

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2023 (REVIEWED)

in `000 Frw	Jun-23	Jun-22
Interest income	2,581,580	2,338,756
Interest expense	(427,411)	(402,983)
Net interest income before impairment on loans	2,154,169	1,935,773
Credit/debit charge for loan losses	42,915	145,318
Net interest income	2,197,084	2,081,091
Fee and commission income	194,031	122,037
Fee and commission expense	(2,650)	(2,086)
Net fee and commission income	191,382	119,951
Net result from foreign exchange operations	151	(9,403)
Net other operating income	39,301	56,841
Net non-interest income	230,834	167,389
Net operating income	2,427,918	2,248,480
Personnel expenses	(1,192,164)	(1,018,964)
Depreciation and amortization expenses	(199,634)	(195,751)
Other administrative expenses	(704,249)	(529,227)
Total operating expenses	(2,096,047)	(1,743,942)
Profit before tax	331,871	504,538
Income tax expense	(99,561)	(151,128)
Profit for the year	232,310	353,410
Other comprehensive income	-	-
Total comprehensive income for the year	232,310	353,410

The financial statements were approved by the Board of Directors on 30th August 2023 and were assigned on its behalf by:



Mr. Zachary Raymond
Chief Executive Officer



Mrs. Dianne Dusaidi
Chairperson of the Board of Directors

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 819 83 00.

EXPLANATORY NOTES TO THE FINANCIALS

Net Interest income increased by 10.4% as compared to June-2022, following the increase in loan book size that generated more interest income, gross loans moved from 10.8 Bn in June -22 to 13.6 Bn as at end June 2023.

Fees and commission income, which is dominated by loan origination fees increased by 59.5% following the increase in loans disbursements.

Comparing the two periods, Impairment charge moved from write back provision of 145 Mio to 43Mio, following recoveries from written off loans and improved assets quality.

Staff cost increased by 17%; following the increase in headcounts to support the bank growth on one hand, on the other hand the bank adjusted the general payroll to cater for inflationary pressure for staff members.

Other operating expense increased significantly by 33%, increase in IT costs, especially core banking license, which was of free of charge during the whole period of last year.

Cash items "cash in hand and Balances with banks" increased significantly from 827 Mio to 3.2 Bn., following increase in both Money market borrowing and Deposits.

The bank acquired new softwares, justifying the increase of intangible assets

Net loans increased by 23%, following increase in gross loans that moved from 11.3 Bn to 11.9 Bn and the decrease in Loan Loss Provision that moved from 1.3 Bn to 1.2 Bn.

Deposits increased by 4%, dominated by term deposits.

Money Market borrowing increased by 566%, moving from 300 Mio to 2 Bn.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE-2023 (REVIEWED)

in `000 Frw	Jun-23	Dec-22
ASSETS		
Cash and cash equivalents	922,672	771,965
Balances with banks	1,262,657	55,352
Debt securities	2,280,416	2,291,815
Loans and advances to customers	11,842,109	9,626,100
Other financial assets	167,289	116,703
Other non-financial assets	284,937	189,564
Intangible assets	338,522	44,971
Property and equipment	514,443	571,442
Rights-of-use assets	810,601	892,208
Deferred income tax asset	742,124	841,685
Total assets	19,165,770	15,401,804
LIABILITIES		
Call money from banks and other financial institutions	2,000,000	300,000
Customer accounts	10,847,265	9,097,114
Provisions	123,241	113,642
Lease liabilities	907,502	963,804
Other financial liabilities	241,643	121,022
Other non-financial liabilities	90,230	82,642
Total liabilities	14,209,881	10,678,224
EQUITY		
Share capital	11,461,300	11,461,300
Accumulated losses	(6,505,411)	(6,737,720)
Total equity	4,955,889	4,723,580
Total liabilities and equity	19,165,770	15,401,804

OTHER DISCLOSURES

Item	Amount / Ratio / Number
I. Capital strength	
a. Core capital (Tier 1)	3,998,899
b. Supplementary capital (Tier 2)	166,622
c. Total capital	4,165,521
d. Total risk weighted assets	13,329,772
e. Core capital /Total risk weighted assets (Tier 1)	30.00%
f. Tier 2 ratio	1.25%
g. Total capital /Total risk weighted assets	31.25%
h. Leverage ratio	22%
II. Credit Risk	
1. Total gross credit risk exposures: after accounting offsets and without taking into account credit risk mitigation	13,587,495
2. Average gross credit exposure, broken down by major types of credit exposure	12,456,521
Micro Loans	9,173,785
Super Micro Loans	2,390,637
SME Loans	166,647
Agro Loans	1,645,951
Other Loans	210,475
a) Loans, commitments and other non-derivative off-balance sheet exposure	-
b) Debt securities	2,280,416

3. Regional or Geographical distribution of exposures, broken down in significant areas by major types of credits exposures						
	City of Kigali	North	East	West	South	Total
Micro loans	6,267,372	1,443,791	2,213,298	772,562	2,513,350	13,210,373
SME loans	166,647	0	0	0	0	166,647
Other loans	143,663	1,879	7,778	2,367	54,788	210,475
Total	6,577,682	1,445,670	2,221,076	774,929	2,568,138	13,587,495

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) Financial	45,270	0	105,220	150,490
b) Manufacturing	291,964	19,994	0	311,957
c) Service and commerce	9,733,863	115,576	0	9,849,438
d) others	2,411,262	6,181	1,694	2,419,137
e) Construction	728,015	24,897	103,561	856,473
Total	13,210,373	166,647	210,475	13,587,495

5. Off-balance sheet items	-
6. Non- performing loans indicators	
a) Non-performing Loans (NPL)	803,708
b) NPL Ratio	5.9%
7. Related Parties	
a) Loans to directors, shareholders and subsidiaries	-
b) Loans to employees	200,289
8. Restructured loans as at 30.06.2023	
a.No. of borrowers	109
b. Amount outstanding (Frw '000)	339,797
c. Provision thereon (Frw '000) (regulatory):	227,381
d. Restructured loans as % of gross loans	2.5%

III. Liquidity risk	
High Quality liquid assets	3,100,896
Total net cash outflows	2,088,649
a) Liquidity Coverage Ratio (LCR)	148%
Available stable funding	13,040,190
Required stable funding	10,791,697
b) Net Stable Funding Ratio (NSFR)	121%

D. Operational Risk	Type	Number	Amount
Number and Types of Frauds and their corresponding amount	-	-	-

E. Market Risk	
a. Interest rate risk	-
b. Equity position risk	-
c. Foreign exchange risk	2,063

F. Country Risk	
a. Credit exposures abroad	-
b. Other assets held abroad	-
c. Liabilities to abroad	-

G. Management and Board composition	
a. Number of Board members	5
b. Number of independent directors	4
c. Number of non-independent directors	1
d. Number of female directors	2
e. Number of male directors	3
f. Number of senior managers	4
g. Number of female senior managers	1
h. Number of male senior managers	3

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