

**I. STATEMENT OF FINANCIAL POSITION**

	Audited 31 Dec 22 Frw'000	Audited 31st 31 Dec 21 Frw'000
<b>ASSETS</b>		
Cash in hand	2,029,558	1,010,670
Balance with National Bank of Rwanda	9,916,217	6,387,360
Deposits and balances due from other banking institutions	13,336,111	6,348,295
Financial instruments -Held to maturity	26,740,647	23,907,905
Loans and advances to customers	86,790,615	52,124,448
Other assets	5,132,289	3,870,455
Deferred tax asset	669,308	79,412
Right of use assets	1,950,825	1,206,438
Property and equipment	2,351,500	2,914,144
Intangible assets	1,232,390	318,443
<b>Total assets</b>	<b>150,149,460</b>	<b>98,167,570</b>
<b>LIABILITIES</b>		
Deposits from customers	87,349,897	56,936,601
Deposits from banks	8,442,735	13,551,407
Overnight interbank and treasury borrowings	6,550,728	7,252,422
Balances due to Group companies	968,594	852,798
Other liabilities	3,304,894	1,254,249
Current tax liabilities	1,672,528	-
Borrowed funds	15,503,863	-
Lease Liability	1,697,206	1,055,922
<b>Total liabilities</b>	<b>125,490,445.0</b>	<b>80,903,399</b>
<b>EQUITY</b>		
Share capital	30,399,604	26,499,604
Accumulated losses	(5,740,589)	(9,235,433)
<b>Total Equity</b>	<b>24,659,015</b>	<b>17,264,171</b>
<b>Total equity and liabilities</b>	<b>150,149,460</b>	<b>98,167,570</b>

**II. STATEMENT OF COMPREHENSIVE INCOME**

	Audited 31 Dec 22 Frw'000	Audited 31 Dec 21 Frw'000
<b>Revenue</b>		
Interest income	17,059,475	9,738,766
Interest expenses	(4,816,088)	(3,345,018)
<b>Net interest income</b>	<b>12,243,387</b>	<b>6,393,748</b>
Loan Impairment losses	(1,583,598)	(2,428,676)
<b>Net interests income after impairment</b>	<b>10,659,789</b>	<b>3,965,072</b>
Fee and commission income	812,039	868,496
Net foreign exchange gains	1,725,188	872,395
<b>Non funded income</b>	<b>2,537,227</b>	<b>1,740,891</b>
<b>Income from banking activities</b>	<b>13,197,016</b>	<b>5,705,963</b>
Employee benefits expenses	(3,047,434)	(2,082,136)
Depreciation and amortization	(1,098,904)	(773,911)
Operating expenses	(4,200,006)	(2,618,127)
<b>Total operating expenses</b>	<b>(8,346,344)</b>	<b>(5,474,174)</b>
<b>Profit before income tax</b>	<b>4,850,672</b>	<b>231,789</b>
Income tax expense	(1,355,828)	269,700
<b>Profit for the year</b>	<b>3,494,844</b>	<b>501,489</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>3,494,844</b>	<b>501,489</b>

