our mission is to be the leader in creating value for our stakeholders by providing the best financial services to businesses and individual customers, through motivated and professional staff.



### **Values**

Customer Focus  
Integrity  
Quality  
Excellence

# Diversified Business

BK Group Plc is a holding company with 4 subsidiaries

**FRw 1,590.4 billion**  
Total Assets<sup>1</sup>

**361,595**  
Retail Clients

**FRw 974.5 billion**  
Customer Deposits<sup>1</sup>

**68**  
Branches



**Commercial &  
Retail Banking**



**Advisory/Wealth  
Management**

**18%**

RSE Trading Market  
Share

**FRw 21.4 billion**  
AUMs<sup>1</sup>

**FRw 12.1 billion**  
Gross Premium<sup>1</sup>

**FRw 21.7 billion**  
Total Assets<sup>1</sup>

**FRw 2.7 billion**  
Net Profit<sup>1</sup>

**32%**  
Return on Adjusted  
Equity



**Insurance**  
Non-life insurance



**Technology**  
IoT, digital ecosystems,  
eduTech

**2.5 million**  
Digital Consumers

**FRw 17.3 billion**  
Value of Transactions  
on UrubutoPay<sup>1</sup>

**FRw 1.2 billion**  
Sales Revenue<sup>1</sup>

## Notes:

1. As at December 31<sup>st</sup> 2021. Rwandan Franc (FRw) 1,013.5 FRw = 1 US\$ as at December 31<sup>st</sup>, 2021

# Competing in Attractive Markets

## Country Statistics

- Nominal GDP of USD 10.4 billion<sup>1</sup> in 2021E
- Population of 13.0 million<sup>2</sup>
- Robust economic growth averaging 6.2% pa pre-covid19. In 2021, GDP growth exceeded 10.9%<sup>2</sup>
- Moderate urban inflation with rate of 5.8% in February 2022;

## Rwandan Banking System

- Well regulated banking sector
- Significant headroom for growth given under-banked and excluded population; 36% of adults in Rwanda are banked or are using banking services<sup>3</sup>
- Total assets/GDP of 46.3% as at December 31st, 2021.

## Bank Business

- Asset growth at a CAGR of 20% (2016 - 2021); FRw 1.6 trillion as at December 31<sup>st</sup>, 2021 with 31.4% market share
- ROAA ranging from 3.3% - 3.9% between 2016 and 2021
- 27,117 corporate clients; 361,959 retail clients as at 9M 2021
- 68 branches and 96 ATMs

### Source:

1. Renaissance Capital
2. NISR; National Institute of Statistics of Rwanda
3. National Bank of Rwanda

**\$10.4 billion**  
2021 Projected Nominal GDP





# Leading Bank in Rwanda

Strong market positioning and high capital adequacy ratios

FRw 1,590.4 billion

Total Assets<sup>1</sup>



FRw 990.3 billion

Net Loans<sup>1</sup>



FRw 974.5 billion

Customer Deposits<sup>1</sup>



FRw 285.9 billion

Shareholder's Equity<sup>1</sup>



5.3%

Non-Performing Loans<sup>1</sup>  
% of Gross Loans

44.5%

Liquid Assets Holding<sup>2</sup>

226%

Liquidity Coverage Ratio<sup>3</sup>

Best Bank in Rwanda  
2020

emeafinance  
Europe • Middle East • Africa

Euromoney Award for Excellence  
2019



AA+/A1+ Credit Rating<sup>1</sup>



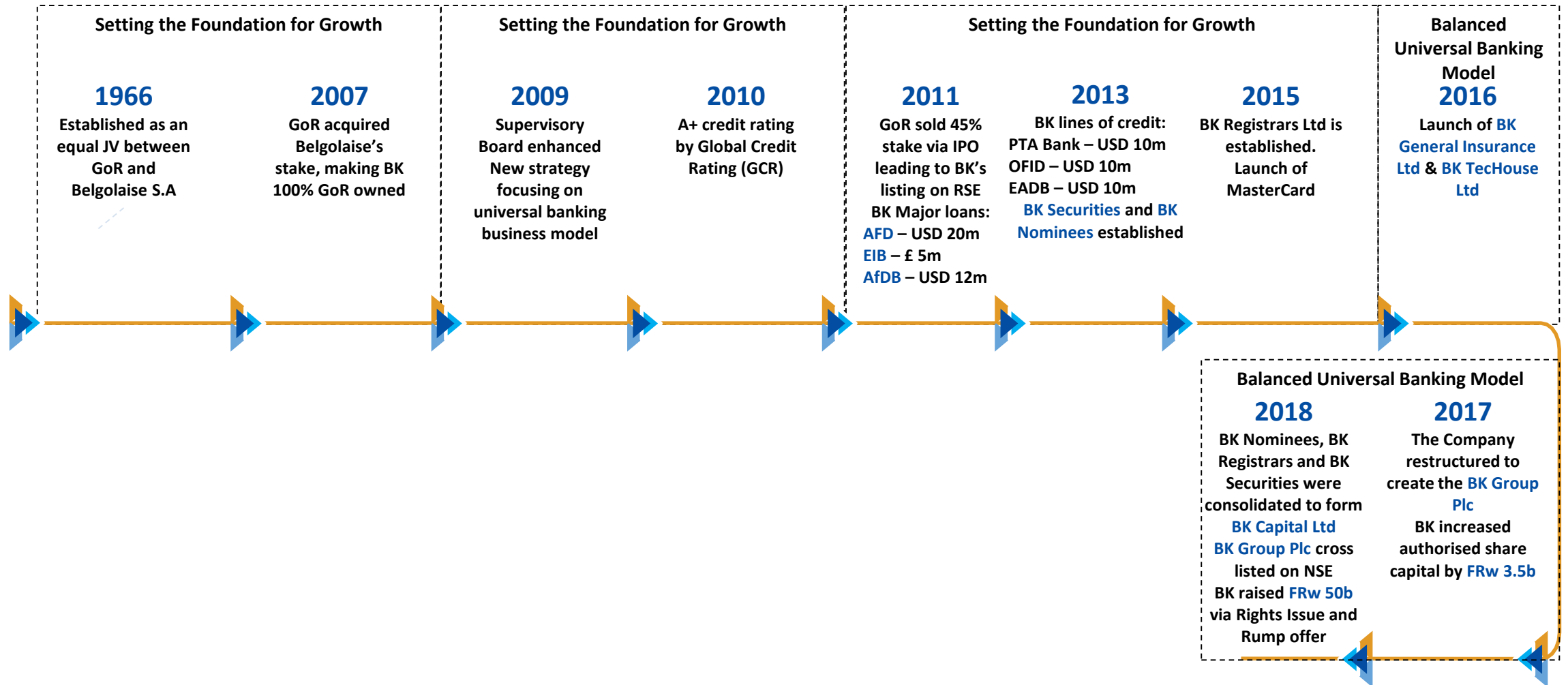
Best Financial Reporting Company - Rwanda  
2019



Note:

1. Percentage increase from FY2020. Rwandan Franc (FRw) 1,013.5 FRw = 1 US\$ as at December 31st, 2021
2. Minimum requirement is 20%
3. Minimum requirement is 100%

# Growing Platform





# Share Trading Performance

**FRw 250 / KES 29**

Current Price<sup>1</sup>

**904.5 million shares**

Common shares outstanding<sup>1</sup>

**11.5%**

Dividend yield, 2021

**RSE**

**\$225m**

Market Cap<sup>1</sup>

**4.4x**

P/E 2021<sup>1</sup>

**0.8x**

P/BV 2021

**NSE**

**\$227m**

Market Cap<sup>2</sup>

**4.4x**

P/E 2021<sup>1</sup>

**0.8x**

P/BV 2021

**FRw 57.4 / KES 6.3**

EPS 2021

**FRw 250 / KES 40**

12-month high

**FRw 226 / KES 12.50**

12-month low

## Analyst Coverage



Recommendation: **BUY**  
Target Price: **FRw 325**  
Last coverage report:  
Mar 31<sup>st</sup>, 2022

Recommendation: **BUY**  
Target Price: **FRw 528**  
Last coverage report:  
Nov 29<sup>th</sup>, 2021

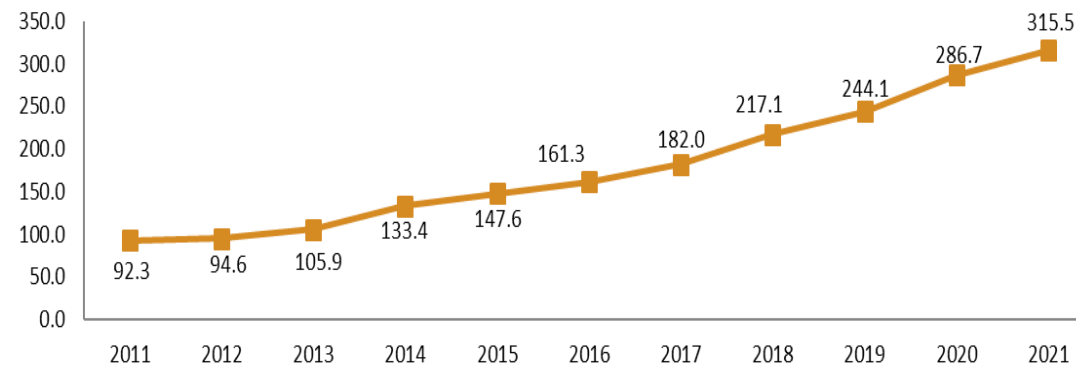
Recommendation: **BUY**  
Target Price: **FRw 364**  
Last coverage report:  
Nov 12<sup>th</sup>, 2021

Recommendation: **BUY**  
Target Price: **FRw 340.3**  
Last coverage report:  
July 9<sup>th</sup>, 2021

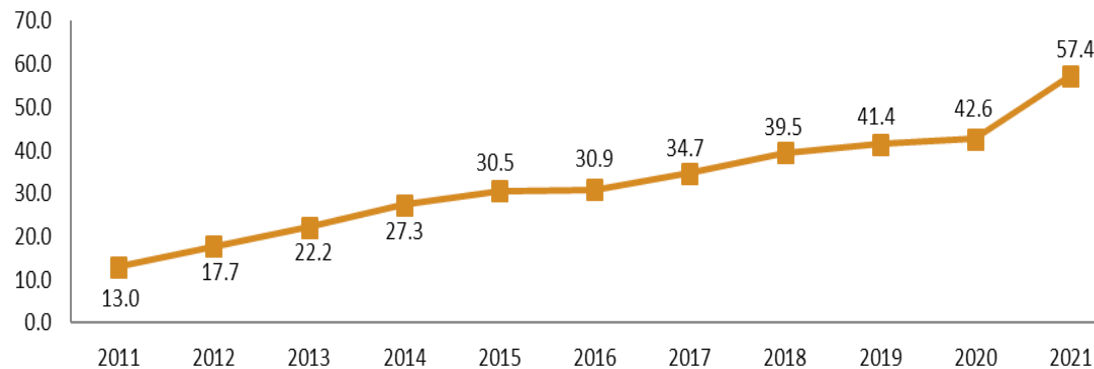
1. Rwandan Franc (FRw) 1,009.62 FRw = 1 US\$ as at December 31<sup>st</sup>, 2021

\*Capital gains on RSE transactions are exempted from Capital Gains Tax

## Book Value/Share



## Earning Per Share (FRw)





## Q4 & FY21 Financial Results

# Highlights

## Highlights

- Total assets up 22.0%
- Net loans 16.4%
- Net income up 35.0%
- Cost to income ratio up 3.8%

FRw Billion	2020	2021	% change
Total Assets	1,304.0	1590.4	22.0%
Net Loans	851.1	990.3	16.4%
Client Deposits	790.8	974.5	23.2%
Shareholders Equity	259.3	285.9	10.2%
Net Income	38.4	51.9	35.0%
Cost to Income	32.5%	36.3%	3.8%

FRw/USD Period End Rate	977.9	1,013.5	3.8%
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USD million	2016	2017	2018	2019	2020	2021
Total Assets	791.0	851.5	983.6	1,105.9	1,333.5	1569.2
Net Loans	478.1	552.3	636.9	735.8	870.4	977.1
Client Deposits	519.2	533.0	596.4	697.4	808.7	961.5
Shareholders Equity	134.4	143.7	218.3	239.6	265.2	281.5
Net Income*	25.7	27.3	30.7	40.5	39.3	51.2

FRw/USD Period End Rate	807.0	854.0	892.0	921.5	977.9	1,013.5
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# Segment Highlights

## Commercial & Retail Banking



- **Net Loans up 16.4%**
- **Customer deposits up 23.2%**
- **Net income up 35.0%**
- **Cost to income ratio up 3.8%**

## Insurance



- **Gross premiums up 31% y-o-y**
  - Increase in business acquisition and cross selling
- **Annual profit 54% y-o-y**
  - Increase in earned premiums, investment income and efficiency in managing expenses
- **Total assets up 39% y-o-y**
  - Increase in in premiums which are translated into assets

## Advisory/Wealth Management



- **RSE Market Share 18%**
  - Sustained market share growth attributed to deepening client relationships and growth in related businesses
- **AUMs up 94.3% Y-o-Y**
  - Largely driven by the Aguka Unit Trust Fund which increased by FRw 9.1Bn due to its strong product proposition and marketing.

