

NCBA BANK (RWANDA) PLC FINANCIAL STATEMENTS AND DISCLOSURES FOR THE YEAR ENDED 31ST DECEMBER 2019
I. STATEMENT OF FINANCIAL POSITION

	Audited 31st Dec, 2019 Frw'000	Audited 31st Dec, 2018 Frw'000
ASSETS		
Cash in hand	1,619,482	1,332,526
Balance with National Bank of Rwanda	2,888,470	697,606
Deposits and balances due from other banking institutions	751,118	4,858,110
Other assets	1,376,178	1,063,096
Financial investments –at amortized cost	7,253,016	8,442,907
Derivative asset	1,856	-
Loans and advances to customers	18,539,935	7,113,221
Property and equipment	1,427,367	1,702,213
Right of use asset	1,474,647	-
Intangible assets	134,116	61,837
Total Assets	35,466,185	25,271,516
LIABILITIES		
Deposits from customers	20,590,148	11,407,121
Deposits from banks and other financial Institutions	4,814,202	5,229,161
Balances due to Group companies	608,716	845,713
Lease Liability	1,518,191	-
Other liabilities	1,104,473	508,548
Deferred tax liability	199,437	186,911
Total liabilities	28,835,167	18,177,454
EQUITY		
Share capital	15,661,801	8,484,691
Capital contribution awaiting allotment	-	5,777,110
Retained earnings	(9,030,783)	(7,167,739)
Total Equity	6,631,018	7,094,062
Total equity and liabilities	35,466,185	25,271,516

II. STATEMENT OF COMPREHENSIVE INCOME

	2019	2018
Revenue		
Interest income	3,551,220	1,465,582
Interest expenses	(1,323,254)	(553,823)
Net interest income	2,227,966	911,759
Loan Impairment losses	(449,999)	(254,673)
	1,777,967	657,086
Fee and commission income	389,064	122,469
Net foreign exchange gains	78,478	56,492
Income from banking activities	2,245,509	836,047
Employee benefits expenses	(1,044,804)	(732,287)
Depreciation and amortization	(307,469)	(469,037)
Operating expenses	(2,628,558)	(2,039,769)
Loss before income tax	(1,735,322)	(2,405,046)
Income tax expense	12,526	10,056
Loss for the period	(1,747,848)	(2,394,990)
Other comprehensive income	-	-
Total comprehensive loss for the period	(1,747,848)	(2,394,990)

III. STATEMENT OF CASH FLOW

	2019	2018
Cash flows from operating activities		
Interest receipts	3,551,220	1,465,582
Interest payments	(1,163,721)	(553,823)
Net fee, commission and other receipts	467,542	178,961
Payments to employees and suppliers	(3,340,267)	(2,635,603)
Cash flows from operating activities before changes in operating assets and liabilities	(485,226)	(1,544,883)
Changes in operating assets and liabilities		
Customer loans and advances	(11,787,135)	(4,236,963)
Other assets	(314,938)	(366,611)
Customer deposits	8,768,068	11,950,145
Other liabilities	595,925	245,526
Net due from group companies	(236,997)	401,017
Net cash flow from operating activities	(3,460,303)	7,993,114
Cash flows from investing activities		
Government securities – amortised cost	1,189,891	(4,290,132)
Purchase of property and equipment	(52,749)	(1,408,639)
Purchase of intangible assets	(77,781)	(9,872)
Repayment of lease under IFRS 16	(628,230)	-
Net cash used in investing activities	431,131	(5,708,643)
Cash flows from financing activities		
Additional capital	1,400,000	2,159,214
Net cash flows from financing activities	1,400,000	2,159,214
Increase/(decrease) in cash and cash equivalents		
Cash and cash equivalents at start of year	6,888,242	3,989,440
Increase in cash and cash equivalents during the year	(1,629,172)	2,898,802
Cash and cash equivalents at end of year	5,259,070	6,888,242

