

AUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022
STATEMENT OF COMPREHENSIVE INCOME

	Audited 31 Dec 2022 Frw'000	Audited 31 Dec 2021 Frw'000
Interest and similar income	13,296,240	9,265,205
Interest and similar expense	(4,660,107)	(3,447,633)
Net interest income	8,636,133	5,817,572
Net fees and commissions income	1,714,868	1,413,535
Net trading income	356,249	498,454
Other net operating income	(327,234)	(323,157)
Operating income	10,380,016	7,406,404
Expenses		
Impairment losses on financial instruments	(1,655,981)	(1,319,657)
Staff cost	(2,439,403)	(2,235,570)
Depreciation and amortisation	(825,583)	(724,055)
Finance costs	(283,442)	(303,176)
Other operating expenses	(2,071,453)	(1,683,928)
Operating profit	3,104,154	1,140,018
Profit before income tax	3,104,154	1,140,018
Income tax (expense)/credit	(677,790)	377,114
Net profit for the year	2,426,364	1,517,132
Other comprehensive income	-	-
Total comprehensive income	2,426,364	1,517,132


 Managing Director
 Date: 29/12/2023


 Board Member
 Date: 29/12/2023

AUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022
STATEMENT OF FINANCIAL POSITION

	Audited 31 Dec 2022 Frw'000	Audited 31 Dec 2021 Frw'000
ASSETS		
Cash and balances with National Bank of Rwanda	3,802,491	2,493,593
Deposits and balances due from other banking institutions	682,899	24,024,446
Deposits due from financial institutions abroad	3,021,500	12,251,562
Government securities	68,835,450	36,980,980
Loans and advances	68,240,577	38,162,497
Other assets	9,465,608	5,514,006
Property and equipment	1,163,406	1,296,259
Right of use assets	1,749,817	1,937,001
Intangible assets	888,148	1,005,845
Non-current assets held for sale	480,000	-
Deferred tax asset	533,400	312,976
TOTAL ASSETS	158,863,296	123,979,165
LIABILITIES		
Current liabilities		
Balance due to Central Bank	49,689	50,441
Customer deposits	87,876,925	48,804,491
Deposits and balances due to other banking institutions	80,828	71,186
Lease liabilities	2,150,428	2,331,278
Current income tax liabilities	898,213	-
Other liabilities	2,151,710	1,119,512
Borrowings	45,752,131	54,125,249
TOTAL LIABILITIES	138,959,924	106,502,157
EQUITY		
Share capital	20,000,000	20,000,000
Share premium	871,740	871,740
Accumulated losses	(968,368)	(3,394,732)
TOTAL EQUITY	19,903,372	17,477,008
TOTAL LIABILITIES AND EQUITY	158,863,296	123,979,165


 Managing Director
 Date: 29/12/2023


 Board Member
 Date: 29/12/2023

AUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022
STATEMENT OF CHANGES IN EQUITY

	Share capital Frw'000	Share premium Frw'000	Accumulated Losses Frw'000	Total Frw'000
At 1 January 2022	20,000,000	871,740	(3,394,732)	17,477,008
Total comprehensive income	-	-	2,426,364	2,426,364
Profit for the year	-	-	2,426,364	2,426,364
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	2,426,364	2,426,364
Capital contribution	-	-	-	-
At 31 December 2022	20,000,000	871,740	(968,368)	19,903,372
At 1 January 2021	12,580,870	871,740	(4,911,864)	8,540,746
Total comprehensive income:				
Profit for the year	-	-	1,517,132	1,517,132
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	1,517,132	1,517,132
Capital contribution	7,419,130	-	-	7,419,130
At 31 December 2021	20,000,000	871,740	(3,394,732)	17,477,008

AUDITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	31-Dec-22 Frw'000	31-Dec-21 Frw'000
Cash flows from operating activities:		
Profit before income tax	3,104,154	1,140,018
Depreciation on property and equipment	332,092	300,427
Depreciation on right of use asset	212,878	209,433
Amortization of intangible assets	280,614	214,195
Unrealized foreign exchange gain/(loss)	142,350	(700,556)
Impairment loss allowance-loans	931,807	29,226
Impairment loss allowance-other financial instruments	7	-
Net movement in fair valuation and modification gain/(loss)	(51,031)	-
Net interest income	(12,979,561)	(8,316,877)
Interest expense	4,660,107	1,644,376
Net gain/loss on disposal of fixed assets	(530)	(118)
Finance cost on lease liabilities	283,442	303,176

