

NCBA BANK (RWANDA) PLC FINANCIAL STATEMENTS AND DISCLOSURES FOR THE PERIOD ENDED 30TH JUNE 2022
REVIEWED BY EXTERNAL AUDITORS

I. STATEMENT OF FINANCIAL POSITION

	Reviewed 30-Jun-22 Frw'000	Audited 31-Dec-21 Frw'000
ASSETS		
Cash in hand	2,187,696	1,010,670
Balance with National Bank of Rwanda	26,016,200	6,387,360
Deposits and balances due from other banking institutions	11,156,968	6,348,295
Financial instruments -Held to maturity	35,017,069	23,907,905
Loans and advances to customers	60,595,315	52,124,448
Other assets	3,385,821	3,870,455
Deferred tax asset	79,412	79,412
Intangible assets	268,618	318,443
Property and equipment	2,983,527	2,914,144
Right of use assets	1,974,516	1,206,438
Total assets	143,665,142	98,167,570
LIABILITIES		
Deposits from customers	66,954,669	56,936,601
Deposits from banks	32,079,130	13,551,407
Overnight treasury borrowings	5,752,778	7,252,422
Balances due to Group companies	453,269	852,798
Long Term Borrowings	15,500,000	-
Other liabilities	2,185,861	1,254,249
Lease Liability	1,764,638	1,055,922
Total liabilities	124,690,345	80,903,399
EQUITY		
Share capital	26,499,604	26,499,604
Retained earnings	(7,524,807)	(9,235,433)
Total Equity	18,974,797	17,264,171
Total equity and liabilities	143,665,142	98,167,570

II. STATEMENT OF COMPREHENSIVE INCOME

	Reviewed 30-Jun-22 Frw'000	Reviewed 30-Jun-21 Frw'000
Revenue		
Interest income	7,261,178	3,712,784
Interest expenses	(2,301,958)	(1,377,408)
Net interest income	4,959,220	2,335,376
Loan Impairment losses	(739,837)	(197,859)
Net interests income after impairment	4,219,383	2,137,517
Fee and commission income	561,829	290,303
Net foreign exchange gains	1,029,398	504,487
Non funded income	1,591,227	794,790
Income from banking activities	5,810,610	2,932,307
Employee benefits expenses	(1,453,480)	(939,132)
Finance costs	(86,559)	(65,312)
Depreciation and amortization	(464,754)	(364,536)
Operating expenses	(2,095,191)	(1,185,196)
Total operating expenses	(4,099,984)	(2,554,176)
Loss before income tax	1,710,626	378,131
Income tax expense	-	-
Income for the period	1,710,626	378,131
Other comprehensive income	-	-
Total comprehensive income for the period	1,710,626	378,131

III. OTHER DISCLOSURES

	Reviewed 30-Jun-22 Frw'000	Audited 31-Dec-21 Frw'000
A CAPITAL STRENGTH		
a. Core Capital (Tier1)	17,829,531	16,645,410
b. Supplementary Capital (Tier 2)	1,079,323	794,598
c. Total Capital	18,908,854	17,440,009
d. Total risk weighted assets	86,259,896	63,567,878
e. Core capital/Total risk weighted assets ratio	20.67%	26.19%
f. Tier 1 ratio	20.67%	26.19%
g. Total capital/total risk weighted assets ratio	21.92%	27.44%
e. Tier 2 Ratio	1.25%	1.25%
i. Leverage ratio	17.54%	17.54%
B CREDIT RISK		
1. Total gross credit risk exposures		
a. On-balance sheet exposure	62,838,532	53,580,771
b. Guarantees, commitments given	7,098,918	4,081,134
c. Financing commitments given	4,416,915	1,282,005
d. Letters of credit	4,163,953	-
e. Total gross credit risk exposures	78,518,318	58,943,909
f. Credit Risk Weighted Assets	74,887,246	58,151,530
g. Credit Risk Weighted Assets/RWA	86.82%	91.48%
2. Average gross credit Exposure (Average between December 2021 and June 2022)		
a. Loans	58,209,652	47,869,729
b. Commitments	2,849,460	2,004,106
c. Guarantees	5,590,026	4,277,387
d. Letters of credit	2,081,977	174,070
e. Debt securities	29,462,487	10,587,594
3. Sector Distribution of Exposures		
a. Infrastructure and construction	9,219,939	8,755,444
b. Manufacturing	15,786,584	11,830,176
c. Services and commerce	15,357,389	13,256,705
d. Transport and Telecommunication	6,066,573	5,956,379
e. Others	16,408,047	13,782,067
	62,838,532	53,580,771
4. Off Balance sheet Items		
a. Guarantees, commitments given	7,098,918	4,081,134
b. Financing commitments given	4,416,915	1,282,005
c. Letters of credit	4,163,953	-
	15,679,786	5,363,139

