



**NCBA BANK (RWANDA) PLC FINANCIAL STATEMENTS AND DISCLOSURES FOR THE PERIOD ENDED 30TH JUNE 2024 REVIEWED**

<b>I. STATEMENT OF FINANCIAL POSITION</b>		
	<b>Reviewed 30-Jun-24 Frw'000</b>	<b>Audited 31-Dec-23 Frw'000</b>
<b>ASSETS</b>		
Cash in hand	2,910,066	3,759,659
Balance with National Bank of Rwanda	7,459,092	5,616,567
Deposits and balances due from other banking institutions	38,306,638	42,445,053
Financial instruments -amortized cost	33,871,467	34,232,544
Loans and advances to customers	113,583,390	103,420,331
Other assets	17,411,756	8,808,642
Deferred tax asset	899,803	899,803
Intangible assets	602,091	782,216
Property and equipment	3,124,690	2,915,438
Right of use assets	4,283,523	1,870,298
<b>Total assets</b>	<b>222,452,516</b>	<b>204,750,551</b>
<b>LIABILITIES</b>		
Deposits from customers	113,028,585	100,987,220
Deposits from banks	43,137,668	38,804,233
Overnight treasury borrowings	4,713,856	13,160,380
Balances due to Group companies	703,496	643,053
Other liabilities	7,532,698	2,387,220
Current tax liabilities	900,643	431,008
Borrowed funds	16,210,718	16,210,718
Lease Liability	4,096,530	1,514,993
<b>Total liabilities</b>	<b>190,324,194</b>	<b>174,138,825</b>
<b>EQUITY</b>		
Share capital	30,399,604	30,399,604
Retained earnings	1,728,718	212,122
<b>Total Equity</b>	<b>32,128,322</b>	<b>30,611,726</b>
<b>Total equity and liabilities</b>	<b>222,452,516</b>	<b>204,750,551</b>

<b>II. STATEMENT OF COMPREHENSIVE INCOME</b>		
	<b>Reviewed 30-Jun-24 Frw'000</b>	<b>Reviewed 30-Jun-23 Frw'000</b>
<b>Revenue</b>		
Interest income	14,916,272	11,560,972
Interest expenses	(4,082,399)	(2,920,263)
<b>Net interest income</b>	<b>10,833,873</b>	<b>8,640,709</b>
Loan Impairment losses	(2,360,843)	(1,307,933)
<b>Net interest income after impairment</b>	<b>8,473,030</b>	<b>7,332,776</b>
Fee and commission income	511,730	524,457
Net foreign exchange gains	1,004,947	750,738
Other Income	1,741	226,950
<b>Non funded income</b>	<b>1,518,418</b>	<b>1,502,145</b>
<b>Income from banking activities</b>	<b>9,991,448</b>	<b>8,834,921</b>
Employee benefits expenses	(2,692,249)	(1,819,419)
Depreciation and amortization	(711,503)	(588,831)
Operating expenses	(3,568,508)	(2,614,612)
Total operating expenses	(6,972,260)	(5,022,862)
<b>Profit before income tax</b>	<b>3,019,188</b>	<b>3,812,059</b>
<b>Income tax expense</b>	<b>(1,502,592)</b>	<b>(1,143,618)</b>
Income tax expense	-	-
<b>Income for the period</b>	<b>1,516,596</b>	<b>2,668,441</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>1,516,596</b>	<b>2,668,441</b>

<b>III. OTHER DISCLOSURES</b>		
	<b>Reviewed 30-Jun-24 Frw'000</b>	<b>Audited 31-Dec-23 Frw'000</b>
<b>A CAPITAL STRENGTH</b>		
a. Core Capital (Tier1)	29,916,653	28,929,707
b. Supplementary Capital (Tier 2)	1,836,456	1,636,353
c. Total Capital	31,753,109	30,566,060
d. Total risk weighted assets	189,442,620	162,222,018
e. Core capital/Total risk weighted assets ratio	15.8%	17.8%
f. Tier 1 ratio	15.8%	17.8%
g. Total capital/total risk weighted assets ratio	16.8%	18.8%
e. Tier 2 Ratio	-	-
i. Leverage ratio	13.1%	12.4%
<b>B CREDIT RISK</b>		
<b>1. Total gross credit risk exposures</b>		
a. On-balance sheet exposure	122,149,783	109,220,600
b. Guarantees, commitments given	22,875,409	27,183,575
c. Financing commitments given	-	-
d. Letters of credit	4,656,174	5,534,814
e. Total gross credit risk exposures	<b>149,681,365</b>	<b>141,938,989</b>
f. Credit Risk Weighted Assets	158,232,127	132,015,085
g. Credit Risk Weighted Assets/RWA	84.05%	81.4%
<b>2. Average gross credit Exposure (Average between March 2024 and December 2023)</b>		
a. Loans	115,389,331	99,491,939
b. Commitments	-	2,121,009
c. Guarantees	25,029,492	17,280,631
d. Letters of credit	5,095,494	4,502,564
e. Debt securities	-	30,486,596
f. OTC derivatives	-	-
<b>3. Sector Distribution of Exposures</b>		
a. Public	17,758,344	18,011,916
b. Infrastructure and construction	14,007,324	2,252,461
c. Manufacturing	21,271,744	20,786,156
d. Services and commerce	28,055,539	29,316,685
e. Transport and Telecommunication	6,638,939	6,801,980
f. Others	34,417,893	32,051,402
	<b>122,149,783</b>	<b>109,220,600</b>
<b>4. Off Balance sheet Items</b>		
a. Guarantees, commitments given	22,875,409	27,183,575
b. Financing commitments given	-	-
c. Letters of credit	4,656,174	5,534,814
	<b>27,531,583</b>	<b>32,718,389</b>

