

NCBA BANK (RWANDA) PLC AUDITED FINANCIAL STATEMENTS AND DISCLOSURES FOR THE PERIOD ENDED 31ST DECEMBER 2023
I. STATEMENT OF FINANCIAL POSITION

	Audited 31 Dec 23 Frw'000	Audited 31 Dec 22 Frw'000
ASSETS		
Cash in hand	3,759,659	2,029,558
Balance with National Bank of Rwanda	5,616,567	9,916,217
Deposits and balances due from other banking institutions	42,445,053	13,336,111
Financial instruments -Held to maturity	34,232,544	26,740,647
Loans and advances to customers	103,420,331	86,790,615
Other assets	8,808,642	5,132,289
Deferred tax asset	899,803	669,308
Right of use assets	1,870,298	1,950,825
Property and equipment	2,915,438	2,351,500
Intangible assets	782,216	1,232,390
Total assets	204,750,551	150,149,460
LIABILITIES		
Deposits from customers	100,987,220	87,349,897
Deposits from banks	38,804,233	8,442,735
Overnight interbank and treasury borrowings	13,160,380	6,550,728
Balances due to Group companies	643,053	968,594
Other liabilities	2,387,220	3,304,894
Current tax liabilities	431,008	1,672,528
Borrowed funds	16,210,718	15,503,863
Lease Liability	1,514,993	1,697,206
Total liabilities	174,138,825	125,490,445
EQUITY		
Share capital	30,399,604	30,399,604
Accumulated losses	212,122	(5,740,589)
Total Equity	30,611,726	24,659,015
Total equity and liabilities	204,750,551	150,149,460

II. STATEMENT OF COMPREHENSIVE INCOME

	Audited 31 Dec 23 Frw'000	Audited 31 Dec 22 Frw'000
Revenue		
Interest income	25,909,625	17,059,475
Interest expenses	(6,727,901)	(4,816,088)
Net interest income	19,181,724	12,243,387
Loan Impairment losses	(3,388,385)	(1,583,598)
Net interests income after impairment	15,793,339	10,659,789
Fee and commission income	1,061,028	812,039
Net foreign exchange gains	2,206,748	1,725,188
Other income	243,293	-
Non funded income	3,511,069	2,537,227
Income from banking activities	19,304,408	13,197,016
Employee benefits expenses	(3,980,849)	(3,047,434)
Depreciation and amortization	(1,317,437)	(1,098,904)
Operating expenses	(5,364,511)	(4,200,006)
Total operating expenses	(10,662,797)	(8,346,344)
Profit before income tax	8,641,611	4,850,672
Income tax expense	(2,688,900)	(1,355,828)
Profit for the year	5,952,711	3,494,844
Other comprehensive income	-	-
Total comprehensive income for the period	5,952,711	3,494,844

III. STATEMENT OF CASH FLOWS

	Audited 31 Dec 23 Frw'000	Audited 31 Dec 22 Frw'000
Cash flows from operating activities		
Profit before income tax	8,641,611	4,850,672
Amortisation of software	385,234	218,061
Depreciation of right of use asset	429,848	435,660
Net gains/(losses) from foreign exchange translation	(4,593)	(15,819)
Depreciation charge of property and equipment	502,355	445,183
Interest on lease liability	295,166	196,232
Finance costs on borrowings	577,264	292,397
Credit loss provision	3,388,385	1,656,316
Cash flows generated from operating activities before changes in operating assets and liabilities	14,215,270	8,078,703
Changes in operating assets and liabilities		
(Increase)/Decrease in balances held with commercial banks	6,609,652	(701,694)
Decrease / (increase) in loans and advances	(19,709,393)	(36,532,589)
Decrease / (increase) in other assets	(3,676,353)	(1,042,546)
Increase in customer deposits	43,502,409	25,304,624
(Decrease) / increase in other liabilities	(917,674)	2,050,645
Increase in balances due to group companies	(325,541)	115,796
Cash generated from operations after changes in operating assets and liabilities	39,698,370	(2,727,061)
Income tax paid	(4,160,915)	(273,197)
Net cash generated from operating activities	35,537,455	(3,000,257)
Cash flows from Investing activities		
Purchase of government securities	(66,667,977)	(42,152,751)
Proceeds from matured government securities	59,176,080	39,320,009
Purchase of software	-	(50,821)
Purchase of property and equipment	(788,635)	(972,909)
Net cash used in Investing activities	(8,280,532)	(3,856,472)
Cash flows from financing activities		
Additional capital	-	3,900,000
Proceeds from Borrowings	700,000	15,500,000
Interest paid on borrowings	(566,884)	(288,534)
Lease Capital payments	(560,073)	(538,763)
Lease Interest payments	(295,166)	(196,232)
Net cash (used in) / generated from financing activities	(722,123)	18,376,471
Increase in cash and cash equivalents		
Effects of exchange rate fluctuations on cash and cash equivalents held	4,593	15,819
Increase in cash and cash equivalents during the year	26,534,800	11,519,742
Cash and cash equivalents at start of year	25,281,886	13,746,325
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	51,821,279	25,281,886

