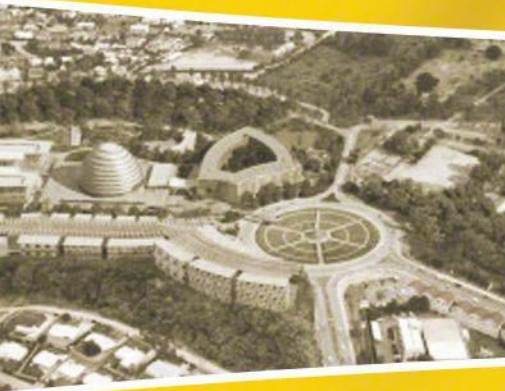




Republic of Rwanda:

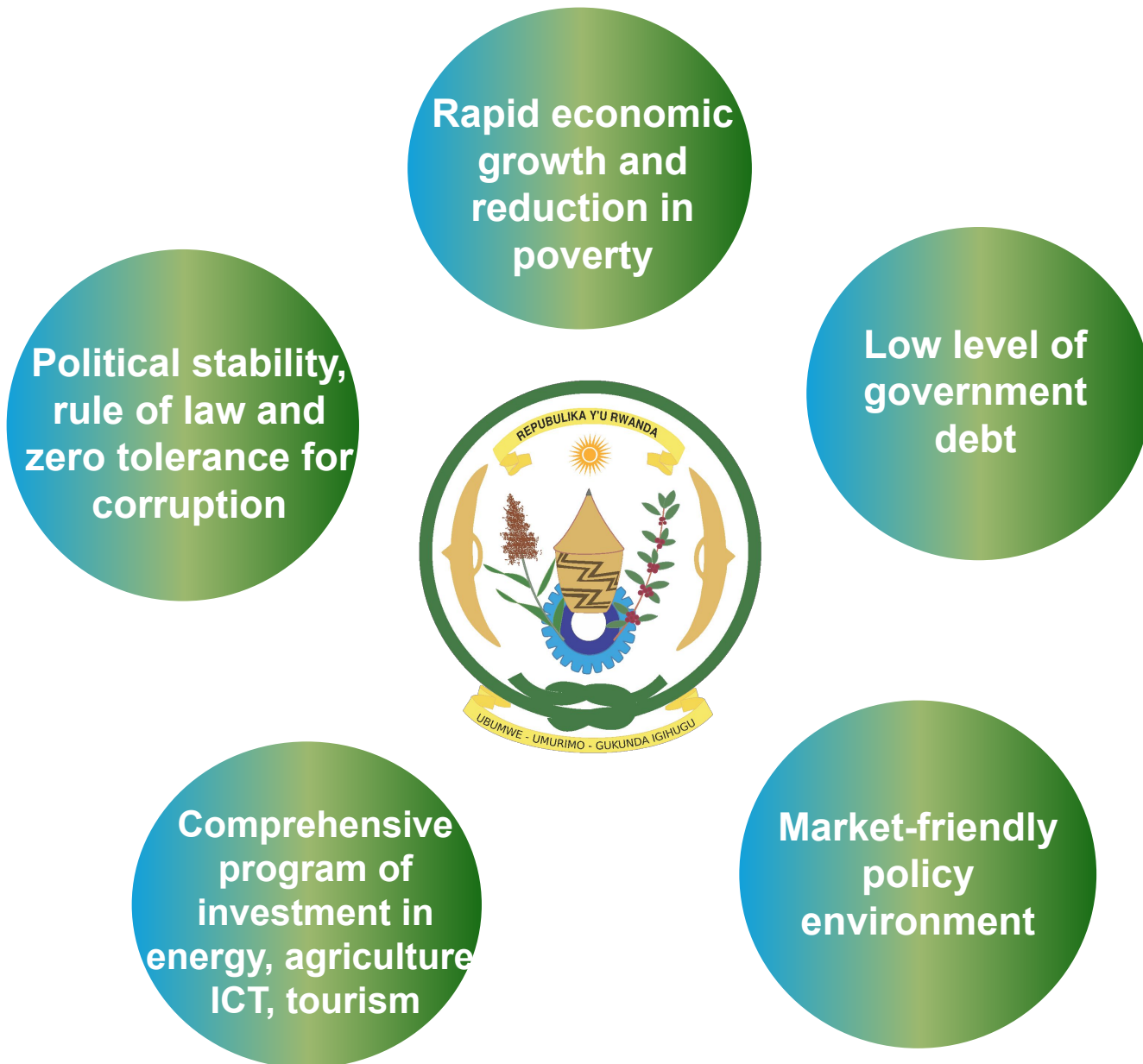
A Model of Reform-Driven, Market-Based, Sustainable Development

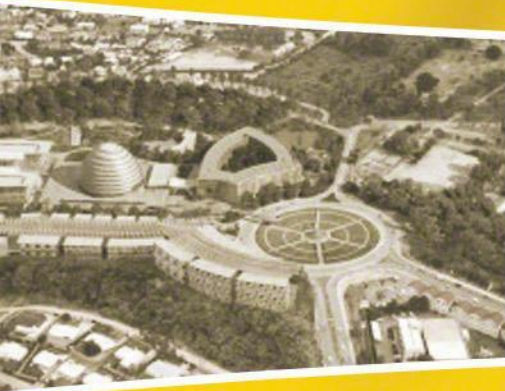


Investor Presentation

April 2015

Key Achievements over the last two decades

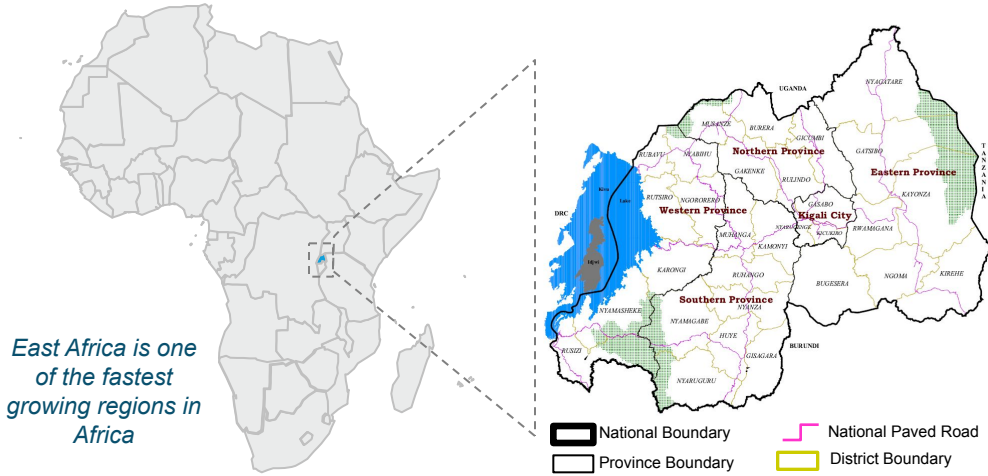




1. Country Overview

Rwanda at a Glance

Rwanda in the heart of Africa



Key Facts

Capital	Kigali
Population	11 million (2014) ¹
Nominal GDP	RwF 5389 billion (2014, approx. US\$ 7.9 billion) ²
GDP Growth	7.0 % (2014) ³
Literacy Rate	71% ⁴
External Debt (% of GDP)	22.3% (End 2014) ⁵
Time to Start a Business	6.5 days ⁶
Credit Rating	B+ (Positive); B+ (Stable)
Currency	Rwandan Franc (694 RwF = 1 US\$ as of end March 2015) ⁸