	31 Dec 2022 Amount/ Ratio/ Number	31 Dec 2021 Amount/ Ratio/ Number
Cash flows from operating activities before changes in operating assets and liabilities	(3,083,671)	(5,176,700)
Changes in operating assets and liabilities:		
Increase in loans and advances	(30,268,093)	(9,498,294)
Increase in cash reserve requirement	-	(1,320,328)
Increase in other assets	(3,951,602)	(437,504)
Increase in deposits from customers	37,386,182	8,355,247
Increase in deposits due to other banks	9,642	12,987
(Decrease)/increase in other liabilities	1,032,198	(5,722,355)
Changes in accrued interest income/expense	7,205,527	5,990,817
Interest income received	9,823,254	6,457,657
Interest expense	(2,779,911)	(2,370,970)
Cash (utilized) /generated in operating activities	15,373,526	(3,709,443)
Cash flows from investing activities:		
Purchase of property and equipment	(193,679)	(326,989)
Acquisition of government securities	(40,920,329)	(17,939,516)
Proceeds from matured government facilities	6,148,257	-
Purchase of intangible assets	(152,952)	(414,402)
Acquisition of non-current asset held for sale	(480,000)	-
Proceeds from sale of property and equipment	2,089	440
Net cash used in investing activities	(35,596,614)	(18,680,467)
Cash flows used in financing activities:		
New borrowings	1,517,813,124	1,168,746,081
Borrowing repayments	(1,526,601,858)	(1,152,908,537)
Repayment of amounts due to central bank	(3,005)	-
Lease payments	(489,635)	(477,615)
Capital increase	-	7,419,130
Net cash generated from financing activities	(9,281,374)	22,779,059
Effects of exchange rates	(159,786)	700,555
Net increase in cash and cash equivalents	(29,664,248)	1,089,704
Cash and cash equivalents at start of year	40,085,279	38,995,575
Cash and cash equivalents at 31 Dec 2022	10,421,031	40,085,279

AUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022
OTHER REGULATORY DISCLOSURES

Item	31 Dec 2022 Amount/ Ratio/ Number	31 Dec 2021 Amount/ Ratio/ Number
I. Capital Strength		
1. Core capital (Tier 1)	19,015,223	16,482,104
2. Supplementary capital (Tier 2)	1,699,993	616,559
3. Total capital	20,715,216	17,298,662
4. Total risk weighted assets	92,930,886	62,711,931
5. Core capital/ Total risk weighted assets ratio (Tier 1 ratio)	20.46%	26.28%
6. Tier 2 ratio	1.83%	1.30%
7. Total capital/total risk weighted assets ratio	22.29%	27.58%
8. Leverage ratio	11.21%	8.17%
II. Credit Risk		
1. Total gross credit risk exposures: after accounting offsets and without taking into account credit risk mitigation;	154,063,836	91,907,663
2. Average gross credit exposures, broken down by major types of credit exposure:		
a) Loans, commitments and other non-derivative off-balance sheet exposures;	85,228,386	54,926,683
b) Debt securities;	68,835,450	36,980,980
c) OTC derivatives	-	-
Total exposure (Frw' 000')	154,063,836	91,907,663
3. Regional or geographic distribution/ types of credit exposure		
	Geographic distribution	Total exposure (Frw' 000')
	Kigali City	82,137,405
	Muhanga	804,778
	Huye	1,980,379
	Rusizi	3,332,298
	Rubavu	1,487,460
	Musanze	1,550,192
	Kayanza	615,151
	Total	91,907,663
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	36,980,980
	b) Financial;	161,454
	c) Manufacturing;	721,845
	d) Infrastructure and construction;	1,646,554
	e) Services and commerce.	27,573,815
	f) Others	24,823,015
	Total	91,907,663
5. Off- balance sheet items		
6. Non-performing loans indicators		
a) Non-performing loans (NPL)	6,058,255	2,766,264
b) NPL ratio	8.47%	6.85%
7. Related parties		
a) Loans to directors, shareholders and subsidiaries	470,999	342,902
b) Loan to employees	1,494,180	1,254,880
8. Restructured loans as at 31 December 2022		
a. No. of borrowers	163	284
b. Amount outstanding (Frw '000)	4,045,063	5,936,721
c. Provision thereon (Frw '000) (regulatory):	51,644	43,253
d. Provision IFRS P (Frw '000)	362,522	709,285
e. Restructured loans as % of gross loans	5.66%	14.71%
III. LIQUIDITY RISK		
a) Liquidity Coverage Ratio (LCR)	146.16%	188.18%
b) Net Stable Funding Ratio (NSFR)	170.27%	195.18%

IV. OPERATIONAL RISK			
Number and types of frauds and their corresponding amount			
	Type	Number	Amount (Frw '000')
	Thfts		
V. MARKET RISK			
1. Interest rate risk			-
2. Equity position risk			-
3. Foreign exchange risk			504,695
VI. COUNTRY RISK			
1. Credit exposures abroad			-
2. Other assets held abroad			3,021,500
3. Liabilities to abroad			80,828
VII. MANAGEMENT AND BOARD COMPOSITION			
1. Number of Board members		6	7
2. Number of independent Directors		4	4
3. Number of non-independent Directors		2	3
4. Number of female Directors		1	1
5. Number of male Directors		5	6
6. Number of Senior Managers		13	15
7. Number of female Senior Managers		4	5
8. Number of male Senior Managers		9	10

EXPLANATORY NOTES TO FINANCIALS

- Interest and similar income**
Increase in interest income is consecutive to increase in loans to clients as well as increase in placements with banks and investment in Government securities.
- Commission income**
Improvement in commission income is linked to increase in loan book and international transfers.
- Operating expenses**
Operating expenses grew in the same line with bank's growth.
- Loan to clients**
There has been an appreciable growth in loans especially in foreign USD.
- Customer deposit**
The mobilisation of corporate clients allowed the bank to increase its customers' deposits.