

ACCESS BANK (RWANDA) LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016 REVIEWED BY EXTERNAL AUDITORS

	2016 Rwf'000	Restated 2015 Rwf'000
Interest income	5,204,992	3,779,807
Interest expense	(588,455)	(390,084)
Net interest income	4,616,537	3,389,723
Fee and commissions income	2,615,336	2,152,618
Fee and commissions expense	(69,525)	(48,928)
Net fee and commissions income	2,545,811	2,103,690
Foreign exchange income	721,535	1,342,889
Net profit on financial assets and liabilities measured at fair value through profit or loss	112,360	-
Other operating income	14,351	6,485
Operating income	8,010,594	6,842,787
Net impairment on loans and advances	(1,912,196)	(6,879)
Other operating expenses	(3,374,437)	(3,016,381)
Personnel Expenses	(3,057,429)	(2,801,694)
Impairment charge on available for sale equity investments	-	(2,685)
Depreciation	(215,899)	(202,768)
Amortization	(41,998)	(31,499)
(Loss)/profit before income tax	(591,365)	780,881
Income tax expense	(48,260)	(319,812)
(Loss)/Profit for the year	(639,625)	461,069
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequently periods:		
Fair value (loss)/gains on available for sale financial assets (net of taxes)	(39,032)	(53,073)
Other comprehensive income not to be reclassified to profit or loss in subsequently periods:		
Gains on property revaluation (net of taxes)	-	292,663
Total comprehensive income for the year	(678,657)	700,658

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016 REVIEWED BY EXTERNAL AUDITORS

	2016 Rwf'000	Restated 2015 Rwf'000	Restated 2014 Rwf'000
ASSETS			
Cash and balances with National Bank of Rwanda	20,748,282	17,142,736	18,687,285
Amounts due from other banks	13,831,508	12,249,666	5,381,752
Financial assets:			
- Government securities and other bonds	3,060,550	6,778,935	9,883,601
- Equity investments	665,437	720,545	801,701
- Derivatives	210,936	-	-
Loans and advances to customers	34,564,606	25,679,438	20,648,707
Current income tax assets	329,836	86,337	240,321
Other assets	1,101,075	1,109,144	510,137
Property and equipment	1,594,663	1,430,759	929,469
Intangible assets	671,735	474,942	388,654
TOTAL ASSETS	76,778,628	65,672,502	57,471,627
LIABILITIES			
Customer deposits	61,257,326	51,725,331	47,289,915
Other liabilities	853,257	1,416,836	679,798
Provision for litigation	-	-	53,352
Interest-bearing borrowings	5,027,056	2,242,221	-
Deferred tax liabilities	479,909	448,377	309,209
TOTAL LIABILITIES	67,617,548	55,832,765	48,332,274
EQUITY			
Shareholders' equity			
Share capital	5,000,000	5,000,000	5,000,000
Retained earnings	3,255,265	3,894,890	3,433,821
Fair value reserve	443,054	482,086	535,159
Revaluation reserve	292,388	292,388	-
Other reserves	170,373	170,373	170,373
Total shareholders' equity	9,161,080	9,839,737	9,139,353
TOTAL EQUITY AND LIABILITIES	76,778,628	65,672,502	57,471,627

Director  Date: March 29, 2017

Director  Date: March 29, 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016 REVIEWED BY EXTERNAL AUDITORS

	Share capital Rwf'000	Fair value reserve Rwf'000	Revaluation reserve Rwf'000	Other reserves Rwf'000	Retained earnings Rwf'000	Total Rwf'000
Year ended 31 December 2015 (Restated)						
At 1 January 2015 (as previously stated)	5,000,000	535,159	-	170,373	3,593,309	9,298,841
Correction of prior year errors	-	-	-	-	(159,488)	(159,488)
At start of year (as restated)	5,000,000	535,159	-	170,373	3,433,821	9,139,353
Profit for the year	-	-	-	-	461,069	461,069
Fair value gains on available-for-sale financial assets	-	(75,819)	-	-	-	(75,819)
Deferred tax on fair value gains	-	22,746	-	-	-	22,746
Gain on property revaluation	-	-	418,090	-	-	418,090
Deferred tax on revaluation gain	-	-	(125,702)	-	-	(125,702)
At end of year 31 December 2015	5,000,000	482,086	292,388	170,373	3,894,890	9,839,737
Year ended 31 December 2016						
At 1 January 2016	5,000,000	482,086	292,388	170,373	3,894,890	9,839,737
Loss for the year	-	-	-	-	(639,625)	(639,625)
Fair value loss on available-for-sale financial assets	-	(55,760)	-	-	-	(55,760)
Deferred tax on fair value loss	-	16,728	-	-	-	16,728
At end of year	5,000,000	443,054	292,388	170,373	3,255,265	9,161,090

