

NCBA BANK (RWANDA) PLC AUDITED FINANCIAL STATEMENTS AND DISCLOSURES FOR THE PERIOD ENDED 31 DECEMBER 2021
I. STATEMENT OF FINANCIAL POSITION

	Audited 31st Dec-21 Frw'000	Audited 31st Dec-20 Frw'000
ASSETS		
Cash in hand	1,010,670	941,492
Balance with National Bank of Rwanda	6,387,360	2,179,813
Deposits and balances due from other banking institutions	6,348,295	3,397,818
Derivative financial instrument	-	55,773
Financial instruments - Held to maturity	23,907,905	13,922,171
Loans and advances to customers	52,124,448	32,795,838
Other assets	3,870,455	1,774,323
Deferred tax asset	79,412	-
Intangible assets	318,443	382,038
Property and equipment	2,914,144	1,865,762
Right of use assets	1,206,438	1,286,617
Total assets	98,167,570	58,601,645
LIABILITIES		
Deposits from customers	56,936,601	35,867,128
Deposits from banks	13,551,407	5,344,031
Overnight treasury borrowings	7,252,422	650,080
Balances due to Group companies	852,798	831,488
Other liabilities	1,254,249	2,791,298
Deferred tax liability	-	190,288
Lease Liability	1,055,922	1,264,650
Total liabilities	80,903,399	46,938,963
EQUITY		
Share capital	26,499,604	21,399,604
Accumulated losses	(9,235,433)	(9,736,922)
Total Equity	17,264,171	11,662,682
Total equity and liabilities	98,167,570	58,601,645

II. STATEMENT OF COMPREHENSIVE INCOME

Revenue		
Interest income	9,738,766	5,145,595
Interest expenses	(3,345,018)	(2,280,069)
Net interest income	6,393,748	2,865,526
Loan Impairment losses	(2,428,676)	(772,034)
Net interests income after impairment	3,965,072	2,093,492
Fee and commission income	868,496	510,072
Net foreign exchange gains	872,395	423,821
Non funded income	1,740,891	933,893
Income from banking activities	5,705,963	3,027,385
Employee benefits expenses	(2,082,136)	(1,451,247)
Depreciation and amortization	(773,911)	(664,901)
Operating expenses	(2,618,127)	(2,421,404)
Total operating expenses	(5,474,174)	(4,537,552)
Profit / (loss) before income tax	231,789	(1,510,167)
Income tax	269,700	9,149
Profit/(Loss) for the year	501,489	(1,501,018)
Other comprehensive income	-	-
Total comprehensive income/ loss for the period	501,489	(1,501,018)

III. STATEMENT OF CASH FLOWS

Cash flows from operating activities		
Profit/(loss) before tax	231,789	(1,510,167)
Amortisation of software	111,258	58,249
Depreciation of right of use asset	323,364	302,764
Net gains/(losses) from foreign exchange translation	(135,818)	-
Depreciation charge of property and equipment	339,290	303,888
Interest on lease liability	135,871	144,352
Credit loss provision	2,514,062	997,418
Cash flows generated from operating activities before changes in operating assets and liabilities	3,519,816	296,504
Changes in operating assets and liabilities		
Decrease / (increase) in balances held with commercial banks	6,602,342	(4,164,122)
Decrease / (increase) in loans and advances	(21,731,126)	(15,398,261)
Decrease / (increase) in other assets	(2,096,132)	(398,145)
(Increase) / decrease in derivative assets	(55,773)	-
Increase in customer deposits	29,276,849	20,621,011
(Decrease) / increase in other liabilities	(1,537,049)	2,310,530
Increase in balances due to group companies	21,310	222,772
Cash generated from operations after changes in operating assets and liabilities	14,000,237	3,490,289
Income tax paid	-	-
Net cash generated from operating activities	14,000,237	3,490,289
Cash flows from investing activities		
Purchase of government securities	(18,939,016)	(16,719,538)
Proceeds from matured government securities	8,953,282	10,050,383
Purchase of software	(47,663)	(306,171)
Purchase of property and equipment	(1,387,672)	(742,283)
Net cash used in investing activities	(11,421,069)	(7,717,609)
Cash flows from financing activities		
Additional capital	5,100,000	6,000,000
Lease payments	(587,784)	(512,626)
Net cash (used in) / generated from financing activities	4,512,216	5,487,374
Increase in cash and cash equivalents		
Effects of exchange rate fluctuations on cash and cash equivalents held	135,818	-
Increase in cash and cash equivalents during the year	7,091,384	1,260,053
Cash and cash equivalents at start of year	6,519,123	5,259,070
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	13,746,325	6,519,123

