

STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2019

AUDITED BY EXTERNAL AUDITORS (FIGURES IN FRW '000)

| ASSETS | 31/12/19 | 31/12/18 |
|--|--------------------|--------------------|
| Cash and balances with National Bank of Rwanda | 30,691,946 | 23,840,151 |
| Due from other banking institutions | 32,876,637 | 23,183,308 |
| Loans and advances to customers | 171,887,690 | 169,032,838 |
| Financial assets measured at FVOCI | 16,444,933 | 5,832,253 |
| Financial assets at amortised cost | 31,665,173 | 47,703,866 |
| Derivatives financial instruments | 429,065 | 6,617 |
| Other assets | 2,470,613 | 2,704,999 |
| Right of use asset | 2,065,031 | - |
| Property and equipment | 23,620,659 | 17,076,248 |
| Intangible assets | 5,747,279 | 4,785,353 |
| TOTAL ASSETS | 317,899,026 | 294,165,633 |
| LIABILITIES | 31/12/19 | 31/12/18 |
| Deposits from banks | 51,567,393 | 38,097,584 |
| Deposits from customers | 191,804,341 | 192,840,285 |
| Deferred income tax | 1,642,339 | 1,502,217 |
| Other liabilities | 5,560,499 | 7,795,132 |
| Lease liability | 1,941,552 | - |
| Long term debt | 13,336,947 | 5,543,644 |
| Subordinated debt | 9,259,073 | 8,819,273 |
| TOTAL LIABILITIES | 275,112,144 | 254,598,135 |
| EQUITY | 31/12/19 | 31/12/18 |
| Share capital | 5,050,000 | 5,050,000 |
| Share premium | 400,000 | 400,000 |
| Revaluation reserves | 2,011,095 | 2,011,095 |
| Other reserves | 188,347 | 358,299 |
| Retained earnings | 33,622,440 | 28,763,104 |
| Proposed dividend | 1,515,000 | 2,985,000 |
| TOTAL EQUITY | 42,786,882 | 39,567,498 |
| TOTAL LIABILITIES AND EQUITY | 317,899,026 | 294,165,633 |
| OFF STATEMENT OF FINANCIAL POSITION ITEMS | 31/12/19 | 31/12/18 |
| Acceptances and Letters of Credit Issued | 13,224,224 | 6,893,910 |
| Guarantees commitments given | 40,385,462 | 27,979,302 |

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31st DECEMBER 2019

AUDITED BY EXTERNAL AUDITORS (FIGURES IN FRW '000)

| | 31/12/19 | 31/12/18 |
|--|---------------------|---------------------|
| Interest and similar income | 34,808,787 | 30,960,821 |
| Interest and similar expense | (12,942,802) | (10,734,531) |
| Net interest income | 21,865,985 | 20,226,290 |
| Fees and commission income | 3,420,566 | 3,112,599 |
| Fees and commission expense | (1,179,536) | (696,614) |
| Net fees and commission income | 2,241,030 | 2,415,985 |
| Net foreign exchange income | 3,280,146 | 3,222,590 |
| Other operating income | 471,438 | 922,611 |
| Operating income before impairment | 27,858,599 | 26,787,476 |
| Impairment losses on loans and advances to customers | (463,401) | (1,041,472) |
| Operating Income after impairment losses | 27,395,198 | 25,746,004 |
| Employee benefits | (10,005,526) | (8,056,864) |
| General administrative expenses | (5,604,198) | (5,472,066) |
| Depreciation and amortisation | (2,795,100) | (1,399,652) |
| Total operating expenses | (18,404,824) | (14,928,582) |
| Profit before income tax | 8,990,374 | 10,817,421 |
| Income tax expense | (2,848,432) | (3,354,850) |
| Profit for the period | 6,141,942 | 7,462,572 |



Chairman of the Board of Directors:
Date: 25th March 2020



Managing Director:
Date: 25th March 2020

STATEMENT OF CHANGES IN EQUITY AS AT 31st DECEMBER 2019

AUDITED BY EXTERNAL AUDITORS (FIGURES IN FRW'000)

