

**COMMERCIAL BANK OF AFRICA (RWANDA) PLC**  
**FINANCIAL STATEMENTS AND DISCLOSURES FOR THE PERIOD ENDED 31 DECEMBER 2018**

**I. STATEMENT OF FINANCIAL POSITION**

	Audited 31-Dec-18 Frw'000	Audited 31-Dec-17 Frw'000
<b>ASSETS</b>		
Cash in hand	1,332,526	547,275
Balances with National Bank of Rwanda	697,606	3,344,012
Deposits and balances due from other banking institutions	4,858,110	98,153
Other Assets	1,063,096	696,485
Financial investments –at amortized cost	8,442,907	4,152,775
Loans and advances to customers	7,113,221	3,169,660
Property and Equipments	1,702,213	762,615
Intangible assets	61,837	188,418
<b>TOTAL ASSETS</b>	<b>25,271,516</b>	<b>12,959,393</b>
<b>LIABILITIES</b>		
Deposits from customers	11,407,121	4,686,137
Deposits from banks and other financial Institutions	5,229,161	-
Other liabilities	845,713	975,201
Balances due to Group companies	508,548	282,386
Deferred tax liability	186,911	196,967
<b>TOTAL LIABILITY</b>	<b>18,177,454</b>	<b>6,140,691</b>
<b>EQUITY</b>		
Share capital	8,484,691	8,484,691
Capital Contribution awaiting allotment	5,777,110	3,106,760
Retained Earnings	(7,167,739)	(4,772,749)
<b>TOTAL EQUITY</b>	<b>7,094,062</b>	<b>6,818,702</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>25,271,516</b>	<b>12,959,393</b>

**2. STATEMENT OF COMPREHENSIVE INCOME**

	Audited 31-Dec-18 Frw'000	Audited 31-Dec-17 Frw'000
<b>Revenue</b>		
Interest income	1,465,582	1,022,606
Interest expenses	(553,823)	(180,629)
<b>Net interest income</b>	<b>911,759</b>	<b>841,977</b>
Loan Impairment losses	(254,673)	(127,914)
	<b>657,086</b>	<b>714,063</b>
Fee and commission income	122,469	73,943
Net foreign exchange gains	56,492	33,808
<b>Income from banking activities</b>	<b>836,047</b>	<b>821,814</b>
Employee benefits expenses	(732,287)	(664,037)
Depreciation and amortization	(469,037)	(357,388)
Operating expenses	(2,039,769)	(1,487,289)
<b>Loss before income tax</b>	<b>(2,405,046)</b>	<b>(1,686,900)</b>
Income tax expense	10,056	76,889
<b>Loss for the period</b>	<b>(2,394,990)</b>	<b>(1,610,011)</b>
Other comprehensive income	-	-
<b>Total comprehensive loss for the period</b>	<b>(2,394,990)</b>	<b>(1,610,011)</b>

**3. STATEMENT OF CASH FLOW**

	Dec-18 Frw 000	Dec-17 Frw 000
<b>Cash flows from operating activities</b>		
Interest receipts	1,465,582	1,022,606
Interest payments	(553,823)	(180,629)
Net fee, commission and other receipts	178,961	107,751
Bad and doubtful debts recoveries	-	5,863
Payments to employees and suppliers	(2,635,603)	(1,392,510)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>(1,544,883)</b>	<b>(436,919)</b>
<b>Changes in operating assets and liabilities</b>		
Customer loans and advances	(4,236,963)	(157,561)
Other assets	(366,611)	(616,591)
Customer deposits	11,950,145	(1,083,891)
Other liabilities	245,526	(176,137)
Net due from group companies	401,017	444,696
<b>Net cash flow from operating activities</b>	<b>7,993,114</b>	<b>(1,589,484)</b>
<b>Cash flows from investing activities</b>		
Government securities – amortised cost	(4,290,132)	1,709,221
Purchase of property and equipment	(1,408,639)	(282,262)
Purchase of intangible assets	(9,872)	-
<b>Net cash used in investing activities</b>	<b>(5,708,643)</b>	<b>1,426,959</b>
<b>Cash flows from financing activities</b>		
Additional capital injected by Shareholders – awaiting allotment	2,159,214	2,990,962
<b>Net cash flows from financing activities</b>	<b>2,159,214</b>	<b>2,990,962</b>
<b>Increase in cash and cash equivalents</b>	<b>2,398,802</b>	<b>2,391,518</b>
Cash and cash equivalents at start of year	3,989,440	1,597,922
Increase in cash and cash equivalents during the year	2,898,802	2,391,518
<b>Cash and cash equivalents at end of year</b>	<b>6,888,242</b>	<b>3,989,440</b>

