

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020
AUDITED BY EXTERNAL AUDITORS

in `000 Frw	2020	2019
Interest income	4,050,746	4,599,717
Interest expense	(1,481,351)	(1,825,812)
Net interest income before allowance for impairment losses on interest-bearing assets	2,569,395	2,773,905
Impairment charge for loan losses	(925,234)	(1,260,064)
Net interest income	1,644,161	1,513,841
Fee and commission income	158,276	168,051
Fee and commission expense	(4,824)	(8,715)
Net fee and commission income	153,452	159,336
Net result from foreign exchange operations	(9,586)	(19,114)
Net other operating income	(102,528)	1,749,797
Net non-interest income	41,338	1,890,019
Net operating income	1,685,499	3,403,860
Personnel expenses	(1,830,618)	(1,768,765)
Operating lease expenses	(73,190)	(61,052)
Depreciation and amortization expenses	(405,372)	(392,507)
Other administrative expenses	(981,805)	(1,484,429)
Total operating expenses	(3,290,985)	(3,706,753)
Loss before tax	(1,605,486)	(302,893)
Income tax income (Expense) / Credit	(370,191)	14,587
Loss for the year	(1,975,677)	(288,306)
Other comprehensive income	-	-
Total comprehensive income	(1,975,677)	(288,306)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020
AUDITED BY EXTERNAL AUDITORS

in `000 Frw	2020	2019
ASSETS		
Cash and cash equivalents	2,589,859	2,046,726
Debt securities	364,866	-
Loans and advances to banks	1,715,303	5,007,605
Loans and advances to customers	9,163,116	10,469,771
Other financial assets	135,839	69,584
Other non-financial assets	459,156	229,753
Intangible assets	115,771	85,995
Property and equipment	717,092	712,035
Rights-of-use assets	1,295,817	1,331,468
Deferred income tax asset	842,091	1,212,283
Total assets	17,398,910	21,165,220
LIABILITIES		
Loans from banks and other financial institutions	4,805,851	4,163,306
Customer accounts	8,660,704	11,161,310
Provisions	74,845	46,466
Lease Liabilities	1,288,744	1,294,415
Other financial liabilities	97,561	90,313
Other non-financial liabilities	78,409	79,017
Subordinate debt	247,307	209,227
Total liabilities	15,253,421	17,044,054
EQUITY		
Share capital	11,336,300	11,336,300
Accumulated losses	(9,190,811)	(7,215,134)
Total equity	2,145,489	4,121,166
Total liabilities and equity	17,398,910	21,165,220

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020
AUDITED BY EXTERNAL AUDITORS


in `000 Frw	2020	2019
Loss		
Loss before tax	(1,605,486)	(302,893)
Adjustments for non-cash items		
Impairment charge for loan losses	1,023,686	1,319,749
Unrealised (gain)/loss from currency revaluation	5,003	5,715
Depreciation and amortisation expense	405,372	392,507
Losses and (gains) from sale of property and equipment	-	(53)
Interest income	(4,050,746)	(4,599,717)
Interest expense	1,481,351	1,825,813
Cash flows used in operating activities before changes in operating assets and liabilities	(2,740,820)	(1,358,879)
Changes in operating assets and liabilities		
<i>(Increase)/decrease in operating assets:</i>		
Loans and advances to customers	247,339	(345,224)
Other assets	(295,657)	242,234
Interest received	4,076,253	4,684,539
<i>Increase/(decrease) in operating liabilities</i>		
Loans from banks and other financial institutions	81,891	(2,981,727)
Customer accounts	(2,396,056)	4,481,558
Other liabilities	6,639	(25,842)
Provisions	28,379	9,419
Interest paid	(987,167)	(1,631,719)
Cash (outflow)/inflow from operating activities before taxation	(1,979,199)	3,074,359
Income tax paid	-	-
Net cash (outflow)/inflow from operating activities	(1,979,199)	3,074,459
Cash flow from investment activities		
Purchase of intangible assets	(94,742)	(1,520)
Purchase of property and equipment	(161,276)	(36,988)
Purchase of debt securities	(359,985)	-
Sale of property and equipment	-	528
Net cash outflow from investing activities	(616,003)	(37,980)
Cash flow from financing activities		
Proceeds from issuance of ordinary shares	-	1,725,000
Payment of lease liabilities (principal portion)	(186,468)	(268,954)
Net proceeds from issuance/(net repayments) of debt	-	(38,300)
Net cash (outflow)/inflow from financing activities	(186,468)	1,417,746
Effect of changes in foreign exchange rate on cash and cash equivalents	32,501	67,404
Total Cash flow	(2,749,169)	4,521,529
Cash and cash equivalents, beginning of year	7,054,331	2,532,802
Cash and cash equivalents, end of year	4,305,162	7,054,331

These financial statements and other disclosures can be accessed on the institution's website www.abbank.rw. They may also be accessed at the institution's Head Office located at KN 78 Street #15, Nyarugenge, Kiyovu (BCK Building). Telephone: +25078 831 91 08.

