

ACCESS BANK (RWANDA) PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018 AUDITED BY EXTERNAL AUDITOR

	2018 Frw'000	2017 Frw'000
Interest income	6,500,390	5,978,549
Interest expense	(997,972)	(1,140,277)
Net interest income	5,502,418	4,838,272
Fee and commissions income	2,536,521	2,629,393
Fee and commissions expense	(82,336)	(61,510)
Net fee and commissions income	2,454,185	2,567,883
Foreign exchange income	915,452	577,388
Net fair value movement on financial assets and liabilities designated at fair value through profit or loss	(45,126)	(109,979)
Other operating (loss)/ income	(905)	15,105
Operating income	8,826,024	7,888,669
Net recoveries/(impairment) on loans and advances	308,025	3,579
Personnel Expenses	(3,299,768)	(2,958,521)
Other operating expenses	(3,836,767)	(3,815,520)
Impairment charge on Fair Value Through Other Comprehensive Income Investments	-	(32,502)
Depreciation	(252,076)	(248,303)
Amortization	(88,343)	(73,455)
Profit Before Income Tax	1,657,095	763,947
Income tax expense	(656,418)	(381,665)
Profit for the year	1,000,677	382,282
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Fair value gains on Fair Value Through Comprehensive Income (net of taxes)	60,151	-
Release of net fair value gains on Available for Sale financial assets (net of taxes) to profit or loss	-	(443,054)
Total comprehensive income/(loss) for the year	1,060,828	(60,772)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018 AUDITED BY EXTERNAL AUDITOR

	2018 Frw'000	2017 Frw'000
ASSETS		
Cash and balances with National Bank of Rwanda	12,858,021	9,799,975
Amounts due from other banks	35,921,645	26,724,770
Financial assets:		
- Government securities	9,786,859	10,923,951
- Equity instruments	85,930	-
- Derivatives	461,906	367,613
Loans and advances to customers	28,788,339	30,572,695
Other assets	1,528,453	1,370,415
Non-Current Asset held for sale	344,000	-
Property and equipment	1,993,588	1,501,234
Intangible assets	733,691	1,109,048
TOTAL ASSETS	92,502,432	82,369,701
LIABILITIES		
Customer deposits	76,269,869	66,944,855
Other liabilities	1,145,574	834,227
Interest-bearing borrowings	4,323,789	5,194,219
Current income tax	12,875	32,316
Deferred tax	354,317	263,776
TOTAL LIABILITIES	82,106,424	73,269,393
EQUITY		
Shareholders' equity		
Share capital	5,000,000	5,000,000
Retained earnings	4,506,885	3,637,547
Fair value reserve	60,151	-
Statutory reserves	366,211	-
Revaluation reserve	292,388	292,388
Other reserves	170,373	170,373
Total shareholders' equity	10,396,008	9,100,308
TOTAL EQUITY AND LIABILITIES	92,502,432	82,369,701

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018 AUDITED BY EXTERNAL AUDITOR

	Share capital Frw'000	Fair value reserve Frw'000	Revaluation reserve Frw'000	Statutory reserve Frw'000	Other reserves Frw'000	Retained earnings Frw'000	Total Frw'000
Year ended 31 December 2017							
At 1 January 2017	5,000,000	443,054	292,388	-	170,373	3,255,265	9,161,080
Total comprehensive income							
Profit for the year	-	-	-	-	-	382,282	382,282
Fair value loss on available-for-sale financial assets	-	(632,935)	-	-	-	-	(632,935)
Deferred tax on available-for-sale financial asset	-	169,881	-	-	-	-	169,881
At end of year	5,000,000	-	292,388	-	170,373	3,637,547	9,100,308
Year ended 31 December 2018							
At 1 January 2018	5,000,000	-	292,388	-	170,373	3,637,547	9,100,308
Impact of adopting IFRS 9	-	-	-	-	-	234,872	234,872
Restated opening balance under IFRS 9	5,000,000	-	292,388	-	170,373	3,872,419	9,335,180
Total comprehensive income							
Profit for the year	-	-	-	-	-	1,000,677	1,000,677
Transfer to statutory reserves	-	-	-	366,211	-	(366,211)	-
Fair value gain on FVOCI financial assets	-	85,930	-	-	-	-	85,930
Deferred tax on impairment on FVOCI financial assets	-	(25,779)	-	-	-	-	(25,779)
At end of year	5,000,000	60,151	292,388	366,211	170,373	4,506,885	10,396,008