## Technology



- **UrubutoPay**
  - On boarded 444 schools to date. Completed a new integration with MINECOFIN School Data Management System (SDMS). This partnership will allow mass onboarding & digital payment enforcement for ~ 3,000 schools starting in the 2022 - 2023 academic year.
- **Sales revenue up by 68.5 Y-o-Y%**
  - FRw 1.8 Billion generated in 2021

# Corporate Banking Highlights

## Highlights

- Clients include large corporates, SMEs and NBAs\*
- Interest rates are in the 16.0% - 18.5% range

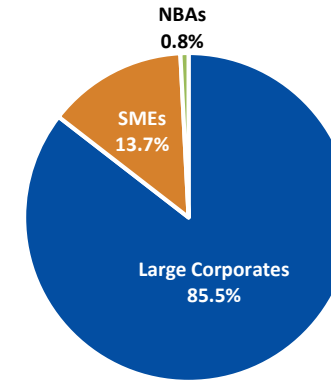
### Key products:

- CAPEX loans: long-term loans for investment or expansion of the business
- Commercial mortgage loans: typical customer participation at 30% of property value, typical tenor of up to 15 years
- Working capital loans: financing business needs to an agreed limit for a short period (usually <1yr)
- Overdrafts

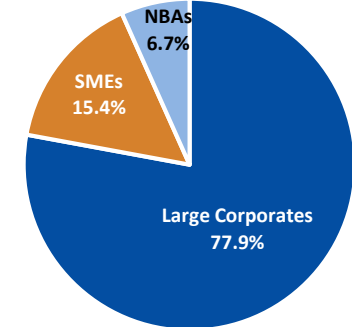
### Strategy:

- Increasing both loans and deposits.
  - Introduce new services, integrate client coverage
  - Grow and consolidate market share
  - Leverage superior lending capacity
  - Focus on payroll services

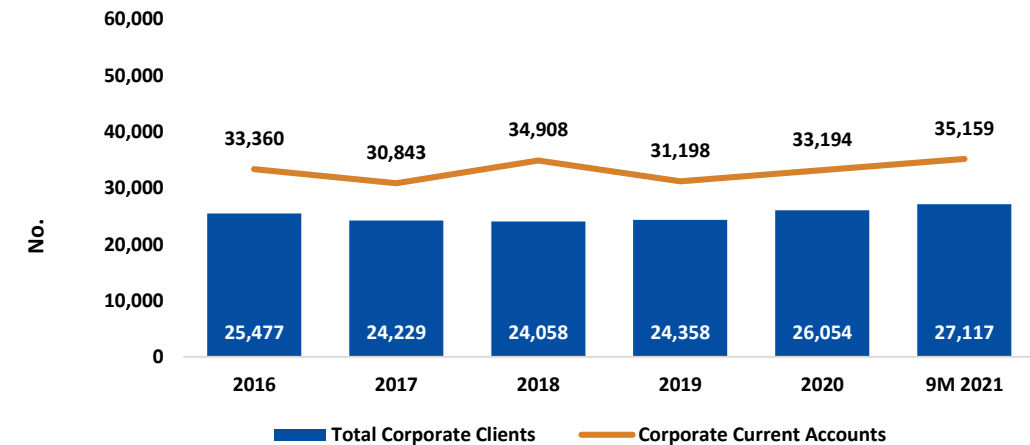
Corporate Loans: FRw 956.1 Bn



Corporate Deposits: FRw 710.2 Bn



Number of Corporate Accounts



Some of BK's clients



\*NBAs (Non Business Associations) include Non-Profit Organizations, Charities, Religious institutions, Educational Institutions, Cooperatives, etc.  
Rwandan Franc (FRw) 1,013.5 FRw = 1 US\$ as at December 31<sup>st</sup>, 2021

# Retail Banking

## Highlights

- The Bank's retail business is primarily focused on mortgages and consumer loans with notable share of salary backed overdrafts

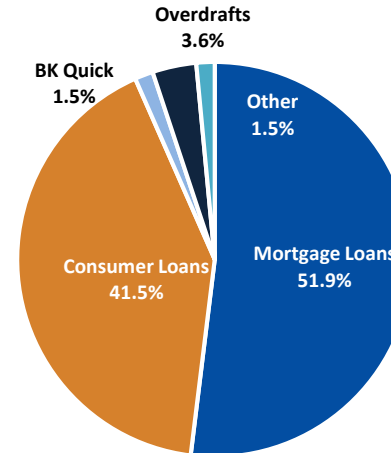
### Key products:

- Mortgage loan: up to 15 years with typical customer participation at 30% of property value
- Vehicle loan: up to 5 years to individual clients
- Consumer loan: up to 12x monthly salary and 48 months
- Overdraft: up to 50% of monthly salary (normally repaid in 30-90 days)
- Other products include credit cards and asset based financing
- BKQuick loans (Mobile loans) were 1.8 Mn of Retail loans

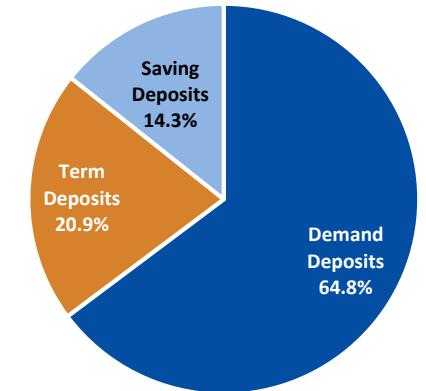
### Strategy:

- Build sufficient channel capacity to be able to service 1,000,000+ clients in 2022
- Through BKQUICK, a mobile solution towards savings and small loans, the Bank has been able to tap into the retail market competitively thus increasing loans and deposits in the segment. BK recovered more than 50% of funds in BK Quick NPL in 2 months
- Instant issuing of credit/debit cards