| | SHARE CAPITAL | SHARE PREMIUM | Revaluation reserves | Retained earnings | Proposed dividends | Statutory credit risk reserve | Fair value reserve | TOTAL EQUITY |
|---|------------------|----------------|----------------------|--------------------|--------------------|-------------------------------|--------------------|--------------------|
| | FRW'000 | FRW'000 | FRW'000 | FRW'000 | FRW'000 | FRW'000 | FRW'000 | FRW'000 |
| As at 1 January 2019 | 5,050,000 | 400,000 | 2,011,095 | 28,763,104 | 2,985,000 | 145,151 | 213,148 | 39,567,498 |
| Total comprehensive income: | | | | | | | | |
| Net Profit after income tax | - | - | - | 6,141,942 | - | - | - | 6,141,942 |
| Other comprehensive income | | | | | | | | |
| Statutory credit reserve | - | - | - | 130,258 | - | (130,258) | - | - |
| Fair value through the other comprehensive income (FVOCI) | - | - | - | - | - | - | 89,499 | 89,499 |
| Deferred tax - FVOCI | - | - | - | - | - | - | (27,057) | (27,057) |
| FVOCI prior year reversal | - | - | - | 145,909 | - | - | (145,909) | - |
| Deferred tax - FVOCI prior year reversal | - | - | - | (43,773) | - | - | 43,773 | - |
| Total other comprehensive income | - | - | - | 232,394 | - | (130,258) | (39,694) | 62,442 |
| Total comprehensive income | - | - | - | 6,374,336 | - | (130,258) | (39,694) | 6,204,384 |
| Transactions with owners recorded directly in equity | | | | | | | | |
| Final dividend - 2018 | - | - | - | - | (2,985,000) | - | - | (2,985,000) |
| Proposed dividend - 2019 | - | - | - | (1,515,000) | 1,515,000 | - | - | - |
| Total transactions with owners for the year | - | - | - | (1,515,000) | (1,470,000) | - | - | (2,985,000) |
| Balance as at 31 December 2019 | 5,050,000 | 400,000 | 2,011,095 | 33,622,440 | 1,515,000 | 14,893 | 173,454 | 42,786,882 |

**STATEMENT OF CASH FLOWS AS AT 31st
DECEMBER 2019**

AUDITED BY EXTERNAL AUDITORS (FIGURES IN FRW '000)

| STATEMENT OF CASH FLOWS | 31/12/19 | 31/12/18 |
|---|---------------------|---------------------|
| Cash flows from operating activities: | | |
| Profit before income tax | 8,990,374 | 10,817,422 |
| Adjustments for: | | |
| Depreciation on property and equipment | 1,037,804 | 1,000,784 |
| Depreciation of Right of use assets | 577,302 | - |
| Amortisation of intangible asset | 1,179,994 | 398,868 |
| (Loss)/Gain on disposal of property and equipment | (24,988) | (79,419) |
| Gain on disposal of repossessed assets | - | (844,675) |
| Impairment loss recognised | 463,401 | 1,041,472 |
| Interest income earned | (34,808,787) | (30,960,821) |
| Interest expense incurred | 12,942,802 | 10,734,531 |
| | (9,642,098) | (7,891,838) |
| Increase/(decrease) in operating assets: | | |
| Movement in loans and advances to customers | (2,854,852) | (22,519,465) |
| Movement in repossessed assets | - | (2,120,000) |
| Movement in financial assets at amortised cost | 16,038,693 | (29,578,655) |
| Movement in financial assets measured at (FVOCI) | (10,612,679) | 12,151,441 |
| Movement in financial assets at fair value through profit or loss (FVTPL) | (422,448) | - |
| Cash and balances with National Bank of Rwanda: | (1,791,673) | (1,116,337) |
| Other assets | 234,386 | 2,388,119 |
| | 591,427 | (40,794,897) |
| Increase/(decrease) in operating liabilities: | | |
| Customer deposits | (1,035,944) | 15,418,178 |
| Balances due to group companies | - | (3,108,543) |
| Deposits from banks | 13,469,809 | 9,497,527 |
| Other payables | 541,340 | (21,203) |
| | 12,975,205 | 21,785,959 |
| Cash flows generated from operating activities | 3,924,534 | (26,900,776) |
| Interest received | 33,142,307 | 29,862,231 |
| Interest paid | (14,549,142) | (10,311,315) |
| Tax paid | (3,362,257) | (3,342,983) |
| Net cash flows generated from operating activities | 19,155,442 | (10,692,843) |
| Cash flows from investing activities: | | |
| Purchase of property and equipment | (7,470,153) | (6,134,648) |
| Purchase of intangible assets | (2,389,924) | (3,138,728) |
| Proceeds from disposal of property and equipment | 35,692 | 206,100 |
| Proceeds from disposal of repossessed assets | - | 2,721,333 |
| Right of use asset | (2,642,333) | - |
| Net cash used in investing activities | (12,466,718) | (6,345,943) |
| Cash flows from financing activities: | | |
| Dividend paid | (2,985,000) | (2,605,000) |
| Proceeds from long term debt | 8,864,436 | 8,819,273 |
| Principal repayment on long term debt | (1,155,547) | (1,342,757) |
| Net cash inflows/(outflows) from financing activities | 4,723,889 | 4,871,516 |
| Net increase / (decrease) in cash and cash equivalents | 11,412,613 | (12,167,270) |
| Cash and cash equivalents at start of the year | 35,079,037 | 47,246,307 |
| Cash and cash equivalents at end of the year | 46,491,650 | 35,079,037 |

Chairman of the Board of Directors:
Date: 25th March 2020

Managing Director:
Date: 25th March 2020

GanZa

Na I&M SME BANKING



Tangira, Aguka, Ugwize

Kwishyura inguzanyo mu buryo bukunogeye |
Kubitsa no kubikuzza ni ubuntu kuri
serivisi zose za e-banking.

