

REVIEWED BY EXTERNAL AUDITORS Figures in Frw '000

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

| ASSETS | 31/12/18 | 31/12/17 |
|--|--------------------|--------------------|
| Cash in Hand | 3,502,480 | 3,021,548 |
| Due from the National Bank of Rwanda | 20,337,671 | 22,675,563 |
| Due from other banking institutions | 23,183,308 | 30,804,171 |
| Non-current assets held for sale | - | 2,120,000 |
| Investment securities - at fair value through other comprehensive income | 5,832,253 | 17,921,801 |
| Investment securities - at amortized cost | 47,703,866 | 19,812,580 |
| Derivative financial instruments | 6,617 | 68,510 |
| Loans and advances to customers | 169,032,838 | 146,513,373 |
| Other assets | 2,704,999 | 2,973,118 |
| Property and equipment | 17,076,248 | 12,252,110 |
| Intangible assets | 4,785,353 | 2,011,418 |
| TOTAL ASSETS | 294,165,633 | 260,174,192 |

| LIABILITIES | 31/12/18 | 31/12/17 |
|--|--------------------|--------------------|
| Deposits from customers | 192,840,285 | 177,422,108 |
| Deposits from banks and other financial Institutions | 38,097,584 | 31,708,600 |
| Current income tax | 872,369 | 1,098,315 |
| Other payables | 6,480,352 | 6,341,588 |
| Provisions | 442,412 | 455,331 |
| Corporate bond | - | 104,638 |
| Borrowed funds | 5,543,644 | 6,617,003 |
| Deferred income tax | 1,502,216 | 1,362,083 |
| Subordinated Debt | 8,819,273 | - |
| TOTAL LIABILITIES | 254,598,135 | 225,109,666 |

| EQUITY | 31/12/18 | 31/12/17 |
|-------------------------------------|--------------------|--------------------|
| Share capital | 5,050,000 | 5,050,000 |
| Share premium | 400,000 | 400,000 |
| Retained earnings | 28,763,104 | 24,056,367 |
| Available for sale reserve | 213,148 | 693 |
| Revaluation reserve | 2,011,095 | 2,140,401 |
| Statutory Credit Risk | 145,151 | 812,065 |
| Proposed dividend | 2,985,000 | 2,605,000 |
| TOTAL EQUITY | 39,567,498 | 35,064,526 |
| TOTAL LIABILITIES AND EQUITY | 294,165,633 | 260,174,192 |

| OFF STATEMENT OF FINANCIAL POSITION ITEMS | 31/12/18 | 31/12/17 |
|---|------------|------------|
| Acceptances and Letters of Credit Issued | 6,893,910 | 2,397,437 |
| Guarantees commitments given | 27,979,302 | 21,715,443 |



Chairman of the Board of Directors :
Date: 22nd March 2019



Managing Director :
Date: 22nd March 2019

EXPLANATORY NOTES TO THE FINANCIALS

1) Interest and similar income: 26% increment

The increase is mainly attributable to the Loan book portfolio and the Investment made in money markets (Government securities and interbank placements) that increased by %15 and %42 respectively.

2) Interest and similar expense: 55% increment

In line with its strategy to deploy more lending to its customers, the Bank acquired more deposits as well as facilities from the financial sector (both local and international).

3) Increase in Impairment losses on loans and advances

The increase is attributed to additional provisions on some loans and advances

4) Subordinated Debt

The Bank acquired within the year a 5 year subordinated loan with IFC . The purpose of the loan is to provide the Bank with a loan which qualifies as Tier capital therefore enabling the Bank to increase its lending to clients.

**STATEMENT OF COMPREHENSIVE INCOME FOR
THE PERIOD ENDED 31 DECEMBER 2018**

| | 31/12/18 | 31/12/17 |
|--|---------------------|---------------------|
| Interest and similar income | 30,960,821 | 24,483,000 |
| Interest and similar expense | (10,734,532) | (6,918,428) |
| Net interest income | 20,226,290 | 17,564,572 |
| Fees and commission income | 3,112,599 | 3,187,321 |
| Fees and commission expense | (696,614) | (527,092) |
| Net fees and commission income | 2,415,985 | 2,660,230 |
| Net foreign exchange income | 3,222,590 | 2,903,890 |
| Other operating income | 922,611 | 507,933 |
| Operating income before impairment | 26,787,475 | 23,636,625 |
| Impairment losses on loans and advances to customers | (1,041,472) | (598,745) |
| Operating income after impairment losses | 25,746,003 | 23,037,880 |
| Employee benefits | (8,056,864) | (7,132,211) |
| Depreciation and amortization expense | (1,399,653) | (1,041,729) |
| Operating expenses | (5,472,065) | (5,015,609) |
| Total operating expenses | (14,928,582) | (13,189,549) |
| Profit before income tax | 10,817,421 | 9,848,330 |
| Income tax expense | (3,354,850) | (3,334,930) |
| Profit for period | 7,462,572 | 6,513,401 |

OTHER DISCLOSURES

| FOR THE PERIOD ENDED 31 DECEMBER 2018 | |
|---|-------------------|
| 1. Off Balance sheet items | 34,873,212 |
| 2. Non performing Loans | |
| Non performing Loans | 5,278,387 |
| Non performing Loans Ratio | 2.53% |
| 3. Capital Strength | |
| Core Capital (Tier 1) | 28,894,613 |
| Supplementary Capital (Tier 2) | 9,438,933 |
| Total Capital | 38,333,546 |
| Total Risk weighted assets | 222,343,194 |
| Core Capital/Total risk weighted assets ratio | 13.00% |
| Tier 1 ratio | 13.00% |
| Total Capital/Total risk weighted assets ratio | 17.24% |
| Tier 2 Ratio | 17.24% |
| 4. Liquidity | |
| Liquidity coverage ratio | 226.0% |
| 5. Insider Lending | |
| Loans to Directors, shareholders and subsidiaries | 37,864 |
| Loans to Employees | 3,189,781 |
| 6. Management and Board Composition | |
| a. Number of Board members | 10 |
| b. Number of executive directors | 2 |
| c. Number of Non- executive directors | 8 |
| d. Number of female directors | 2 |
| e. Number of male directors | 8 |
| f. Number of Executive committee | 11 |
| g. Number of female in the Executive committee | 4 |
| h. Number of male in the Executive committee | 7 |