The financial statements were approved and authorized for issue by the Board of Directors on 18 March 2021 and were signed on its behalf by:



Mrs. Sadava Nurhayrah Limpao Osop
Chief Executive Officer



Mr. Nick Barigye
Chairman of the Board of Directors



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**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31 DECEMBER 2020
AUDITED BY EXTERNAL AUDITORS**

in '000 Frw	Share Capital	Accumulated	Total Equity
Carry Forward as at 1 January 2020	11,336,300	(7,215,134)	4,121,166
Loss for the year	-	(1,975,677)	(1,975,677)
Total comprehensive income	-	(1,975,677)	(1,975,677)
Issue of share capital	-	-	-
Balance as at 31 December 2020	11,336,300	(9,190,811)	2,145,489

For year ended 31 December 2019

in '000 Frw	Share Capital	Accumulated Loss	Total Equity
Carry Forward as at 1 January 2019	9,611,300	(6,926,828)	2,684,472
Loss for the year	-	(288,306)	(288,306)
Total comprehensive income	-	(288,306)	(288,306)
Issue of share capital	1,725,000	-	1,725,000
Balance as at 31 December 2019	11,336,300	(7,215,134)	4,121,166

OTHER DISCLOSURES

I. Capital strength	Amount /ratio/number
1. Core capital (Tier 1)	1,187,626
2. Supplementary Capital (Tier 2)	336,132
3. Total capital	1,523,758
4. Total Risk Weighted Assets	11,062,864
5. Core capital /Total Risk Weighted Assets (Tier 1)	10.74%
6. Tier 2 ratio	3.03%
7. Total Capital /Total Risk Weighted Assets	13.77%
8. Leverage Ratio	8%

II. Credit Risk Amount /ratio/number

1. Total Gross Credit risk exposures: After accounting offsets and without taking into account credit risk mitigation	
2. Average gross credit exposure, broken down by major types of credit exposure	11,219,843
Micro	9,279,492
SME	1,786,983
Other Loans	153,368

a) Loans, commitments and other non-derivative off-balance sheet exposure	-
b) Debt securities	364,866
c) OTC derivatives	-

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

	KIGALI	NORTH	EAST	WEST	SOUTH	TOTAL
Micro Loans	5,660,415	738,367	1,482,841	321,254	1,076,615	9,279,492
SME Loans	1,786,983	-	-	-	-	1,786,983
Other Loans	148,803	1,575	1,451	147	1,392	153,368
	7,596,201	739,942	1,484,292	321,401	1,078,007	11,219,843

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	284,945	195,262	119	480,326
d) Infrastructure and construction	676,211	290,485	82,730	1,049,426
e) Service and commerce	7,221,623	1,035,526	10,397	8,627,546
f) Others	1,096,714	265,710	60,121	1,422,545
	9,279,493	1,786,983	153,367	11,219,843

5. Off-balance sheet items	-
6. Non-performing loans indicators	
a) Non-performing Loans (NPL)	1,741,155
b) NPL Ratio	15.18%
7. Related Parties	
a) Loans to directors, Shareholders and subsidiaries	-
b) Loans to employees	112,660
8. Restructured loans as at 31 December 2020	
a) Number of borrowers	2,357
b) Amount outstanding (Frw '000)	4,751,196
c) Provision thereon (Frw '000) (regulatory)	858,943
d) Restructured loans as % of gross loans	42%

OTHER RISKS

III. Liquidity risk	
High Quality liquid assets	2,589,859
Total net cash outflows	2,749,169
a) Liquidity Coverage Ratio (LCR)	391%
Available stable funding	12,348,310
Required stable funding	9,677,750
b) Net Stable Funding Ratio (NSFR)	128%

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	179,548

VI. Country Risk	
1. Credit exposures abroad	-
2. Other assets held Abroad	48,372
3. Liabilities to Abroad	5,053,158

VII. Management and Board composition	
a. Number of Board members	7
b. Number of independent directors	3
c. Number of non-independent directors	4
d. Number of female directors	1
e. Number of male directors	6
f. Number of senior managers	2
g. Number of females senior managers	1
h. Number of males senior managers	1

EXPLANATORY NOTES TO THE FINANCIALS

- Interest and similar income:** Decrease of 11.9%. The interest income decrease is mainly due to the reduction of outstanding loan portfolio by 5.8% associated with low disbursement in the year as a result of COVID 19 global pandemic, the large-scale moratorium during the year and the higher share in NPL.
- Interest expense:** Decrease of 18.9%. The decrease of interest expense was a result of lower customer deposits and the continued effect of the debt restructuring agreement from December 2019.
- Impairment charge for loan losses:** Decrease of 26.6%. Impairment charge on financial assets dropped by 26.6% mainly due to decrease in the outstanding gross loan portfolio and higher income from written-off loans.
- Total operating expenses:** Decrease of 11.2%. This is largely explained by the waiver of software maintenance costs and group service charges by the parent company.
- Loans and advances to customers:** Decrease of 12.5%. This is explained by low level of loan disbursements and higher impairment provisions due to the Covid 19 pandemic.
- Customer Deposits:** Decrease of 22.4%. This is mainly explained by major outflows under savings accounts that was intentionally released for the purposes of reducing expensive deposits and due to the Bank's high levels of liquidity.
- Loans from banks and other financial institutions:** Increase of 15.4% is due to recognition of unwinding interest expenses for the debt previously recognized at its net present value.