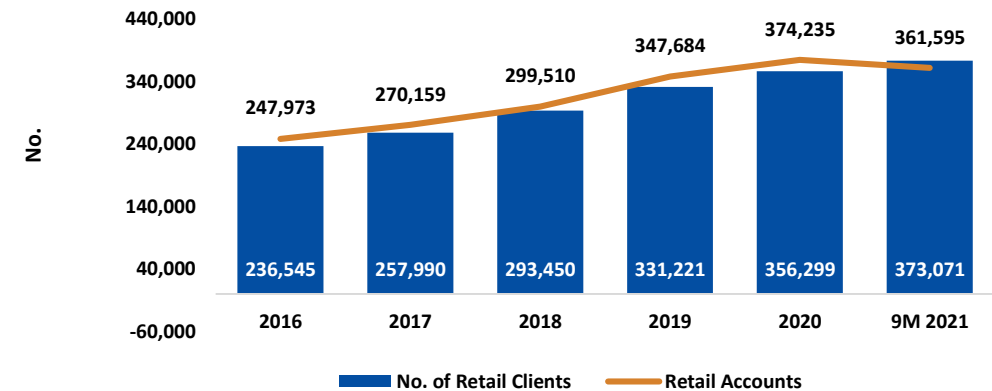
Retail Loans: FRw 105.5 billion



Retail Deposits: FRw 264.3 billion



Retail Client Accounts



Some of BK's products



BK CASH POINT

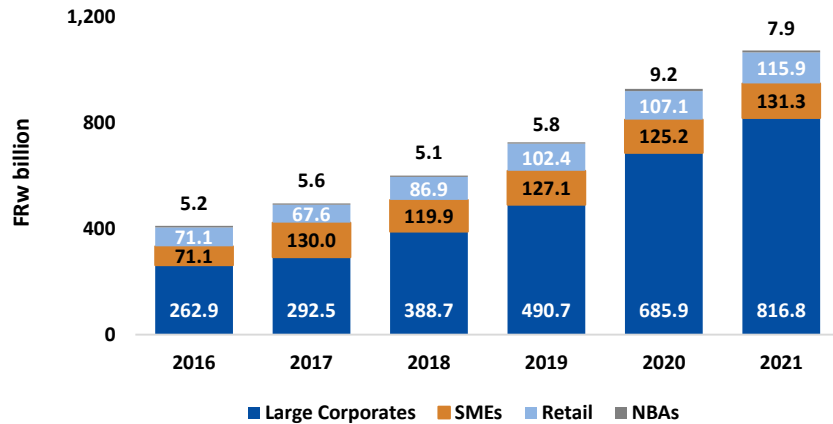


Rwandan Franc (FRw) 1,009.62 FRw = 1 US\$ as at December 31<sup>st</sup>, 2021

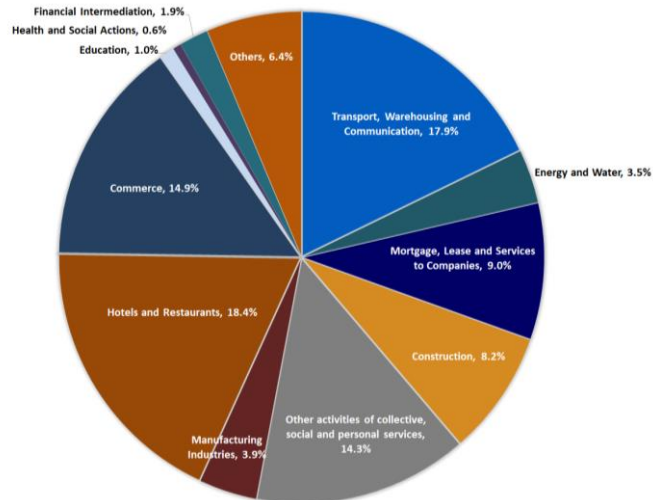


# High Quality Loan Portfolio

Gross Loan Portfolio

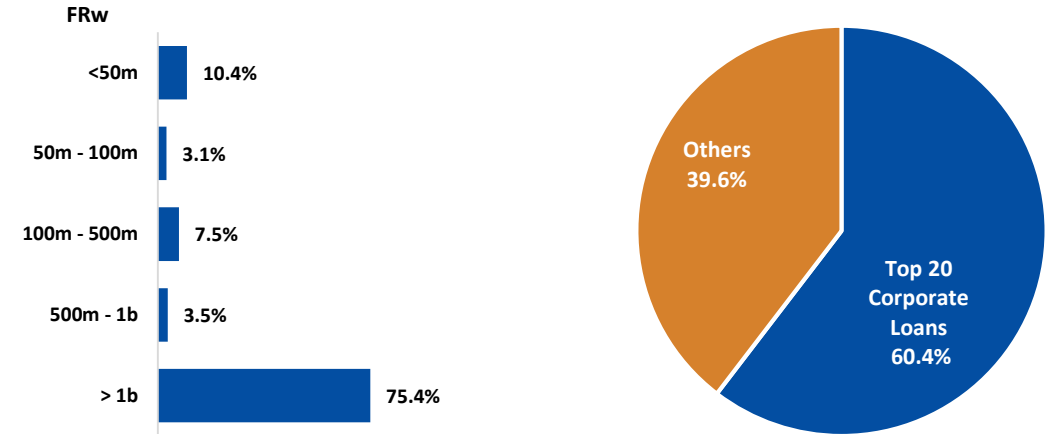


Total Loan Book 2021

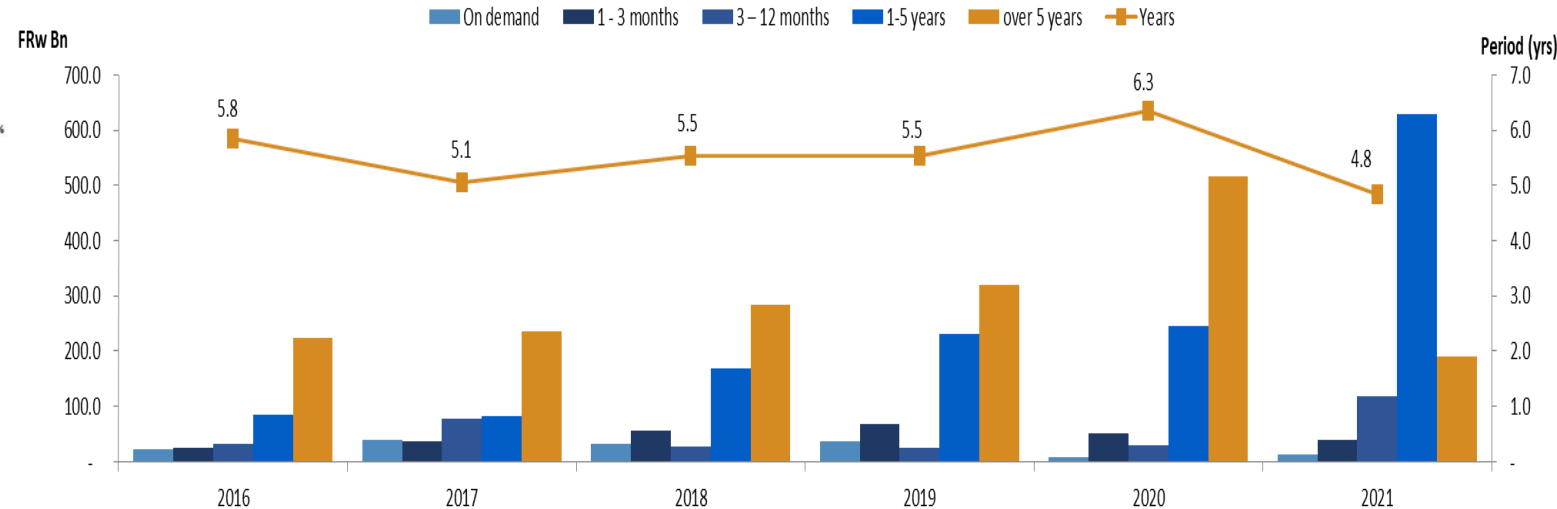


Rwandan Franc (FRw) 1,013.5 FRw = 1 US\$ as at December 31<sup>st</sup>, 2021

Corporate Loan Book 2021

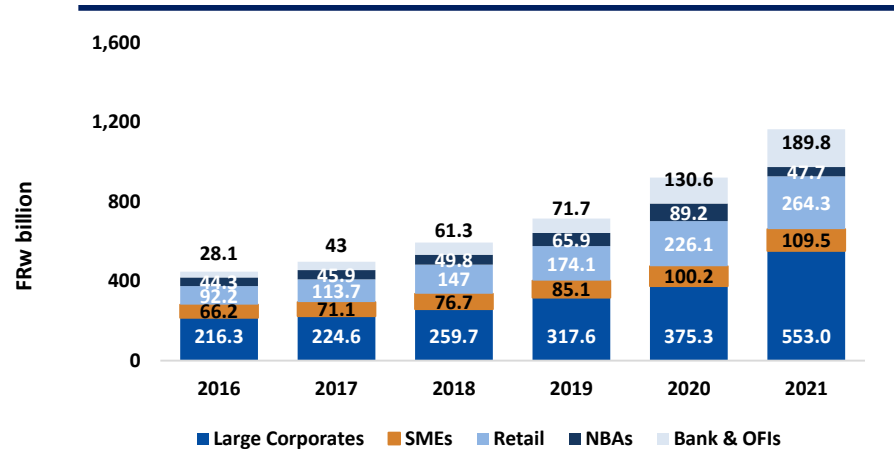


Maturity Profile

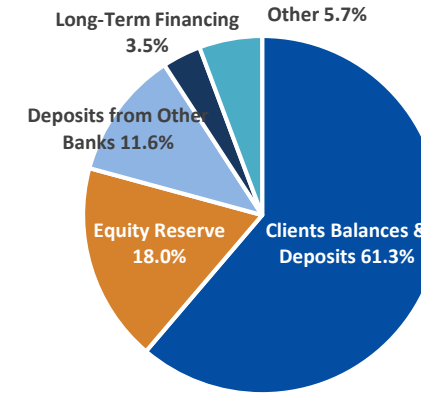


# Overview of Deposit Structure

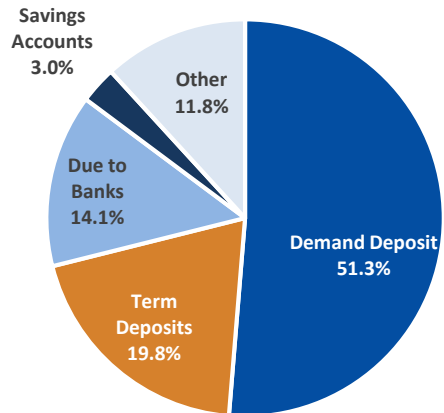
Total Deposits Growth



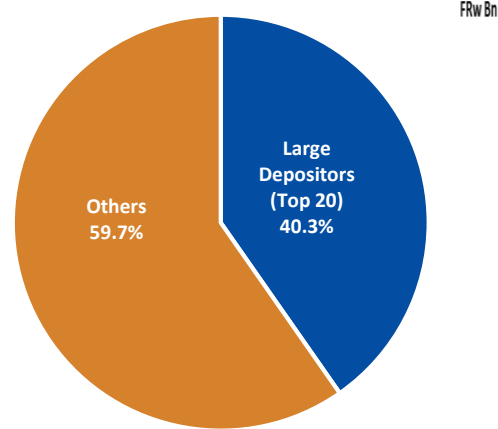
Funding Structure: FRw 1,590.4 billion



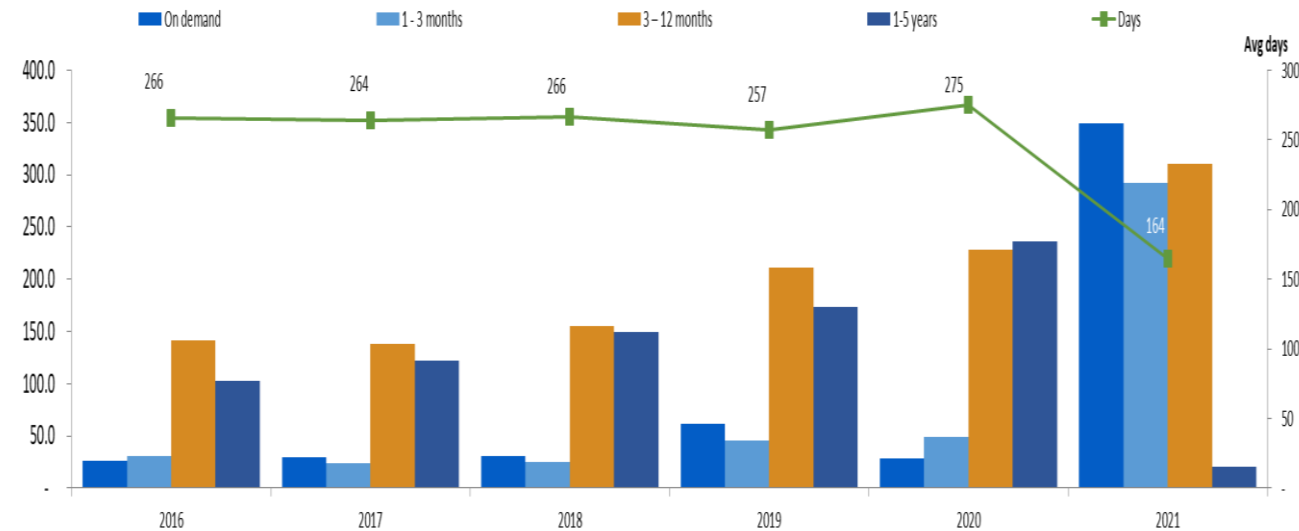
Total Liabilities: FRw 1,305.0 billion



Customer Deposits 2021



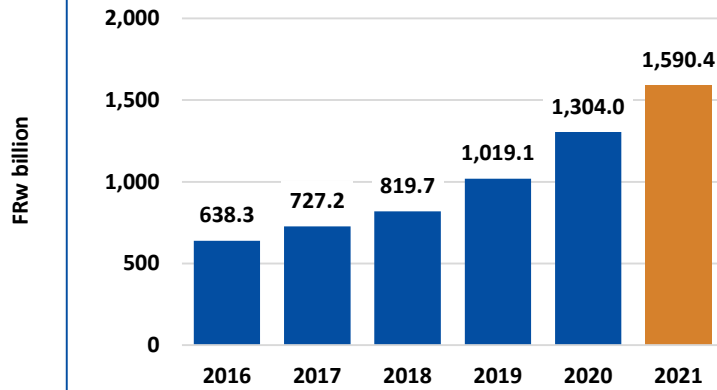
Maturity Profile



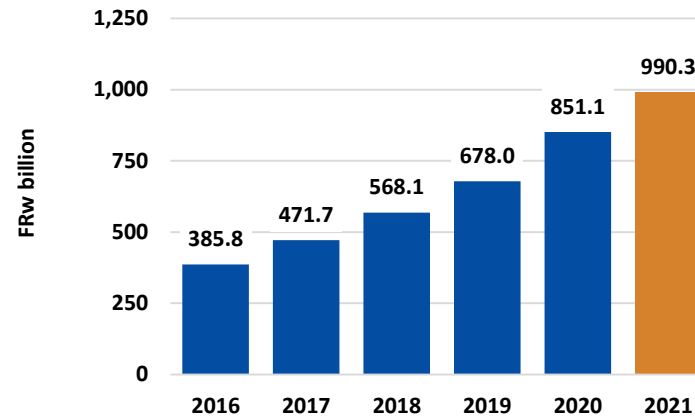
Rwandan Franc (FRw) 1,013.5 FRw = 1 US\$ as at December 31<sup>st</sup>, 2021

# Balance Sheet

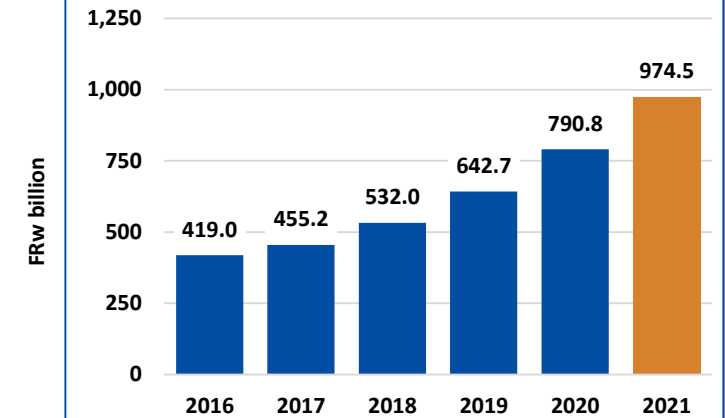
## Total Assets



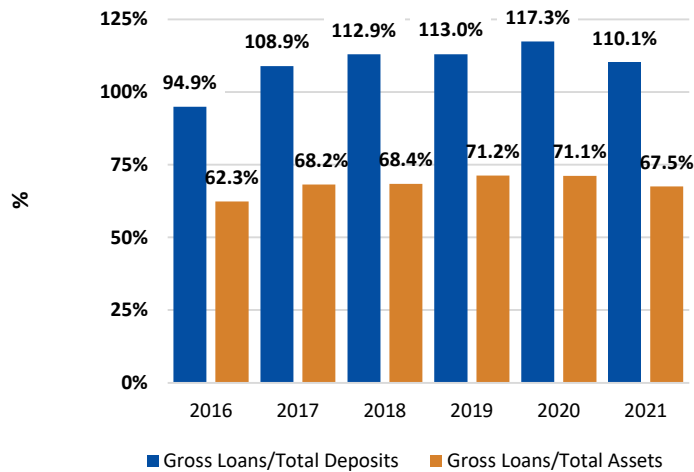
## Net Loans & Advances



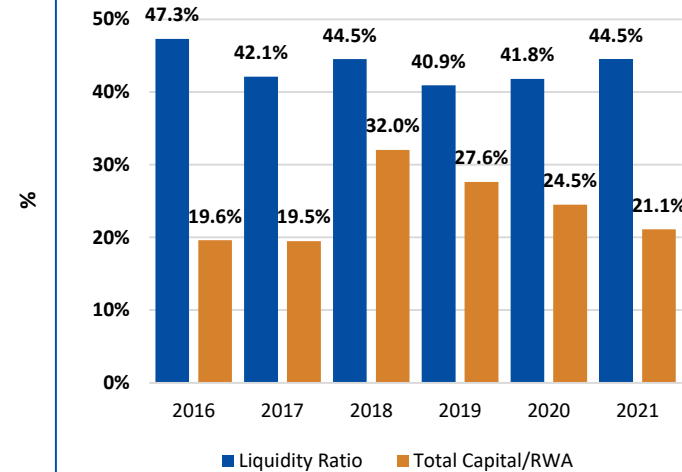
## Customer Balances & Deposits



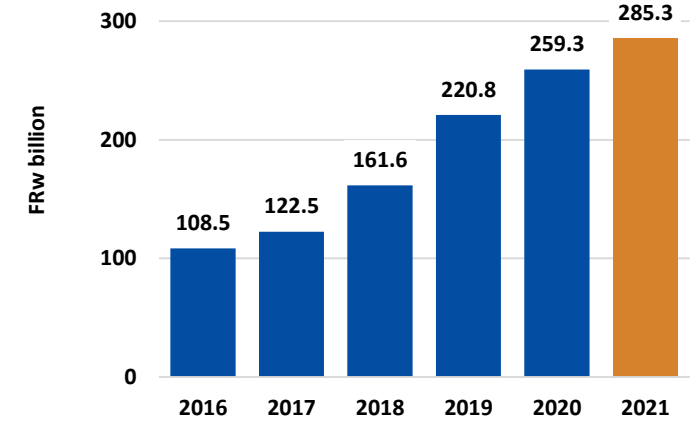
## Strong Potential for Growth in Customer Deposits



## Strong Capital And Liquidity Position



## Shareholder's Equity

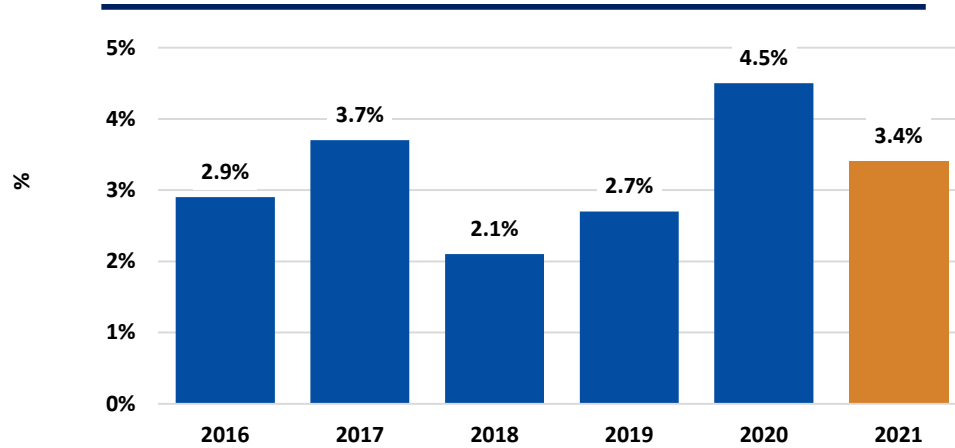


Rwandan Franc (FRw) 1,013.5 FRw = 1 US\$ as at December 31<sup>st</sup>, 2021

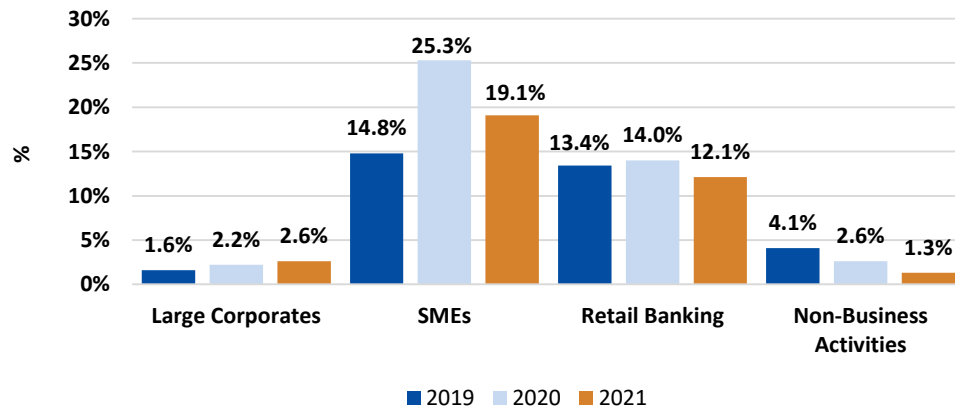


# Credit Risk Profile

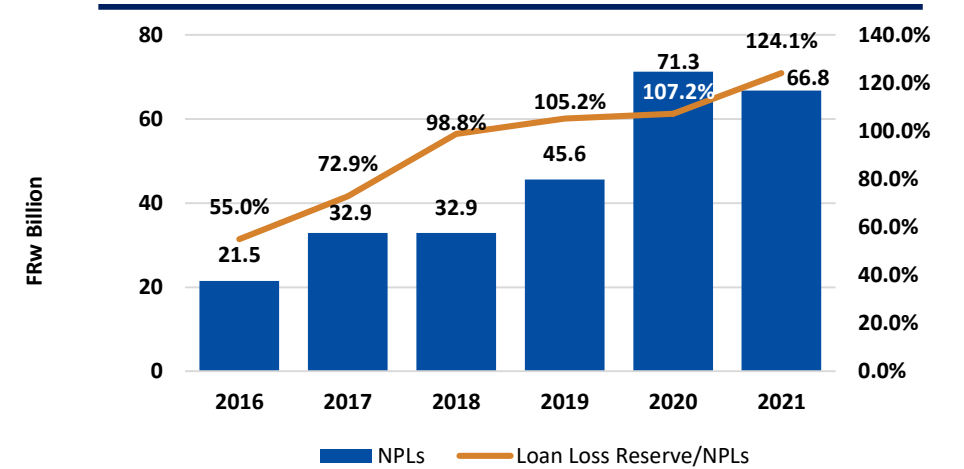
Cost of Risk %



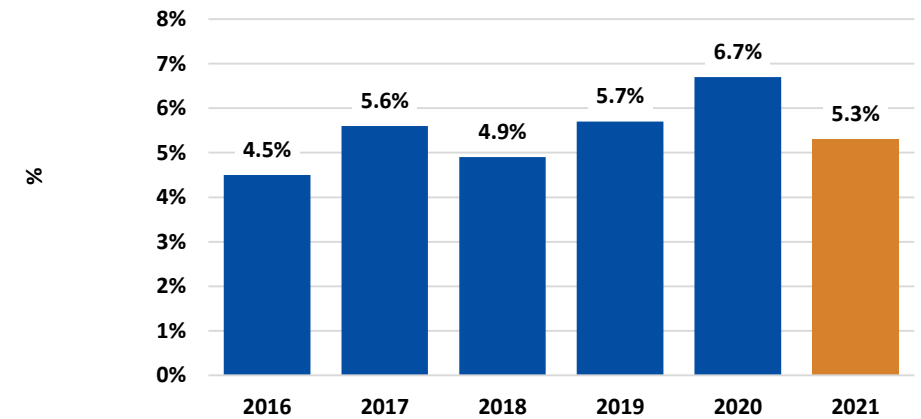
NPLs by Segment



Coverage Ratio



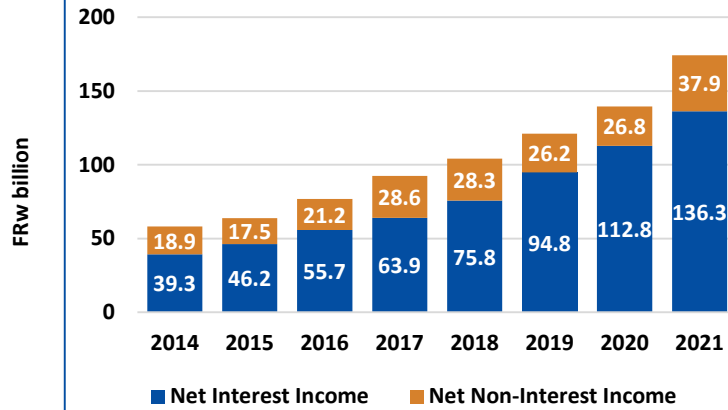
Improving Coverage Ratio



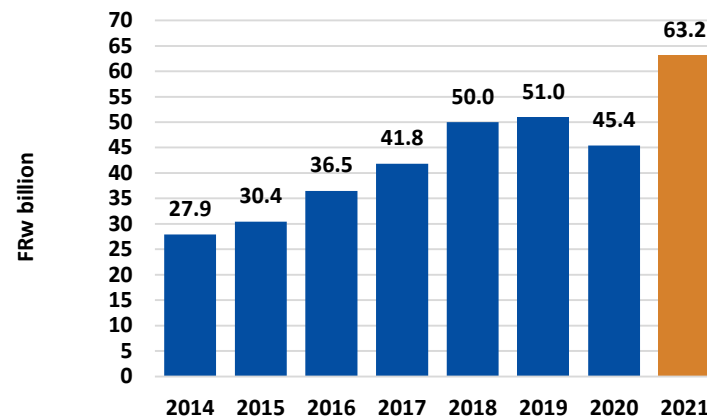
Rwandan Franc (FRw) 1,013.5 FRw = 1 US\$ as at December 31<sup>st</sup>, 2021