IV. STATEMENT OF CHANGES IN EQUITY

	Share capital Frw 000	Accumulated Profit/Losses Frw 000	Total equity Frw 000
Year ended 31 December 2023			
At start of year	30,399,604	(5,740,589)	24,659,015
Profit for the year	-	5,952,711	5,952,711
	30,399,604	212,122	30,611,726
Transaction with owners	26,499,604		
Additional capital during the year	-	-	-
As at end of year	30,399,604	212,122	30,611,726
Year ended 31 December 2022			
At start of year	26,499,604	(9,235,433.0)	17,264,171
Profit for the year	-	3,494,844.0	3,494,844
	26,499,604	(5,740,589)	20,759,015
Transaction with owners			
Additional capital during the year	3,900,000	-	3,900,000
At end of the year	30,399,604	(5,740,589)	24,659,015

V. OTHER DISCLOSURES

	Audited 31 Dec 23 Frw'000	Audited 31 Dec 22 Frw'000
A CAPITAL STRENGTH		
a. Core Capital (Tier1)	28,929,707	23,321,810
b. Supplementary Capital (Tier 2)	1,636,353	1,654,616
c. Total Capital	30,566,060	24,976,426
d. Total risk weighted assets	162,222,018	132,369,261
e. Core capital/Total risk weighted assets ratio	17.8%	17.6%
f. Tier 1 ratio	17.8%	17.6%
g. Total capital/total risk weighted assets ratio	18.8%	18.9%
e. Tier 2 Ratio	-	-
i. Leverage ratio	12.4%	15.5%
B CREDIT RISK		
1. Total gross credit risk exposures		
a. On-balance sheet exposure	109,220,600	89,763,278
b. Guarantees, commitments given (off balance sheet)	27,183,575	7,377,687
c. Financing commitments given (Off balance sheet)	-	4,242,017
d. Letter of credits	5,534,814	3,470,313
e. Total gross credit risk exposures	141,938,989	104,853,295
f. Credit Risk Weighted Assets	132,015,085	116,628,804
g. Credit Risk Weighted Assets/RWA	81.4%	88.1%
2. Average gross credit Exposure (Avarage between December 2022 and December 2023)		
a. Loans	99,491,939	71,672,025
b. Financial Commitments	2,121,009	2,762,011
c. Guarantees	17,280,631	5,729,410
d. Letters of credit	4,502,564	1,735,157
e. Debt securities	30,486,596	25,324,276
f. OTC derivatives	-	-
3. Regional Exposure		
Eastern Province	6,591,202	1,417,624
Kigali City	85,292,803	79,658,885
Northern Province	890,167	123,297
Southern Province	663,231	284,725
Western Province	2,024,443	278,670
Mobile and Credit Cards Loans	13,758,754	8,000,077
Total on balance sheet credit exposure	109,220,600	89,763,278
4. Sector Distribution of Exposures		
a. Public	18,011,916	16,784,000
b. Infrastructure and construction	2,252,461	5,544,770
c. Manufacturing	20,786,156	20,285,933
d. Services and commerce	29,316,685	31,483,685
e. Transport and Telecommunication	6,801,980	6,318,364
f. Others	32,051,402	9,346,526
Total on-balance sheet exposures	109,220,600	89,763,278
5. Off Balance sheet Items		
a. Guarantees, commitments given (off balance sheet)	27,183,575	7,377,687
b. Financing commitments given (Off balance sheet)	-	4,242,017
c. Letters of credit	5,534,814	3,470,313
	32,718,389	15,090,017
6. Non-performing loan indicators		
a. Non-performing loans	7,304,254	2,278,972
b. NPL Ratio	6.69%	2.54%
7. Related parties		
a. Loans to directors, shareholders and subsidiaries	328,566	175,650
b. Loans to employees	1,326,261	1,326,924
8. Restructured loans		
a. No. of borrowers	43	49
b. Amount outstanding	7,399,030	8,286,618
c. Provision thereon (regulatory):	136,971	122,311
d. Restructured loans as % of gross loans	6.8%	9.2%