STATEMENT OF CASHFLOW FOR THE YEAR ENDED 31 DECEMBER 2018 AUDITED BY EXTERNAL AUDITOR

	2018 Frw'000	2017 Frw'000
Cash flows from operating activities		
Profit before tax	1,657,095	763,947
Adjustments for:		
Depreciation of property and equipment	252,076	248,303
Amortization of intangible assets	88,343	73,455
Loss/(Gain) on disposal of property and equipment	5,735	(14,264)
Fair value loss/(gain) on Swap derivatives	45,126	109,979
(Gain)/Impairment on financial assets	(85,930)	32,502
Net unrealised foreign exchange loss	212,455	151,895
Net interest income	(5,502,418)	(4,838,272)
Operating loss before changes in operating working capital	(3,327,518)	(3,472,455)
Change in working capital:		
Change in restricted deposits	(312,772)	(569,892)
Change in loans and advances to banks and customers	1,651,206	4,159,757
Change in derivatives	(94,293)	(156,677)
Change in other assets	(158,038)	(626,916)
Change in deposits from customers	9,326,863	5,653,225
Change in other liabilities	311,347	338,545
Cash generated from operations	7,396,795	5,325,587
Interest paid on deposits and borrowings	(1,019,954)	(1,105,973)
Interest received on loans and advances	6,634,496	5,810,703
Income tax paid	(484,846)	(151,567)
Net cash from operating activities	12,526,491	9,878,750
Cash flows from investing activities		
Acquisition of investment securities	(18,624,000)	(36,471,245)
Acquisition of property and equipment	(244,319)	(187,881)
Proceeds from the sale of property and equipment	1,677	47,271
Acquisition of non-current asset held for sale	(344,000)	-
Acquisition of intangible assets	(287,014)	(510,768)
Proceeds from matured investment securities	19,882,200	28,619,583
Net cash from/(used in) investing activities	384,544	(8,503,040)
Cash flows from financing activities		
Repayment of interest bearing borrowings	(915,737)	-
Net cash used in financing activities	(915,737)	-
Net increase in cash and cash equivalents	11,995,298	1,375,710
Net foreign exchange difference	(53,149)	(648)
Cash and cash equivalents at beginning of year	32,821,005	31,445,943
Cash and cash equivalents at end of year	44,763,154	32,821,005

APPENDIX I: OTHER DISCLOSURES FOR THE YEAR ENDED 31 DECEMBER 2018 AUDITED BY EXTERNAL AUDITOR

Item	Amount (Frw'000)
1. Off-Balance Sheet items	10,505,033
2. Non-Performing Loans indicators	
(a) Non-performing loans (NPL)	1,346,903
(b) NPL Ratio	3.41%
3. Capital strength	
a. Core capital (Tier 1)	8,876,394
b. Supplementary capital (Tier 2)	3,563,554
c. Total capital	12,439,949
d. Total risk weighted assets	39,729,481
e. Core capital/Total risk weighted assets ratio	22.3%
f. Tier 1 ratio	22.3%
g. Total capital/total risk weighted assets ratio	31.3%
h. Tie 2 ratio	9%
4. Liquidity	
a. Liquidity ratio	220%
5. Insider lending	
a. Loans to directors, shareholders and subsidiaries	171,184
b. Loans to employees	915,399
6. Management and board composition	
a. Number of Board members	6
b. Number of Executive directors	1
c. Number of Non-executive directors	5
d. Number of female directors	2
e. Number of male directors	4
f. Number of Management committee	1
g. Number of females in the Management committee	4
h. Number of males in the Management committee	10

EXPLANATORY NOTES TO THE FINANCIALS FOR THE YEAR ENDED 31 DECEMBER 2018

- Deposits increased by 14%**
Customer deposits increased by 14% as result of the business growth mainly for retail banking.
- Loans and advances decreased by 6%**
Loans and advances decreased by 6% mainly due to the decrease in overdrafts and time loans and recovery efforts (for non-performing loans) made by the Bank during the 2018 financial year.
- Total Assets increased by 12%**
Total Assets increased by 12% as result of the business growth.
- Profit Before Tax increased by 117%**
The increase in profitability is mainly due to increase in net interest income, income from recovered loans and foreign exchange income. We are projecting a much better performance for the 2019 financial year.

These Financial statements and other disclosures are available on our website:
www.rwanda.accessbankplc.com

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