1. National Institute of Statistics Rwanda (NISR)
2. NISR; NBR for exchange rate (RwF 682/ US\$ is 2014 average)
3. NISR
4. UNICEF - Literacy rate, adult total (% of people ages 15 and above) 2011 (Latest Available).
5. MINECOFIN, excludes publically guaranteed external debt (which equals approx. 1% GDP)
6. World Bank Doing Business Report 2015
7. Fitch January 2015; Standard & Poor's March 2015
8. BNR

Rating Considerations

	Foreign Currency	Local Currency	Outlook
STANDARD & POOR'S RATINGS SERVICES	B+	B+	Stable
FitchRatings	B+	B+	Positive

- “We consider that Rwanda’s external position is improving because we perceive risks from external shocks—namely reliance on donor support, or refinancing the growing stock of government external debt—have diminished... We think that the stability in external financing and continued government investment spending will support higher economic growth rates in the next few years.”
(S&P, Rating Report – March 2015)
- “The country has a track record of prudent and coherent macroeconomic management, including maintaining moderate inflation (4.2% in 2010-14), a stable exchange rate and a sound financial system. The authorities have been successful in improving the business environment, especially in terms of reducing red-tape and increasing credit accessibility.”
(Fitch, Rating Report – January 2015)

Rwanda and the International Community

- Performance under the IMF’s Policy Support Instrument (PSI) remains satisfactory. Structural reforms are advancing as planned, fiscal and monetary policy continue to be well coordinated and the government is moving ahead with much-needed revenue mobilization efforts
- Rwanda is also a member of the African Development Bank Group
- Rwanda is one of the most business-friendly countries in Africa
- Ranked 3rd among the Sub-Saharan Africa countries, after Mauritius and South Africa, and 46th globally, out of 189 countries included in the World Bank’s Doing Business Report 2015. It is also the highest ranking economy within the index in the low income category
- Rwanda is member of EAC, COMESA and Commonwealth

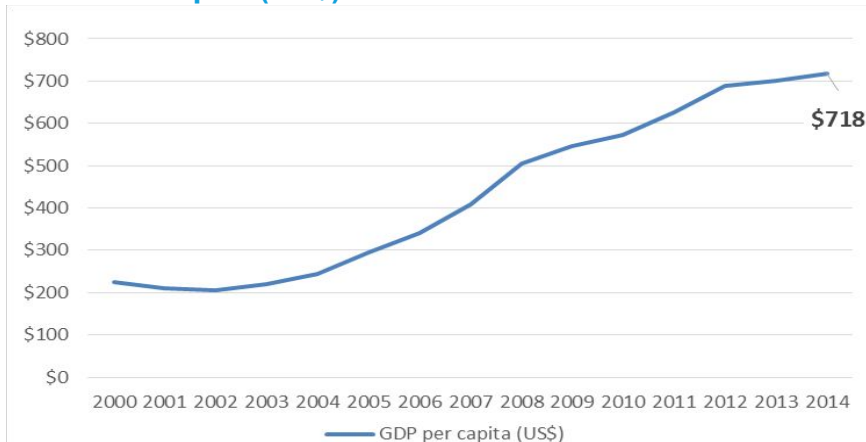


Rwanda's Perfect Development Hat Trick

Rwanda's development hat trick over last 2 decades

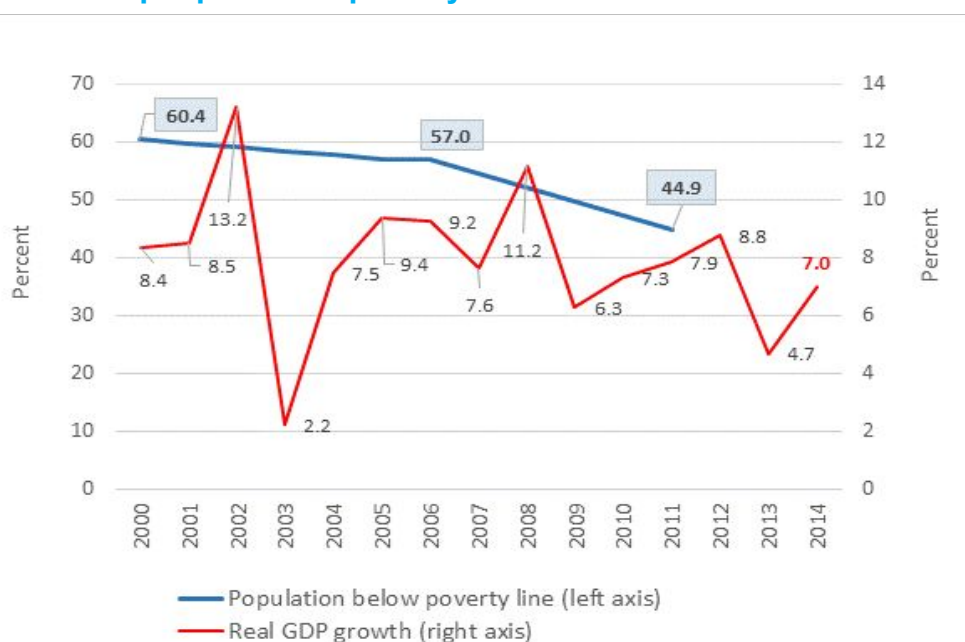
1. Rapid Economic Growth and Macroeconomic Stability: resilient to shocks
 2. Government efficiency and control of corruption
 3. Inclusive development model
- Important poverty reduction and reduced inequality
 - Increased access to services: Health, Education, Financial inclusion

GDP Per Capita (US\$)

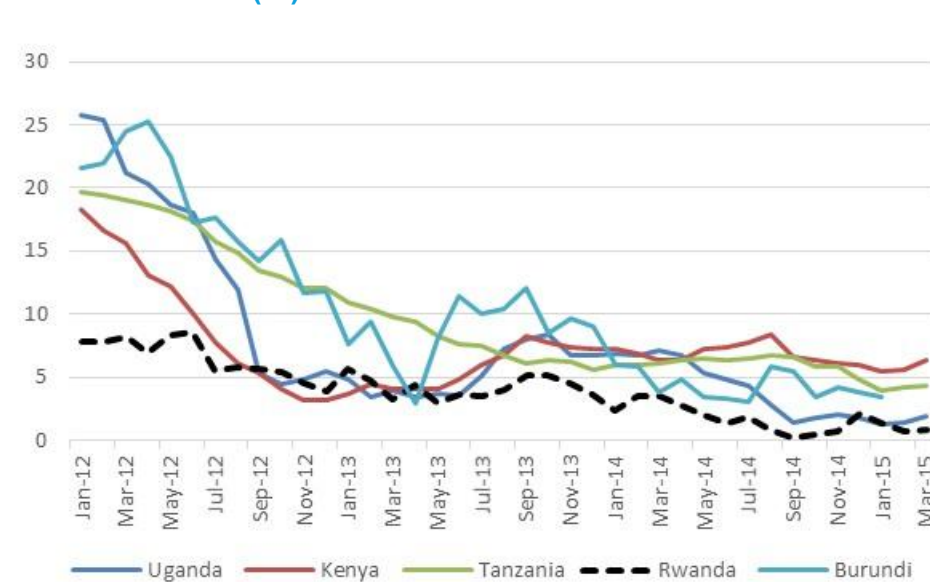


Source: NISR

Sustained economic growth has lifted more than 1 million people out of poverty



Stable inflation (%)

