

ACCESS BANK (RWANDA) LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017 AUDITED BY EXTERNAL AUDITORS

	2017 Rwf'000	2016 Rwf'000
Interest income	5,978,549	5,204,992
Interest expense	(1,140,277)	(588,455)
Net interest income	4,838,272	4,616,537
Fee and commissions income	2,629,393	2,615,336
Fee and commissions expense	(61,510)	(69,525)
Net fee and commissions income	2,567,883	2,545,811
Foreign exchange income	577,388	721,535
Net fair value movement on financial assets and liabilities designated at fair value through profit or loss	(109,979)	112,360
Other operating income	15,105	14,351
Operating income	7,888,669	8,010,594
Net recoveries/(impairment) on loans and advances	3,579	(1,912,196)
Personnel Expenses	(2,958,521)	(3,057,429)
Other operating expenses	(3,815,520)	(3,374,437)
Impairment charge on available for sale equity investments	(32,502)	-
Depreciation	(248,303)	(215,899)
Amortization	(73,455)	(41,998)
Profit / (loss) before income tax	763,947	(591,365)
Income tax expense	(381,665)	(48,260)
Profit / (loss) for the year	382,282	(639,625)
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Fair value gains/(loss) on available for sale financial assets (net of taxes)	-	(39,032)
Release of net fair value gains on available for sale financial assets (net of taxes) to profit or loss	(443,054)	-
Total comprehensive loss for the year	(60,772)	(678,657)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 AUDITED BY EXTERNAL AUDITORS

	2017 Rwf'000	2016 Rwf'000
ASSETS		
Cash and balances with National Bank of Rwanda	9,799,975	20,748,282
Amounts due from other banks	26,724,770	13,831,508
Financial assets:		
- Government securities and other bonds	10,923,951	3,060,550
- Available-for-sale	-	665,437
- Derivatives	367,613	210,936
Loans and advances to customers	30,572,695	34,564,606
Current income tax assets	-	329,836
Other assets	1,370,415	1,101,075
Property and equipment	1,501,234	1,594,663
Intangible assets	1,109,048	671,735
TOTAL ASSETS	82,369,701	76,778,628
LIABILITIES		
Customer deposits	66,944,855	61,257,326
Other liabilities	834,227	853,257
Interest-bearing borrowings	5,194,219	5,027,056
Current income tax	32,316	-
Deferred tax	263,776	479,909
TOTAL LIABILITIES	73,269,393	67,617,548
EQUITY		
Shareholders' equity		
Share capital	5,000,000	5,000,000
Retained earnings	3,637,547	3,255,265
Fair value reserve	-	443,054
Revaluation reserve	292,388	292,388
Other reserves	170,373	170,373
Total shareholders' equity	9,100,308	9,161,080
TOTAL EQUITY AND LIABILITIES	82,369,701	76,778,628

The statement of financial position and statement of comprehensive income were approved by the Board of Directors on 28/03/2018 and signed on its behalf by:

Director



Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017 AUDITED 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 2016						
At 1 January 2016	5,000,000	482,086	292,388	170,373	3,894,890	9,839,737
Total comprehensive income	-	-	-	-	(639,625)	(639,625)
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	9,161,080
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	-	-	-	-	382,282	382,282
Profit for the year	-	-	-	-	382,282	382,282
Fair value loss on available-for-sale financial assets	-	(632,935)	-	-	-	(632,935)
Deferred tax on impairment for available-for-sale	-	189,881	-	-	-	189,881
At end of year	5,000,000	-	292,388	170,373	3,637,547	9,100,308

STATEMENT OF CASHFLOW FOR THE YEAR ENDED 31 DECEMBER 2017 REVIEWED BY EXTERNAL AUDITORS

	2017 Rwf'000	2016 Rwf'000
Cash flows from operating activities		
Profit/(loss) before tax	763,947	(591,365)
Adjustments for:		
Depreciation of property and equipment	248,303	215,899
Amortization of intangible assets	73,455	41,998
Gain on disposal of property and equipment	(14,264)	(11,735)
Fair value loss/(gain) on Swap derivatives	109,979	(112,360)
Written off tax assets	-	107,272
Impairment on financial assets	32,502	55,108
Net unrealised foreign exchange loss	151,895	340,895
Net interest income	(4,838,272)	(4,616,537)
Operating loss before changes in operating working capital	(3,472,455)	(4,570,825)
Change in working capital:		
Change in restricted deposits	(569,892)	(525,113)
Change in loans and advances to banks and customers	4,159,757	(8,885,168)
Change in derivatives	(156,677)	(210,936)
Change in other assets	(626,916)	8,069
Change in deposits from customers	5,653,225	9,524,090
Change in other liabilities	338,545	(563,579)
Cash generated from operations	5,325,587	(5,223,462)
Interest paid on deposits and borrowings	(1,105,973)	(472,229)
Interest received on loans and advances	5,810,703	4,740,841
Income tax paid	(151,567)	(259,528)
Net cash from/(used in) operating activities	9,878,750	(1,214,378)
Cash flows from investing activities		
Acquisition of investment securities	(36,471,245)	(25,992,709)
Acquisition of property and equipment	(187,881)	(408,168)
Proceeds from the sale of property and equipment	47,271	40,100
Acquisition of intangible assets	(510,768)	(238,791)
Proceeds from matured investment securities	28,619,583	26,641,504
Net cash (used in)/ from investing activities	(8,503,040)	41,936
Cash flows from financing activities		
Proceeds from interest bearing borrowings	-	2,335,563
Net cash from financing activities	-	2,335,563
Net increase in cash and cash equivalents	1,375,710	1,163,121
Net foreign exchange difference	(648)	(845)
Cash and cash equivalents at beginning of year	31,445,943	30,283,667
Cash and cash equivalents at end of year	32,821,005	31,445,943

APPENDIX I: OTHER DISCLOSURES FOR THE YEAR ENDED 31 DECEMBER 2017

Item	Amount(Rwf'000)
1. Off-Balance Sheet items	168,021,822
2. Non-Performing Loans indicators	
(a) Non-performing loans (NPL)	3,195,267
(b) NPL Ratio	7.19%
3. Capital strength	
a. Core capital (Tier 1)	7,507,731
b. Supplementary capital (Tier 2)	5,174,505
c. Total capital	12,682,236
d. Total risk weighted assets	46,396,760
e. Core capital/Total risk weighted assets ratio	16%
f. Tier 1 ratio	16%
g. Total capital/total risk weighted assets ratio	27%
h. Tie 2 ratio	11%
4. Liquidity	
a. Liquidity ratio	67%
5. Insider lending	
a. Loans to directors, shareholders and subsidiaries	136,071
b. Loans to employees	635,871
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 FOR THE YEAR ENDED 31 DECEMBER 2017

- Deposits**
Customer deposits increased by 9% as result of the business growth and the bank strategy for retail banking. The balance sheet size has consequently increased by 7.2%. This was mainly due to the quality of service to our esteemed customers.
- Loans and advances**
Loans and advances decreased by 12% mainly due to the decrease in overdrafts utilization and recovery efforts (for non-performing loans) made by the Bank during the 2017 financial year.
- Profit After Tax**
In 2017, the Bank recorded a net profit of Frw 382 Million from a loss of Frw 639 Million. This is a good performance and we are projecting a much better performance for the 2018 financial year.