



**Bank of Kigali Limited**

**Financially Transforming Lives**



Kigali, 14<sup>th</sup> February, 2012

594.4 Rwf/US\$ Period End Exchange Rate as at 31 December 2010  
604.4Rwf/US\$ Period End Exchange Rate as at 31 December 2011

***Bank Of Kigali Announces Unaudited IFRS-based Full-Year 2011 Financial Highlights, Management Targets For 2012, Annual General Meeting Date and Dividend Policy Recommendation***

Bank of Kigali (the “Bank”), the largest bank in Rwanda by market share of total assets, loans, deposits and shareholders’ equity, has announced today its full-year 2011 unaudited financial highlights, reporting Net Income of Rwf 8.2 billion (approximately US\$ 13.6 million) for the year 2011, up 33% y-o-y.

**Financial Highlights 2011**

- Total Assets grew by 47.4% y-o-y to Rwf 291.3 billion as at 31December 2011
- Net Loans grew by 22.3% y-o-y to Rwf 124.1billion as at 31December 2011
- Client Balances &Deposits grew by 33.4% y-o-y to Rwf 181 billion as at 31December 2011
- Shareholders’ Equity grew by 88.2% y-o-y to Rwf60 billion as at 31December 2011
- Return On Average Assets in 2011 was 3.4%virtually unchanged from 2010, despite the rapid growth of the Bank’s balance sheet
- Return on Average Equity decreased to 17.9% from 24.5%, as a result of the additional equity raised in the IPO
- Cost/Income ratio increased to 48.4%, from 47.5% at 31 December 2011
- Gross Loans/Assets was 44.9% at 31 December 2011, down from 53.4% y-o-y, as the Bank is yet to deploy the additional capital raised in the IPO
- NPL Coverage improved to 70.6%, up from 44.7%,as a result of prudent provisioning and credit risk management

The Bank expects to publish its audited IFRS-based financial statements for 2011 on or around 15 March 2012. The above highlights are based on unaudited management accounts and, as such, may differ materially from the audited accounts.

**Management Targets 2012**

In order to ensure that the Bank maintains profitable growth while enhancing its leading position in the Rwandan market, the Board of Directors has set the following key targets for Management for the financial year 2012.

- |                                       |  |
|---------------------------------------|--|
| • Return On Average Equity            | 20%, compared to 17.9% in 2011                 |
| • Total Assets Growth                 | 30%, compared to 47.4% in 2011                 |
| • Gross Loans/Total Assets by YE 2012 | 60%, up from 44.9% as at YE 2011               |
| • New Branches Opened In 2012         | 12, compared to 11 new branches opened in 2011 |



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### **Annual General Meeting Date**

The Board of Directors has set the date for the Annual General Meeting (the “AGM”). The AGM will be held in Kigali on 27 April 2012, and will be combined with an Investor Day. The AGM agenda will be published shortly.

### **Dividend Pay-out**

In preparation for the AGM and in accordance with Rwandan law, the Board of Directors formulated its recommendation on the dividend policy of the Bank. The dividend policy will be set by the AGM. The Board of Directors recommends that the AGM adopt the dividend policy calling for the payout of 50% of the Bank’s audited IFRS-based Net Income in respect of 2011, 2012 and 2013. The Board of Directors further recommends that the policy be adjusted in respect of the subsequent years, with a view to reducing the dividend payout rate from the 50% level, and notes that such reduction in the dividend payout rate from 2014, if resolved by the AGM, is unlikely to result in the decrease of the annual dividend in absolute terms.

In the event that the dividend policy recommend by the Board of Directors is adopted by the AGM, the overall dividend payout in respect of 2011 is estimated at Rwf 4.1 billion (US\$6.8 million at the current exchange rate), provided that the audited IFRS-based Net Income for 2011 does not differ materially from that in the unaudited management accounts. This would result in the annual dividend of approximately Rwf 6.2 per share, or an approximately 5% dividend yield based on the current share price of Rwf 125.

Under Rwandan tax law currently in effect, dividends paid on ordinary shares listed on the Rwanda Stock Exchange are subject to withholding tax of 5% for resident taxpayers of Rwanda and the East African Community and 15% for non-resident taxpayers of Rwanda or East African Community.

“We are pleased to have been able to create shareholder value for over 6,000 shareholders by generating earnings per share of Rwf 12.29 in 2011.

We relish the challenge of achieving the key management targets set for 2012 by the Board of Directors”, commented **James Gatera**, *Chief Executive Officer*.

“Having completed the budget planning cycle for 2012, we look forward to continued success of the management team in delivering profitable growth”, commented **Lado Gurgenzidze**, *Chairman*.



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## About Bank of Kigali

Established in 1966, the Bank is the largest bank in Rwanda by total assets, with an estimated 33% market share as of 31 December 2011. The Bank has 46 branches in Rwanda and provides retail and commercial banking services to over 100,000 individuals and over 13,000 legal entities.

In 2011, the Bank became the second domestic company to be listed on the Rwanda Stock Exchange. It is the 2<sup>nd</sup> year that it maintained the credit rating of A+/A1 by Global Credit Rating Agency from South Africa. The Bank has been recognized, for three years running since 2009, as the **Best Bank in Rwanda** by *emeafinance* and **Bank of the Year** by *The Banker*. In 2011 it was also recognized as the **Company of the Year** by the Kenya Institute of Management Rwanda.

For further information, please visit [www.bk.rw](http://www.bk.rw) or contact:

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