# Income Statement

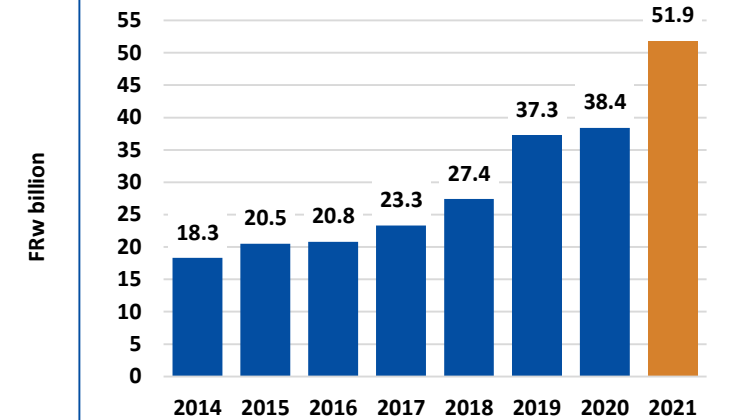
## Total Operating Income



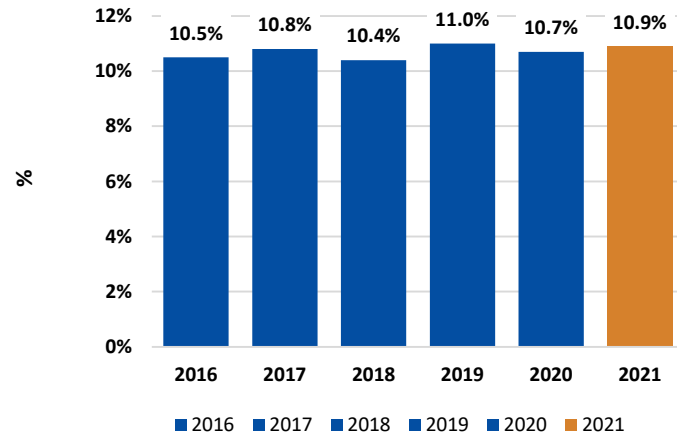
## Total Recurring Operating Costs



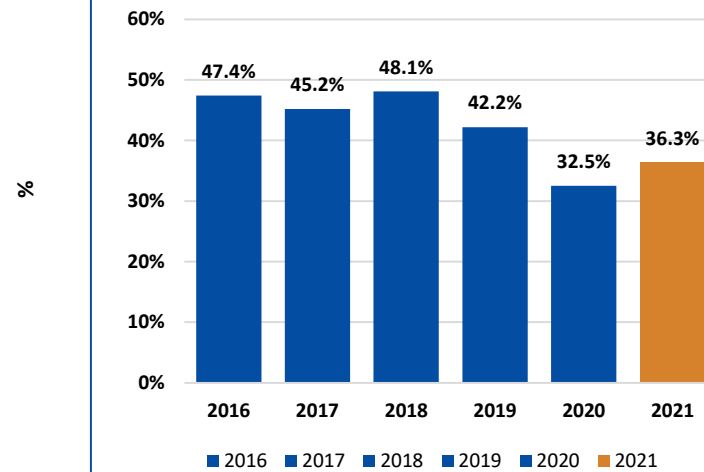
## Net Profit



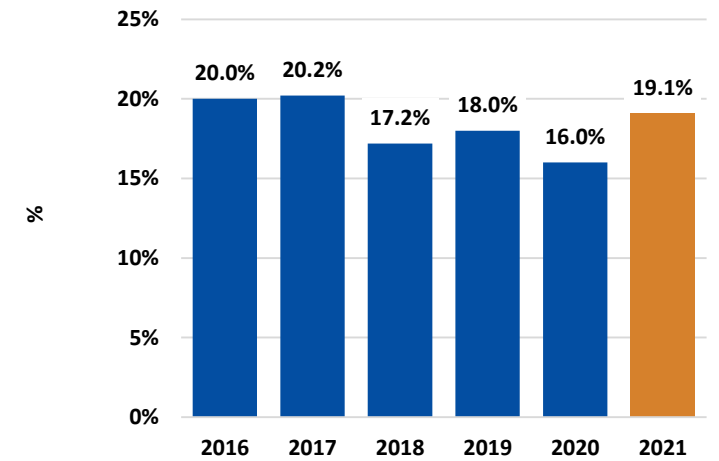
## Net Interest Margin %



## Cost/Income ratio



## Return to Shareholders



Rwandan Franc (FRw) 1,013.5 FRw = 1 US\$ as at December 31<sup>st</sup>, 2021

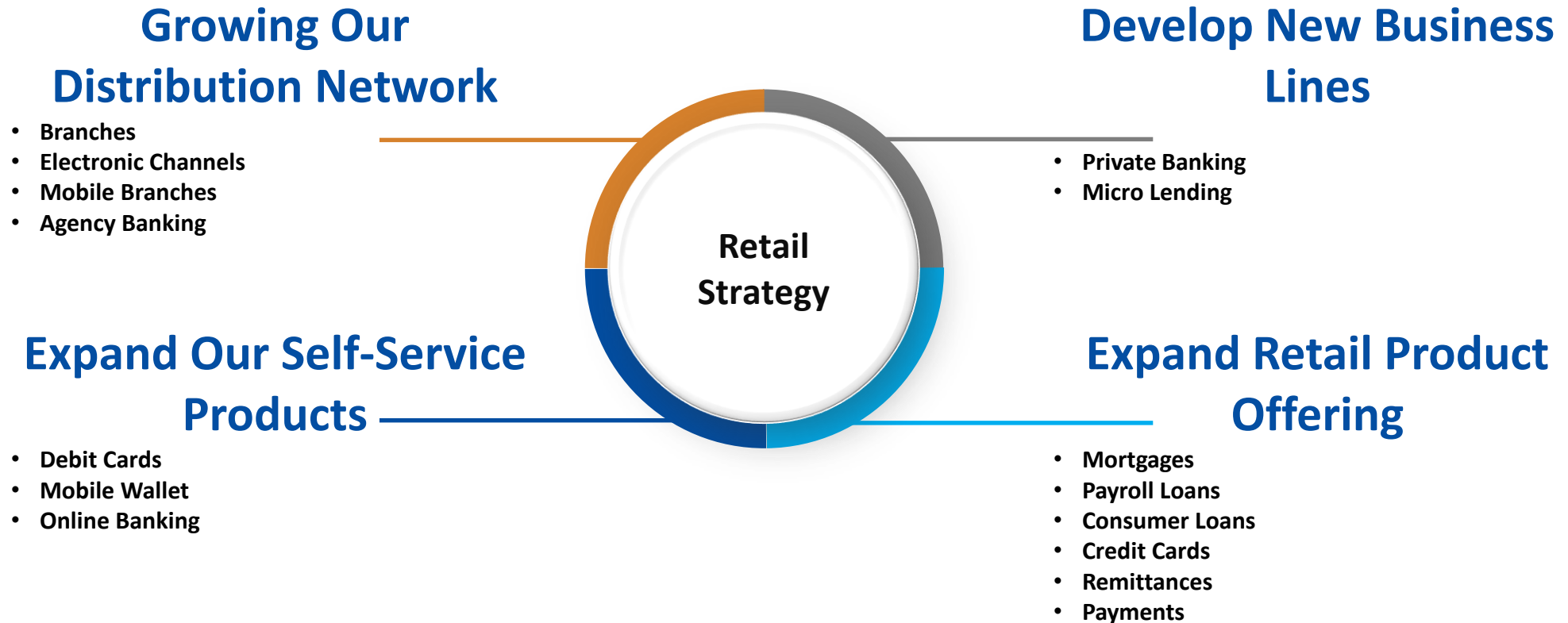


# FUTURE GROWTH STRATEGY



# Executing The Retail Strategy

## Overview of Retail Strategy





# Executing The Retail Strategy

## 2. Expanding Our Self Service Products

### Highlights

- Mobile banking service is available through BK Mobile (USSD code) or BK App allows customers to perform the following transactions:
  - Send money to any mobile phone user regardless of whether they operate a bank account or not;
  - Purchasing prepaid TV or airtime, payment of utilities, taxes and Government e-services;
  - Check Balances and Bank information;
  - Order cheque books;
  - Funds transfers including Interbank;



### Achievements to date

- Issuing MasterCard and Visa line of products;
- Launch of e-Commerce acquiring;
- Over 95,000 Visa cards and 84,000 MasterCards and are currently in circulation;
- Union Pay and Diners Club Card Acquiring and Amex ATM acquiring.



IKOFI wallet is a universal digital financial solution targeting all Rwandans.

The initial use case is for the Agricultural ecosystem, whereby Rwandan farmers and agro-dealers can register using their NID or business certificates to start transacting with e-money and giving them the opportunity to create a Digital footprint while doing the very same things they do every day and join the formal banking sector thus having Access to Finance.

Farmers and Agro-dealers have a fin-tech product tailored to suit their economic and personal lifestyles and which will open up a path into formal financial inclusion.

**IKOFI has registered 263,716 farmers and 1,852 registered Agro dealer as at December 31<sup>st</sup> , 2021**

Self-service offering:







# Strategic Outlook

	Objectives	Strategies	Outcomes
► 01	Become the Universal Financial Services provider of Choice for all Rwandans	<ul style="list-style-type: none"> <li>BK as a group intends to offer under one brand all financial services to its customers</li> <li>Widen BK group scope of products and services</li> <li>Grow Retail business, transactional revenue, Insurance, and brokerage and other services.</li> </ul>	<ol style="list-style-type: none"> <li>Number of customers served by the group to reach 1,000,000 by 2022</li> <li>Strengthen BK Brand across all segments of the population.</li> </ol>
► 02	Control Risk, strengthen systems and revolutionize customer experience	<ul style="list-style-type: none"> <li>Provide main services of BK Group at Branch level</li> <li>Customer service champions to convert customers into digital consumers</li> <li>Operational and Effective Call Centre</li> <li>Develop a business intelligence function to support decision making Provide key indicators in an easy format on a day-to-day basis</li> </ul>	<ol style="list-style-type: none"> <li>Maintain manageable NPLs at less than 5%.</li> <li>Reduce concentration, introduce automated scoring models for personal loans, salary advances and SMEs loans.</li> <li>Operational risk - enhance internal and external compliance</li> <li>solve customers pain points and ensure smooth and enjoyable customer experience.</li> </ol>
► 03	Digital Financial Institution	<ul style="list-style-type: none"> <li>Automation of processes, Integration of BK group systems to ensure a single view of customers, grow the number of digital consumers to at least 20% of BK Group customers</li> </ul>	<ol style="list-style-type: none"> <li>IT system stabilised at 99% uptime of core banking systems and on all channels</li> <li>Compliance with global IT standards</li> <li>Focus on 4 pillars: Connectivity, Automation, Decision-making, Innovation</li> <li>Establish and maintain a centralized data base for the group</li> <li>Digitize Manual processes - Back office functions in BK Bank and BKGI to be digitized</li> <li>Develop new digital channels ( Improve the APP, Prioritize mobile payments such as mVisa)</li> </ol>
► 04	People	<ul style="list-style-type: none"> <li>Attract and retain best talent in the industry</li> <li>Targeted training in IT, Operations, Business Intelligence and Risk</li> <li>Develop online training tools to ensure all BK Staff are regularly trained on policies, regulations</li> </ul>	<ol style="list-style-type: none"> <li>Strong performance management systems</li> </ol>



# BK Digital Transformation Strategy

The new digital vision for Bank of Kigali is **“Giving anyone, anywhere the best customer experience through digital”**

Vision	Giving anyone, anywhere, the best customer experience through digital			
Overall Aspirations	 <div>Wow the customer 70% NPS score</div>	 <div>Improve profitability 28% increase in profit before tax</div>	 <div>Diversify Group revenue 50% increase in non-funded income</div>	 <div>1 million new retail and SME customers</div>
Themes	A Connectivity	B Automation	C Advanced Analytics	D Innovation
Theme Aspirations	<ul style="list-style-type: none"><li>Highest rated mobile app</li><li>70% NPS score in customer satisfaction</li><li>99% system uptime across all channels</li><li>50% reduction in queue times</li></ul>	<ul style="list-style-type: none"><li>Top 10 customer journeys and critical processes digitized end-to-end</li><li>40% reduction in operating costs, 50+% reduction in turnaround times, 40% of sales done digitally</li></ul>	<ul style="list-style-type: none"><li>Cross-selling - 15% increase in revenue per customer</li><li>20% reduction in churn rate</li><li>25% reduction in gross NPL inflow</li></ul>	<ul style="list-style-type: none"><li>1 million new retail and SME customers from Bk TechHouse digital Consumers</li><li>50% increase in non-funded income</li></ul>
Pillars	<div>Risk &amp; Compliance</div> <div>Improve Risk Culture Regulatory compliance</div>	<div>People</div> <div>Training Way of working - Agile Performance Management</div>		<div>Systems</div> <div>Revamp Core Infrastructure Data Architecture</div>

# Digital Initiatives

26 digital initiatives will be delivered over the next 3 years



## Connectivity

- 1 Market leading retail digital platforms (across mobile app, web, USSD)
- 2 Market leading corporate banking and SME digital platform (web, mobile)



## Automation

- 3 Account opening for retail customers
- 4 Payments and transfers for retail customers
- 5 Mortgages for retail customers
- 6 Credit cards for retail customers
- 7 Personal loans for retail customers
- 8 Account servicing for retail customers
- 9 Account opening for corporate, Bank, OFI and SME customers
- 10 Cash management for corporate, Bank, OFI and SME customers
- 11 Term loan for corporate, bank, OFI and SME customers
- 12 Trade finance for corporate, bank, OFI and SME customers
- 13 Account servicing for corporate, bank, OFI and SME customers
- 14 Asset finance for corporate, bank, OFI and SME customers
- 15 Cards for corporate, bank, OFI and SME customers
- 16 Foreign exchange and money markets for corporate, bank, OFI and SME customers
- 17 Reconciliation



## Advanced Analytics

- 18 Customer value retention
- 19 Advanced early warning systems
- 20 Cross and up-selling existing customers
- 21 1-2-1 pricing
- 22 RM Workbench
- 23 Collections optimization




## Innovation

- 24 Agriculture ecosystem
- 25 SME ecosystem (incl. education)
- 26 Payment ecosystem




# BK Insurance Strategy Plan

## BKGI Designed Strategic Objectives

Vision	To be a leading provider of innovative, high quality Insurance services.			
Overall Aspirations	 <b>Business Growth.</b> <b>15% Annual Turn Over.</b> <b>Profitability: 3Bn by 2023.</b>			
Themes	A Determine Growth Path	B Cost Control	C Key Structures Operational	D Skills Uplift
Theme Aspirations	<ul style="list-style-type: none"> <li>Identify Target Markets</li> <li>Design Relevant Products</li> <li>Determine Distribution channels</li> <li>90% Retention of Customers</li> <li>Enhance Banc-assurance</li> <li>Hire Insurance Agents</li> <li>Meticulous Claims Analysis</li> <li>Prudent risk assessment</li> </ul>	<ul style="list-style-type: none"> <li>Agreements with Garages &amp; Spare Parts Shops on prices</li> <li>Prompt investigations on claims</li> <li>Outsource skilled Loss Assessors to mitigate valuation risk</li> <li>Maintain 30% ration of operating costs</li> <li>Automate process</li> <li>Digitise channels. Motor &amp; Fire offered digitally</li> </ul>	<ul style="list-style-type: none"> <li>Credible BOD with governance &amp; Insurance Knowledge</li> <li>ERM in place with a fully functioning Risk Unit</li> <li>Enhance Underwriting Skills</li> <li>Risk surveys for big Risks</li> <li>Enhance Internal Audit Unit</li> <li>Determine Risk Appetite framework</li> <li>Management Performance Reviews</li> <li>Own Risk Registers &amp; train Risk Champions.</li> </ul>	<ul style="list-style-type: none"> <li>Design development plan for key personnel</li> <li>Fast Track teams with a long term orientation</li> <li>Empowerment of key personnel</li> <li>Establish staff recognition schemes</li> <li>Clear growth path</li> <li>Staff satisfaction surveys</li> </ul>
Foundational Issues	Key Distribution Channels: Direct Sales; Intermediaries; Digital Channels offerings Leveraging Banc-Assurance	Design a Customer Service Charter Put in place Service Delivery Standards Encourage customer Feedback Design communication strategy Improve product packaging/offering		People

# BK TechHouse Strategy Plan





The 3 years strategy vision is “Creating innovative and digital solutions that bring value to BK Group Plc.”

