

**NCBA BANK (RWANDA) PLC UNAUDITED FINANCIAL STATEMENTS AND DISCLOSURES FOR THE PERIOD ENDED 30TH SEPTEMBER 2020**
**I. STATEMENT OF FINANCIAL POSITION**

	Unaudited 30-Sep-20 Frw'000	Audited 31-Dec-19 Restated Frw'000	Audited 31-Dec-18 Restated Frw'000
<b>ASSETS</b>			
Cash in hand	870,866	1,619,482	1,030,000
Balance with National Bank of Rwanda	1,903,987	2,888,470	1,000,132
Deposits and balances due from other banking institutions	3,407,231	751,118	4,858,110
Other assets	2,303,354	1,376,178	1,063,096
Financial investments –at amortized cost	16,286,759	7,253,016	8,442,907
Loans and advances to customers	27,445,780	18,539,935	7,113,221
Property and equipment	1,331,211	1,427,367	1,702,213
Right of use assets	1,244,046	1,474,647	-
Intangible assets	424,997	134,116	61,837
Derivative financial instrument (currency swap)	19,650	1,856	-
<b>Total assets</b>	<b>55,237,881</b>	<b>35,466,185</b>	<b>25,271,516</b>
<b>LIABILITIES</b>			
Deposits from customers	34,780,233	20,590,148	16,636,282
Deposits from banks and other financial Institutions	5,141,919	4,814,202	-
Balances due to Group companies	673,661	608,716	845,713
Other liabilities	2,176,104	1,104,473	508,548
Lease Liability	1,199,031	1,518,191	-
Deferred tax liability	199,437	199,437	186,911
<b>Total liabilities</b>	<b>44,170,385</b>	<b>28,835,167</b>	<b>18,177,454</b>
<b>EQUITY</b>			
Share capital	21,399,609	15,399,609	8,484,691
Capital contribution awaiting allotment	-	-	5,514,918
Retained earnings	(10,332,113)	(8,768,591)	(6,905,547)
<b>Total Equity</b>	<b>11,067,496</b>	<b>6,631,018</b>	<b>7,094,062</b>
<b>Total equity and liabilities</b>	<b>55,237,881</b>	<b>35,466,185</b>	<b>25,271,516</b>

**II. STATEMENT OF COMPREHENSIVE INCOME**

	Unaudited 30-Sep-20 Frw'000	Reviewed 30-Sep-19 Frw'000
<b>Revenue</b>		
Interest income	3,590,440	2,310,676
Interest expenses	(1,551,190)	(800,338)
<b>Net interest income</b>	<b>2,039,250</b>	<b>1,510,338</b>
Loan Impairment losses	(802,171)	(186,801)
<b>Net interest income after impairment</b>	<b>1,237,079</b>	<b>1,323,537</b>
Fee and commission income	371,158	256,018
Net foreign exchange gains	265,412	73,521
<b>Non funded income</b>	<b>636,570</b>	<b>329,539</b>
<b>Income from banking activities</b>	<b>1,873,649</b>	<b>1,653,076</b>
Employee benefits expenses	(1,070,372)	(820,505)
Finance costs	(106,768)	(121,351)
Depreciation and amortization	(495,770)	(492,257)
Operating expenses	(1,763,786)	(1,582,460)
<b>Total operating expenses</b>	<b>(3,436,696)</b>	<b>(3,016,573)</b>
<b>Loss before income tax</b>	<b>(1,563,047)</b>	<b>(1,363,497)</b>
Income tax expense	-	-
<b>Loss for the period</b>	<b>(1,563,047)</b>	<b>(1,363,497)</b>
Other comprehensive income	-	-
<b>Total comprehensive loss for the period</b>	<b>(1,563,047)</b>	<b>(1,363,497)</b>

**III. OTHER DISCLOSURES**

<b>A CAPITAL STRENGTH</b>		
a. Core Capital (Tier1)	10,672,361	6,306,961
b. Supplementary Capital (Tier 2)	-	-
c. Total Capital	11,195,461	6,628,395
d. Total risk weighted assets	41,847,958	25,714,683
e. Core capital/Total risk weighted assets ratio	25.50%	24.53%
f. Tier 1 ratio	25.50%	24.53%
g. Total capital/total risk weighted assets ratio	26.75%	25.78%
e. Tier 2 Ratio	-	-
i. Leverage ratio	21.64%	16.79%
<b>B CREDIT RISK</b>		
<b>1. Total gross credit risk exposures</b>		
a. On-balance sheet exposure	29,377,066	19,237,503
b. Guarantees, commitments given (off balance sheet)	4,363,548	4,366,530
c. Financing commitments given (off balance sheet)	2,907,588	1,157,544
d. Letters of credit	470,128	126,712
e. Total gross credit risk exposures	<b>37,118,330</b>	<b>24,888,289</b>
f. Credit Risk Weighted Assets	41,089,123	23,494,482
g. Credit Risk Weighted Assets/RWA	74.39%	91%
<b>2. Average gross credit Exposure (Average between December 2019 and June 2020)</b>		
a. Loans	24,301,834	12,826,578
b. Commitments	2,032,566	1,157,544
c. Guarantees	4,403,741	4,166,583
d. Letters of credit	293,985	-
e. Debt securities	-	-
f. OTC derivatives	21,506	1,856
<b>3. Sector Distribution of Exposures</b>		
a. Infrastructure and construction	6,372,555	5,859,158
b. Manufacturing	5,279,284	3,254,177
c. Services and commerce	10,812,214	4,432,228
d. Others	6,766,168	5,691,940
e. Total on-balance sheet exposures	<b>29,230,221</b>	<b>19,237,503</b>
<b>4. Off Balance sheet Items</b>		
a. Guarantees, commitments given (off balance sheet)	4,363,548	4,366,530
b. Financing commitments given (off balance sheet)	2,907,588	1,157,544
c. Letters of credit	470,128	126,712
	<b>7,741,264</b>	<b>5,650,786</b>