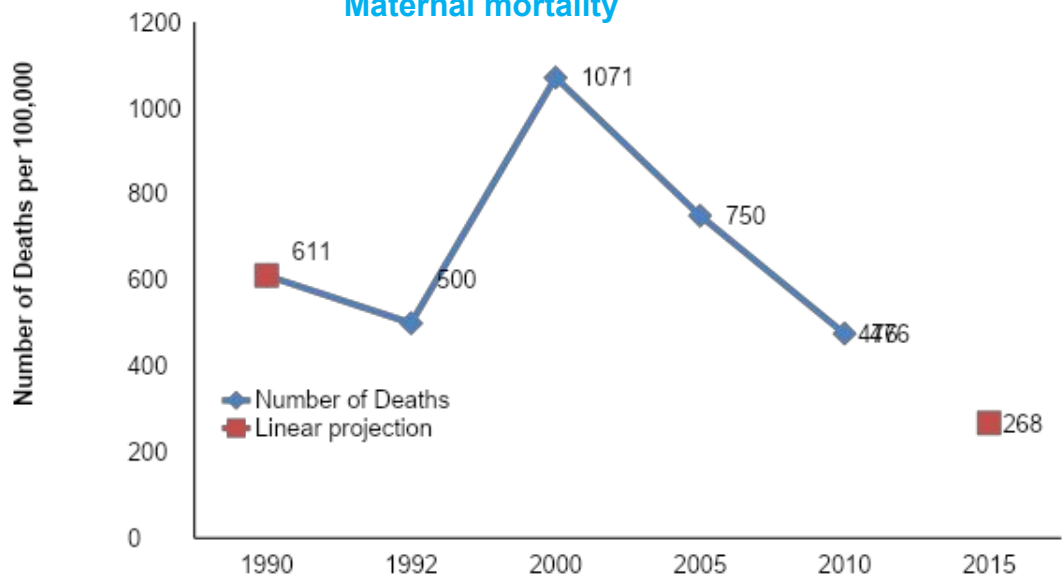


Source: NISR

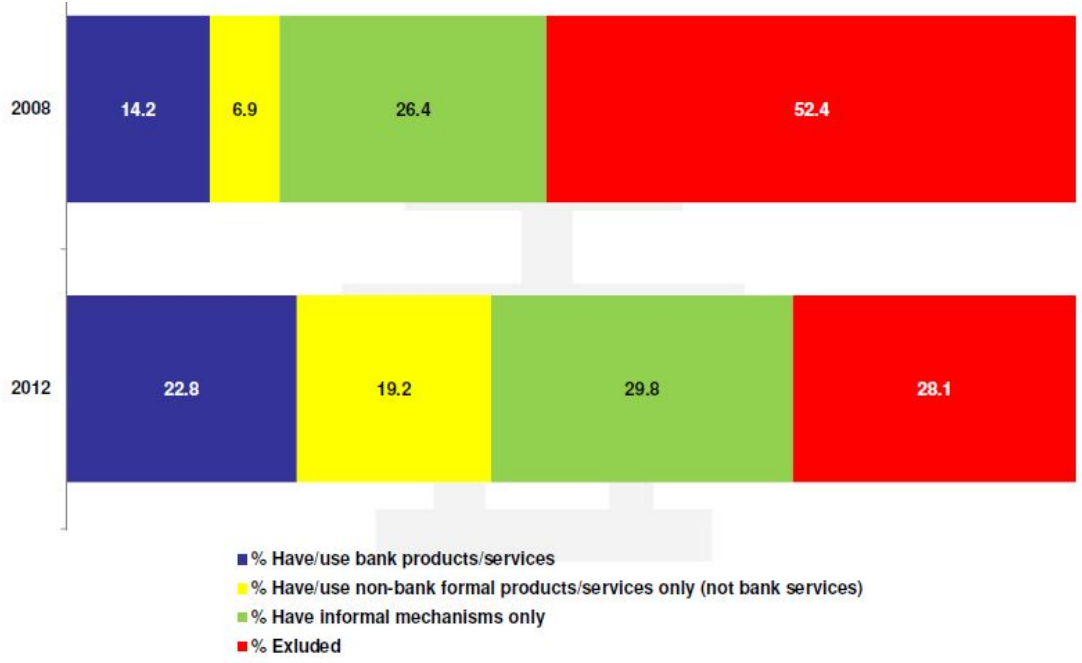
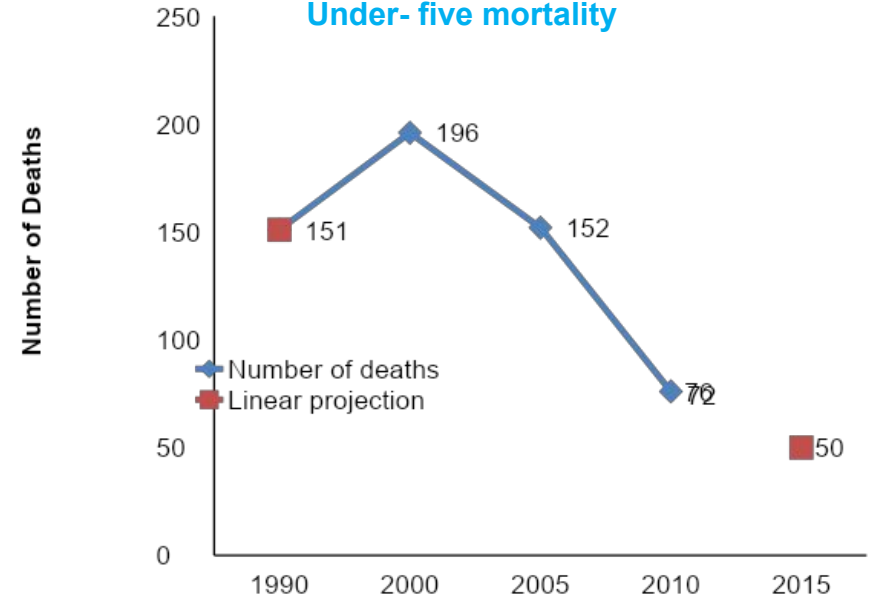


Rwanda's Perfect Development Hat Trick

Maternal mortality

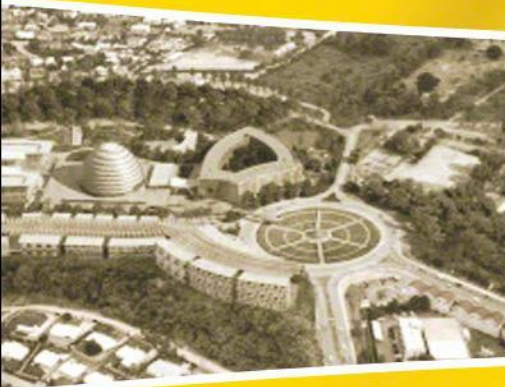


Under-five mortality



- Life expectancy: from 51.2 years in 2002 to 64.5 years in 2012
- Literacy rates (aged 15 to 24): from 48% in 2000 to 84% in 2011
- Financial inclusion: from 48% in 2008 to 72% in 2012 (3rd best in SSA)
- Mobile phones owners: from 6% in 2006 to 65% in 2014



