AB Bank
RWANDA

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021
AUDITED

In Frw '000'	2021	2020
Interest income accounted for using effective interest method	4,407,235	4,050,746
Interest expense	(1,270,011)	(1,481,351)
Net interest income before allowance for impairment losses on interest-bearing assets	3,137,224	2,569,395
Impairment charge for loan losses	(571,456)	(925,234)
Net interest income	2,565,768	1,644,161
Fee and commission income	201,721	158,276
Fee and commission expense	(8,302)	(4,824)
Net fee and commission income	193,419	153,452
Net result from foreign exchange operations	(53,483)	(9,586)
Net other operating income	2,278,746	(102,528)
Net non-interest income	2,418,682	41,338
Net operating income	4,984,450	1,685,499
Personnel expenses	(2,021,941)	(1,830,618)
Depreciation and amortization expenses	(403,739)	(405,372)
Other administrative expenses	(1,068,415)	(981,805)
Total operating expenses	(3,494,095)	(3,290,985)
Profit before tax	1,490,355	(1,605,486)
Income tax (expense) / Credit	90,844	(370,191)
Profit for the year	1,581,199	(1,975,677)
Other comprehensive income	-	-
Total comprehensive income	1,581,199	(1,975,677)

SATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021. AUDITED.

For the year ended 31 December 2021 In '000 Frw	Share capital	Accumulated losses	Total equity
Carry Forward as at 01 January 2021	11,336,300	(7,215,134)	4,121,166
Profit for the year	-	1,581,199	1,581,199
Total comprehensive income	-	1,581,199	1,581,199
Issue of share capital	125,000	-	125,000
Balance as at 31 December 2021	11,461,300	(7,609,612)	3,851,688

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021
AUDITED

In Frw '000'	2021	2020
ASSETS		
Cash and cash equivalents	731,288	2,589,859
Debt securities	1,363,785	364,866
Loans and advances to banks	1,567,534	1,715,303
Loans and advances to customers	8,132,971	9,163,116
Other financial assets	161,316	135,839
Other non-financial assets	282,718	459,156
Intangible assets	77,350	115,771
Property and equipment	673,055	717,092
Rights-of-use assets	907,869	1,295,817
Deferred income tax asset	932,935	842,091
Total assets	14,830,821	17,398,910
LIABILITIES		
Loans from banks and other financial institutions	1,019,422	4,805,851
Customer accounts	8,646,478	8,660,704
Provisions	119,406	74,845
Lease Liability	951,219	1,288,744
Other financial liabilities	153,670	97,561
Other non-financial liabilities	88,938	78,409
Subordinate debt	-	247,307
Total liabilities	17,044,054	15,253,421
EQUITY		
Share capital	11,461,300	11,336,300
Retained earnings	(7,609,612)	(9,190,811)
Total equity	3,851,688	2,145,489
Total liabilities and equity	14,830,821	17,398,910

The financial statements were approved by the Board of Directors on 30 March 2021 and were signed on its behalf by:

Mr. Klaus Müeller
Chief Executive Officer

Mrs. Dianne Dusaidi
Chairman of the Board of Directors

This financial report is available for consultation. Visit our website at *www.abbankrwanda/Quick Links/Download Center* or reach out to our head office located at KN 78 Street #15, Nyarugenge, Kiyovu, (BCK Building).

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EXPLANATORY NOTES TO THE FINANCIALS

Interest and similar income: Increase of 8.8%. The interest income increase is attributed to growth in earning assets mainly in short term placements and government bonds. This is also coupled with effective collection of loan monitoring fees.

Interest expense: Decrease of 14.3%. The decrease of interest expense is a result of effect of debt restructuring agreement from August 2021.

Impairment charge for loan losses: Decrease of 38.2%. The decrease is mainly attributed to drop in the size of gross loan portfolio. The impairment allowances dropped by 3.5% due to write-off initiated in 2021.

Net other operating income: The Bank recorded modification gain from restructuring agreement in August 2021, where the Bank and creditors agreed on a waiver of 40% of the outstanding debts together with a new repayment plan.

Loans and advances to customers: Decrease of 11.2%. The decrease is explained by the low level of disbursement owing to negative effects of two lockdowns in 2021, to curb the spread of pandemic COVID 19. Towards last quarter of 2021, the Bank register good trend in loan disbursement.

Customer Deposits: Customer deposits remained constant year-on-year at Frw 8.6bn. The Bank liquidity levels were adequately higher than regulatory threshold.

Loans from banks and other financial institutions: The decrease of 78.8% is due to Bank repayment of 40% of outstanding external debts and a waiver of 40% by international lenders.