**III. OTHER DISCLOSURES (CONTINUED)**

	Unaudited 30-Sep-20 Frw'000	Audited 31-Dec-19 Frw'000
<b>5. Non-performing loan indicators</b>		
a. Non-performing loans	2,624,651	241,922
b. NPL Ratio	8.98%	1.26%
<b>6. Related parties</b>		
a. Loans to directors, shareholders and subsidiaries	-	-
b. Loans to employees	1,018,298	993,597
<b>7. Regional Exposure</b>		
EAST	-	148,012
KIGALI CITY	27,522,081	17,546,110
NORTH	1,178	201,587
SOUTH	26,436	3,281
MOBILE LOANS	1,680,526	1,338,514
Total on balance sheet credit exposure	<b>29,230,221</b>	<b>19,237,504</b>
<b>C LIQUIDITY RISK</b>		
<b>1 Liquidity ratio</b>		
Liquid assets available	17,955,123	12,512,086
Total deposit liabilities	39,922,152	25,404,350
Liquidity coverage ratio	133%	216%
<b>2 Net Stable Funding ratio</b>		
Available stable funding	43,277,037	12,018,962
Required stable funding	4,021,567	3,375,244
NSFR	1076.12%	356%
<b>D OPERATIONAL RISK</b>		
Number and type of frauds and their corresponding amount		
Type: None   Number: None   Amount: Nil		
<b>E MARKET RISK</b>		
a. Interest Risk	-	-
b. Foreign Exchange Risk	542,801	101,242
c. Equity Position	-	-
d. Market Risk/ RWA	1.32%	0.39%
<b>F COUNTRY RISK</b>		
a. Credit exposure Abroad	-	-
b. Other Assets Abroad	3,217,462	1,079,469
c. Liabilities due abroad	-	-
<b>IV. MANAGEMENT AND BOARD COMPOSITION</b>		
a. Number of Board members	8	8
b. Number of independent directors	6	6
c. Number of non-independent directors	2	2
d. Number of female directors	3	3
e. Number of male directors	5	5
f. Number of senior managers	11	10
g. Number of female senior managers	2	2
h. Number of male senior managers	9	8
<b>V. EXPLANATORY NOTES TO THE FINANCIALS</b>		
<b>1 Net Interest and similar income</b>		
The bank recorded an increase of 55% in interest and similar income driven by the growth of the loan book by Rwf 13 billion between September 2019 and September 2020. Interest expense was also up as a result of growth in customer deposits by 67% during the same period.		
<b>2 Impairment charges</b>		
Loan impairment charge increased mainly as result of change in the collateral realisation period from two to three years and some of the loan book which migrated from stage 2 to stage 3. We have in place necessary measures to mitigate the risk of loss. The bank is also closely monitoring the impact of Covid 19 to the loan portfolio and has adjusted the IFRS 9 parameters accordingly to recognise additional provisions.		
<b>3 Personnel expenses</b>		
Staff cost has increased by 30% due to new staff recruitment following the bank growth, some of the key positions were filled during the last one year. The growth in staff cost has been also instrumental in the business growth.		
<b>4 Operating expenses</b>		
Operating expenses increased by 11% compared to the same period last year due to business growth and implementation of key projects to support the business.		
<b>5 Loans and advances to customers</b>		
The increase was supported by new deals booked during the period. The year on year loan book grew by 83%. While 9 month growth was 53%, affected by increase in impairment.		
<b>6 Deposits from customers</b>		
The increase of 69% on the overall deposit book in the 9 month of 2020 is mainly attributed to new clients acquired during the period, which was from the corporate book and the Mobile savings (Mokash) deposits.		
<b>7 Share capital</b>		
The shareholders increased the capital by Rwf 6 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.		
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The Financial statements were approved by the board of directors on 16 October 2020 and signed on its behalf by:



Ms. Lina M Higiro  
Chief Executive Officer



Amb. Dr. Benjamin Rugangazi  
Chairman

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