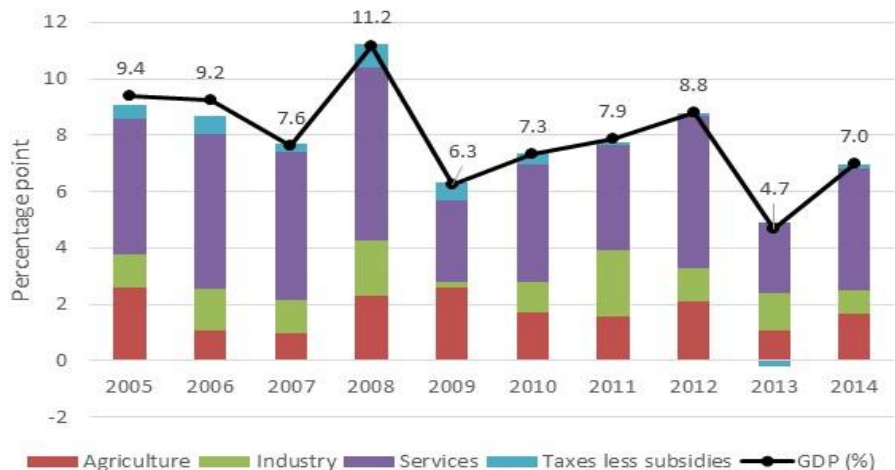


2. The Economy

Rwanda Has Been a Leader in Africa's Economic Renaissance

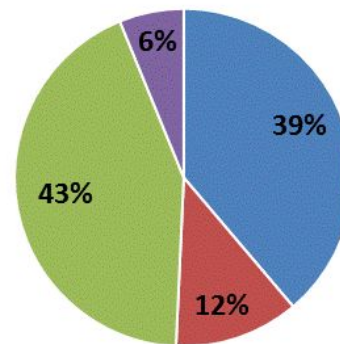
In last ten years, GDP growth has dipped below 6% in only one year

Sustained Real GDP Growth

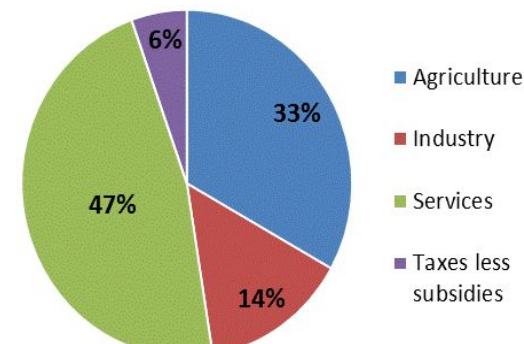


Structure of the Economy: More Services, Less Agriculture (% of Nominal GDP)

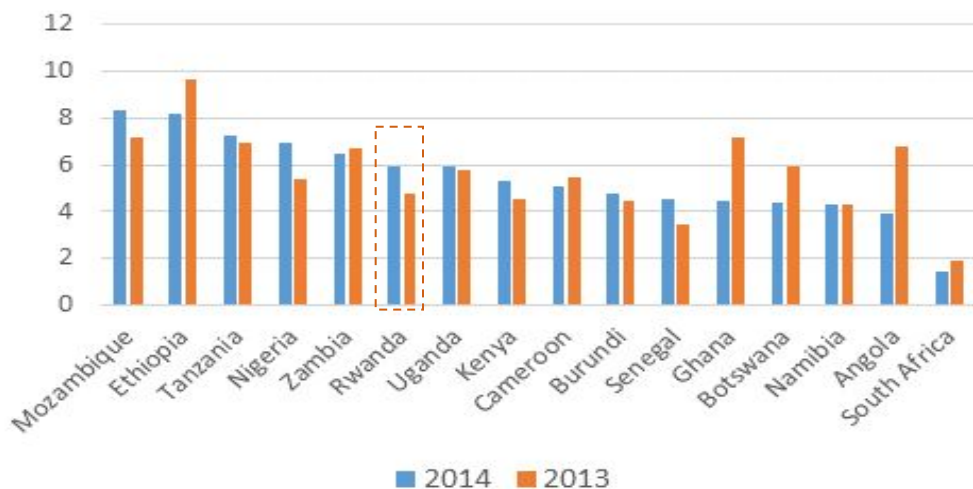
2005



2014



GDP % Growth Vs. African Peers: well situated given lack of natural resources



The Foundation of Rwanda's Robust Growth

- Rwanda has undergone a sustained period of growth supported by various factors, among which:
 - Implementation of structural reforms, which pushed Rwanda up to the ranks of world's top performer in the World Bank's Ease of Doing Business Index in 2014, the first Sub-Saharan Africa country to achieve this distinction
 - Sustained investment by the Government, which is expected to drive output growth in the coming years
 - Sound macroeconomic management and robust fiscal discipline



Rwanda's Recent Economic Developments

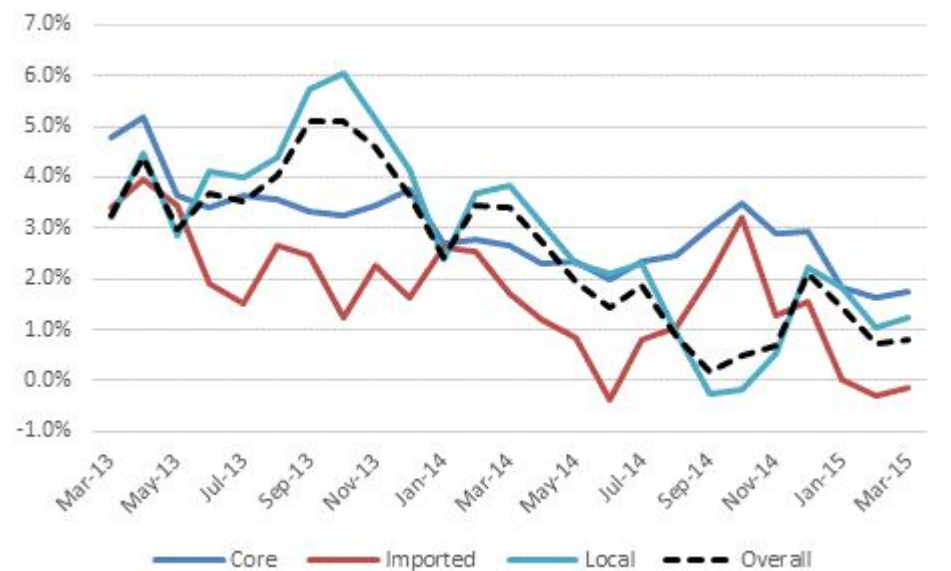
GDP in 2014

- The Rwandan economy grew by 7.0 percent in 2014, in line with average growth over the last five years, and well above 2013 growth of 4.7 percent
- The main contributors were a strong services sector (especially wholesale & retail) and good agricultural seasons

Outlook for 2015

- Economy is expected to grow by 6.5 percent
- Services to continue driving growth; increased cultivation and irrigation planned in agriculture; strong construction sector
- Private sector expansion will be supported by healthy credit growth and more stable electricity supply

Inflation 2014



- Overall prices subsided in 2014 owing mostly to lower food prices, due to good harvests, and falling energy prices
- Core inflation (excluding fresh food and energy) has also been low, with the period average for 2014 at 2.4 percent
- End December inflation in 2014 was 2.1 percent, with the period average at 1.8 percent

