

# AUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

## STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER 2020

	AUDITED 31 <sup>ST</sup> DECEMBER 2020 FRW'000	AUDITED 31 <sup>ST</sup> DECEMBER 2019 FRW'000
INTEREST AND SIMILAR INCOME	6,748,659	5,254,708
INTEREST AND SIMILAR EXPENSE	(2,584,539)	(1,818,865)
NET INTEREST INCOME BEFORE ALLOWANCE FOR IMPAIRMENT	4,164,120	3,435,843
NET FEES AND COMMISSIONS INCOME	560,912	260,241
NET IMPAIRMENT/IMPAIRMENT CHARGE ON LOANS AND ADVANCES	(443,399)	(1,032,031)
NET FOREIGN EXCHANGE GAIN/(LOSSES)	320,945	242,435
OTHER OPERATING INCOME	358,383	137,499
OPERATING INCOME	4,960,961	3,043,987
OPERATING INCOME	4,960,961	3,043,987
EXPENSES		
PERSONNEL EXPENSES	(2,132,081)	(1,753,450)
DEPRECIATION AND AMORTISATION	(590,448)	(558,365)
OTHER OPERATING EXPENSES	(1,733,262)	(1,680,936)
TOTAL OPERATING EXPENSES	(4,455,791)	(3,992,751)
PROFIT/(LOSS) BEFORE TAX	505,170	(948,764)
TAX EXPENSE	(64,138)	-
PROFIT FOR THE PERIOD		
OTHER COMPREHENSIVE INCOME	441,032	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	441,032	(948,764)

## STATEMENT OF FINANCIAL POSITION AS AT 31<sup>ST</sup> DECEMBER 2020

	31 <sup>ST</sup> DECEMBER 2020 FRW'000	31 <sup>ST</sup> DECEMBER 2019 FRW'000
ASSETS		
CASH AND BALANCES WITH NATIONAL BANK OF RWANDA	10,541,660	5,963,150
DEPOSITS AND BALANCES DUE FROM OTHER BANKING INSTITUTIONS	26,217,542	12,081,164
DEPOSITS DUE FROM GROUP COMPANIES	3,861,537	1,526,834
MONEY MARKET PLACEMENTS	-	-
GOVERNMENT SECURITIES	20,993,920	11,819,882
LOANS AND ADVANCES	28,034,733	19,237,876
PROPERTY AND EQUIPMENT	2,123,220	1,453,568
RIGHT OF USE ASSETS	1,270,019	1,621,900
INTANGIBLE ASSETS	865,112	708,080
OTHER ASSETS	1,482,683	544,554
TOTAL ASSETS	95,390,426	54,957,008

### LIABILITIES

CURRENT LIABILITIES		
BALANCE DUE TO CENTRAL BANK	119,601	-
CUSTOMER DEPOSITS	39,785,944	29,068,147
DEPOSITS AND BALANCES DUE TO OTHER BANKING INSTITUTIONS	58,199	2,955,636
LEASE LIABILITIES	2,482,502	1,750,504
OTHER LIABILITIES	7,010,747	490,299
BORROWINGS	37,392,687	12,592,708
TOTAL LIABILITIES	86,849,680	46,857,294

### EQUITY

SHARE CAPITAL	12,580,870	12,580,870
SHARE PREMIUM	871,740	871,740
ACCUMULATED LOSSES	(4,911,864)	(5,352,896)
TOTAL EQUITY	8,540,746	8,099,714
TOTAL LIABILITIES AND EQUITY	95,390,426	54,957,008

## STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL FRW'000	SHARE PREMIUM FRW'000	ACCUMULATED LOSSES FRW'000	TOTAL FRW'000
YEAR ENDED 31 DECEMBER 2020				
AT 1 JANUARY 2019	12,580,870	871,740	(4,175,677)	9,276,933
IFRS 16 TRANSITION ADJUSTMENTS	-	-	(228,455)	(228,455)
BALANCE AT 1 JANUARY 2019	12,580,870	871,740	(4,404,132)	9,048,478

### TOTAL COMPREHENSIVE INCOME

LOSS FOR THE YEAR	-	-	(948,764)	(948,764)
OTHER COMPREHENSIVE INCOME	-	-	-	-

### TRANSACTIONS WITH OWNERS

AT 31 DECEMBER 2019	12,580,870	871,740	(5,352,896)	8,099,714
AT 1 JANUARY 2020	12,580,870	871,740	(4,175,677)	9,276,933
RESTATED BALANCE AT 1 JANUARY	12,580,870	871,740	(5,352,896)	8,099,714