Vision	Create innovative and digital solutions that bring value to BK Group Plc.		
Overall Aspirations	 <p>Scale up existing systems and keep increasing the digital users up to <b>2,000,000</b></p>	 <p>Improve the <b>company profitability</b> through the <b>Big Data Business</b> with a positive EBITDA starting from 2020</p>	 <p>Enhance <b>governance</b> and <b>internal control systems</b></p>
Themes	A Innovative Digital Platforms	B Growth Path	C Meet the operational best practices
Theme Aspirations	<p><b>Agriculture</b></p> <ul style="list-style-type: none"> <li>Create new digital solutions that enable BK Group to create business opportunity through digital offering in Agriculture;</li> </ul> <p><b>Education</b></p> <ul style="list-style-type: none"> <li>Create new digital solutions that enable BK Group to create business opportunity through digital offering in Education Sector;</li> </ul>	<ul style="list-style-type: none"> <li>Design Big Data Business Module and start monetizing developed Digital Platforms through below digital products portfolio:               <ul style="list-style-type: none"> <li>Data Access</li> <li>Software As a Service</li> <li>Data Analytics</li> </ul> </li> <li>Maximize profitability and cash flow while maintaining annual business growth to 20%-25%</li> </ul>	<ul style="list-style-type: none"> <li>Strong Internal control system</li> <li>Clear KPI management framework &amp; Implement the Performance management Framework</li> <li>Efficiency in cost management</li> </ul>
Foundational Issues	Public Private Partnership with MINAGRI, RAB & NAEB	Regulatory and Policy framework on the Big Data	Strong operational structure



# BK Capital Strategy Plan

BK Capital's mission is to serve as a trusted partner to its clients by responsibly providing financial services and advisory to its clients' finances

Vision	To be the most trusted financial partner offering Innovative financial solutions			
	 <b>Position BK Capital as the leading Advisory &amp; Fund Manager in Rwanda and a major player in East Africa</b>	 <b>Grow Assets Under Management to \$50 Million by 2023</b>	 <b>Adopt flexible financing and fundraising models, beyond capital markets to source additional capital for opportunities</b>	 <b>Develop teams with expertise and build a track record of successful deal execution</b>
	A Strategic Positioning	B Wealth & Fund Management	C Financing & Fundraising	D Human Capital
	<ul style="list-style-type: none"> <li>Develop strategic partnerships with brokers, fund houses and financial solutions providers servicing clients across Africa</li> <li>Develop Innovative products for the Rwandan and regional market</li> <li>Develop systems &amp; processes across the products we offer</li> <li>Market Reports and research Insights that will drive decision making</li> </ul>	<b>Develop a diverse suite of products:</b> <ul style="list-style-type: none"> <li>Income fund for sale to local and International Investors</li> <li>Exchange Traded Funds (ETF) with Investments in a basket of securities</li> <li>East Africa Equity &amp; Fixed Income fund attracting International &amp; local Investors to focus on blue chips stocks</li> </ul>	<b>Develop a variety of capital raising channels through:</b> <ul style="list-style-type: none"> <li>Private Placements</li> <li>Mergers &amp; Acquisitions (M&amp;A)</li> <li>Private Equity</li> </ul> <b>Capital Market Channels through:</b> <ul style="list-style-type: none"> <li>Corporate Bonds</li> <li>Initial Public Offers (IPOs)</li> </ul>	<ul style="list-style-type: none"> <li>Build the human capital that will meet the long term objectives of being the "benchmark" in the market</li> <li>Develop Risk Management Policies concerning good market practices</li> <li>Develop In-house proprietary reporting and Investment management tools</li> </ul>
	Foundational Issues	Foundational Issues		Foundational Issues
	Strategic Partnerships	Systems & Processes		People

# Management Targets

	Outlook 2022	2021
Loan Growth	10% - 15%	16.4%
Deposit Growth	20% - 25%	23.2%
Net interest Margin	10.5% - 11%	10.9%
Non Funded Income	20% - 25%	21.8%
Cost to Income Ratio	35% - 40%	36.3%
Return on Equity	18% - 20%	19.1%
Return on Assets	3.5% - 4.0%	3.6%
Cost of Risk	< 2.5%	3.4%
NPLs	≤ 5%	5.3%



# DISCLAIMER

This presentation contains statements that constitute “forward-looking statements”, including, but not limited to, statements relating to the implementation of strategic initiatives and other statements relating to our business development and financial performance.

While these forward-looking statements represent our judgments and future expectations concerning the development of our business, a number of risks, uncertainties and other factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, (1) general market, macroeconomic, government policies, legislative and regulatory trends, (2) movements in local and international currency exchange rates, interest rates and securities markets, (3) competitive pressures, (4) technological developments, (5) changes in the financial position or credit worthiness of our customers, obligors and counterparties and developments in the markets in which they operate, (6) management changes and changes to the Bank’s structure and (7) other key factors that we have indicated could adversely affect our business and financial performance, which are contained elsewhere in this presentation and in our past and future filings and reports, including those filed with the National Bank of Rwanda and the Rwanda Stock Exchange.

We are under no obligation (and expressly disclaim any such obligations to) update or alter our forward-looking statements whether as a result of new information, future events, or otherwise.

1. Economic Outlook

pg. 33

2. Banking Sector Outlook

pg. 36

3. Share Performance

pg. 44



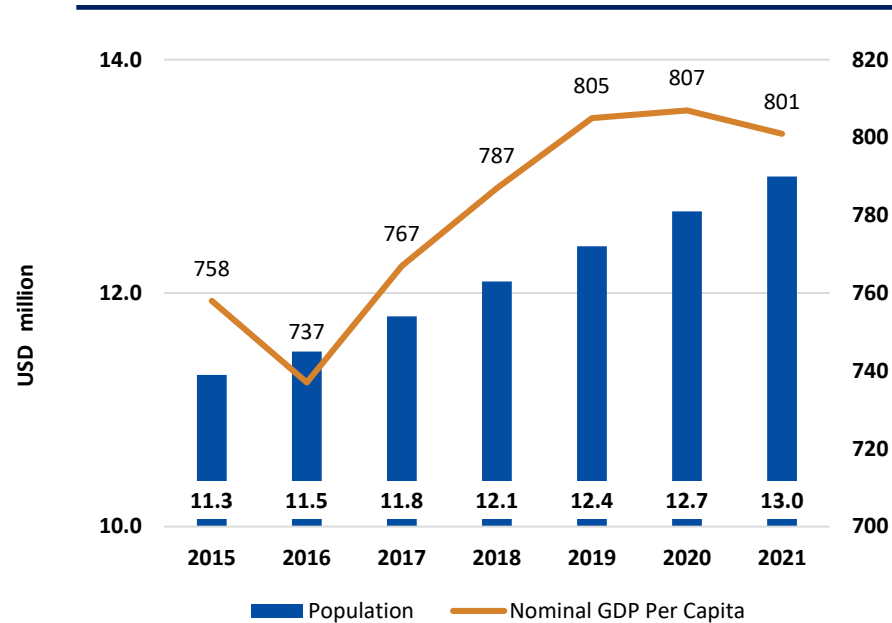


## ECONOMIC OUTLOOK

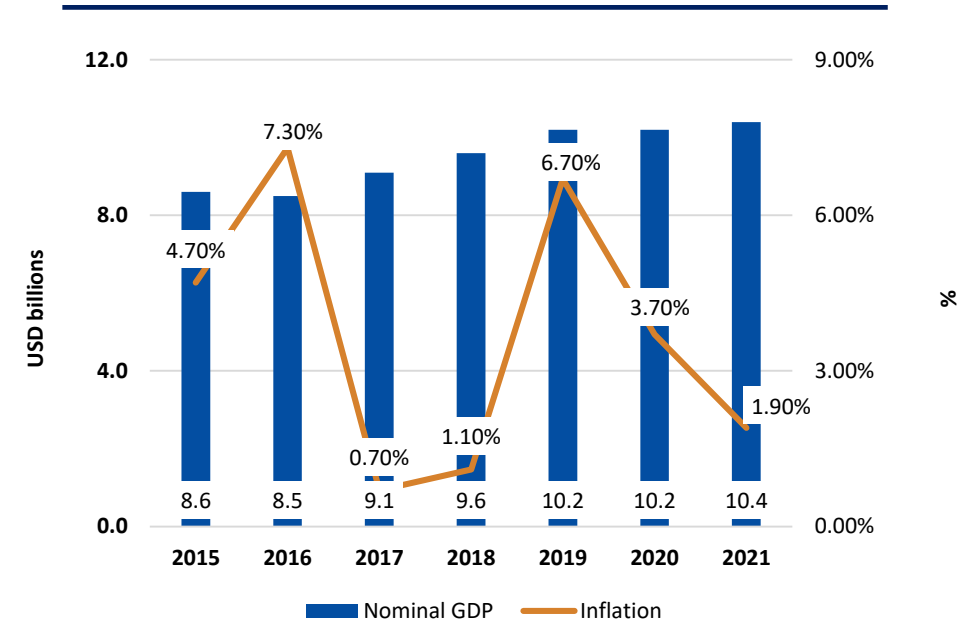
# Rwanda Country Profile

## Sound macro fundamentals

GDP per Capita continues to Grow



Healthy GDP growth with moderating inflation



- Politically stable country with sound governance
- Attractive demographic profile: population of 13.0 Million
- In 2021, estimates calculated in 2017 prices show that GDP increased 10.9% compared to 2020. This reflects the low spread in public health catastrophe of Covid-19 compared to 2020.
- Moderate urban inflation with rate of 5.8% in February 2022

Source: NISR, Renaissance Capital Report, Finscope Rwanda Report

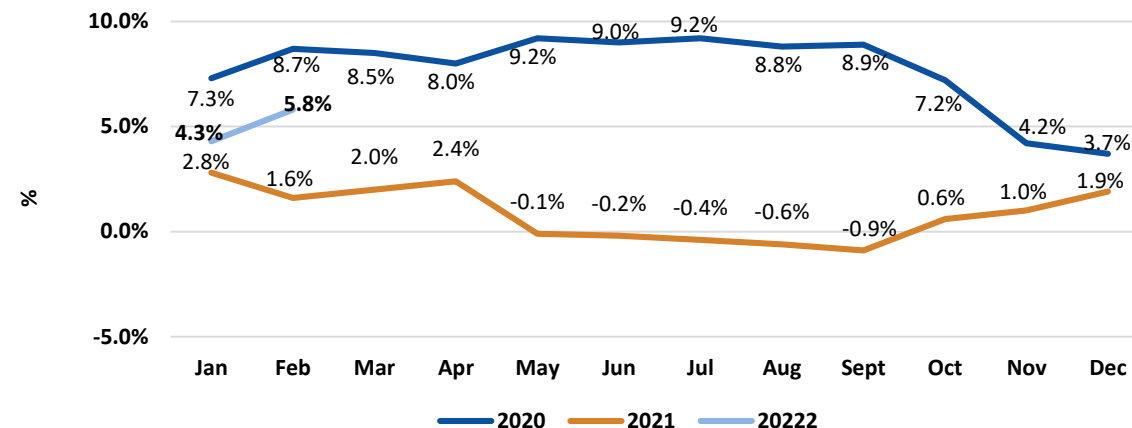
# Review of the Macro Economic Environment

## Macro Economic Review 2021

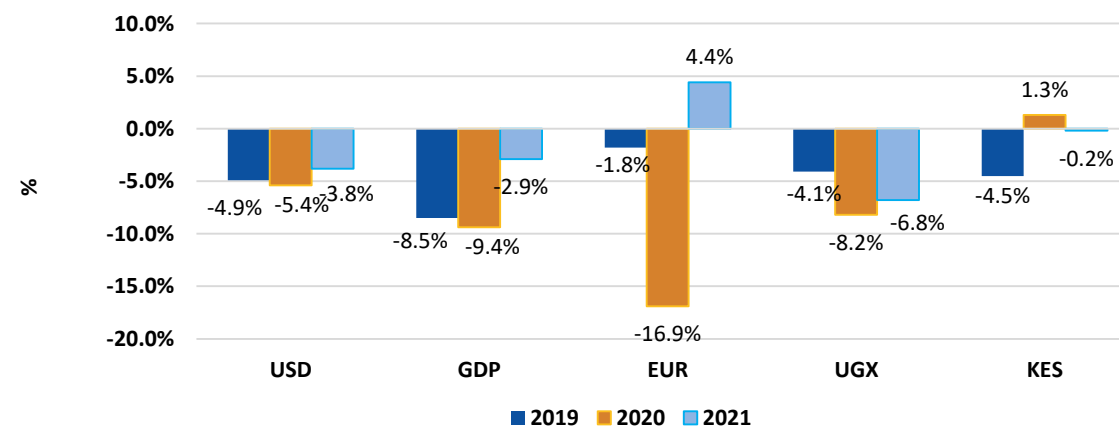
- In 2021, GDP at current market prices was estimated at Frw 10.944 Billion, up from Frw 9.607 Billion in 2020.
- Services sector contributed 48% of GDP, Agriculture sector contributed 24% of the GDP, and Industry sector contributed 20% of GDP while 8% was attributed to adjustment for taxes less subsidies on products.
- In 2021, estimates calculated in 2017 prices show that GDP increased 10.9% compared to 2020. This reflects the low spread in public health catastrophe of covid19 compared to 2020.
- In this year, Agriculture sector increased by 6% and contributed 1.6% points to the overall GDP growth. Activities in the Industry sector increased by 13% and contributed 2.4% points to the GDP growth. Service sector increased by 12 % and contributed 5.6% points to the GDP growth.
- In 2021, private final consumption expenditure was 72% of the GDP while government final consumption expenditure was 17%. Gross capital formation was estimated at 26% of GDP.
- In this year, imports of goods and services increased by 4% at constant 2017 prices; exports of goods and services increased by 3%.

