

**NCBA BANK (RWANDA) PLC FINANCIAL STATEMENTS AND DISCLOSURES FOR THE PERIOD ENDED 30TH JUNE 2020
REVIEWED BY EXTERNAL AUDITORS**

I. STATEMENT OF FINANCIAL POSITION

	Reviewed 30-Jun-20 Frw'000	Audited 31-Dec-19 Restated Frw'000	Audited 31-Dec-18 Restated Frw'000
ASSETS			
Cash in hand	803,693	1,619,482	1,030,000
Balance with National Bank of Rwanda	2,052,583	2,888,470	1,000,132
Deposits and balances due from other banking institutions	5,775,665	751,118	4,858,110
Other assets	1,405,888	1,376,178	1,063,096
Financial investments –at amortized cost	11,714,616	7,253,016	8,442,907
Loans and advances to customers	21,501,275	18,539,935	7,113,221
Property and equipment	1,346,239	1,427,367	1,702,213
Right of use assets	1,320,913	1,474,647	-
Intangible assets	263,162	134,116	61,837
Derivative financial instrument (currency swap)	37,680	1,856	-
Total assets	46,221,714	35,466,185	25,271,516
LIABILITIES			
Deposits from customers	34,020,762	20,590,148	16,636,282
Deposits from banks and other financial Institutions	-	4,814,202	-
Balances due to Group companies	1,040,723	608,716	845,713
Other liabilities	1,586,864	1,104,473	508,548
Lease Liability	1,278,098	1,518,191	-
Deferred tax liability	199,437	199,437	186,911
Total liabilities	38,125,884	28,835,167	18,177,454
EQUITY			
Share capital	18,399,609	15,399,609	8,484,691
Capital contribution awaiting allotment	-	-	5,514,918
Retained earnings	(10,303,779)	(8,768,591)	(6,905,547)
Total Equity	8,095,830	6,631,018	7,094,062
Total equity and liabilities	46,221,714	35,466,185	25,271,516

II. STATEMENT OF COMPREHENSIVE INCOME

	Reviewed 30-Jun-20 Frw'000	Reviewed 30-Jun-19 Frw'000
Revenue		
Interest income	2,280,323	1,512,339
Interest expenses	(941,717)	(558,039)
Net interest income	1,338,606	954,300
Loan Impairment losses	(845,169)	(79,794)
Net interests income after impairment	493,437	874,506
Fee and commission income	256,310	153,156
Net foreign exchange gains	100,803	78,985
Non funded income	357,113	232,141
Income from banking activities	850,550	1,106,647
Employee benefits expenses	(754,866)	(522,863)
Finance costs	(381,359)	(363,911)
Depreciation and amortization	(60,439)	(82,014)
Operating expenses	(1,189,074)	(1,105,353)
Total operating expenses	(2,385,738)	(2,074,141)
Loss before income tax	(1,535,188)	(967,494)
Income tax expense	-	-
Loss for the period	(1,535,188)	(967,494)
Other comprehensive income	-	-
Total comprehensive loss for the period	(1,535,188)	(967,494)

III. OTHER DISCLOSURES

A CAPITAL STRENGTH		
a. Core Capital (Tier1)	7,849,917	6,306,961
b. Supplementary Capital (Tier 2)	-	-
c. Total Capital	8,293,630	6,628,395
d. Total risk weighted assets	35,497,092	25,714,683
e. Core capital/Total risk weighted assets ratio	22.11%	24.53%
f. Tier 1 ratio	22.11%	24.53%
g. Total capital/total risk weighted assets ratio	23.36%	25.78%
e. Tier 2 Ratio	-	-
i. Leverage ratio	15.44%	16.79%
B CREDIT RISK		
1. Total gross credit risk exposures		
a. On-balance sheet exposures	23,384,565	19,237,503
b. Guarantees, commitments given (off balance sheet)	5,779,056	4,443,933
c. Financing commitments given (Off balance sheet)	1,737,288	1,157,544
d. Letters of credit	2,031,492	117,842
e. Total gross credit risk exposures	32,932,401	24,956,822
f. Credit Risk Weighted Assets	35,497,092	23,494,482
g. Credit Risk Weighted Assets/RWA	76.80%	91%
2. Average gross credit Exposure (Average between December 2019 and June 2020)		
a. Loans	21,002,132	12,826,578
b. Commitments	967,654	1,157,544
c. Guarantees	5,610,575	4,166,583
d. Letters of credit	230,635	-
e. Debt securities	-	-
f. OTC derivatives	37,680	1,856
3. Sector Distribution of Exposures		
a. Infrastructure and construction	6,648,845	5,859,158
b. Manufacturing	4,719,189	3,254,177
c. Services and commerce	6,978,566	4,432,228
d. Others	5,037,966	5,691,940
e. Total on-balance sheet exposures	23,384,566	19,237,503
4. Off Balance sheet Items		
a. Guarantees, commitments given (off balance sheet)	5,779,056	4,443,933
b. Financing commitments given (Off balance sheet)	1,737,288	1,157,544
c. Letters of credit	2,031,492	117,842
	9,547,836	5,719,319

