

**VI. OTHER DISCLOSURES (Continued)**

	Audited 31st Dec-20 Frw'000	Audited 31-Dec-19 Frw'000
<b>7. Related parties</b>		
a. Loans to directors, shareholders and subsidiaries	185,718	68,653
b. Loans to employees	1,194,582	992,955
<b>8. Restructured loans</b>		
a. No. of borrowers	62	77
b. Amount outstanding	8,437,614	12,123,160
c. Provision thereon (regulatory):	110,376	104,039
d. Restructured loans as % of gross loans	15.7%	35.0%
<b>C LIQUIDITY RISK</b>		
<b>1 Liquidity ratio</b>		
Liquid assets available	37,654,230	20,441,294
Total deposit liabilities	70,488,008	41,211,159
Liquidity coverage ratio	187%	122%
<b>2 Net Stable Funding ratio</b>		
Available stable funding	26,534,006	25,163,086
Required stable funding	7,516,189	7,062,278
NSFR	353.0%	356.3%
<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	333,539	3,069,975
c. Equity Position	-	-
d. Market Risk/ RWA	0.52%	7.10%
<b>F COUNTRY RISK</b>		
a. Credit exposure Abroad	-	-
b. Other Assets Abroad	6,104,161	3,248,240
c. Liabilities due abroad	-	-

**VII. MANAGEMENT AND BOARD COMPOSITION**

a. Number of Board members	9	8
b. Number of independent directors	6	7
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	11
g. Number of female senior managers	2	1
h. Number of male senior managers	9	10

**VIII. EXPLANATORY NOTES TO THE FINANCIALS**
**1 Net interest and similar income**

The bank recorded increase in interest and similar income driven by the growth of the loan book by 59% between 2020 and 2021. Interest expense increase was driven by the growth in customer deposits which increased by 71% from the same period in 2020.

**2 Non funded income**

Non funded income grew by 86% year on year as a result of growth in business volume; the line was dominated by FX income which grew by 106% due to new business deals.

**3 Impairment charges**

Loan impairment charge increased to accommodate growth in loan book and additional provision for stage 3 facilities; the bank wrote off a one major NPL which was dominating the NPL. The bank has put in place mechanisms to recover the non performing loans.

**4 Personnel expenses**

Staff cost has increased by 43% year on year mainly due to new staff recruitment as a result of business growth.

**5 Operating expenses**

Operating expenses increased by 8% year on year due to inflationary impact however there was optimisation of the investments to create efficiency.

**6 Loans and advances to customers**

The growth of 59% in loan book is attributed to new deals booked during the period. The main growth segment was corporate book.

**7 Financial investments –at amortized cost**

Investment securities at amortized cost are debt securities issued by the Government of the Republic of Rwanda. The growth is attributed mainly to treasury placement with central bank of Rwf 4.1 billion, treasury bills of Rwf 8.4 billion and treasury bonds of Rwf 3.7 billion acquired during the period.

**8 Deposits from customers**

The increase of 71% on the overall deposit book in 2021 is mainly attributed to new clients acquired during the period, which was from the corporate book and the Mobile savings (Mokash) deposits.

**9 Share capital**

The shareholders injected additional capital of Rwf 5.1 billion during the period. The financial statements were approved by the board of directors on 05 March 2021 and signed on its behalf by:



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