Source: BNR, NISR; Rwandan Franc (FRw) 1,013.5 FRw = 1 US\$ as at December 31<sup>st</sup>, 2021

## Inflationary Environment



## Exchange Rates Development



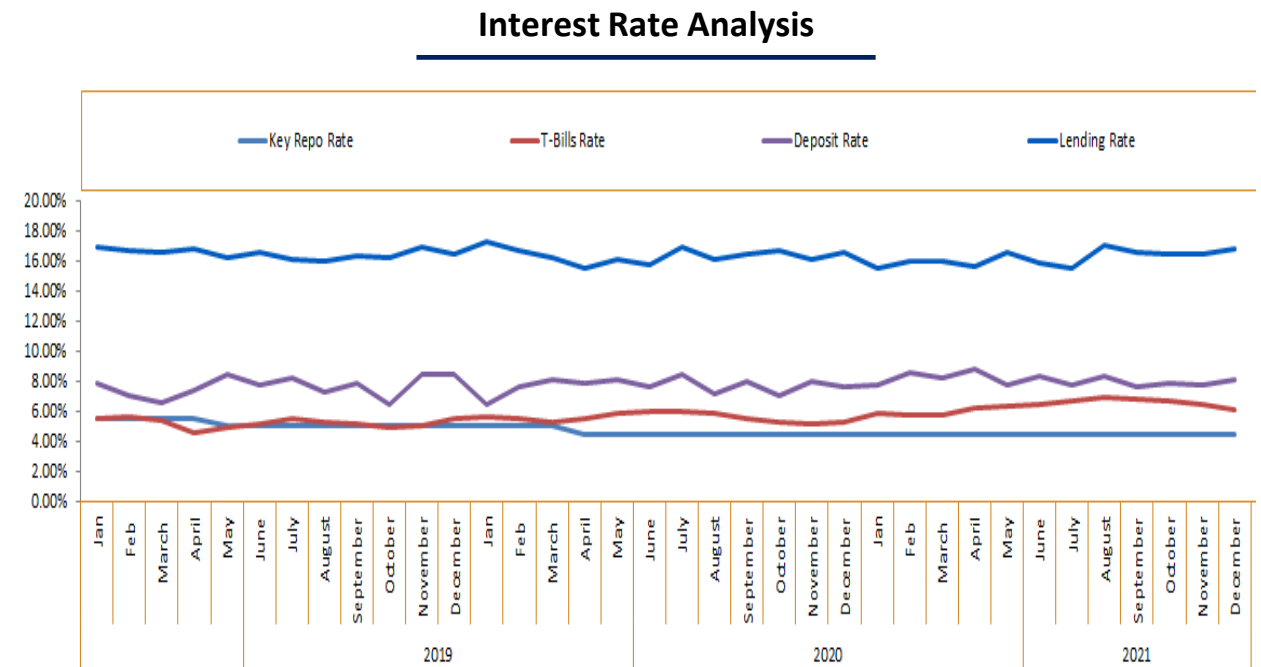
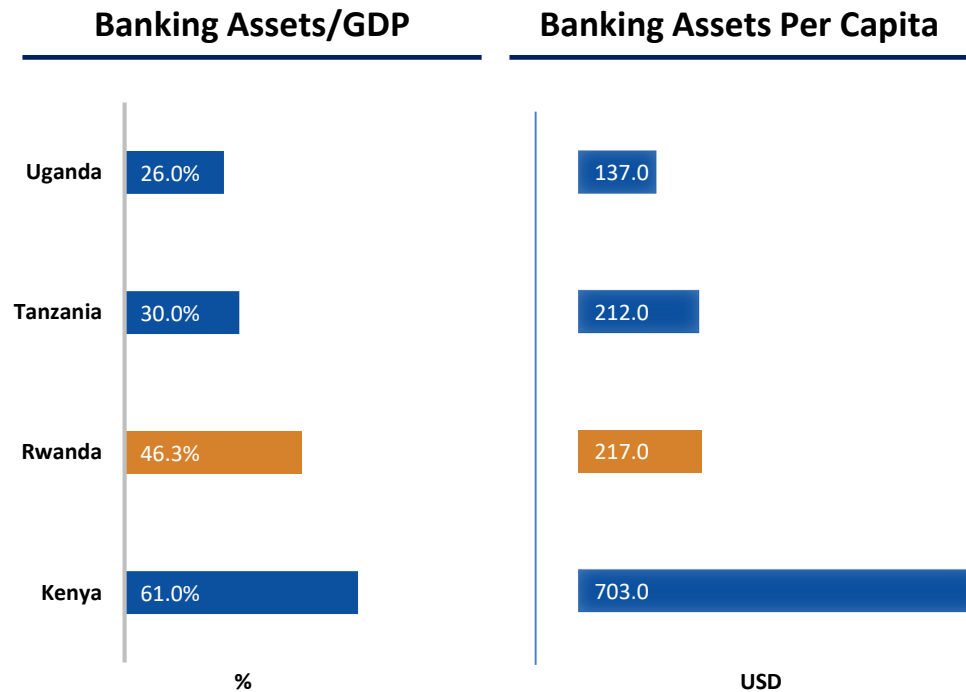




## BANKING SECTOR OVERVIEW

# Banking Sector Overview

## Significant Banking Sector Potential



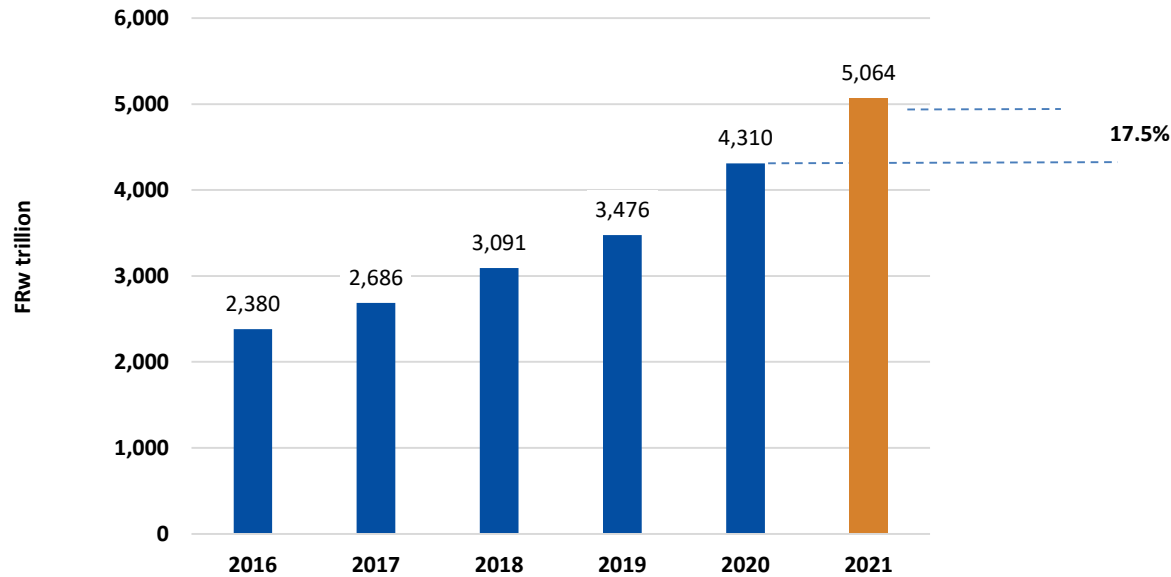
- Well regulated banking sector: fairly conservative regulator relative to other regulators in the EAC
- Significant headroom for growth given under-banked and excluded population
- Significant headroom for growth given under-banked and excluded population; 36% of adults in Rwanda are banked or are using banking services
- Total assets/GDP of 46.3% as at December 31st, 2021.

Source: Exotic Frontier Equities, National Bank of Rwanda Monetary Policy Statement, Population stats by World Bank

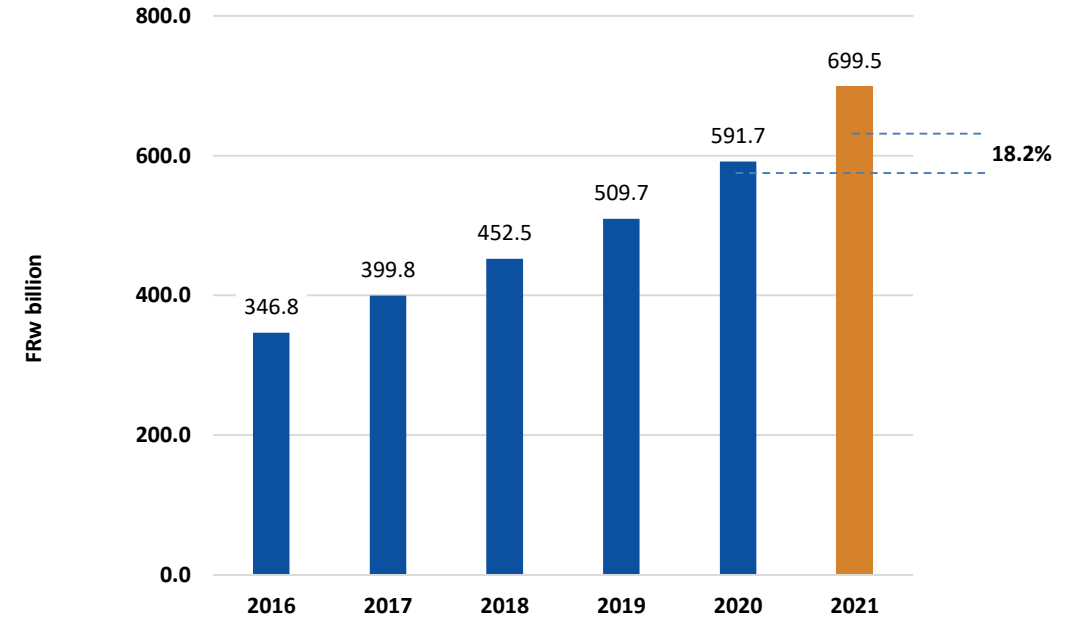


# Financial Sector Overview

## Rwanda Banking System Total Assets



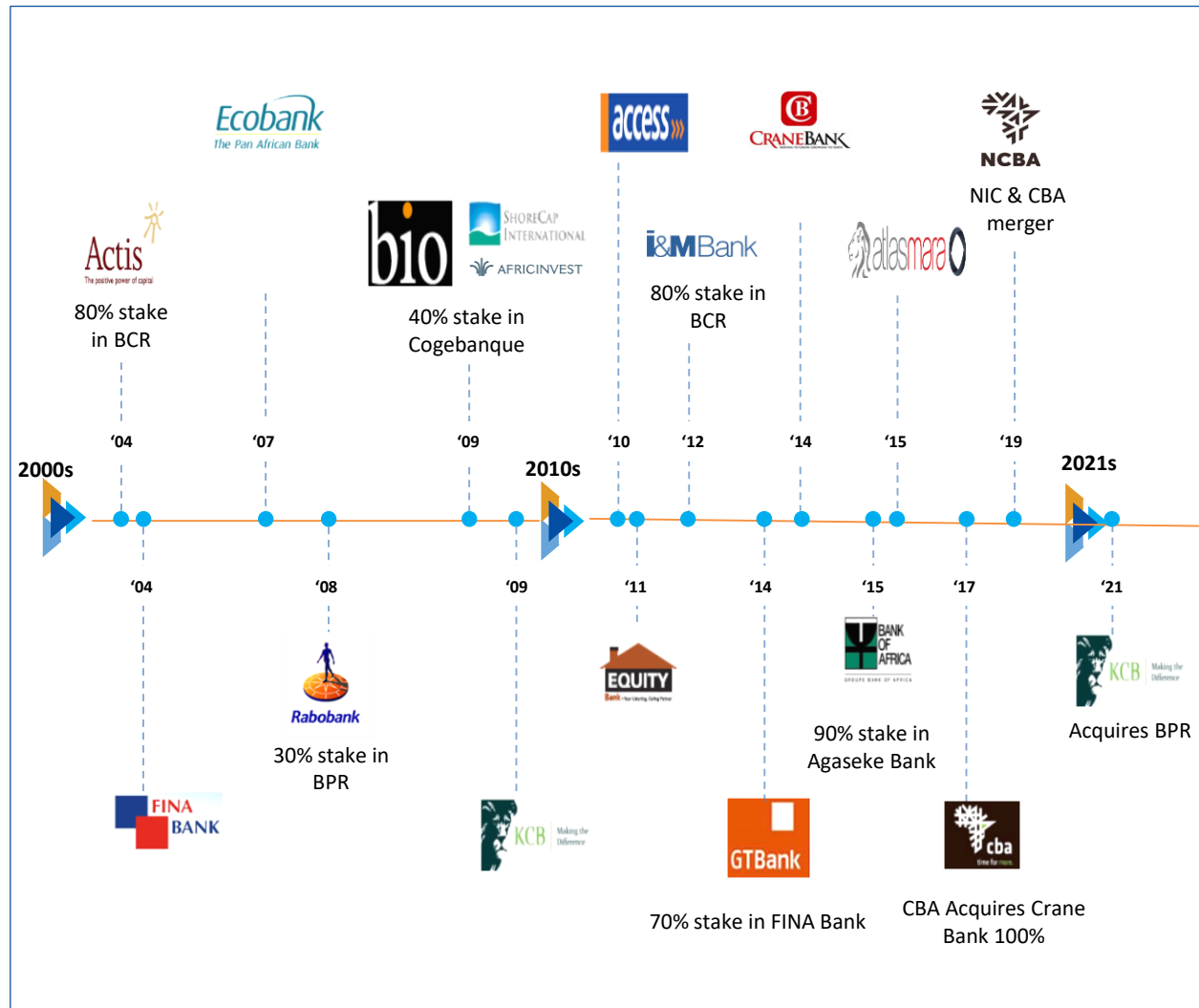
## Rwanda Insurance Sector Total Assets



- The Financial sector is expected to remain sound and stable.
- Banking assets registered annual growth rate of 17.5% to FRw 5,064 trillion in December 2021 from FRw 4,310 trillion in December 2020.
- The Insurance Sector registered a growth rate of 18.2% to FRw 699.5 billion in December 2021 FRw from 591.7 billion in December 2020

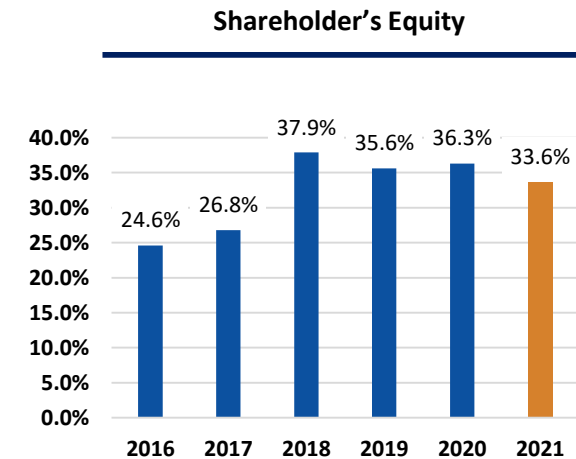
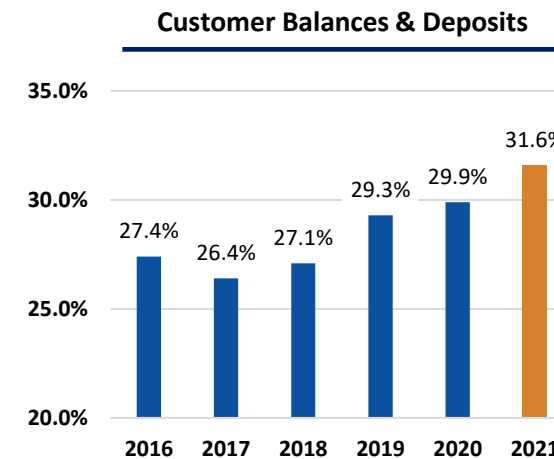
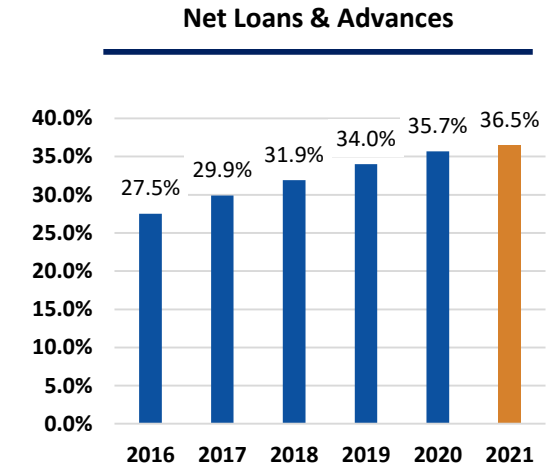
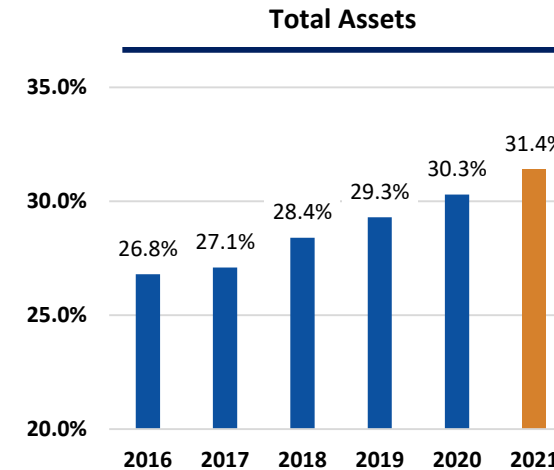
Source: NISR, Renaissance Capital Report, Finscope Rwanda Report