IV. STATEMENT OF CHANGE IN EQUITY

	Share capital Frw 000	Capital awaiting allotment Frw 000	Revenue reserve Frw 000	Total Frw 000
Year ended 31 December 2018				
At start of year – As restated	8,484,691	3,106,760	(4,222,875)	7,368,576
Restatement	-	-	(530,505)	(530,505)
Changes on initial application of IFRS 9 Loans and advances	-	-	(19,369)	(19,369)
Transaction with owners				
Capital through Set up costs and equipment	-	2,670,350	-	2,670,350
Loss for the year	-	-	(2,394,990)	(2,394,990)
At end of year	8,484,691	5,777,110	(7,167,739)	7,094,062
Year ended 31 December 2019				
At start of year – as previously reported	8,484,691	5,777,110	(7,167,739)	7,094,062
Changes in initial application of IFRS 16	-	-	(115,196)	(115,196)
At start of the year - restated	8,484,691	5,777,110	(7,282,935)	6,978,866
Additional capital during the year	1,400,000	-	-	1,400,000
Transaction with owners				
Capital allotted during the year	5,777,110	(5,777,110)	-	-
Loss for the year	-	-	(1,747,848)	(1,747,848)
At end of the year	15,661,801	-	(7,282,935)	6,631,018

V. OTHER DISCLOSURES

	Frw'000'
1. Capital Strength	
a. Core Capital (Tier1)	6,306,961
b. Supplementary Capital (Tier 2)	-
a. Total Capital	6,628,395
b. Total risk weighted assets	25,714,683
a. Core capital/Total risk weighted assets ratio	24.53%
b. Tier 1 ratio	24.53%
a. Total capital/total risk weighted assets ratio	25.78%
b. Tier 2 Ratio	-
a. Leverage ratio	16.79%
(1) Total gross credit risk exposures	
a. on balance sheet exposure	19,237,503
b. Guarantees, commitments given (off balance sheet)	4,443,933
c. Financing commitments given (Off balance sheet)	1,157,544
d. Letter of Credit	117,842
e. Total gross credit risk exposures	24,956,822
Credit Risk Weighted Assets	23,494,482
Credit Risk Weighted Assets/RWA	91%
2. "Average gross credit Exposure (Average between December 2018 and September 2019)"	
a. Loans	12,826,578
b. Commitments	-
c. Guarantees	4,166,583
d. Debt securities	-
e. OTC derivatives	1,856
3. Sector Distribution of Exposures	
a. Infrastructure and construction	5,859,158
b. Manufacturing	2,556,609
c. Services and commerce	4,432,228
d. Others	5,691,940
Total on-balance sheet exposures	18,539,935
4. Off Balance sheet Items	
a. Guarantees commitments given	4,443,933
b. Outstanding Financing Commitments given	1,157,544
c. Letter of credits	117,842
	5,719,319
5. Non-performing loan indicators	
a. Non-performing loans	241,922
b. NPL Ratio	1.26%
6. Related parties	
Loans to directors, shareholders and subsidiaries	-
Loans to employees	993,597
7. Regional Exposure	
East Province	148,012
Kigali City	16,848,542
North Province	201,587
South Province	3,281
Mobile Loans	1,338,514
Total Net on balance sheet exposure	18,539,935
III Liquidity Risk	
1 Liquidity ratio	
Available liquid assets	12,512,086
Deposit liabilities	25,404,350
Liquidity coverage ratio	216%
2 Net Stable Funding ratio	
Available stable funding	12,018,962
Required stable funding	3,375,244
NSFR	356%
IV Operational Risk	
Number and type of frauds and their corresponding amount	
Type: None Number: None Amount: Nil	
V Market Risk	
a. Interest Risk	-
b. Foreign Exchange Risk	101,242
c. Equity Position	-
d. Market Risk/ RWA	0.39%
VI Country Risk	
a. Credit exposure Abroad	-
b. Other Assets Abroad	1,079,469
c. Liabilities due abroad	-
VI Management and board composition	
a. Number of Board members	8
b. Number of independent directors	6
c. Number of non-independent directors	2
d. Number of female directors	3
e. Number of male directors	5
f. Number of senior managers	10
g. Number of female senior managers	2
h. Number of male senior managers	8

Major changes in Financial statements

The bank has adopted IFRS 16 (Leases) in the financial year 2019. The adoption of this standard resulted in material impact in the income statement, Balance sheet and regulatory ratios as follows:

- On application of the new standard, a new asset (Right of use asset) and a liability (Lease liability) have been incorporated in the balance sheet
- initial adoption led to Frw 115m increase in retained losses
- The additional asset caused an increase in risk weighted assets and subsequent reduction in total capital/risk weighted assets ratio

The Financial statements were approved by the board of directors on 03/03/ 2020 and signed on its behalf by:



Ms. Lina M Higiro
Chief Executive Officer



Amb. Dr. Benjamin Rugangazi
Chairman

The accounts can be accessed from our website: www.ncbagroup.com
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