Outlook for 2015

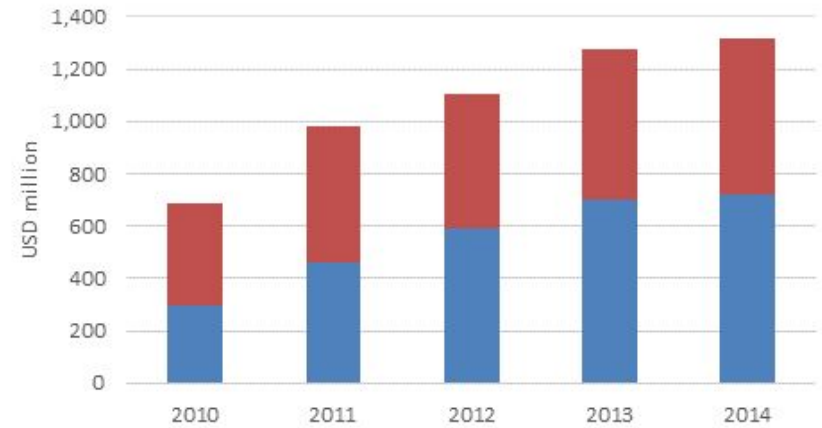
- Prices will remain stable and inflation is not expected to exceed 3.5 percent by end of the year



Strong export growth: value has doubled in only 5 years

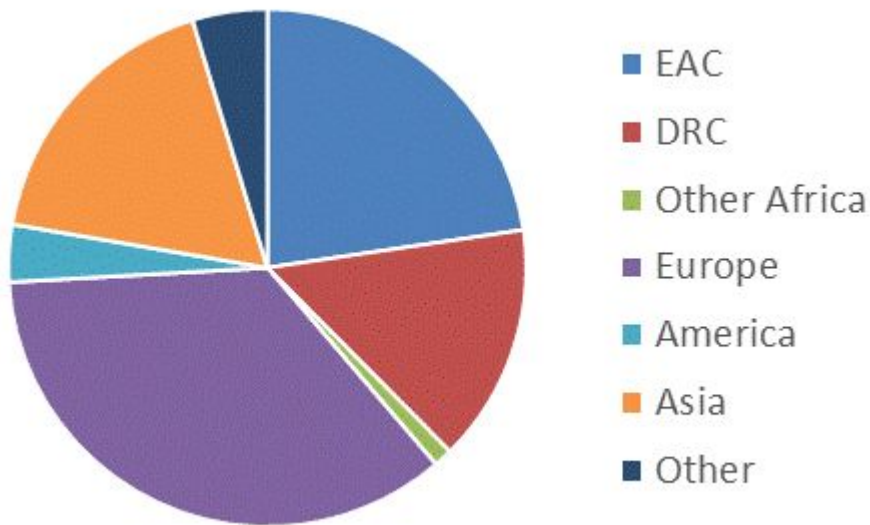
- Compound annual growth in exports is 18 percent over 2010–2014
- The value of exported goods and services has increased from US\$ 684 million in 2010 to US\$ 1,315 million in 2014
- Higher value-added exports (e.g. milling products, construction products i.e. “non-trationals”) have more than tripled in value from US\$ 39 million in 2010 to US\$ 120 million in 2014. Increased regional integration further enhances the prospects for this important export type
- Rwanda’s exports to EAC continue to increase and main exports are agricultural products, milling products and beer

Value of exports (USD million)



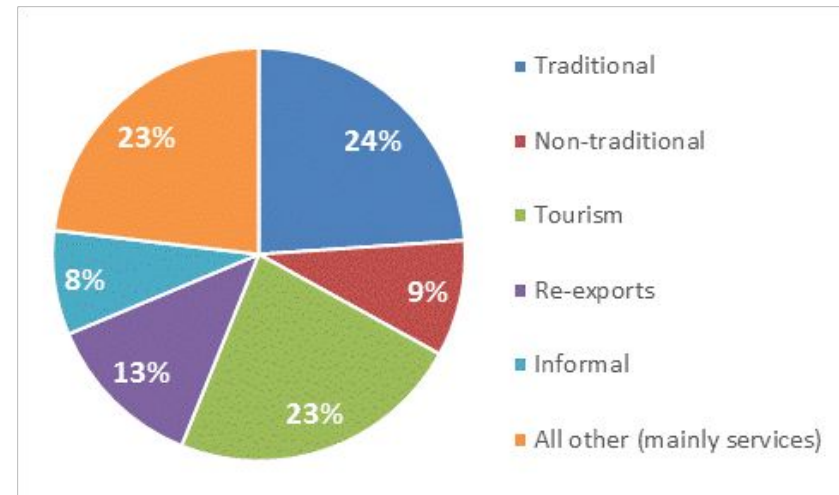
Source: National Bank of Rwanda

Exports by Destination (2013, % of total formally exported goods)



Source: National Bank of Rwanda

Composition of Exports (2014, % of total value)



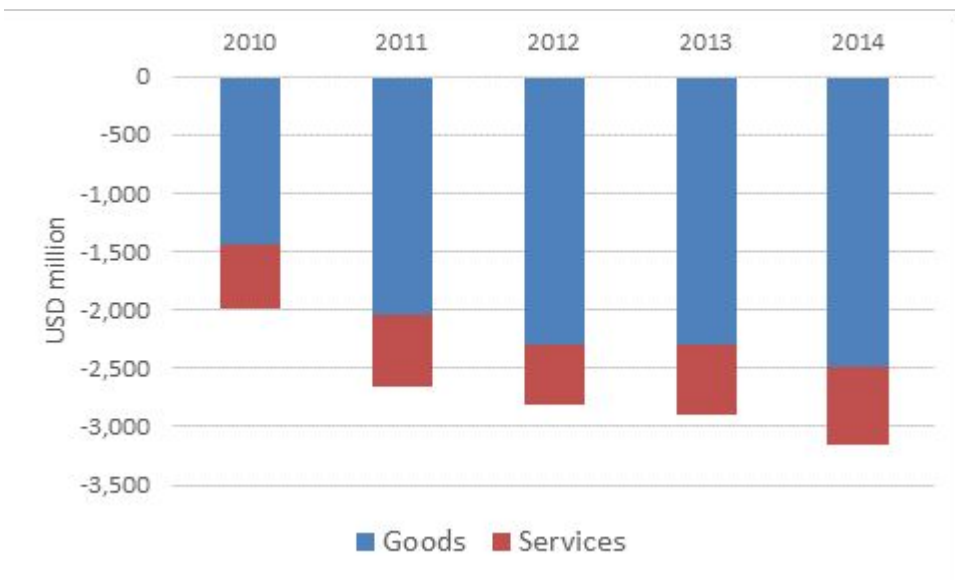
Source: National Bank of Rwanda



Imports Support Growth

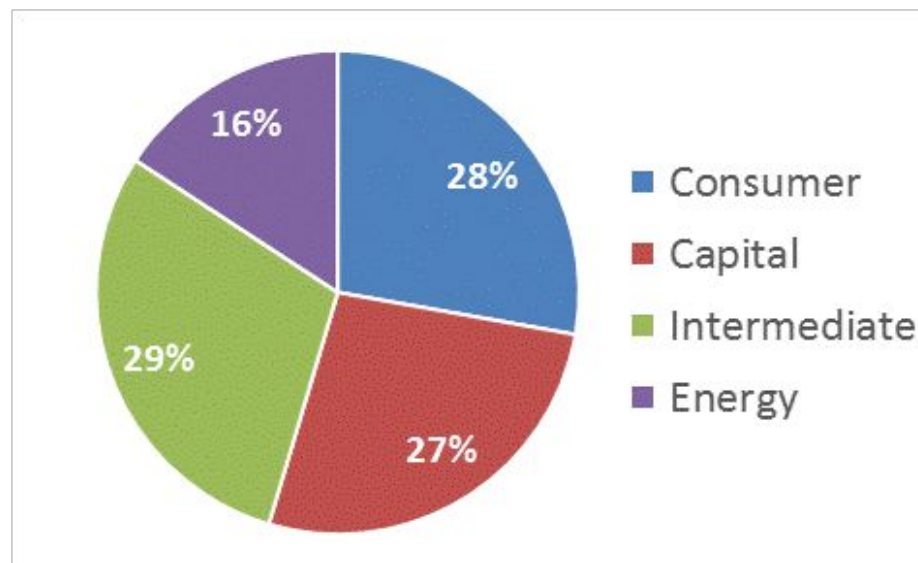
- Currently the main origin of imports are Uganda, China, Kenya, and Europe
- In 2014, imports increased in value (cif) by 6.8 percent. In the last five years, the level of imports has increased by 50 percent, reflecting strong investment rates in infrastructure and energy
- Rwanda's imports from EAC represented 23% of total imported goods in 2014 and main imports were cement, refined and non-refined palm oil and other cooking oils, sugar cane, animals, chemical fertilizers and clothing