**4. STATEMENT OF CHANGES IN EQUITY**

	Share capital Frw'000	Capital awaiting allotment Frw 000	Accumulated losses Frw 000	Total Frw 000
Year ended 31 December 2017	8,484,691	-	(3,066,480)	5,418,211
At start of year	-	3,106,760	-	3,106,760
Capital awaiting allotment	-	-	(1,156,395)	(1,156,395)
Loss for the year – As previously reported	-	-	-	-
As previously reported	8,484,691	3,106,760	(4,222,875)	7,368,576
Year ended 31 December 2018				
At start of year – As previously reported	8,484,691	3,106,760	(4,222,875)	7,368,576
Changes on initial application of IFRS 9	-	-	(19,369)	(19,369)
Loans and advances Restatement	-	-	(530,505)	(530,505)
	-	-	(549,874)	(549,874)
1 January 2018 – As restated	8,484,691	3,106,760	(4,772,749)	6,818,702
Capital through Set up costs and equipment	-	2,670,350	-	2,670,350
Loss for the year	-	-	(2,394,990)	(2,394,990)
<b>At end of year</b>	<b>8,484,691</b>	<b>5,777,110</b>	<b>(7,167,739)</b>	<b>7,094,062</b>

**5. OTHER REGULATORY DISCLOSURES**


ITEM	FRW'000
<b>1. Off balance sheet items</b>	
a. Financing commitments given	113,085
b. Guarantees, commitments given	237,963
<b>2. Non-performing loan indicators</b>	
a. Non-performing loans	577,546
b. NPL Ratio	7.70%
<b>3. Capital Strength</b>	
a. Core Capital (Tier1)	7,110,540
b. Supplementary Capital (Tier 2)	67,634
c. Total Capital	7,178,174
d. Total risk weighted assets	9,610,520
e. Core capital/Total risk weighted assets ratio	73.99%
f. Tier 1 ratio	73.99%
g. Total capital/total risk weighted assets ratio	74.69%
h. Tier 2 Ratio	-
<b>4. Liquidity</b>	
a. Liquidity ratio	285.00%
<b>5. Insider lending</b>	
a. Loans to directors, shareholders and subsidiaries	-
b. Loans to employees	546,241
<b>6. Management and board composition</b>	
a. Number of Board members	9
b. Number of executive directors	-
c. Number of Non-executive directors	9
d. Number of female directors	2
e. Number of male directors	7
f. Number of executive committee	10
g. Number of females in the Executive committee	2
h. Number of males in the Executive committee	8

**IMPORTANT CHANGES TO THE FINANCIAL POSITION**

The Acquisition of Crane Bank Limited by Commercial Bank of Africa was successfully completed in December 2017. The National Bank of Rwanda approved the combination of the two entities owned by Commercial Bank of Africa (Acquired Crane Bank limited and CBA Holdings Rwanda Limited). There were material changes in the financial statements as a result of this transaction resulting in additional capital, Property and Equipments and escalation of expense related to set up costs.

**MESSAGE FROM DIRECTORS**

The financial statements were approved by the board of directors on 7<sup>th</sup> March 2019 and signed on its behalf by:

  
Amb. Dr. Benjamin Rugangazi  
Chairman

  
Ms. Lina M Higiho  
Chief Executive Officer