

NCBA BANK (RWANDA) PLC UNAUDITED FINANCIAL STATEMENTS AND DISCLOSURES FOR THE PERIOD ENDED 30TH SEPTEMBER 2021
I. STATEMENT OF FINANCIAL POSITION

	Unaudited 30-Sep-21 Frw'000	Audited 31-Dec-20 Frw'000
ASSETS		
Cash in hand	861,598	941,492
Balance with National Bank of Rwanda	6,738,271	2,179,813
Deposits and balances due from other banking institutions	2,551,011	3,397,818
Other assets	2,236,431	1,774,323
Financial investments –at amortized cost	22,383,092	13,922,171
Loans and advances to customers	49,084,679	32,795,838
Property and equipment	2,448,357	1,865,762
Right of use assets	1,052,521	1,286,617
Intangible assets	316,128	382,038
Derivative financial instrument (currency swap)	-	55,773
Total assets	87,672,088	58,601,645
LIABILITIES		
Deposits from customers	54,131,478	35,867,128
Deposits from banks	9,011,943	5,344,031
Treasury borrowings	4,014,724	650,080
Balances due to Group companies	588,939	831,488
Other liabilities	1,647,031	2,791,298
Lease Liability	933,001	1,264,650
Deferred tax liability	190,288	190,288
Total liabilities	70,517,404	46,938,963
EQUITY		
Share capital	26,499,604	21,399,604
Retained earnings	(9,344,920)	(9,736,922)
Total Equity	17,154,684	11,662,682
Total equity and liabilities	87,672,088	58,601,645

II. STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 30-Sep-21 Frw'000	Reviewed 30-Sep-20 Frw'000
Revenue		
Interest income	6,584,917	3,590,440
Interest expenses	(2,221,902)	(1,551,190)
Net interest income	4,363,015	2,039,250
Loan Impairment losses	(1,200,579)	(802,171)
Net interest income after impairment	3,162,436	1,237,079
Fee and commission income	514,831	381,487
Net foreign exchange gains	697,040	265,412
Non funded income	1,211,871	646,899
Income from banking activities	4,374,307	1,883,978
Employee benefits expenses	(1,423,564)	(1,070,372)
Finance costs	(99,627)	(106,768)
Depreciation and amortization	(570,254)	(495,770)
Operating expenses	(1,888,860)	(1,774,115)
Total operating expenses	(3,982,305)	(3,447,025)
Loss before income tax	392,002	(1,563,047)
Income tax expense	-	-
Loss for the period	392,002	(1,563,047)
Other comprehensive income	-	-
Total comprehensive loss for the period	392,002	(1,563,047)

III. OTHER DISCLOSURES

	Unaudited 30-Sep-21 Frw'000	Reviewed 30-Dec-20 Frw'000
A CAPITAL STRENGTH		
a. Core Capital (Tier1)	16,651,264	11,309,296
b. Supplementary Capital (Tier 2)	753,518	540,570
c. Total Capital	17,404,782	11,849,866
d. Total risk weighted assets	60,281,420	43,245,596
e. Core capital/Total risk weighted assets ratio	27.6%	26.2%
f. Tier 1 ratio	27.6%	26.2%
g. Total capital/total risk weighted assets ratio	28.9%	27.4%
e. Tier 2 Ratio	1.25%	1.25%
i. Leverage ratio	16.5%	17.0%
B CREDIT RISK		
1. Total gross credit risk exposures		
a. On-balance sheet exposure	52,561,380	34,635,765
b. Guarantees, commitments given (off balance sheet)	4,470,741	4,473,641
c. Financing commitments given (Off balance sheet)	2,714,542	2,726,207
d. Letter of credits	796,710	348,140
e. Total gross credit risk exposures	60,543,373	42,183,753
f. Credit Risk Weighted Assets	60,281,420	37,587,928
g. Credit Risk Weighted Assets/RWA	91.4%	86.9%
2. Average gross credit Exposure (Average between September 2021 and December 2020)		
a. Loans	43,598,572	19,266,710
b. Commitments	2,720,375	1,941,876
c. Guarantees	4,472,191	4,458,787
d. Letters of credit	572,425	232,991
e. Debt securities	18,152,632	10,587,594
f. OTC derivatives	-	28,815
3. Sector Distribution of Exposures		
a. Infrastructure and construction	11,083,409	7,433,739
b. Manufacturing	10,325,317	7,881,475
c. Services and commerce	18,885,142	11,099,685
d. Others	12,267,512	8,220,866
e. Total on-balance sheet exposures	52,561,380	34,635,765
4. Off Balance sheet Items		
a. Guarantees, commitments given (off balance sheet)	4,470,741	4,473,641
b. Financing commitments given (off balance sheet)	2,714,542	2,726,207
c. Letters of credit	796,710	348,140
	7,981,993	7,547,988