Value of imports (USD million)



Source: National Bank of Rwanda

Composition of Imported Goods (2014, % of total cif value)



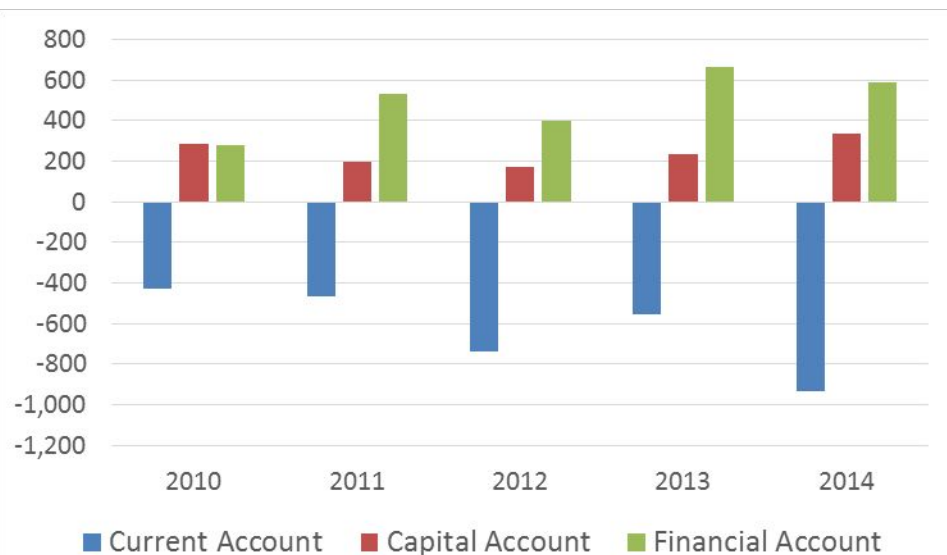
Source: National Bank of Rwanda



Increased Imports Driving Balance of Payments

Capital inflows continue to show healthy surplus

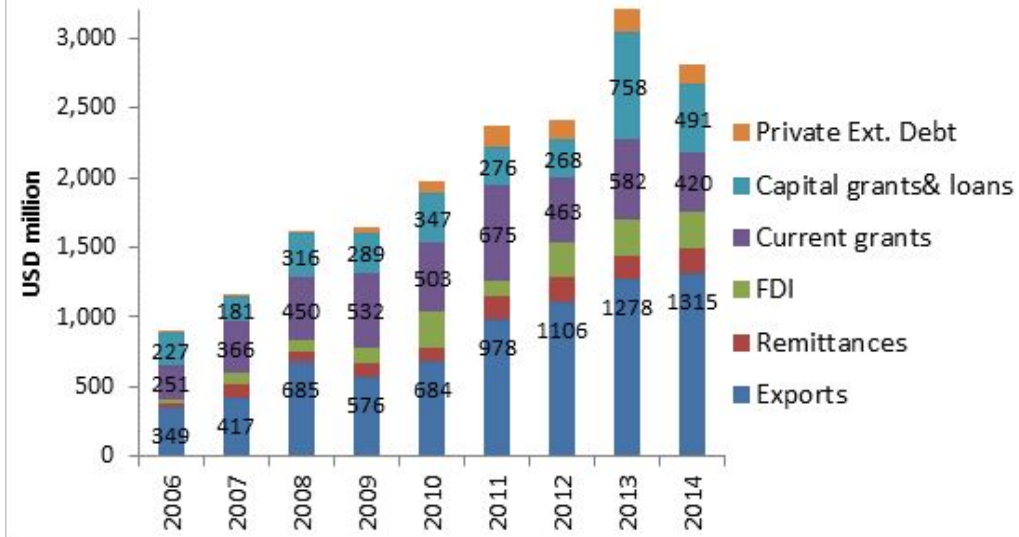
US\$ in Millions



Source: National Bank of Rwanda.

Foreign inflows have been increasing steadily

US\$ in Millions (excluding grants)



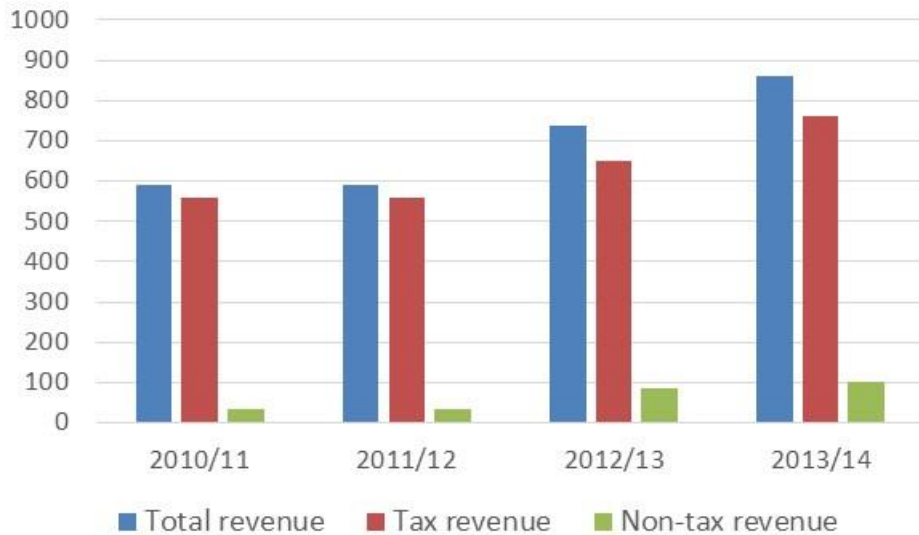
Source: National Bank of Rwanda.

- At the end of 2014, Rwanda recorded a capital and financial account surplus of US\$ 925 million
- Nevertheless, continued high imports combined with lower budgetary grants mean the Current Account deficit increased to US\$ 933 million
- Going forward, Rwanda needs to maintain focus on expanding the export base and utilize the new forms of financing available to a country with a low risk of external debt distress (i.e. access new loan instruments instead of relying on donor grants)
- Tourism receipts have experienced very strong growth in recent years, growing by 51% between 2010 and end 2014. Remittances recorded a 78% increase in the same period.



Rapid Expansion Of Revenues Underpins Improving Fiscal Position

Domestic Revenue Collection (Multiplied 10-fold in a decade) (RwF Billions)



Domestic Revenue Performance

Domestic revenue collection in FY2013/14 reached **16.8%** of GDP from 15.7% of GDP in FY2012/13 on account of improved revenue administration



Resulting in the **fiscal deficit of 4.3%** of GDP lower than 5.3% of GDP projected in the revised budget.