**III. STATEMENT OF CASH FLOWS**

	Audited 31 Dec 22 Frw'000	Audited 31 Dec 21 Frw'000
<b>Cash flows from operating activities</b>		
Profit before income tax	4,850,672	231,789
Amortisation of software	218,061	111,258
Depreciation of right of use asset	435,660	323,364
Net gains/(losses) from foreign exchange translation	(15,819)	(135,818)
Depreciation charge of property and equipment	445,183	339,290
Interest on lease liability	196,232	135,871
Finance costs on borrowings	292,398	-
Credit loss provision	1,656,316	2,514,062
<b>Cash flows generated from/ (used in) operating activities before changes in operating assets and liabilities</b>	<b>8,078,703</b>	<b>3,519,816</b>
<b>Changes in operating assets and liabilities</b>		
Decrease / (increase) in balances held with commercial banks	(701,694)	6,602,342
Decrease / (increase) in loans and advances	(36,532,589)	(21,731,126)
Decrease / (increase) in other assets	(1,042,546)	(2,096,132)
(Increase) / decrease in derivative assets	-	(55,773)
Increase in customer deposits	25,304,624	29,276,849
(Decrease) / increase in other liabilities	2,050,645	(1,537,049)
Increase in balances due to group companies	115,796	21,310
<b>Cash generated from operations after changes in operating assets and liabilities</b>	<b>(2,727,061)</b>	<b>14,000,237</b>
Income tax paid	(273,196)	-
<b>Net cash generated from operating activities</b>	<b>(3,000,257)</b>	<b>14,000,237</b>
<b>Cash flows from Investing activities</b>		
Purchase of government securities	(42,152,751)	(18,939,016)
Proceeds from matured government securities	39,320,009	8,953,282
Purchase of software	(50,821)	(47,663)
Purchase of property and equipment	(972,909)	(1,387,672)
<b>Net cash used in Investing activities</b>	<b>(3,856,472)</b>	<b>(11,421,069)</b>
<b>Cash flows from financing activities</b>		
Additional capital	3,900,000	5,100,000
Proceeds from Borrowings	15,500,000	-
Interest paid on borrowings	(288,534)	-
Lease payments	(734,995)	(587,784)
<b>Net cash (used in) / generated from financing activities</b>	<b>18,376,471</b>	<b>4,512,216</b>
Increase in cash and cash equivalents	15,819	135,818
Effects of exchange rate fluctuations on cash and cash equivalents held	11,519,742	7,091,384
Increase in cash and cash equivalents during the year	13,746,325	6,519,123
Cash and cash equivalents at start of year	13,746,325	6,519,123
<b>CASH AND CASH EQUIVALENTS AT 31 DEC 22</b>	<b>25,281,886</b>	<b>13,746,325</b>

**IV. STATEMENT OF CHANGES IN EQUITY**

	Share capital Frw 000	Accumulated Losses Frw 000	Total equity Frw 000
<b>Year ended 31 December 2022</b>			
At start of year	26,499,604	(9,235,433)	17,264,171
Profit for the year	-	3,494,844	3,494,844
	<b>26,499,604</b>	<b>(5,740,589)</b>	<b>20,759,015</b>
<b>Transaction with owners</b>			
Additional capital during the year	<b>3,900,000</b>	-	<b>3,900,000</b>
<b>As at end of year</b>	<b>30,399,604</b>	<b>(5,740,589)</b>	<b>24,659,015</b>
<b>Year ended 31 December 2021</b>			
At start of year	21,399,604	(9,736,922.0)	11,662,682
Profit for the year	-	501,489.0	501,489
	<b>21,399,604</b>	<b>(9,235,433)</b>	<b>12,164,171</b>
<b>Transaction with owners</b>			
Additional capital during the year	5,100,000	-	5,100,000
<b>At end of the year</b>	<b>26,499,604</b>	<b>(9,235,433)</b>	<b>17,264,171</b>

**V. OTHER DISCLOSURES**

	Audited 31 Dec 22 Frw'000	Audited 31 Dec 21 Frw'000
<b>A CAPITAL STRENGTH</b>		
a. Core Capital (Tier1)	23,321,810	16,645,410
b. Supplementary Capital (Tier 2)	1,654,616	794,599
c. Total Capital	24,976,426	17,440,009
d. Total risk weighted assets	132,369,261	63,567,878
e. Core capital/Total risk weighted assets ratio	17.6%	26.2%
f. Tier 1 ratio	17.6%	26.2%
g. Total capital/total risk weighted assets ratio	18.9%	27.4%
e. Tier 2 Ratio	-	-
i. Leverage ratio	15.5%	17.5%
<b>B CREDIT RISK</b>		
<b>1. Total gross credit risk exposures</b>		
a. On-balance sheet exposure	89,763,278	53,580,771
b. Guarantees, commitments given (off balance sheet)	7,377,687	4,081,134
c. Financing commitments given (Off balance sheet)	4,242,017	1,282,005
d. Letter of credits	3,470,313	-
e. <b>Total gross credit risk exposures</b>	<b>104,853,295</b>	<b>58,943,909</b>
f. Credit Risk Weighted Assets	116,628,804	58,151,530
g. Credit Risk Weighted Assets/RWA	88.1%	91.5%
<b>2. Average gross credit Exposure (Avarage between December 2021 and December 2022)</b>		
a. Loans	71,672,025	47,869,729
b. Financial Commitments	2,762,011	2,004,106
c. Guarantees	5,729,410	4,277,387
d. Letters of credit	1,735,157	174,070
e. Debt securities	25,324,276	18,915,038
f. OTC derivatives	-	-
<b>3. Regional Exposure</b>		
East Province	1,417,624	202,720
Kigali City	79,658,885	49,455,710
North Province	123,297	28,153
South Province	284,725	131,456
Western Province	278,670	110,309
Mobile and Credit Cards Loans	8,000,077	3,652,423
<b>Total on balance sheet credit exposure</b>	<b>89,763,278</b>	<b>53,580,771</b>
<b>4. Sector Distribution of Exposures</b>		
a. Public	16,784,000	7,810,173
b. Infrastructure and construction	5,544,770	3,643,492
c. Manufacturing	20,285,933	11,830,176
d. Services and commerce	31,483,685	19,884,416
e. Transport and Telecommunication	6,318,364	5,956,379
f. Others	9,346,526	4,456,135
<b>Total on-balance sheet exposures</b>	<b>89,763,278</b>	<b>53,580,771</b>
<b>5. Off Balance sheet Items</b>		
a. Guarantees, commitments given (off balance sheet)	7,377,687	4,081,134
b. Financing commitments given (Off balance sheet)	4,242,017	1,282,005
c. Letters of credit	3,470,313	-
	<b>15,090,017</b>	<b>5,363,139</b>
<b>6. Non-performing loan indicators</b>		
a. Non-performing loans	2,278,972	631,417
b. NPL Ratio	2.54%	1.18%
<b>7. Related parties</b>		
a. Loans to directors, shareholders and subsidiaries	175,650	185,718
b. Loans to employees	1,326,924	1,194,582
<b>8. Restructured loans</b>		
a. No. of borrowers	49	62
b. Amount outstanding	8,286,618	8,437,614
c. Provision thereon (regulatory):	122,311	110,376
d. Restructured loans as % of gross loans	9.2%	15.7%