V. OTHER DISCLOSURES

	Audited 31 Dec 23 Frw'000	Audited 31 Dec 22 Frw'000
C LIQUIDITY RISK		
1 Liquidity ratio		
Liquid assets available	86,053,823	52,022,533
Total deposit liabilities	139,791,453	95,792,632
Liquidity coverage ratio	278%	275%
2 Net Stable Funding ratio		
Available stable funding	135,716,233	77,725,142
Required stable funding	53,653,822	31,827,879
NSFR	253%	250%
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	4,328,561	1,133,206
c. Equity Position	-	-
d. Market Risk/ RWA	2.67%	0.52%
F COUNTRY RISK		
a. Credit exposure Abroad	-	-
b. Other Assets Abroad	7,821,656	7,821,656
c. Liabilities due abroad	-	-

VI. MANAGEMENT AND BOARD COMPOSITION

a. Number of Board members	10	9
b. Number of independent directors	7	6
c. Number of non-independent directors	3	3
d. Number of female directors	3	3
e. Number of male directors	7	6
f. Number of senior managers	13	11
g. Number of female senior managers	2	2
h. Number of male senior managers	11	9

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

The bank recorded a significant increase in interest and similar income by 52% mainly driven by the growth of the loan book Interest expense increased by 40% following the increase in deposits from Rwf 96 billion to Rwf 140 billion between December 2022 and December 2023.

2 Foreign exchange income increased by 28% year on year due to increased deals volumes from our corporate customers.
3 Impairment charges

The impairment charge increased as result of the increase in the loan book as well as the increase in customers withstanding challenges to repay their facilities maily in the manufacturing industry. We have in place necessary measures to avoid deterioration of the loan book quality.

4 Personnel expenses

Staff cost has increased by 31% year on year mainly due to new staff recruitment following the bank growth.

5 Depreciation and amortization

Depreciation and amortization increased by 20% year on year due to depreciation on new capital assets aquired during the year 2023. Main assets aquired were assets for the new branch opened during the year and head office expansion.

6 Operating expenses

Operating expenses increased by 28% year on year following. This was lead by the business growth which includes branch expansion and additional IT infrastructure. However there was optimisation of the investments to create efficiency.

7 Loans and advances to customers

The growth of 19% 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 46% on the overall deposit book in 2023 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 16.2 billion to finance the business growth in the housing and manufacturing businesses..

The financial statements were approved by the board of directors on 5 March 2024 and signed on its behalf by:



Ms. Lina M Higiro
Chief Executive Officer



Amb. 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.rw@ncbagroup.com



SAVE SMARTER, LIVE HAPPIER!

Transform your future with NCBA's fixed deposits and savings accounts. Start saving today and unlock a world of financial freedom!"

 COMPETITIVE RATES

EARN INTEREST
UP 9.5% on RWF
TO 3.5% on USD

 FLEXIBLE TERMS

Choose terms that fit your goals ranging from 1 month to years.

 EASY ACCESS

In case of emergency, access your fixed deposit immediately.

 GET A LOAN OR CREDIT CARD

and use your fixed deposit as security.

FIXED DEPOSIT OFFER (RWF & USD)
RWF FIXED DEPOSIT TARIFF

DEPOSIT RANGE (P.A)	1 MTH	3 MTHS	6 MTHS	9 MTHS	12 MTHS
Below - 1,000,000	7.00%	7.00%	7.00%	7.00%	7.00%
1M - 25M	7.00%	7.25%	7.50%	7.75%	8.00%
25M - 50M	7.25%	7.50%	7.75%	8.00%	8.25%
50M - 100M	7.50%	7.75%	8.00%	8.25%	8.50%
100M - 200M	7.75%	8.00%	8.25%	8.50%	8.75%
200M - 350M	8.00%	8.25%	8.50%	8.75%	9.00%
350M - 500M	8.50%	8.75%	9.00%	9.25%	9.50%

USD FIXED DEPOSIT TARIFF

DEPOSIT RANGE (USD)	1 MTH	3 MTHS	6 MTHS	12 MTHS
Below - 10,000	0.50%			
10,000 - 50,000	1.00%	1.00%	1.25%	1.50%
50,000 - 100,000	1.00%	1.05%	1.30%	1.80%
100,000 - 250,000	1.25%	1.35%	1.60%	2.10%
250,000 - 500,000	1.50%	1.65%	1.90%	2.40%
500,000 - 1,000,000	1.75%	1.95%	2.20%	2.70%
1,000,000 - Above	2.00%	2.25%	2.50%	3.00%

Note: p.a (per Annum); Interest is applicable annually M: Million