Source: MINECOFIN, National Institution of Statistics,

Fiscal Performance in FY2013/14

- Tax collections have consistently increased in recent years, reflecting an improving level of efficiency in revenue collections
- MINECOFIN is in the process of further improving tax revenue collection and strengthening compliance and broadening further the tax base
- A number of strategies have been adopted to improve revenue collection and management and to diversify the revenue base, including an electronic sales register for VAT payments and e-filing and e-payments systems
- As a result of these measures, tax revenue is expected to increase further in the medium term



Stable Monetary Policy

- **In June 2014, BNR adopted an accommodative monetary policy stance by cutting its policy rate to 6.5 percent from 7.0 percent** amid a stable macroeconomic environment. Since then, the monetary policy stance has remained accommodative as most market interest rates have also been trending downward
- Broad money supply recorded an annual increase of 19 percent by the end December 2014 against 16 percent recorded in December 2013. This was mainly attributable to:
 - Net Domestic Assets (NDA) of the banking system increased by 83 percent which in turn offset the 6 percent decline in Net Foreign Assets
 - **Credit to the private sector (under NDA) grew by 20 percent in 2014, compared to growth of 11 percent in 2013, reflecting the increase in economic activities**
 - **Liquidity conditions were comfortable in 2014.** The banks' most liquid assets - composed of T-bills, outstanding repos, excess reserves and cash in vault - increased by 23.5 percent between December 2013 and December 2014, amounting to US\$ 408 million from US\$ 342 million
- The Rwandan franc **nominally depreciated** by 3.6 percent against the US dollar as compared to 6.1 percent depreciation in 2013
- The NBR remains committed to keeping **the exchange rate fundamentally market driven**, depending on the demand and supply of foreign exchange in the domestic market
- The main objective in the **medium term** is to maintain low level of inflation (below 5 percent) whilst providing adequate credit to the private sector to promote sustainable growth



Banking Sector Supports Economic Growth

The banking sector is continuing to grow and has been largely insulated from emerging market disorder in 2013

Banking Sector Overview

- Significant progress has been made in improving the percentage of the population included in the formal financial system
- The percentage of Rwandan adults who are formally served increased from 21% in 2008 to 47% in June 2013 (Finscope report 2012)
- 19% sector growth rate in the past two years has been driven by
- GoR enforcement of international banking standards
- Implementation of the “Financial Sector Development Program” (increased the minimum capital requirement to Rwf 5 billion, approximately US\$ 8 million).
- Policy, strategy and incentives in place to develop capital markets

Key Players

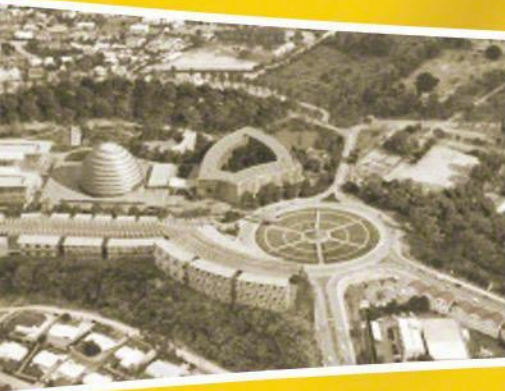
- The banking sector is comprised of:
 - 10 commercial banks, 4 primary microfinance banks, 1 development bank, 1 cooperative bank (all supervised under the Banking Law)
 - 496 microfinance institutions
- The three largest local banks are:
 - Banque de Kigali
 - Banque Populaire du Rwanda (65% cooperative members, 35% Rabobank)
 - I&M Bank (with 80% shares of I&M and 20% GoR)
- Ecobank and Access Bank are among the large international banks with a presence in Rwanda

Banking Sector: key soundness indicators, in percent

Indicator	2013			2014	
	December	March	June	September	December
Solvency ratio (total capital)	23.1	22.6	23.6	24.0	24.2
NPLs / Gross Loans	6.9	6.7	6.6	6.3	6.0
NPLS net/Gross loans	6.0	5.7	5.5	5.5	5.1
Provisions / NPLs	53.3	56.4	50.0	55.3	56.8
Earning Assets / Total Assets	78.6	82.1	80.7	83.0	93.1
Large Exposures / Gross Loans	11.6	15.1	15.9	14.8	17.7
Return on Average Assets	1.5	2.3	2.1	1.9	1.9
Return on Average Equity	7.4	11.9	12.2	10.9	10.8
Cost of deposits	3.8	4.1	3.3	3.2	3.4
Liquid assets/total deposits	49.4	46.3	54.2	54.0	51.7
FOREX exposure/core capital	-2.2	-12.6	-1.7	-4.8	2.2

Source: BNR

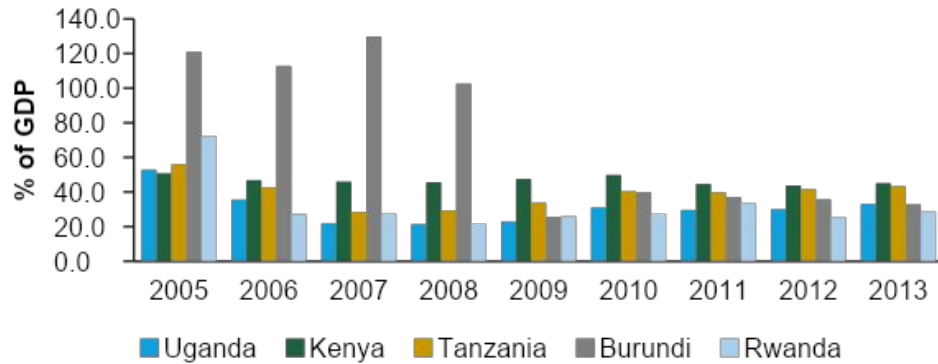




3. Debt Management and Funding

Modest Government Debt Burden

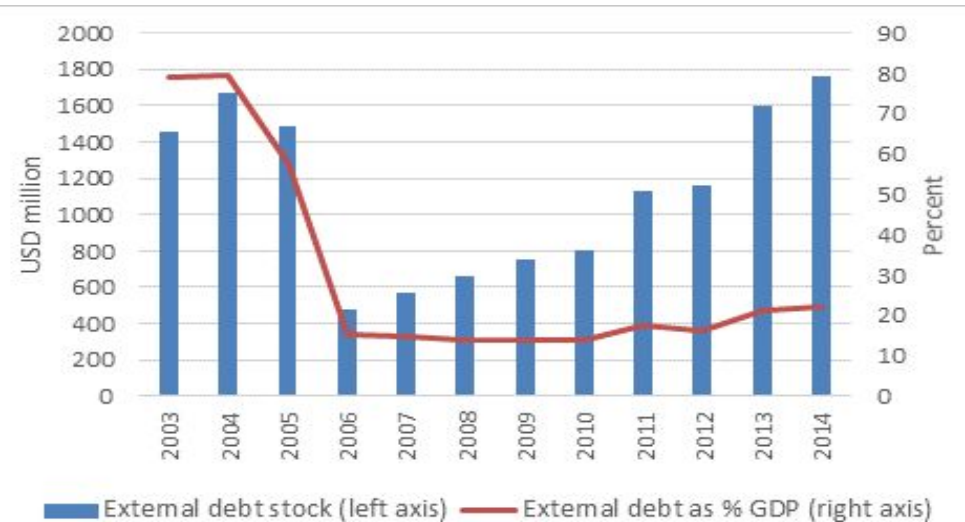
General Government Gross Debt (% of GDP)



- After reaching the completion point of HIPC debt relief in 2006, Rwanda's debt weight became lower than other countries considered in this figure.