OTHER DISCLOSURES
**AUDITED BY EXTERNAL AUDITORS
(FIGURES IN FRW '000)**

| FOR THE PERIOD ENDED 31 st DECEMBER 2019 | |
|--|-------------------|
| I. Capital Strength | |
| a. Core Capital (Tier 1) | 34,536,343 |
| b. Supplementary Capital (Tier 2) | 9,427,838 |
| c. Total Capital | 43,964,181 |
| d. Total Risk weighted assets | 240,635,377 |
| e. Core Capital/Total risk weighted assets ratio | 14.35% |
| f. Tier 2 ratio | 3.92% |
| g. Total Capital/Total risk weighted assets ratio | 18.27 % |
| h. Leverage Ratio | 10.57% |
| II. Credit Risk | |
| 1. Total gross credit risk exposures: after accounting offsets and without taking into account credit risk mitigation | 248,763,678 |
| 2. Average gross credit exposures, broken down by major types of credit exposure: | |
| a) loans, commitments and other non-derivative off-balance sheet exposures : | 248,763,678 |
| b) debt securities: | 48,110,106 |
| c) OTC derivatives: | 429,065 |
| 3. Regional or geographic distribution of exposures, broken down in significant areas by major types of credit exposure: | |
| Northern | 3,818,111 |
| Southern | 2,100,609 |
| Eastern | 1,439,267 |
| Western | 4,719,420 |
| Kigali City | 236,686,271 |
| 4. Sector distribution of exposures, broken down by major types of credit exposure and aggregated in the following areas: | |
| a) Government; | 546,769 |
| b) financial; | 248 |
| c) manufacturing; | 38,586,551 |
| d) infrastructure and construction; | 20,193,884 |
| e) services and commerce. | 62,278,091 |
| f) others | 127,158,135 |
| 5. Off Balance sheet items | 53,609,438 |
| 6. Non-Performing Loans | |
| (a) Non performing Loans | 5,881,052 |
| (b) NPL Ratio | 2.56 % |

| | | |
|---|---------------|----------------------|
| 7. Related Parties | | |
| a. Loans to Directors, shareholders and subsidiaries | | 187,629 |
| b. Loans to Employees | | 4,089,681 |
| III. Liquidity | | |
| a. Liquidity Coverage ratio (LCR) | | 229 % |
| b. Net Stable Funding ratio (NSFR) | | 153 % |
| IV. Operational Risk | | |
| Number and types of frauds and their corresponding amount | | |
| Type | Number | Amount Frw000 |
| External - Use of forged payment order | 2 | 23,290 |
| Internal - Use of forged payment order | 1 | 2,451 |
| Internal - Theft | 1 | 429 |
| V. Market Risk | | |
| 1. Interest rate risk | | 502,692 |
| 2. Equity position risk | | - |
| 3. Foreign exchange risk | | 366,635 |
| VI. COUNTRY RISK | | |
| 1. Credit exposures abroad | | 32,151,937 |
| 2. Other assets held abroad | | - |
| 3. Liabilities to abroad | | 27,249,961 |
| VII. Management and Board Composition | | |
| a. Number of Board members | | 9 |
| b. Number of independent directors | | 6 |
| c. Number of non-independent directors | | 3 |
| d. Number of female directors | | 2 |
| e. Number of male directors | | 7 |
| f. Number of Senior Managers | | 13 |
| g. Number of female senior managers | | 5 |
| h. Number of male senior managers | | 8 |



 Chairman of the Board of Directors:
Date: 25th March 2020



 Managing Director:
Date: 25th March 2020

EXPLANATORY NOTES TO THE FINANCIALS
1. Interest and similar income: 12% increment

The increase is mainly attributable to the growth in Loans and Government securities

2. Interest and similar expense: 21% increment

An increase in the level of the funding sources was noted mainly in the DFIs (141%)

3. Employee benefits: 24% Increase

The increment in staff costs relates to a Voluntary Service Scheme that the Bank has provided as a benefit to its long serving employees.

4. Depreciation and amortisation charges: 100% increment

Depreciation charges is higher in the current year on the account of the Core Banking Software investment made in the last quarter of 2018.

5. Borrowed funds: 141% increment

The increment of borrowed funds relates to funds received from the European Investment Bank, in line with the Bank's strategy to grow its loan book portfolio and for mismatch purpose.

6. Right to use Asset and Lease Liability

The above 2 line items relate to the new accounting standards IFRS 16-Leases whose adoption was effective from 1st January 2019