

NCBA BANK (RWANDA) PLC UNAUDITED FINANCIAL STATEMENTS AND DISCLOSURES FOR THE PERIOD ENDED 30TH SEPTEMBER 2023
I. STATEMENT OF FINANCIAL POSITION

	Unaudited 30-Sep-23 Frw'000	Audited 31-Dec-22 Frw'000
ASSETS		
Cash in hand	2,633,547	2,029,558
Balance with National Bank of Rwanda	6,715,211	9,916,217
Deposits and balances due from other banking institutions	34,106,859	13,336,111
Financial instruments -amortized cost	31,778,606	26,740,647
Loans and advances to customers	106,370,554	86,790,615
Other assets	4,606,179	5,132,289
Deferred tax asset	669,308	669,308
Intangible assets	1,203,921	1,232,390
Property and equipment	4,512,760	2,351,500
Right of use assets	1,614,778	1,950,825
Total assets	194,211,723	150,149,460
LIABILITIES		
Deposits from customers	123,013,439	87,349,897
Deposits from banks	17,793,701	8,442,735
Overnight treasury borrowings	-	6,550,728
Balances due to Group companies	547,594	968,594
Other liabilities	5,613,134	3,304,894
Current tax liabilities	729,138	1,672,528
Borrowed funds	15,632,102	15,503,863
Lease Liability	1,467,688	1,697,206
Total liabilities	164,796,796	125,490,445
EQUITY		
Share capital	30,399,604	30,399,604
Retained earnings	(984,677)	(5,740,589)
Total Equity	29,414,927	24,659,015
Total equity and liabilities	194,211,723	150,149,460

II. STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 30-Sep-23 Frw'000	Unaudited 30-Sep-22 Frw'000
Revenue		
Interest income	18,049,155	11,662,610
Interest expenses	(4,667,175)	(3,428,461)
Net interest income	13,381,980	8,234,149
Loan Impairment losses	(1,502,725)	(1,304,363)
Net interest income after impairment	11,879,255	6,929,786
Fee and commission income	1,135,675	876,349
Net foreign exchange gains	1,598,837	1,425,114
Other Income	230,280	-
Non funded income	2,964,792	2,301,463
Income from banking activities	14,844,047	9,231,249
Employee benefits expenses	(3,109,363)	(2,202,213)
Depreciation and amortization	(939,389)	(777,927)
Operating expenses	(3,853,831)	(3,155,922)
Finance cost	(147,304)	(137,530)
Total operating expenses	(8,049,887)	(6,273,592)
Profit before income tax	6,794,160	2,957,657
Income tax expense	(2,038,248)	(887,297)
Income for the period	4,755,912	2,070,360
Other comprehensive income	-	-
Total Comprehensive income for the period	4,755,912	2,070,360

III. OTHER DISCLOSURES

	Unaudited 30-Sep-23 Frw'000	Audited 31-Dec-22 Frw'000
A CAPITAL STRENGTH		
a. Core Capital (Tier1)	25,163,741	23,321,810
b. Supplementary Capital (Tier 2)	1,563,252	1,654,616
c. Total Capital	26,726,993	24,976,426
d. Total risk weighted assets	158,844,247	132,369,261
e. Core capital/Total risk weighted assets ratio	15.8%	17.6%
f. Tier 1 ratio	15.8%	17.6%
g. Total capital/total risk weighted assets ratio	16.8%	18.9%
e. Tier 2 Ratio	-	-
i. Leverage ratio	12.5%	15.5%
B CREDIT RISK		
1. Total gross credit risk exposures		
a. On-balance sheet exposure	111,102,811	89,763,278
b. Guarantees, commitments given	21,599,761	7,377,687
c. Financing commitments given	-	4,242,017
d. Letters of credit	9,479,017	3,470,313
e. Total gross credit risk exposures	142,181,589	104,853,295
f. Credit Risk Weighted Assets	134,276,260	116,628,804
g. Credit Risk Weighted Assets/RWA	84.53%	88.1%
2. Average gross credit Exposure (Average between Sep 2023 and Dec 2022)		
a. Loans	100,433,045	71,672,025
b. Commitments	2,121,009	2,762,011
c. Guarantees	14,488,724	5,729,410
d. Letters of credit	6,474,665	1,735,157
e. Debt securities	29,259,627	25,324,276
3. Sector Distribution of Exposures		
a. Public	18,127,935	16,784,000
b. Infrastructure and construction	6,588,688	5,544,770
c. Manufacturing	20,824,408	20,285,933
d. Services and commerce	29,157,918	19,683,154
e. Transport and Telecommunication	6,689,934	6,318,364
f. Others	29,713,928	21,147,057
	111,102,811	89,763,278
4. Off Balance sheet Items		
a. Guarantees, commitments given	21,599,761	7,377,687
b. Financing commitments given	-	4,242,017
c. Letters of credit	9,479,017	3,470,313
	31,078,778	15,090,017