### TOTAL COMPREHENSIVE INCOME:

LOSS FOR THE YEAR	-	-	441,032	441,032
OTHER COMPREHENSIVE INCOME	-	-	-	-
AT END OF YEAR	12,580,870	871,740	(4,911,864)	8,540,746

## STATEMENT OF CASH FLOWS

	AUDITED 31 <sup>ST</sup> DECEMBER 2020 FRW'000	AUDITED 31 <sup>ST</sup> DECEMBER 2019 FRW'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
PROFIT/(LOSS) BEFORE INCOME TAX	505,170	(948,763)
ADJUSTMENTS FOR:		
DEPRECIATION ON PROPERTY AND EQUIPMENT	392,136	395,487
AMORTIZATION OF INTANGIBLE ASSETS	198,312	162,878
PROVISION FOR RISKS	1,148	17,036
FINANCE COSTS	887,770	530,487
LOSS/(GAIN) ON DISPOSAL OF ASSETS	-	(3,176)
DEPRECIATION, INTERESTS EXPENSE ON LEASED ASSETS	537,561	509,587
OPERATING LOSS BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES	2,522,097	663,536

### CHANGES IN OPERATING ASSETS AND LIABILITIES:

INCREASE IN LOANS AND ADVANCES	(8,796,856)	(3,760,638)
GOVERNMENT SECURITIES AND OTHER BONDS	(9,174,038)	(6,694,764)
INCREASE IN CASH RESERVE REQUIREMENT	(12,908)	(1,074,412)
(INCREASE)/DECREASE IN OTHER ASSETS	(863,047)	287,927
INCREASE IN DEPOSITS FROM CUSTOMERS	7,770,095	9,793,285
INCREASE/(DECREASE) IN DEPOSITS DUE TO OTHER BANKS	50,265	(392,636)
INCREASE/(DECREASE) IN OTHER LIABILITIES	6,520,450	(206,611)
CASH GENERATED FROM OPERATIONS	(1,983,942)	(1,384,313)
NET CASH USED IN OPERATING ACTIVITIES	(1,983,943)	(1,384,313)

### CASH FLOWS FROM INVESTING ACTIVITIES:

PURCHASE OF PROPERTY AND EQUIPMENT	(208,646)	(148,237)
PURCHASE OF INTANGIBLE ASSETS	(376,704)	(359,245)
NET CASH USED IN INVESTING ACTIVITIES	(585,350)	(504,306)

### CASH FLOWS USED IN FINANCING ACTIVITIES:

INTEREST PAID	(887,770)	(530,489)
BORROWINGS	24,799,979	9,592,708
NET CASH GENERATED FROM FINANCING ACTIVITIES	23,912,209	9,062,219
NET INCREASE IN CASH AND CASH EQUIVALENTS	21,342,916	7,173,601
CASH AND CASH EQUIVALENTS AT 01 JANUARY	17,648,594	10,474,993
CASH AND CASH EQUIVALENTS AT 31 DEC	38,991,510	17,648,594

## OTHER REGULATORY DISCLOSURES

### ITEMS

#### I. CAPITAL STRENGTH

1. CORE CAPITAL (TIER 1)	7,790,944
2. SUPPLEMENTARY CAPITAL (TIER 2)	448,292
3. TOTAL CAPITAL	8,239,236
4. TOTAL RISK WEIGHTED ASSETS	41,384,291
5. CORE CAPITAL/ TOTAL RISK WEIGHTED ASSETS RATIO (TIER 1 RATIO)	18.8%
6. TIER 2 RATIO	1.1%
7. TOTAL CAPITAL/TOTAL RISK WEIGHTED ASSETS RATIO	19.9%
8. LEVERAGE RATIO	8.4%

#### II. CREDIT RISK

1. TOTAL GROSS CREDIT RISK EXPOSURES:	
AFTER ACCOUNTING OFFSETS AND WITHOUT TAKING INTO ACCOUNT CREDIT RISK MITIGATION;	56,717,077
2. AVERAGE GROSS CREDIT EXPOSURES, BROKEN DOWN BY MAJOR TYPES OF CREDIT EXPOSURE:	
A) LOANS, COMMITMENTS AND OTHER NON-DERIVATIVE OFF-BALANCE SHEET EXPOSURES;	35,723,156
B) DEBT SECURITIES;	20,993,920
C) OTC DERIVATIVES	-