III. OTHER DISCLOSURES (CONTINUED)

	Unaudited 30-Sep-21 Frw'000	Audited 31-Dec-20 Frw'000
5. Non-performing loan indicators		
a. Non-performing loans	3,556,400	2,490,383
b. NPL Ratio	6.77%	7.19%
6. Related parties		
a. Loans to directors, shareholders and subsidiaries	179,386	68,653
b. Loans to employees	1,138,250	992,955
7. Regional Exposure		
East Province	182,586	95,176
Kigali City	47,212,383	31,240,824
North Province	245	-
South Province	1,867,844	1,858,582
Mobile Loans	3,298,322	1,441,182
Total on balance sheet credit exposure	52,561,379	34,635,765
8. Restructured Loans		
a. Number of borrowers	50	29
b. Amount outstanding	13,127,853	12,337,369
c. Regulatory provision thereon	133,192	109,439
d. Restructured loans as a % of gross loans	25.0%	35.6%
C LIQUIDITY RISK		
1 Liquidity ratio		
Liquid assets available	32,533,972	20,441,294
Total deposit liabilities	63,143,421	41,211,159
Liquidity coverage ratio	315.4%	121.7%
2 Net Stable Funding ratio		
Available stable funding	25,481,798	25,163,086
Required stable funding	12,650,278	7,062,278
NSFR	201.4%	356.3%
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	1,836,096	3,069,975
c. Equity Position	-	-
d. Market Risk/ RWA	3.0%	7.1%
F COUNTRY RISK		
a. Credit exposure Abroad	-	-
b. Other Assets Abroad	2,534,370	3,248,240
c. Liabilities due abroad	-	-
IV. MANAGEMENT AND BOARD COMPOSITION		
a. Number of Board members	9	9
b. Number of independent directors	6	6
c. Number of non-independent directors	3	3
d. Number of female directors	3	3
e. Number of male directors	6	6
f. Number of senior managers	12	9
g. Number of female senior managers	2	2
h. Number of male senior managers	10	7
V. EXPLANATORY NOTES TO THE FINANCIALS		
1 Net Interest and similar income		
The bank recorded a significant increase in interest and similar income by 83% year on year mainly driven by the growth of the loan book by 81% from Rwf 27 billion to Rwf 49 billion between September 2020 and September 2021. Interest expense increased by 43% year on year following the increase in deposits from Rwf 39 billion to Rwf 63 billion between September 2021 and September 2020.		
2 Non funded income		
Non funded income grew by 87% year on year as a result of growth in business volume.		
3 Impairment charges		
Loan impairment charge increased to accommodate growth in loan book and additional provision for stage 3 facilities. The bank has put in place mechanisms to recover the non performing loans.		
4 Personnel expenses		
Staff cost has increased by 33% year on year mainly due to new staff recruitment as a result of business growth.		
5 Operating expenses		
Other operating expenses grew by 8% year on year due to inflationary impact however there was optimisation of the investments to create efficiency.		
6 Loans and deposits		
The growth of 48% in loan book is attributed to new business booked during the period. The main growth segment was corporate book.		
7 Deposits from customers		
The increase of 54% from on the overall deposit book in 2021 is mainly attributed to new clients acquired during the period.		
8 Financial investments –at amortized cost		
Investments securities at amortized cost are debt securities issued by the Government of the Republic of Rwanda. The growth is attributed mainly due to swap instrument of Rwf 4 billion and treasury bonds of Rwf 3.6 billion acquired during the period. The swap instrument is a Central Bank policy to avail Rwandan Franc liquidity to the market.		
7 Share capital		
The shareholders injected additional capital of Rwf 5.1 billion during the period.		

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The Financial statements were approved by the board of directors on ** November 2021 and signed on its behalf by:



Ms. Lina M Higiro
Chief Executive Officer



Amb. Dr. Benjamin Rugangazi
Chairman

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