# Timeline of Foreign Investment In The Rwandan Banking Sector














Source: NISR, Renaissance Capital Report, Finscope Rwanda Report, BNR

## Bank of Kigali Market Share



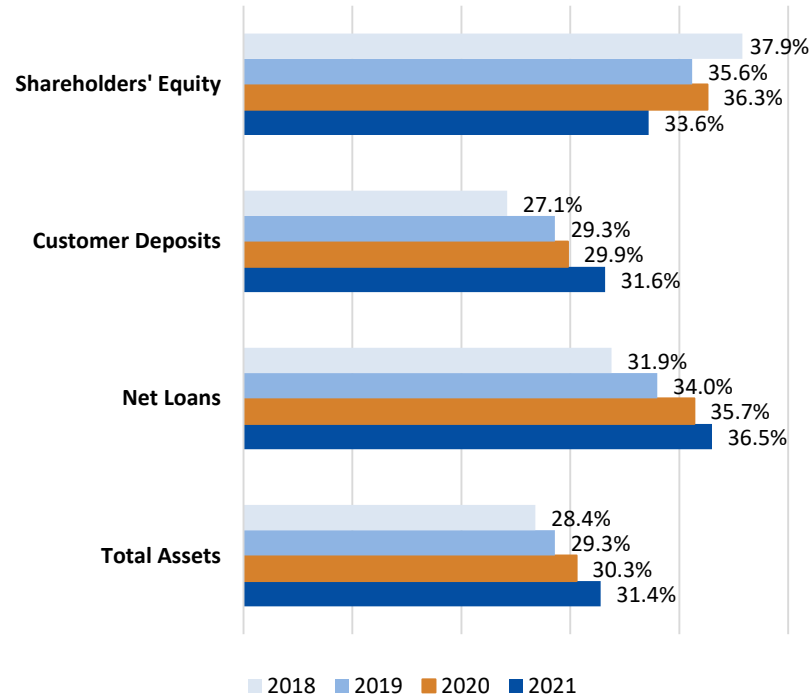
# Top Bank in Rwanda

Entity	Total Assets		11Net Loans		Customer Deposits		Equity	
	% Market Share	Rank	% Market Share	Rank	% Market Share	Rank	% Market Share	Rank
 BK GROUP PLC	37.8%	1	45.0%	1	37.0%	1	39.6%	1
 EQUITY	11.0%	2	10.2%	2	11.5%	2	10.7%	2
 I & M	10.8%	3	9.9%	3	10.5%	3	10.2%	3
 bpr atlasmaro	10.2%	4	9.0%	4	9.4%	4	9.3%	4
 cobanque	7.2%	5	8.1%	5	7.1%	5	7.0%	6
 KCB	6.0%	6	7.7%	6	6.1%	6	6.4%	5
 Ecobank The Pan African Bank	4.8%	7	2.4%	8	5.8%	7	4.8%	7
 access	3.8%	8	2.2%	10	4.5%	8	3.9%	8
 GTBank	3.1%	9	2.2%	7	3.9%	9	3.6%	9
 BANK OF AFRICA Groupe BICE BANK	3.0%	10	1.8%	11	2.1%	11	2.9%	11
 NCBA	2.2%	11	1.6%	9	2.1%	10	1.6%	10

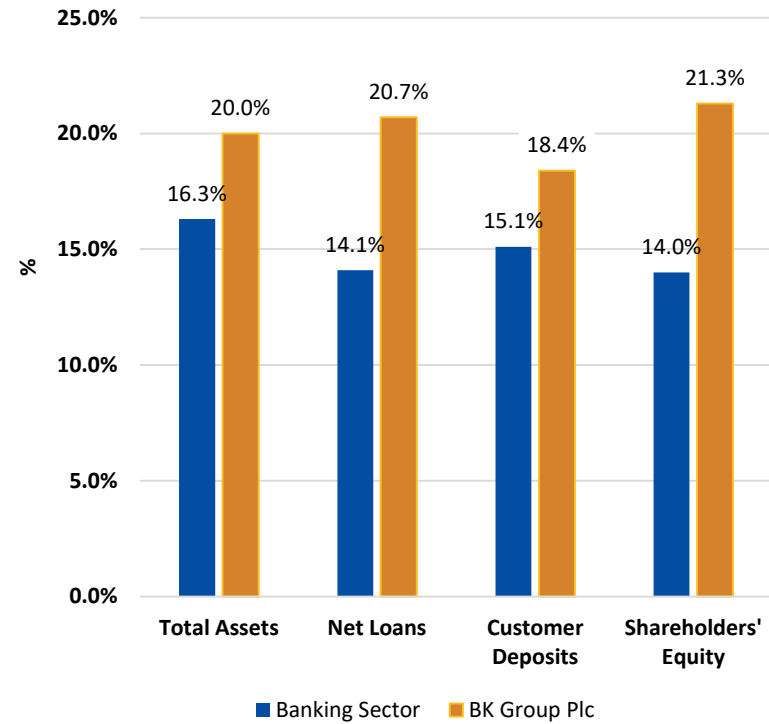
Source: 9M 2021 Published financials

# Market Share Dynamics

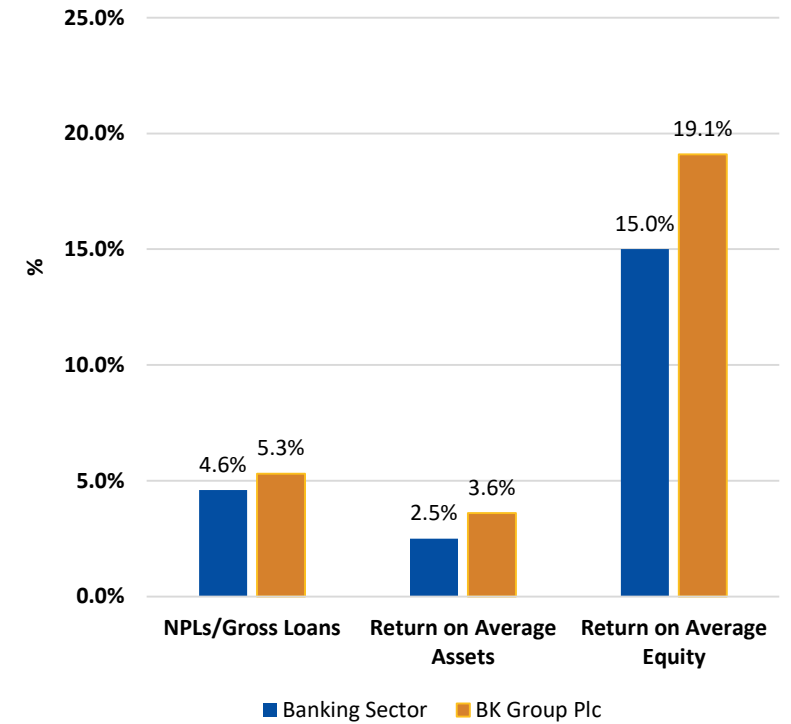
## Market Share for Banking Sector



## Bank of Kigali vs. Banking Sector Growth CAGR 2016 - 2021

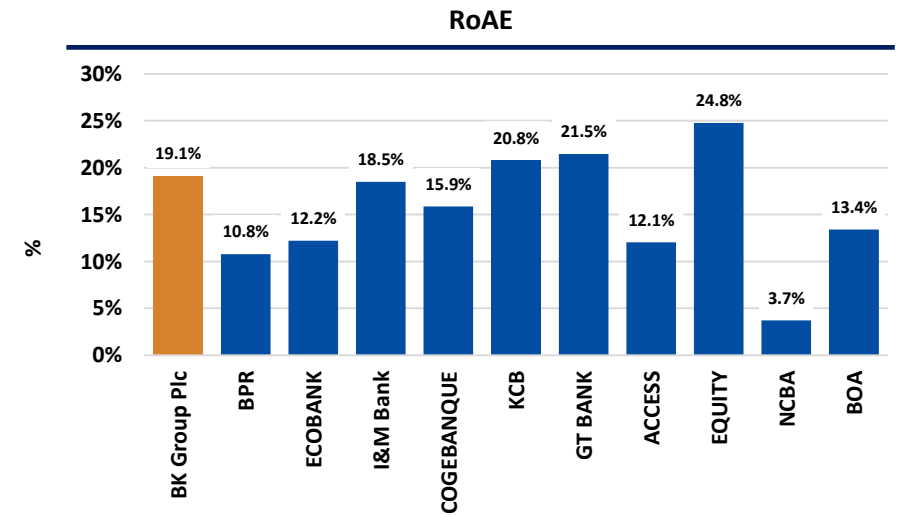
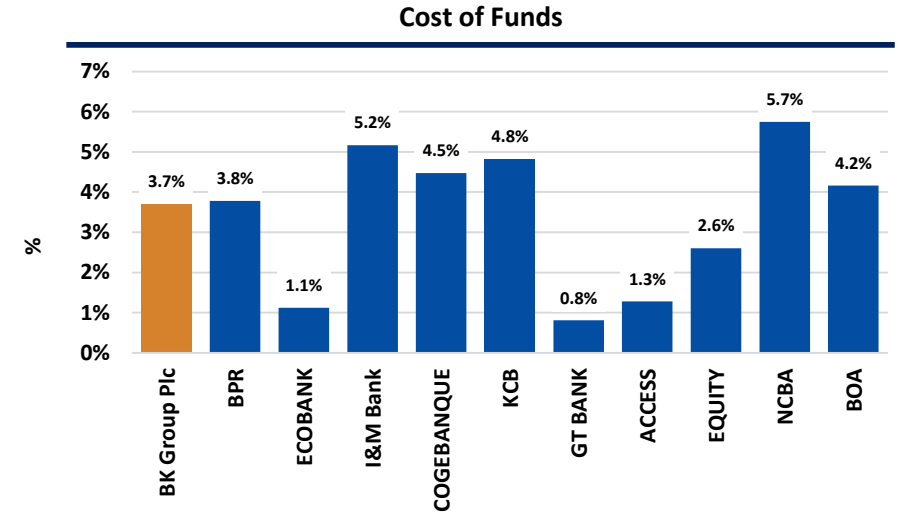
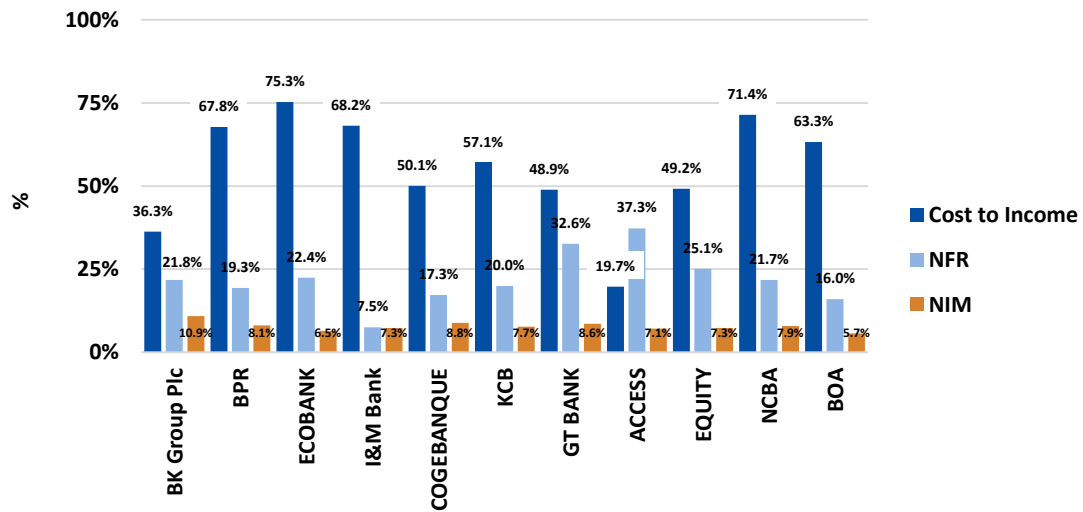
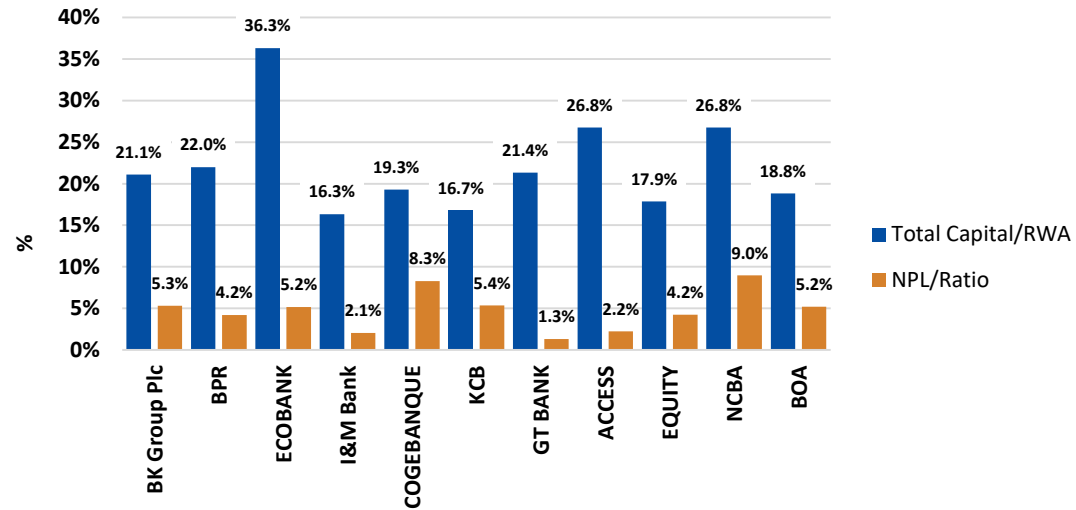