STATEMENT OF CASHFLOW FOR THE YEAR ENDED 31 DECEMBER 2016 REVIEWED BY EXTERNAL AUDITORS

	2016 Rwf'000	Restated 2015 Rwf'000
Cash flows from operating activities		
(Loss)/profit before tax	(591,365)	780,881
Adjustments for:		
Depreciation of property and equipment	215,899	202,768
Amortization of intangible assets	41,998	31,499
Gain on disposal of property and equipment	(11,735)	(5,151)
Loss/(gain) on disposal of investment securities	-	600
Fair value gain on Swap derivatives	(112,360)	-
Written off tax assets	107,272	-
Impairment on financial assets	55,108	2,685
Write back of provision for litigation	-	(53,353)
Net foreign exchange loss	845	-
Net interest income	(4,616,537)	(3,389,723)
Operating loss before changes in operating working capital	(4,910,875)	(2,429,794)
Change in working capital:		
Change in restricted deposits	(525,113)	(264,799)
Change in loans and advances to banks and customers	(8,885,168)	(5,371,975)
Change in derivatives	(210,936)	-
Change in other assets	8,069	(599,007)
Changes in operating liabilities		
Change in deposits from customers	9,524,090	4,422,827
Change in other liabilities	(563,579)	737,038
Cash generated from operations	(5,563,512)	(3,505,710)
Interest paid on deposits and borrowings	(472,229)	(338,750)
Interest received on loans and advances	4,740,841	3,905,670
Income tax paid	(259,528)	(162,285)
Net cash used in operating activities	(1,554,428)	(101,075)
Cash flows from investing activities		
Acquisition of investment securities	(25,992,709)	(30,243,722)
Acquisition of property and equipment	(408,168)	(301,367)
Proceeds from the sale of property and equipment	40,100	20,551
Acquisition of intangible assets	(238,791)	(117,787)
Proceeds from matured investment securities	26,641,503	33,568,537
Proceeds from sale of investment securities	-	2,000
Net cash generated from investing activities	41,935	2,928,212
Cash flows from financing activities		
Proceeds from interest bearing borrowings	2,675,613	2,242,221
Net cash from financing activities	2,675,613	2,242,221
Net increase in cash and cash equivalents	1,163,120	5,069,358
Net foreign exchange difference	(845)	-
Cash and cash equivalents at beginning of year	30,283,667	25,214,309
Cash and cash equivalents at end of year	31,445,942	30,283,667

APPENDIX I: OTHER DISCLOSURES FOR THE YEAR ENDED 31 DECEMBER 2016

Item	Amount (Rwf'000)
1. Off-Balance Sheet items	177,499,574
2. Non-Performing Loans indicators	
(a) Non-performing loans (NPL)	3,007,079
(b) NPL Ratio	5.59%
3. Capital strength	
a. Core capital (Tier 1)	7,583,530
b. Supplementary capital (Tier 2)	5,131,579
c. Total capital	12,715,109
d. Total risk weighted assets	52,499,551
e. Core capital/Total risk weighted assets ratio	14%
f. Tier 1 ratio	14%
g. Total capital/total risk weighted assets ratio	24%
h. Tie 2 ratio	10%
4. Liquidity	
a. Liquidity ratio	59%
5. Insider lending	
a. Loans to directors, shareholders and subsidiaries	315,054
b. Loans to employees	482,993
6. Management and board composition	
a. Number of Board members	6
b. Number of Executive directors	2
c. Number of Non-executive directors	4
d. Number of female directors	2
e. Number of male directors	4
f. Number of Executive committee	1
g. Number of females in the Executive committee	0
h. Number of males in the Executive committee	4

EXPLANATORY NOTES FOR THE YEAR ENDED 31 DECEMBER 2016

- Deposits**
Customer Deposits Increased by 18% as result of the business growth and the bank's strategy for retail banking. The balance sheet size has consequently increased by 17%. This was mainly due to the quality of service to our esteemed customers. We consistently improve our services to customers.
- Loans and advances**
Loans and advances increased by 35% mainly due to our enhanced retail strategy. Women banking products have also contributed to this considerable growth.
- Profit After Tax**
As highlighted in the 2016 financial statements, our Bank has recorded a loss in 2016 due to the provision on non-performing loans. Recovery is ongoing and we are projecting a very good performance in 2017.

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

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