III. OTHER DISCLOSURES (CONTINUED)

	Unaudited 30-Sep-23 Frw'000	Audited 31-Dec-22 Frw'000
5. Non-performing loan indicators		
a. Non-performing loans	8,189,916	2,278,972
b. NPL Ratio	7.4%	2.5%
6. Related parties		
a. Loans to directors, shareholders and subsidiaries	346,540	198,009
b. Loans to employees	1,910,481	1,326,924
7. Regional Exposure		
East Province	2,451,502	1,417,624
Kigali City	89,643,911	79,658,885
North Province	810,241	123,297
South Province	3,748,396	284,725
Western Province	1,822,922	278,670
Mobile and Credit Cards Loans	12,625,839	8,000,077
	111,102,811	89,763,278
8. Restructured Loans		
a. Number of borrowers	40	49
b. Amount outstanding	8,030,622	8,286,618
c. Regulatory provision thereon	130,612	122,311
d. Restructured loans as a % of gross loans	7.2%	9.2%
C LIQUIDITY RISK		
1 Liquidity ratio		
Liquid assets available	75,234,223	52,022,533
Total deposit liabilities	140,807,140	95,792,632
Liquidity coverage ratio	171.2%	270.2%
2 Net Stable Funding ratio		
Available stable funding	134,571,959	77,725,142
Required stable funding	58,928,355	31,827,879
NSFR	228.4%	244.2%
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	2,610,709	1,133,206
c. Equity Position	-	-
d. Market Risk/ RWA	1.6%	0.9%
F COUNTRY RISK		
a. Credit exposure Abroad	-	-
b. Other Assets Abroad	31,620,618	7,821,656
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	11	11
g. Number of female senior managers	2	2
h. Number of male senior managers	10	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 55% mainly driven by the growth of the loan book Which moved from Rwf 87 billion to Rwf 111 billion between December 2022 and September 2023. Interest expense increased by 36% following the increase in deposits from Rwf 96 billion to Rwf 140 billion between December 2022 and September 2023.		
2 Non funded income increase was driven by the increase in FX deals and volumes, other fees and commissions increased due to increase in business volumes.		
3 Impairment charges		
Loan impairment charge increased as result of the growth of loan book and new non-peforming loan accounts during the period. We have in place necessary measures to avoid deterioration of the loan book quality.		
4 Personnel expenses		
Staff cost has increased by 41% mainly due to increase in recruitments and promotions following the bank growth.		
5 Depreciation and amortization		
Depreciation and amortization increased by 21% year on year due depreciation on new capital assets aquired during the period. Main assets aquired were the new software to support the digital banking and offices expansion after September 2022.		
6 Operating expenses		
There was an increase in operating expense following the business growth , offices expansion and additional IT infrastructure.		
7 Loans and deposits		
The Loan book grew by 23% between December 2022 and September 2023.The growth in loan book a is attributed to new business booked during the period mainly driven by the corporate segment		
8 Financial instruments -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 47% from the overall deposit book between December 2022 and September 2023 is mainly attributed to new clients aquired and increase in receipts from existing customers during the period.		
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.		

The financial statements were approved by the board of directors on 03rd Nov 2023 and signed on its behalf by:



Ms. Lina M Higiyo
Chief Executive Officer



Ms. Dr. Benjamin Rugangazi
Chairman

The accounts can be accessed from our website: www.ncbagroup.com
Head office: Kigali Heights 8th floor Plot No. 772, KG7 AVE
Email: contact@ncbagroup.com