## Selected Indicators 2021



Source: BNR

# Competitive Landscape: Rwanda

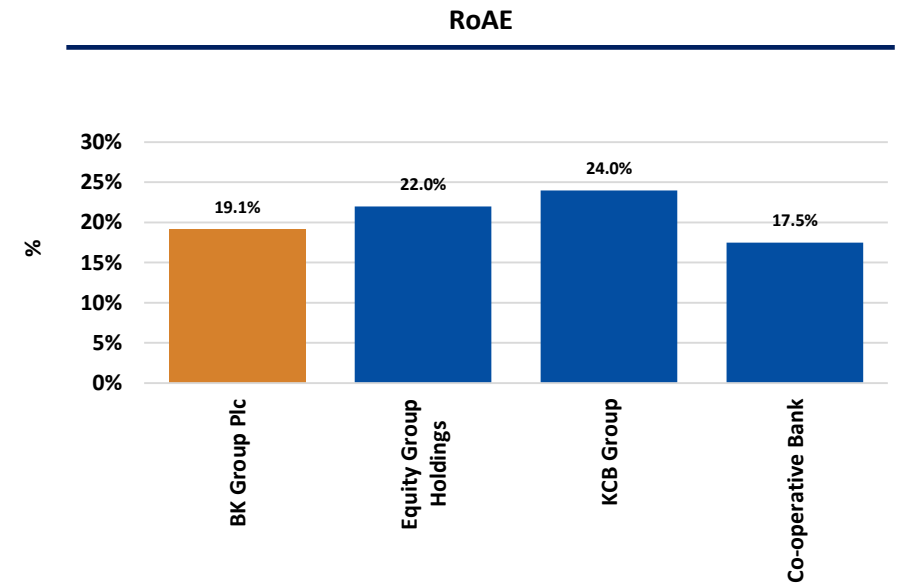
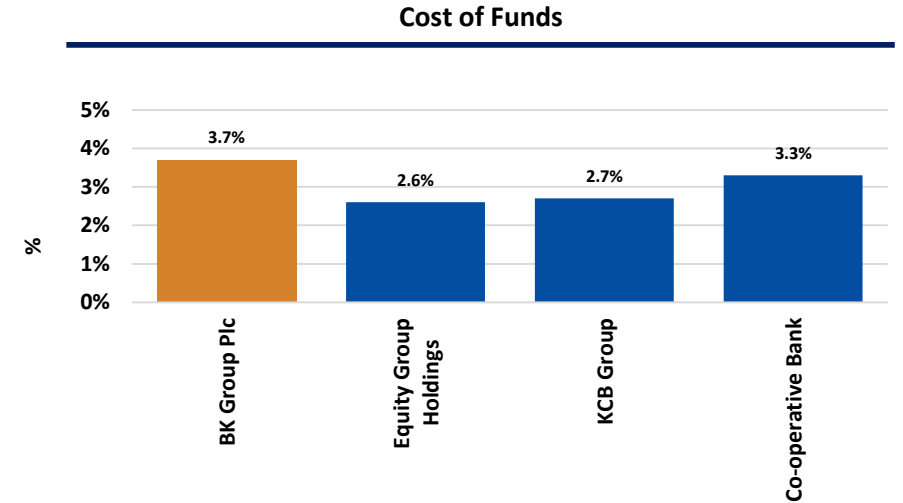
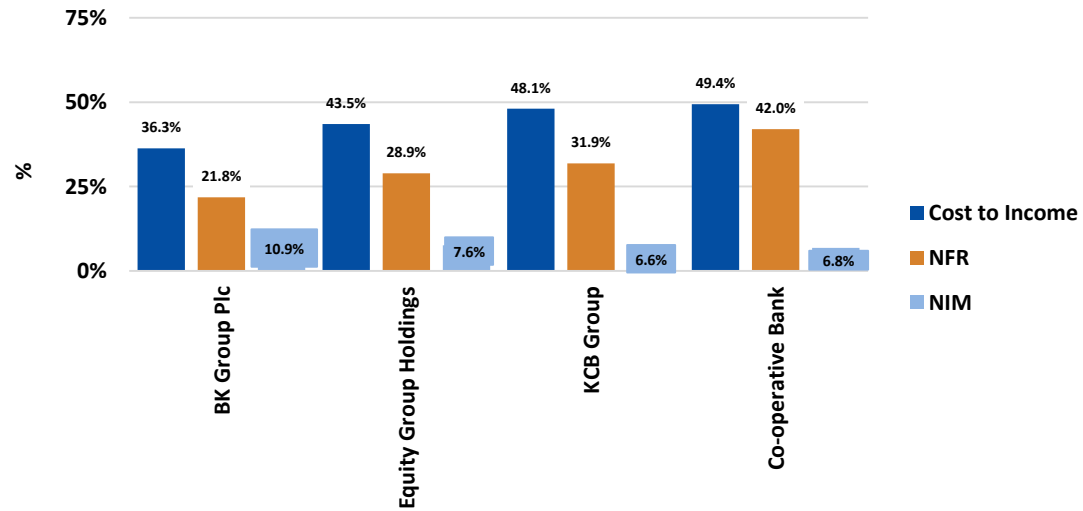
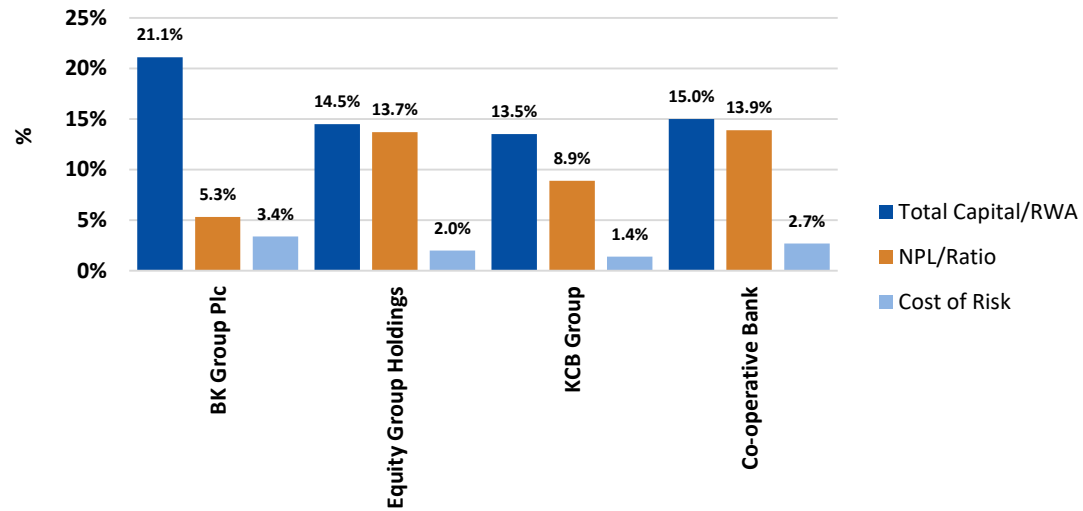


Rwandan Franc (FRw) 1,013.5 FRw = 1 US\$ as at December 31<sup>st</sup>, 2021

Source: BK FY 2021 financials & 9M 2021 published financials from other commercial banks



# Competitive Landscape: Kenya



Rwandan Franc (FRw) 1,013.5 FRw = 1 US\$ as at December 31<sup>st</sup>, 2021

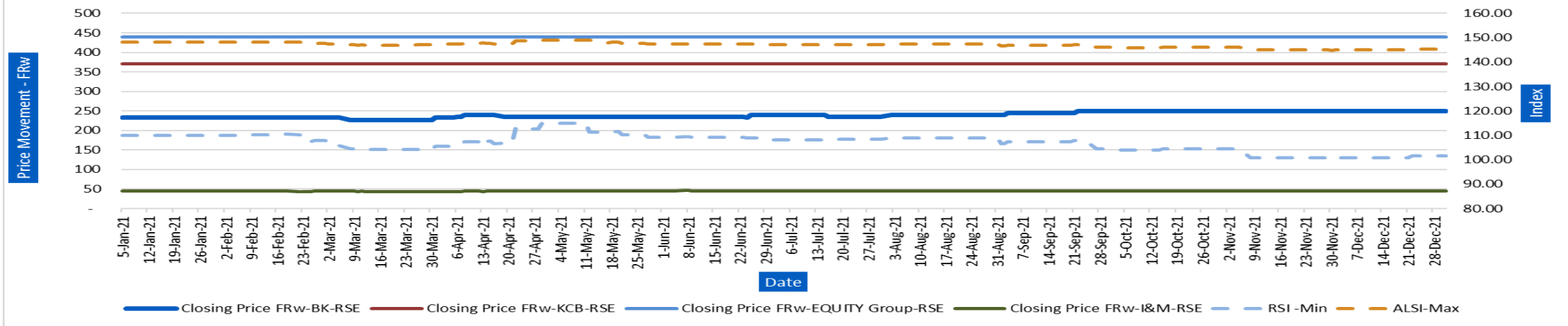
Source: BK FY 2021 financials & 9M published financials from other commercial banks



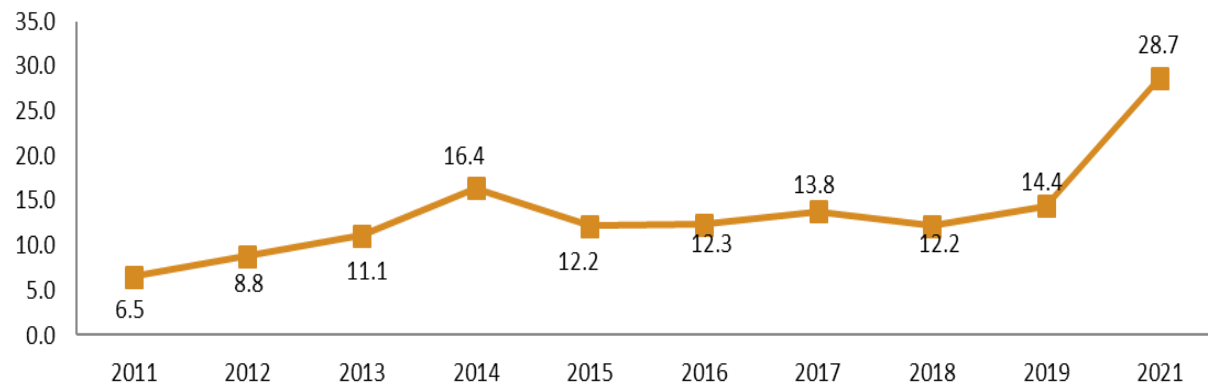
## SHARE PERFORMANCE

# Share Price Performance FRw - Rwanda

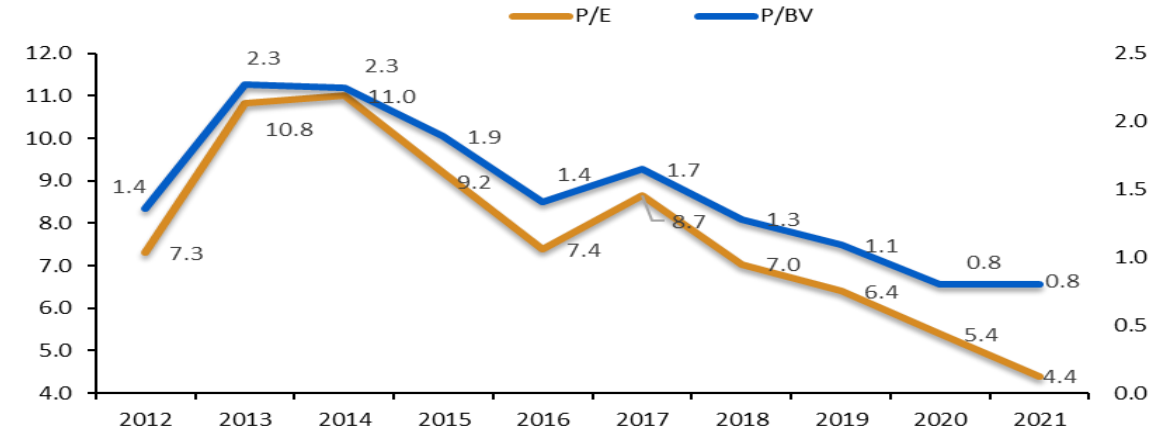
Share Price Performance in FRw of BK vs. I&M, Equity and KCB on RSE



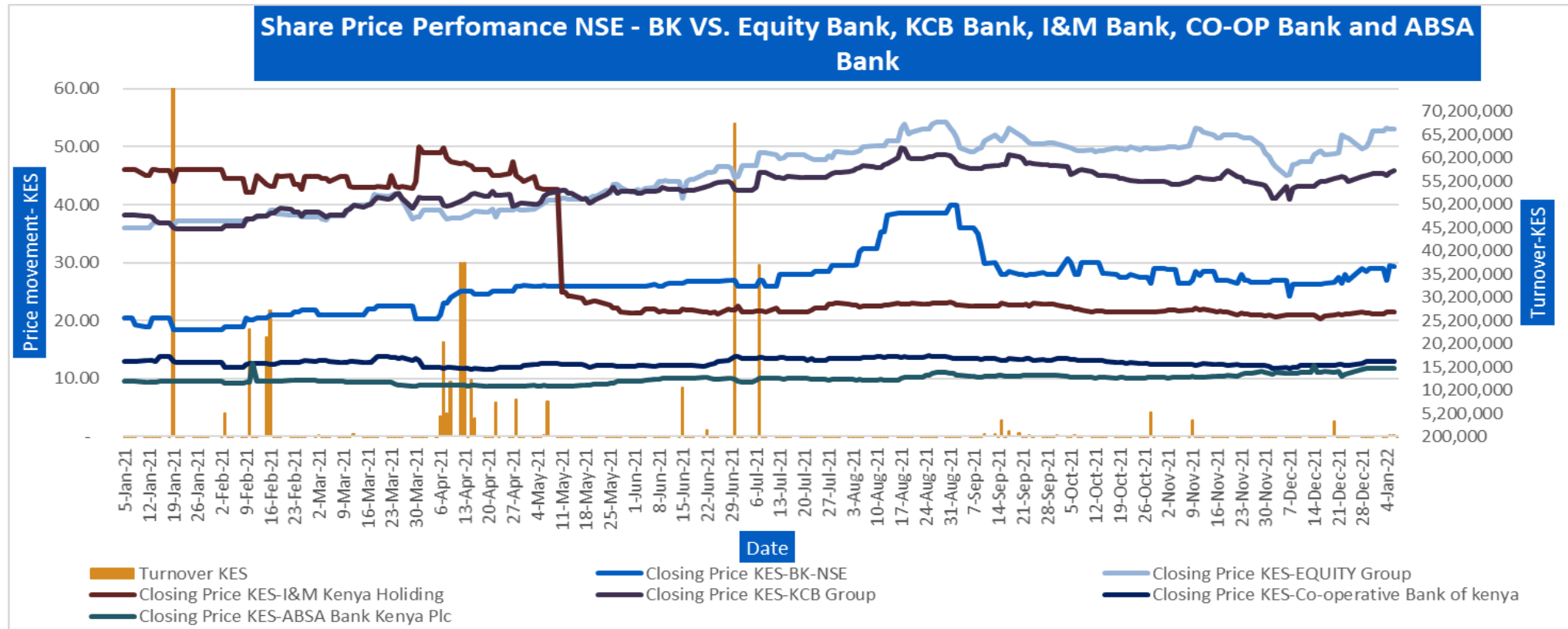
Dividends Per Share (FRw)



P/E ratio and P/B



# Share Price Performance KeS - Kenya







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