

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	31/12/19	31/12/18
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