AB BANK RWANDA PLC. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021. AUDITED,

in `000 Frw	2021	2020
Profit		
Profit before tax	1,490,355	(1,605,486)
Adjustments for non cash items:		
Impairment charge for loan losses	572,259	1,023,686
Unrealised (gain)/loss from currency revaluation	3,675	5,003
Depreciation and amortisation expense	403,739	405,372
Gain On Debt Restructuring	(2,252,764)	-
Interest income	(4,407,235)	(4,050,746)
Interest expense	1,270,011	1,481,351
Cash flows from operating activities before changes in operating assets and liabilities	(2,919,960)	(2,740,820)
Changes in operating assets and liabilities *(Increase)/decrease in operating assets:*		
Loans and advances to customers	462,045	247,339
Other assets	150,961	(295,657)
Interest received	4,447,155	4,076,253
Increase/(decrease) in operating liabilities		
Loans from banks and other financial institutions	-	81,891
Customer accounts	(28,272)	(2,396,056)
Other liabilities	66,638	6,639
Provisions	44,561	28,379
Interest paid	(761,535)	(987,167)
Cash inflow/(outflow) from operating activities before taxation	1,461,593	(1,979,199)
Income tax paid	-	-
Net cash inflow/(outflow) from operating activities	1,462,396	(1,979,199)
Cash flow from investment activities		
Purchase of intangible assets	-	(94,742)
Purchase of property and equipment	(112,275)	(161,276)
Purchase of debt securities	(998,919)	(359,985)
Net cash inflow/(outflow) from investing activities	(1,111,194)	(616,003)
Cash flow from financing activities		
Proceeds from issuance of ordinary shares	125,000	-
Payment of lease liabilities (principal portion)	(158,583)	(186,468)
Net proceeds from issuance/(net repayments) of subordinated debt	(2,323,156)	-
Net cash inflow/(outflow) from financing activities	(2,356,738)	(186,468)
Effect of changes in foreign exchange rate on cash and cash equivalents	-	32,501
Total Cash flow	(2,006,340)	(2,749,169)
Cash and cash equivalents, beginning of year	4,305,162	7,054,331
Cash and cash equivalents, end of year	2,298,822	4,305,162

OTHER DISCLOSURES

A. Capital strength	Amount /ratio/number
a. Core capital (Tier)	2,841,403
b. Supplementary Capital (Tier 2)	111,788
c. Total capital	2,953,191
d. Total Risk Weighted Assets	8,943,063
e. Core capital /Total Risk Weighted Assets (Tier 1)	31.77%
f. Tier 2 ratio	1.25%
g. Total Capital /Total Risk Weighted Assets	33.02%
h. Leverage Ratio	18%

II. Credit Risk	Amount /ratio/ number
1. Total Gross Credit risk exposures: After accounting offsets and without taking into account credit risk mitigation	10,113,508
2. Average gross credit exposure, broken down by major types of credit exposure	10,113,508
Micro	9,235,924
SME	717,819
Other Loans	159,765
a) Loans, Commitments and other non-derivative off-balance sheet exposure	-
b) Debt securities	1,363,785
c) OTC derivatives	

3. Regional or geographic distribution of exposures, broken down in significant areas by major types of credit exposures

	CITY OF KIGALI	NORTHERN PROVINCE	EASTERN PROVINCE	WESTERN PROVINCE	SOUTHERN PROVINCE	TOTAL
Micro Loans	5,462,010	943,411	1,166,520	408,246	1,255,737	9,235,924
SME Loans	717,819	-	-	-	-	717,819
Other Loans	159,681	-	84	-	-	159,765
	6,339,510	943,411	1,166,604	408,246	1,255,737	10,113,508

4. Sector distribution of exposures, broken down by Major types of credit exposure and aggregated in the following areas

	Micro Loans	SME Loans	Other Loans	Total
a) Public	-	-	-	-
b) Financial	-	-	-	-
c) Manufacturing	212,082	92,635	-	304,717
d) Infrastructure and construction	497,342	63,647	75,574	636,563
e) Service and commerce	7,176,330	502,731	81,802	7,760,862
f) Others	1,350,170	58,806	2,389	1,411,365
	9,235,924	717,819	159,765	10,113,508

5. Off-balance sheet items	-
6. Non- performing loans indicators	
a) Non-performing Loans (NPL)	1,615,264
b) NPL Ratio	15.59%
7. Related Parties	
a) Loans to directors, Shareholders and subsidiaries	-
b) Loans to employees	154,748
8. Restructured loans as at 31.12.2021	
a. No. of borrowers	1,396
b. Amount outstanding (Frw '000)	2,626,206
c. Provision thereon (Frw '000) (regulatory):	956,146
d. Restructured loans as % of gross loans	25.67%

OTHER RISKS

II. Liquidity risk	
High Quality liquid assets	2,081,946
Total net cash outflows	2,550,728
a) Liquidity Coverage Ratio (LCR)	365%
Available stable funding	14,843,545
Required stable funding	7,797,286
b) Net Stable Funding Ratio (NSFR)	141%

IV. Operational Risk	Type	Number	Amount
Number and Types of Frauds and Their corresponding amount	-	-	-

V. Market Risk	
1. Interest rate risk	-
2.Equity position risk	-
3.Foreign exchange risk	82,359

VI. Country Risk	
1. Credit exposures abroad	-
2.Other assets held Abroad	60,081
3.Liabilities to Abroad	1,019,422

VII. Management and Board composition	
a. Number of Board members	4
b. Number of independent directors	2
c. Number of non-independent directors	2
d. Number of female directors	1
e. Number of male directors	3
f. Number of senior managers	4
g. Number of females senior managers	0
h. Number of males senior managers	4