

Bank of Kigali 1H20 first read – In line

Ticker: BOK RW
 Rating: **HOLD**
 Target price: Rwf271
 Current price: Rwf240

BK's 1H20 results just out and they're **in line** with our forecasts. **PBT/PAT of Rwf23bn/Rwf16bn represent 51% of our FY20E forecasts.**

Better than expected NIR and costs were offset by higher than expected impairment charges.

On management's numbers:

- NIM down 2ppts and 0.8ppts QoQ and YtD respectively;
- CIR flat QoQ at 36%, maintaining its YtD improvement vs FY19 CIR of 42%;
- NPL ratio flattish at 5.7% vs 1Q20 and FY19;
- CoR dropped to 2.8% in 2Q20 vs 7% in 1Q20...blending at 4.6% in 1H20;
- RoE of 14.2% vs 18% in FY19; and
- CAR healthy at 28%.

BK Group - 1H20 earnings tracker

RWF bn

1H20 PBT	23
FY20E PBT	45
% of FY20 forecast	51%
1H20 PAT	16
FY20E PAT	32
% of FY20 forecast	51%

BK Group - 1H20 earnings breakdown

RWF bn

1H20 NII	52
FY20E NII	105
% of FY20 forecast	49%
1H20 NIR	13
FY20E NIR	22
% of FY20 forecast	58%
1H20 impairment	18
FY20E impairment	30
% of FY20 forecast	60%
1H20 operating expenses	23
FY20E operating expenses	52
% of FY20 forecast	44%

Source: Company data, Renaissance Capital estimates