**V. OTHER DISCLOSURES**

	Audited 31 Dec 22 Frw'000	Audited 31 Dec 21 Frw'000
<b>C LIQUIDITY RISK</b>		
<b>1 Liquidity ratio</b>		
Liquid assets available	52,022,533	37,654,230
Total deposit liabilities	95,792,632	70,488,008
Liquidity coverage ratio	279%	187%
<b>2 Net Stable Funding ratio</b>		
Available stable funding	77,725,142	26,534,006
Required stable funding	31,827,879	7,516,189
NSFR	250%	353.0%
<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	1,133,206	333,539
c. Equity Position	-	-
d. Market Risk/ RWA	0.86%	0.52%
<b>F COUNTRY RISK</b>		
a. Credit exposure Abroad	-	-
b. Other Assets Abroad	7,821,656	6,104,161
c. Liabilities due abroad	-	-

**VII. 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

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

The bank recorded a significant increase in interest and similar income by 75% mainly driven by the growth of the loan book Which increased by 67% from Rwf 54 billion to Rwf 90 billion between December 2021 and December 2022. Interest expense increased by 44% following the increase in deposits from Rwf 70 billion to Rwf 95 billion between December 2021 and December 2022.

**2 Foreign exchange income increased significantly due to increased deals with our corporate customers.**
**3 Impairment charges**

With the growth of loan book, there was also a significant growth in Expected credit loss. However, the Non performing loan ratio was contained at 2.54%. We have in place necessary measures to avoid deterioration of the loan book quality. .

**4 Personnel expenses**

Staff cost has increased by 46% year on year mainly due to new staff recruitment following the bank growth.

**5 Depreciation and amortization**

Depreciation and amortization increased by 42% year on year due depreciation on new capital assets aquired during the year 2022. Main assets aquired were the new software to support the digital banking and assets bought for the new branches opened in 2022.

**6 Operating expenses**

Operating expenses increased by 60% year on year following the business growth which includes branch expansion New digital system and additional IT infrastructures. However there was optimisation of the investements to create efficiency.

**7 Loans and advances to customers**

"The growth of 67% in loan book is attributed to new deals booked during the period. The main growth segment was corporate book."

**8 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 to new treasury bills aquired during the period.

**9 Deposits from customers**

The increase of 36% on the overall deposit book in 2022 is mainly attributed to new clients aquired during the period, which was from the corporate book and the Mobile savings (Mokash) deposits.

**10 Borrowed funds**

The bank entered into a long-term borrowing of Rwf 15.5 billion to finance the business growth in the housing and manufacturing businesses.

**11 Share capital**

The shareholders injected additional capital of Rwf 3.9 billion during the period.

The financial statements were approved by the board of directors on 08 March 2022 and signed on its behalf by:



Ms. Lina M Higiro  
Chief Executive Officer



Amb. Dr. Benjamin Rugangazi  
Chairman



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