IV. STATEMENT OF CHANGES IN EQUITY

	Share capital Frw 000	Accumulated Losses Frw 000	Total equity Frw 000
Year ended 31 December 2021			
At start of year	21,399,604	(9,736,922)	11,662,682
Profit for the year	-	501,489	501,489
	21,399,604	(9,235,433)	12,164,171
Transaction with owners			
Additional capital during the year	5,100,000	-	5,100,000
As at end of year	26,499,604	(9,235,433)	17,264,171
Year ended 31 December 2020			
At start of year – as previously reported	15,661,801	(9,030,783)	6,631,018
Restatement – profit from Mokash previously reported in other liabilities	-	532,682	532,682
Restatement – PPE items disallowed from capitalisation	(262,197)	262,197	-
At start of the year - restated	15,399,604	(8,235,904)	7,163,700
Loss for the year	-	(1,501,018)	(1,501,018)
	15,399,604	(9,736,922)	5,662,682
Transaction with owners			
Additional capital during the year	6,000,000	-	6,000,000
At end of the year	21,399,604	(9,736,922)	11,662,682

V. OTHER DISCLOSURES

	Audited 31st Dec-21 Frw'000	Audited 31-Dec-20 Frw'000
A CAPITAL STRENGTH		
a. Core Capital (Tier1)	16,645,410	11,309,296
b. Supplementary Capital (Tier 2)	794,599	540,570
c. Total Capital	17,440,009	11,849,866
d. Total risk weighted assets	63,567,878	43,245,596
e. Core capital/Total risk weighted assets ratio	26.2%	26.2%
f. Tier 1 ratio	26.2%	26.2%
g. Total capital/total risk weighted assets ratio	27.4%	27.4%
e. Tier 2 Ratio	-	-
i. Leverage ratio	17.5%	17.0%
B CREDIT RISK		
1. Total gross credit risk exposures		
a. On-balance sheet exposure	53,580,771	34,635,765
b. Guarantees, commitments given (off balance sheet)	4,081,134	4,473,641
c. Financing commitments given (Off balance sheet)	1,282,005	2,726,207
d. Letters of credit	-	348,140
e. Total gross credit risk exposures	58,943,910	42,183,753
f. Credit Risk Weighted Assets	58,151,530	37,587,928
g. Credit Risk Weighted Assets/RWA	91%	87%
2. Average gross credit Exposure (Avarege between December 2020 and December 2021)		
a. Loans	47,869,729	19,266,710
b. Financial Commitments	2,004,106	1,941,876
c. Guarantees	4,277,387	4,458,787
d. Letters of credit	174,070	232,991
e. Debt securities	-	-
f. OTC derivatives	-	28,815
3. Regional Exposure		
East Province	202,720	95,176
Kigali City	47,725,422	31,240,824
North Province	28,153	-
South Province	1,861,744	1,858,582
Western Province	110,309	-
Mobile and Credit Cards Loans	3,652,423	1,439,459
Total on balance sheet credit exposure	53,580,771	34,634,042
4. Sector Distribution of Exposures		
a. Infrastructure and construction	8,755,444	7,433,739
b. Manufacturing	11,830,176	7,881,475
c. Services and commerce	13,256,705	11,099,685
d. Transport and Telecommunication	5,956,379	-
e. Others	13,782,067	8,220,866
Total on-balance sheet exposures	53,580,771	34,635,765
5. Off Balance sheet Items		
a. Guarantees, commitments given (off balance sheet)	4,081,134	4,473,641
b. Financing commitments given (Off balance sheet)	1,282,005	2,726,207
c. Letters of credit	-	348,140
	5,363,139	7,547,988
6. Non-performing loan indicators		
a. Non-performing loans	631,417	2,448,358
b. NPL Ratio	1.18%	7.07%