#### 3. REGIONAL OR GEOGRAPHIC DISTRIBUTION/ TYPES OF CREDIT EXPOSURE

GEOGRAPHIC DISTRIBUTION	TOTAL EXPOSURE (FRW' 000')
KIGALI CITY	51,777,433
MUHANGA	657,493
HUYE	837,213
RUSIZI	818,965
RUBAVU	777,211
MUSANZE	1,262,350
KAYONZA	586,412
TOTAL	56,717,077

#### 4. SECTOR DISTRIBUTION OF EXPOSURES, BROKEN DOWN BY MAJOR TYPES OF CREDIT EXPOSURE AND AGGREGATED IN THE FOLLOWING AREAS:

SECTOR DISTRIBUTION	TOTAL EXPOSURE (FRW' 000')
A) GOVERNMENT	20,993,920
B) FINANCIAL;	572,171
C) MANUFACTURING;	69,712
D) INFRASTRUCTURE AND CONSTRUCTION;	208,407

#### E) SERVICES AND COMMERCE.

F) OTHERS	16,044,697
TOTAL	56,717,077

#### 5. OFF- BALANCE SHEET ITEMS

#### 6. NON-PERFORMING LOANS INDICATORS

#### A) NON-PERFORMING LOANS (NPL)

#### B) NPL RATIO

#### 7. RELATED PARTIES

#### A) LOANS TO DIRECTORS, SHAREHOLDERS AND SUBSIDIARIES

#### B) LOAN TO EMPLOYEES

#### 8. RESTRUCTURED LOANS AS AT 31 DECEMBER 2021

#### A. NUMBER OF BORROWERS

#### B. AMOUNT OUTSTANDING (FRW '000)

#### C. PROVISION THEREON (FRW '000) (REGULATORY):

#### D. PROVISION IFRS P (FRW '000)

#### E. RESTRUCTURED LOANS AS % OF GROSS LOANS

#### III. LIQUIDITY RISK

#### A) LIQUIDITY COVERAGE RATIO (LCR)

#### B) NET STABLE FUNDING RATIO (NSFR)

#### IV. OPERATIONAL RISK

#### NUMBER AND TYPES OF FRAUDS AND THEIR CORRESPONDING AMOUNT

#### AMOUNT (FRW '000')

#### V. MARKET RISK

#### 1. INTEREST RATE RISK

#### 2. EQUITY POSITION RISK

#### 3. FOREIGN EXCHANGE RISK

#### VI. COUNTRY RISK

#### 1. CREDIT EXPOSURES ABROAD

#### 2. OTHER ASSETS HELD ABROAD

#### 3. LIABILITIES TO ABROAD

#### VII. MANAGEMENT AND BOARD COMPOSITION

#### 1. NUMBER OF BOARD MEMBERS

#### 2. NUMBER OF INDEPENDENT DIRECTORS

#### 3. NUMBER OF NON-INDEPENDENT DIRECTORS

#### 4. NUMBER OF FEMALE DIRECTORS

#### 5. NUMBER OF MALE DIRECTORS

#### 6. NUMBER OF SENIOR MANAGERS

#### 7. NUMBER OF FEMALE SENIOR MANAGERS

#### 8. NUMBER OF MALE SENIOR MANAGERS

## EXPLANATORY NOTES TO FINANCIALS

### 1. Interest and similar income

Increase in interest and similar income is consecutive to increase in loans to clients by 46% and investment in Government securities.

### 2. Loan impairment charge

The decrease of 62% in loan impairment results from improvement in loans granted to corporate clients.

### 3. Commission income

The increase of 41% in commission income is linked to increase in loan book and commission from digital revenues.

### 4. Operating expenses

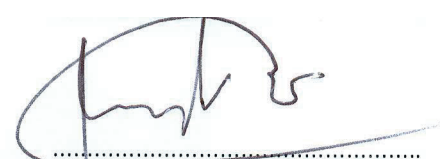
The increase is due to increase in activities volume.

### 5. Loan portfolio

Lending to corporate clients allowed the bank to increase the loan by 46%.

### 6. Borrowings

Borrowings from financial institutions helped the bank to boost both loans to clients and investment in financial instruments.

  
Managing Director  
Date 30/3/2021

  
Board Member  
Date 30/3/2021