

AUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023 STATEMENT OF COMPREHENSIVE INCOME

	Audited 31 Dec 2023 Frw'000	Audited 31 Dec 2022 Frw'000
Interest revenue calculated using the effective interest method	19,231,063	13,888,147
Interest income	31,221	316,679
Interest and similar expense	(7,362,238)	(4,943,549)
Net interest income	11,900,046	9,261,277
Fee and commission income	1,585,035	1,178,237
Fee and commission expense	(664,510)	(371,955)
Net fee and commission income	920,525	806,282
Trading income	1,142,502	498,600
Foreign exchange loss	(557,805)	(142,351)
Other net operating expense	(348,756)	(295,436)
Total operating income	13,056,512	10,128,372
Allowance for expected credit losses	(3,477,544)	(1,655,981)
Net operating income	9,578,968	8,472,391
Expenses		
Staff cost	(3,240,760)	(2,471,201)
Depreciation and amortization	(663,163)	(612,705)
Operating expenses	(2,814,527)	(2,284,331)
Profit before income tax	2,860,518	3,104,154
Income tax (expense)/credit	(1,041,175)	(677,790)
Net profit for the year	1,819,343	2,426,364
Total comprehensive income	1,819,343	2,426,364

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

	Audited 31 Dec 2023 Frw'000	Restated 31-Dec-2022 Frw'000
ASSETS		
Cash and balances with National Bank of Rwanda	10,747,513	8,986,008
Deposits and balances due from other banking institutions	304,839	682,899
Deposits due from financial institutions abroad	7,999,791	3,021,500
Other assets	1,940,552	4,247,260
Government securities	69,146,239	68,263,292
Loans and advances to customers	72,696,105	68,240,577
Non-current assets held for sale	-	480,000
Property and equipment	1,250,755	1,163,405
Right-of-use assets	1,278,574	1,749,817
Intangible assets	1,224,893	888,148
Deferred income tax	726,951	533,400
TOTAL ASSETS	167,318,212	158,256,306
LIABILITIES		
Current liabilities		
Balance due to National Bank of Rwanda	52,078	49,689
Customer deposits	115,005,766	87,876,925
Deposits due to financial institutions	85,422	80,828
Current income tax	72,858	898,213
Other liabilities	2,915,265	2,151,710
Lease liabilities	1,871,777	2,150,428
Borrowings	26,199,332	45,752,131
TOTAL LIABILITIES	146,202,488	138,959,924
EQUITY		
Share capital	20,000,000	20,000,000
Share premium	871,740	871,740
Retained earnings	243,984	(1,575,358)
TOTAL EQUITY	21,115,724	19,296,382
TOTAL LIABILITIES AND EQUITY	167,318,212	158,256,306

AUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023 STATEMENT OF CHANGES IN EQUITY

	Share capital Frw'000	Share premium Frw'000	Accumulated Losses Frw'000	Total Frw'000
At 1 January 2022				
as previously reported	20,000,000	871,740	(3,394,732)	17,477,008
prior year adjustments			(606,990)	(606,990)
As restated	20,000,000	871,740	(4,001,722)	16,870,018
Profit and total comprehensive income for the year	-	-	2,426,364	2,426,364
At 31 December 2022	20,000,000	871,740	(1,575,358)	19,296,382
At 1 January 2023				
as previously reported	20,000,000	871,740	(968,368)	19,903,372
prior year adjustments			(606,990)	(606,990)
As restated	20,000,000	871,740	(1,575,358)	19,296,382
Profit and total comprehensive income for the year			1,819,343	1,819,343
At 31 December 2023	20,000,000	871,740	243,984	21,115,724

AUDITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	31-Dec-23 Frw'000	31-Dec-22 Frw'000
Cash flows from operating activities:		
Profit before income tax	2,860,518	3,104,154
Adjustments for:		
Depreciation on property and equipment	360,420	332,092
Depreciation on right-of-use assets	248,714	212,878
Amortization of intangible assets	302,706	280,614
Unrealized foreign exchange loss	557,805	142,550
Impairment loss allowance-loans	3,255,878	931,807
Impairment loss allowance-other financial instruments	1	7
Net movement in fair valuation and modification gain/loss	(182,111)	(51,031)
Net interest income	(18,024,810)	(12,979,561)
Interest expense	7,117,843	4,660,107
Gain/loss on disposal of fixed assets	(3,148)	(530)
Finance cost on lease liabilities	244,395	283,442
Cash flows from operating activities before changes in operating assets and liabilities	(3,261,789)	(3,083,671)
Changes in operating assets and liabilities:		
Increase in loans and advances	(4,457,528)	(30,268,093)
Increase in other assets	2,306,708	(3,951,602)