III. OTHER DISCLOSURES (CONTINUED)

	Reviewed 30-Jun-20 Frw'000	Audited 31-Dec-19 Restated Frw'000
5. Non-performing loan indicators		
a. Non-performing loans	2,695,288	241,922
b. NPL Ratio	11.53%	1.26%
6. Related parties		
a. Loans to directors, shareholders and subsidiaries	-	-
b. Loans to employees	1,012,645	993,597
7. Regional Exposure		
EAST	-	148,012
KIGALI CITY	21,873,195	17,546,110
NORTH	1,497	201,587
SOUTH	27,307	3,281
MOBILE LOANS	1,482,566	1,338,514
Total on balance sheet credit exposure	23,384,565	19,237,503
C LIQUIDITY RISK		
1 Liquidity ratio		
Liquid assets available	12,810,693	12,512,086
Total deposit liabilities	34,020,762	25,404,350
Liquidity coverage ratio	242%	216%
2 Net Stable Funding ratio		
Available stable funding	33,929,920	12,018,962
Required stable funding	3,587,934	3,375,244
NSFR	945.67%	356%
D OPERATIONAL RISK		
Number and type of frauds and their corresponding amount		
Type: None Number: None Amount: Nil		
E MARKET RISK		
a. Interest Risk	-	-
b. Foreign Exchange Risk	176,443	101,242
c. Equity Position	-	-
d. Market Risk/ RWA	0.50%	0.39%
F COUNTRY RISK		
a. Credit exposure Abroad	-	-
b. Other Assets Abroad	1,948,310	1,079,469
c. Liabilities due abroad	-	-

IV. MANAGEMENT AND BOARD COMPOSITION

a. Number of Board members	9	8
b. Number of independent directors	6	6
c. Number of non-independent directors	3	2
d. Number of female directors	3	3
e. Number of male directors	6	5
f. Number of senior managers	11	10
g. Number of female senior managers	2	2
h. Number of male senior managers	9	8

V. EXPLANATORY NOTES TO THE FINANCIALS
1 Net Interest and similar income

The bank recorded an increase in interest and similar income driven by the growth of the loan book by 90% between Quarter 2, 2019 and Quarter 2, 2020. Interest expense was also up as a result of growth in customer deposits by 96% during the same period.

2 Impairment charges

Loan impairment charge increased as result of a change in the collateral realisation period from two to three years and some part of the loan book migrated from stage 2 to stage 3. We have in place necessary measures to mitigate the risk of loss.

3 Personnel expenses

Staff cost increased by 44% due to new staff recruitment following the bank's growth, some of the key positions were filled during the last one year.

4 Operating expenses

Operating expenses increased by 8% compared to the same period last year due to business growth and implementation of key projects to support the business.

5 Loans and advances to customers

The increase was supported by new deals booked during the period. The year on year loan book grew by 90%. While half year growth was 16%, affected by an increase in impairment and slow business as a result of COVID 19 pandemic.

6 Deposits from customers

The increase of 65% on the overall deposit book in Quarter 2, 2020 is mainly attributed to new clients acquired during the period, which was from the corporate book and the Mobile savings (Mokash) deposits.

7 Share capital

The shareholders increased the capital by Rwf 3 billion during the period. Share capital was however reduced by Rwf 262, the cost of IT equipment and ATMs which have been in use for business operations reallocated from capital. The treatments of those assets have led to a restatement of 2019 and 2018 financials respectively.

The Financial statements were approved by the board of directors on 14 August 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

Head office: Kigali Heights 8th floor Plot No. 772, KG7 AVE

Email: contact@ncbagroup.com