<b>III. OTHER DISCLOSURES (CONTINUED)</b>		
	<b>Reviewed 30-Jun-24 Frw'000</b>	<b>Audited 31-Dec-23 Frw'000</b>
<b>5. Non-performing loan indicators</b>		
a. Non-performing loans	9,992,653	7,304,254
b. NPL Ratio	8.2%	6.7%
<b>6. Related parties</b>		
a. Loans to directors, shareholders and subsidiaries	304,143	328,566
b. Loans to employees	2,369,711	2,153,474
<b>7. Regional Exposure</b>		
East Province	3,306,659	6,591,202
Kigali City	99,343,228	85,292,803
North Province	1,325,229	890,167
South Province	642,219	663,231
Western Province	1,258,913	2,024,443
Mobile and Credit Cards Loans	16,273,535	13,758,754
	<b>122,149,783</b>	<b>109,220,600</b>
<b>8. Restructured Loans</b>		
a. Number of borrowers	30	43
b. Amount outstanding	4,504,246	7,399,030
c. Regulatory provision thereon	108,958	136,971
d. Restructured loans as a % of gross loans	3.7%	6.8%
<b>C LIQUIDITY RISK</b>		
<b>1 Liquidity ratio</b>		
Liquid assets available	82,547,263	86,053,823
Total deposit liabilities	156,166,253	139,791,453
Liquidity coverage ratio	189.2%	162.4%
<b>2 Net Stable Funding ratio</b>		
Available stable funding	144,890,659	135,716,233
Required stable funding	54,891,220	53,653,822
NSFR	264.0%	252.9%
<b>D OPERATIONAL RISK</b>		
Number and type of frauds and their corresponding amount	-	-
Type: None   Number: None   Amount: Nul	-	-
<b>E MARKET RISK</b>		
a. Interest Risk	-	-
b. Foreign Exchange Risk	2,585,017	4,328,561
c. Equity Position	-	-
d. Market Risk/ RWA	1.4%	2.7%
<b>F COUNTRY RISK</b>		
a. Credit exposure Abroad	-	-
b. Other Assets Abroad	9,683,828	7,821,656
c. Liabilities due abroad	-	-
<b>IV. MANAGEMENT AND BOARD COMPOSITION</b>		
a. Number of Board members	10	10
b. Number of independent directors	7	7
c. Number of non-independent directors	3	3
d. Number of female directors	3	3
e. Number of male directors	7	7
f. Number of senior managers	11	13
g. Number of female senior managers	2	2
h. Number of male senior managers	9	11
<b>V. EXPLANATORY NOTES TO THE FINANCIALS</b>		
<b>1 Net Interest and similar income</b>		
The bank recorded a significant increase in interest and similar income by 29% mainly driven by the growth of the loan book which grew from Rwf 98 billion to Rwf 114 billion between June 2023 and June 2024. Interest expense increased by 51% following the increase in deposits from Rwf 131 billion to Rwf 156 billion between June 2023 and June 2024.		
<b>2 Personnel expenses</b>		
Staff cost has increased by 48% mainly due to new staff recruitment and promotions following the bank growth.		
<b>3 Depreciation and amortization</b>		
Depreciation and amortization slightly increased by 21% year on year due to depreciation on new leases and capital assets acquired during the year including assets for two branches opened in 2024.		
<b>4 Operating expenses</b>		
Operating expenses increased by 30% year on year. This was lead by the business growth which includes branch network expansion and additional IT infrastructure. However, there was optimisation of the investments to create efficiency.		
The Expected credit loss increase was due to growth in NPLs. The bank has strengthened recovery and subsequently the NPL ratio has improved.		
<b>5 Loans and advances</b>		
The Loan book grew by 18% between June 2023 and June 2024. The growth in the loan book is attributed to new business booked during the period mainly driven by the corporate segment.		
<b>6 Financial instruments -amortized cost</b>		
Investment securities at amortized cost are debt securities issued by the Government of the Republic of Rwanda.		
<b>7 Deposits from customers</b>		
The increase of 19% from the overall deposit book between Q2 2024 and Q2 2023 is mainly attributed to new clients acquired during the period.		
The latter are from the corporate book and the Mobile savings (Mokash) deposits.		
<b>8 Borrowed funds</b>		
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 5th August 2024 and signed on its behalf by:		
 <b>Mr. Nicholas Musyoka</b> Ag. Chief Executive Officer		 <b>Amb. Dr. Benjamin Rugangazi</b> Chairman

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