Increase in customer deposits	27,128,841	37,386,182
Increase in deposits due to other banks	4,594	9,642
Increase/(Decrease) in other liabilities	763,545	1,032,198
Changes in accrued interest income/expense	9,047,283	7,205,527
Interest income received	14,500,155	9,823,254
Interest expense paid	(5,478,499)	(2,779,911)
Tax paid	(1,161,868)	-
Cash generated/(utilized) in operating activities	39,391,442	15,373,526
Cash flows from investing activities:		
Purchase of property and equipment	(454,383)	(193,679)
Acquisition of government securities	(10,264,693)	(40,920,329)
Proceeds from matured government facilities	3,202,500	6,148,257
Purchase of intangible assets	(633,666)	(152,952)
Acquisition of non-current asset held for sale	-	(480,000)
Proceeds from sale of non-current asset held for sale	300,000	-
Proceeds from disposal of fixed assets	-	2,089
Net cash used in investing activities	(7,850,242)	(35,596,614)
Cash flows used in financing activities:		
Proceeds from borrowings	2,494,681,813	1,517,813,124
Borrowing repayments	(2,514,089,376)	(1,526,601,858)
Lease payment	(510,150)	(3,005)
Capital increase	-	(489,635)
Net cash used in financing activities	(19,917,713)	(9,261,374)
Effects of exchange rates	(191,989)	(159,786)
Net (decrease)/ increase in cash and cash equivalents	11,431,488	(29,664,248)
Cash and cash equivalents at start of year	10,421,031	40,085,279
Cash and cash equivalents at 31 Dec 2023	21,852,519	10,421,031

AUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023 OTHER REGULATORY DISCLOSURES

Item	31 Dec 2023 Amount/ Ratio/ Number	31 Dec 2022 Amount/ Ratio/ Number		
I. Capital Strength				
1. Core capital (Tier 1)	19,915,673	19,015,223		
2. Supplementary capital (Tier 2)	1,587,459	1,699,993		
3. Total capital	21,503,132	20,715,216		
4. Total risk weighted assets	92,680,327	92,930,886		
5. Core capital/ Total risk weighted assets ratio (Tier 1 ratio)	21.49%	20.46%		
6. Tier 2 ratio	1.71%	1.83%		
7. Total capital/total risk weighted assets ratio	23.20%	22.29%		
8. Leverage ratio	19,915,673	19,015,223		
II. Credit Risk				
1. Total gross credit risk exposures; after accounting offsets and without taking into account credit risk mitigation; Effects of exchange rates	149,267,338	154,063,836		
2. Credit risk exposures, broken down by major types of credit exposure:				
a) Loans, commitments and other non-derivative off-balance sheet exposures:	80,121,099	85,228,386		
b) Debt securities:	69,146,239	68,835,450		
c) OTC derivatives	-	-		
Total	149,267,337	154,063,836		
3. Regional or geographic distribution/ types of credit exposure				
Geographic distribution	Total exposure (Frw'000)	Total exposure (Frw'000)		
Kigali City	133,026,432	139,775,216		
Muhanga	1,413,719	1,229,229		
Huye	3,011,942	2,518,416		
Rusizi	6,299,428	5,149,764		
Rubavu	2,342,993	2,563,736		
Musanze	2,255,542	1,966,302		
Kayanza	917,281	861,173		
Total	149,267,337	154,063,836		
Sector distribution	Total exposure (Frw'000)	Total exposure (Frw'000)		
a) Government	79,990,601	82,560,988		
b) Financial:	-	-		
c) Manufacturing:	248,480	256,465		
d) Infrastructure and construction;	1,495,814	1,543,880		
e) Services and commerce.	29,839,443	30,798,292		
f) Others	37,692,999	38,904,211		
Total	149,267,337	154,063,836		
4. Sector distribution of exposures, broken down by major types of credit exposure and aggregated in the following areas:				
5. Off-balance sheet items				
6. Non-performing loans indicators				
a) Non-performing loans (NPL)	5,578,002	6,058,255		
b) NPL ratio	7.06%	8.47%		
7. Related parties				
a) Loans to directors, shareholders and subsidiaries	1,577,039	470,999		
b) Loan to employees	135,759	1,494,180		
8. Restructured loans as at 31 December 2023	1,086,955	13,725,538		
a. No. of borrowers	95	163		
b. Amount outstanding (Frw '000)	3,328,834	4,045,063		
c. Provision thereon (Frw '000) (regulatory):	224,055	51,644		
d. Provision IFRS P (Frw '000)	680,570	362,522		
e. Restructured loans as % of gross loans	4.16%	5.66%		
III. LIQUIDITY RISK				
a) Liquidity Coverage Ratio (LCR)	164.03%	146.16%		
b) Net Stable Funding Ratio (NSFR)	208.33%	170.27%		
IV. OPERATIONAL RISK				
Number and types of frauds and their corresponding amount	Type	Number	Amount (Frw '000)	Amount (Frw '000)
	Thefts	-	-	-
V. MARKET RISK				
1. Interest rate risk	-	-	-	-
2. Equity position risk	-	-	-	-
3. Foreign exchange risk	-	-	69,465	504,695
VI. COUNTRY RISK				
1. Credit exposures abroad	-	-	24,982	-
2. Other assets held abroad	-	-	7,965,932	3,021,500
3. Liabilities to abroad	-	-	85,422	80,828
VII. MANAGEMENT AND BOARD COMPOSITION				
1. Number of Board members	6	6	6	6
2. Number of independent Directors	4	4	4	4
3. Number of non-independent Directors	2	2	2	2
4. Number of female Directors	1	1	1	1
5. Number of male Directors	5	5	5	5
6. Number of Senior Managers	12	13	12	13
7. Number of female Senior Managers	4	4	4	4
8. Number of male Senior Managers	8	9	8	9

EXPLANATORY NOTES TO FINANCIALS

- Interest and similar income**
Increase in interest income is a result of increase in loans and treasury bonds.
- 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.
- Customer deposit**
The mobilisation of corporate clients allowed the bank to increase its customers' deposits.