Source: International Monetary Fund, World Economic Outlook Database

Public and Publicly Guaranteed External Debt (US\$ mn)



* End December 2014
Source: MINECOFIN.

- **Rwanda's total public external debt is estimated at US\$1.76 billion, representing 22.3 percent of GDP, as of end December 2014.** Guaranteed external debt stock was US\$ 75 million at the end of the year, or 1 percent of GDP (mainly for RwandaAir debt)
- Total external debt stock increased by 2.3 percent of GDP compared to end-2013. This was mainly due to an increase in IDA, AfDB, and Exim China loans, which were invested in energy, roads, and the agriculture sector (most external debt is concessional)
- **Total 2014 debt stock – including domestic debt and publically guaranteed debt - equals 30.4 percent of GDP, below the EAC average**
- The Debt Sustainability Analysis (DSA) prepared by MINECOFIN indicates that:
 - Rwanda has a **low risk of external debt distress** and
 - may use non-concessional borrowing without unduly affecting debt sustainability
 - The country institutional and policy assessment showed a consistent score for Rwanda of **strong** (CPIA score of 3.9)



Rwanda Debut Eurobond

- On April 25th 2013, Rwanda priced its debut \$400mn RegS/144A, 10 years maturity
- The country was marketed through a very successful five days roadshow in US, London, Munich, Singapore, Hong Kong and Nairobi
- Initial price guidance was announced at “low 7s”
- The transaction was finally priced at 6.875% yield and the deal carried a coupon (6.625%) lower than many other African sovereigns
- Book closed at over \$3.5bn+ with 250 orders

Use of proceeds

- \$150mn to finance the completion of the Kigali Convention Centre
- \$200mn to repay expensive loans
- \$50mn to finance the Nyabarongo hydro project.

Eurobond today

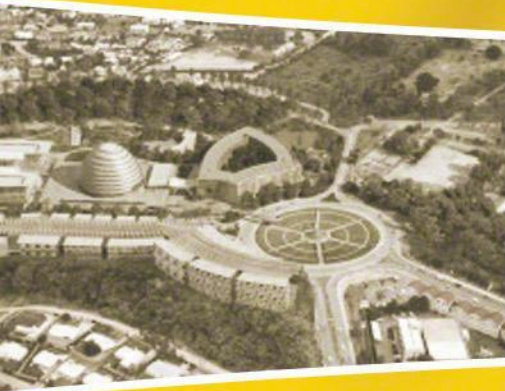
- Its current interest rate is 6.216 % (April 10th 2015), indicating continued investor demand for Rwandan debt



Building local Capital market through T-Bond Offerings

	Feb-14	May-14	Aug-14	Nov-14
Issuer	Government of Rwanda	IFC	Government of Rwanda	Government of Rwanda
Rating	B (Stable)	AAA	B(positive)	B(positive)
Coupon	11.475%	12.75%	11.88%	12.475%
Tenor	3 Years	5 Years	5 Years	7 Years
Size (Rwf billion)	12.5	15	15	15
Maturity Date	Feb-17	May-19	Aug-19	Nov-21
Use of Proceeds	Infrastructure projects	Infrastructure projects	Infrastructure projects	Infrastructure projects
Governing law	Rwandan Law	Rwandan Law	Rwandan Law	Rwandan Law
Listing	RSE	RSE	RSE	RSE
Minimum Denomination	100,000	100,000	100,000	100,000
Price	99.627	100	99.536	99.877
Book runner	BNR	BNR	BNR	BNR
Subscription level	140	199	232	132
Number of applications	56	52	91	59





4. Business Environment

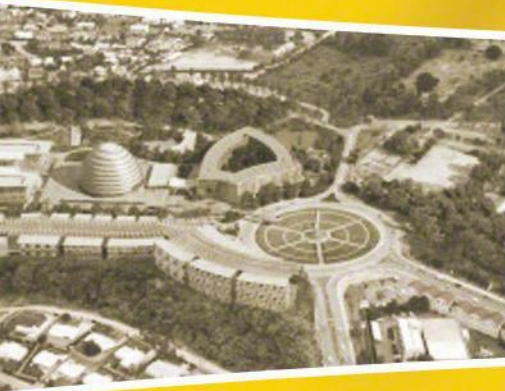
World Bank Doing Business Report 2015

Rwanda has a rank of **46** out of 189 economies worldwide. Rwanda's ranking has improved rapidly over time.

	2008	2009	2010	2011	2012	2013	2014	2015
Rank	150	139	67	58	48	54	32	46

- Rwanda was ranked:
 - top performer in the Doing Business 2010 report and among the ten most improved economies in 2011
 - 3rd easiest place to do business in Sub-Saharan Africa in 2015 report, following Mauritius and South Africa
 - highest ranking low-income country to do business in 2015 report
 - the most competitive place to do business in East Africa and 3rd in Sub-Saharan Africa in the 2013-2014 Global Competitiveness Report
- Examples of significant transformational changes include:
 - The Rwanda Natural Resources Authority implemented a systematic **land registration program**, and now 90% of properties in the country are registered
 - The implementation of an **electronic single-window system** in 2013 at the Rusumo border post with Tanzania (the post used to access the port of Dar es Salaam). Connected to such institutions as the Rwanda Bureau of Standards and the Rwanda Development Board, the system allows traders to receive verifications and approvals electronically.





5.The Road to Middle Income Status

EDPRS 2 paving road to Middle Income Status

OBJECTIVES	CURRENT STATUS	EDPRS 2 TARGETS BY 2017/18	VISION 2020 TARGETS
Rapid economic growth to Middle Income status	<ul style="list-style-type: none"> ▪ GDP per capita of \$718 (2014) ▪ Avg. GDP growth of 8% (2005-2014) 	<ul style="list-style-type: none"> ▪ GDP per capita of \$1000 ▪ Avg. GDP growth of 10.2% 	<ul style="list-style-type: none"> ▪ GDP per capita of \$1240 ▪ Avg. GDP growth of 11.5%
Increased Poverty reduction	<ul style="list-style-type: none"> ▪ Poverty reduced by 12 pp over 2006-2011 ▪ Extreme reduced by 13 pp 	<ul style="list-style-type: none"> ▪ Poverty reduced under 30% ▪ Extreme poverty under 10% 	<ul style="list-style-type: none"> ▪ Poverty reduced to 20% ▪ Extreme poverty eliminated
More off-farm jobs, more urbanised	<ul style="list-style-type: none"> ▪ 1.8 mln new off-farm jobs ▪ 35% of population urban 	<ul style="list-style-type: none"> ▪ 200,000 new off farm jobs p.a 	<ul style="list-style-type: none"> ▪ 1.8 mln new off-farm jobs ▪ 35% of population urban
Reduced external dependency	<ul style="list-style-type: none"> ▪ Exports Growth of 18% p.a (2010 – 2014) 	<ul style="list-style-type: none"> ▪ Exports Growth of 28% p.a. ▪ Exports cover. of Imports 75% 	<ul style="list-style-type: none"> ▪ Exports Growth of 28% p.a. ▪ Private sector engagement
Private Sector as engine of growth	<ul style="list-style-type: none"> ▪ Private investment at approx. 13% of GDP (2014) 	<ul style="list-style-type: none"> ▪ Private sector investment to reach 15.4% of GDP 	<ul style="list-style-type: none"> ▪ Innovative resource mobilization for Private Investment