III. OTHER DISCLOSURES (CONTINUED)

	Reviewed 30-Jun-22 Frw'000	Audited 31-Dec-21 Frw'000
5. Non-performing loan indicators		
a. Non-performing loans	1,138,604	631,417
b. NPL Ratio	1.81%	1.18%
6. Related parties		
a. Loans to directors, shareholders and subsidiaries	192,594	185,718
b. Loans to employees	1,156,038	1,194,582
7. Regional Exposure		
East Province	1,150,528	202,720
Kigali City	54,085,830	47,725,422
North Province	32,954	28,153
South Province	2,408,013	1,861,744
Western Province	124,866	110,309
Digital Loans	5,035,846	3,652,423
	62,838,037	53,580,771
8. Restructured Loans		
a. Number of borrowers	51	62
b. Amount outstanding	7,731,319	8,437,614
c. Regulatory provision thereon	65,275	110,376
d. Restructured loans as a % of gross loans	12.30%	15.75%
C LIQUIDITY RISK		
1 Liquidity ratio		
Liquid assets available	74,377,933	37,654,230
Total deposit liabilities	99,033,799	70,488,008
Liquidity coverage ratio	207%	187%
2 Net Stable Funding ratio		
Available stable funding	28,532,693	26,534,006
Required stable funding	59,376,137	7,516,189
NSFR	208.10%	353.02%
D OPERATIONAL RISK		
Number and type of frauds and their corresponding amount		
Type: None Number: None Amount: Nul		
E MARKET RISK		
a. Interest Risk	-	-
b. Foreign Exchange Risk	195,429	333,539
c. Equity Position	-	-
d. Market Risk/ RWA	0.23%	7.10%
F COUNTRY RISK		
a. Credit exposure Abroad	-	-
b. Other Assets Abroad	9,973,647	6,104,161
c. Liabilities due abroad	-	-
G 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	11	11
g. Number of female senior managers	2	2
h. Number of male senior managers	9	9
V. EXPLANATORY NOTES TO THE FINANCIALS		
1 Net Interest and similar income		
The bank recorded a significant increase in interest and similar income by 96% mainly driven by the growth of the loan book Which moved from Rwf 39 billion to Rwf 61 billion between June 2021 and June 2022. Interest expense increased by 67% following the increase in deposits from Rwf 50 billion to Rwf 99 billion between June 2021 and June 2022.		
2 Foreign exchange income increased significantly due to increased deals with our corporate customers.		
3 Impairment charges		
Loan impairment charge increased as result of increase in loan book. We have in place necessary measures to avoid deterioration of the loan book quality.		
4 Personnel expenses		
Staff cost has increased by 55% mainly due to new staff recruitment following the bank growth.		
5 Operating expenses		
There was an increase in operating expense following the business growth which includes two new branches, additional IT infrastructure.		
6 Loans and advances		
The growth in loan book is attributed to new business booked during the period; mainly driven by the corporate segment.		
7 Deposits from Customers		
The increase of 40% from on the overall deposit book in H1 -2022 is mainly attributed to new clients acquired during the period. Deposits also grew significantly due to a special collection agreement which matured in July 2022.		
8 Long term borrowing		
The bank entered into a long-term borrowing to finance the business growth. This has boosted the bank's liquidity for June 2022.		


Ms. Lina M Higiro
 Chief Executive Officer


Amb. Dr. Benjamin Rugangazi
 Chairman

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