

**AB Bank Rwanda Plc**

**Interim Financial Statements  
For the six months period ended 30 June 2023**

**AB BANK RWANDA PLC**  
**DIRECTORS AND STATUTORY INFORMATION**  
**FOR THE SIX -MONTHS ENDED 30 JUNE 2023**

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**AB BANK RWANDA PLC**  
**DIRECTORS AND STATUTORY INFORMATION**  
**FOR THE SIX -MONTHS ENDED 30 JUNE 2023**

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**DIRECTORS**

The Directors who served during the Six months period ended 30 June 2023 and to the date of approval of the interim financial information statements are indicated below:

<b>Names</b>	<b>Title</b>	<b>Appointment date</b>	<b>Nationality</b>
Albert Kinuma	Director	02-Mar-18	Rwandan
Bernd Zattler	Director	11-Sep-18	German
Gregor Taistra	Director	12-Aug-20	German
Dianne Dusaidi	Chairperson	31-Aug-20	Rwandan
Suzan Mutoni	Director	16-Jun-22	Rwandan

**SECRETARY**

Maureen Mutoni  
 Company Secretary and Legal Advisor

**AUDITOR**

BDO EA Rwanda Ltd  
 Certified Public Accountants  
 Career Center Building, 8<sup>th</sup> Floor  
 KG 541<sup>st</sup>, P.O. BOX 6593  
 Kigali, Rwanda

**REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS**

AB Bank Rwanda Plc  
 15 KN 78 Street  
 P.O Box 671  
 Kigali, Rwanda

**LAWYERS**

Landmark Advocates Ltd  
 ECD Plaza, 3<sup>rd</sup> Floor  
 P.O Box 6422  
 Kigali, Rwanda

**BANKERS**

Ecobank Rwanda Plc  
 KN3, Ave  
 P.O Box 3268  
 Kigali, Rwanda

I&M Bank (Rwanda) Plc  
 KN 03 AVE 9  
 P.O Box 354  
 Kigali, Rwanda

Cogebanque Plc  
 KN 63 Ave  
 P.O Box 5230  
 Kigali, Rwanda

Bank of Kigali Plc  
 KN 4 Ave  
 P.O Box 175  
 Kigali, Rwanda

BPR Bank Rwanda Plc  
 KN 67 street, 2  
 P.O Box 1348  
 Kigali, Rwanda

**AB BANK RWANDA PLC**  
**DIRECTORS AND STATUTORY INFORMATION**  
**FOR THE SIX -MONTHS ENDED 30 JUNE 2023**

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The Directors have the pleasure of submitting their report together with the interim financial statements for the six months period ended 30 June 2023 which disclose the state of affairs of AB Bank Rwanda Plc (the “Bank”). The Bank was incorporated as a company on 2 October 2012 and issued with a microfinance banking license by the National Bank of Rwanda on 31 December 2013. Banking operations started on 6 January 2014.

**1. Principal activities**

The principal activity of AB Bank Rwanda Plc is the provision of microfinance banking services.

**2. Results**

The results for the period are set out on page 5.

**3. Directors**

The Directors who served during the six months period and to the date of this report are set out on page 1.

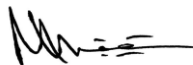
**4. Auditor**

BDO Rwanda Limited was appointed as auditors of the Bank commencing 2022 in accordance with Regulation No 14/2017 of 23/11/2017 on accreditation requirements and other conditions for external auditors for financial institutions and have expressed their willingness to continue in office.

**5. Approval of the interim financial statements**

The interim financial statements for the six months period ended 30 June 2023, were approved and authorised for issue by the Board of Directors of AB Bank Rwanda Plc on 30/08/2023.

**BY ORDER OF THE BOARD**



**Maureen Mutoni**  
**Ag. Company Secretary**

**Date: 30/08/2023**

**AB BANK RWANDA PLC**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

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The Directors are responsible for the preparation and presentation of interim financial statements of AB Bank Rwanda Plc comprising the statement of financial position as at 30 June 2023, the statement of changes in equity, statement of profit or loss and other comprehensive income, and statement of cash flows for the six months period then ended, as set out on pages 5 to 18, in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting and Regulation No. 28/2019 of 09/09/2019 relating to publication of financial statements and other disclosures by banks in Rwanda.

The Directors are also responsible for such internal control, as the Directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatements, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

Under Article 3 of Regulation No. 28/2019 of 09/09/2019 on publication by banks of financial statements and other disclosures, the Directors are required to prepare interim financial statements in accordance with International Financial Reporting Standards (IFRS) which should at least include the statement of financial position as at the end of the period and the statement of profit or loss and other comprehensive income for the period, explanatory notes for important changes in the financial position of the bank and other disclosures as required by article 6 of the same regulation.

The Directors have made an assessment of the Bank's ability to continue as a going concern and have no reason to believe that the Bank will not be a going concern for at least the next twelve months from the date of these interim financial statements.

The independent auditors are responsible for reporting on whether, based on their review, anything has come to their attention that causes them to believe that the interim financial statements are not prepared in all material respects, based on their review, in accordance with IAS 34 Interim Financial Reporting and Regulation. No. 28/2019 of 09/09/2019 on publication by banks of financial statements and other disclosures.

**Approval of the interim financial statements**

The interim financial statements of AB Bank Rwanda Limited as identified in the first paragraph, were approved and authorized for issue by the Board of Directors on 30/08/2023 and were signed on its behalf by:



Zachary Raymond  
Chief Executive Officer



Dianne Dusaidi  
Chairperson of the Board of Directors

Date: 30/08/2023



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 KG 541st Road, P.O. Box 6593  
 Kigali, Rwanda

## Independent Auditor's Report on Review of Interim Financial Information

To the Members of AB Bank Rwanda Plc

### Introduction

We have reviewed the accompanying statement of financial position of AB Bank Rwanda Plc ("the Bank") as at 30 June 2023, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six months period then ended, and notes to the interim financial information ("the interim financial information"), set out on pages 5 to 18. Management is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, 'Interim Financial Reporting and in the manner required by Regulation N° 28/2019 of 09/09/2019 relating to publication of financial statements and other disclosures by banks in Rwanda. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of Review

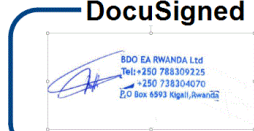
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting and the requirements of Regulation N° 28/2019 of 09/09/2019 relating to publication of financial statements and other disclosures by banks in Rwanda. |

BDO EA Rwanda Ltd  
 Certified Public Accountants  
 Career Center Building, 8<sup>th</sup> Floor  
 KG 541st, P.O Box 6593  
 Kigali, Rwanda

DocuSigned by:



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Emmanuel Habineza, FCCA, CPA(R)  
 (PC/CPA0007/0014)  
 Managing Partner

8/30/2023

**AB BANK RWANDA PLC****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2023**

<b>in 000 Frw</b>	<b>Note</b>	<b>June 2023</b>	<b>June 2022</b>
Interest income	1	2,581,580	2,338,756
Interest expense	2	(427,411)	(402,983)
<b>Net interest income before impairment charge</b>		<b>2,154,169</b>	<b>1,935,773</b>
Impairment credit on loans and advances	3	42,915	145,318
<b>Net interest income</b>		<b>2,197,084</b>	<b>2,081,091</b>
Fee and commission income	4	194,031	122,037
Fee and commission expense	4	(2,650)	(2,086)
<b>Net fee and commission income</b>		<b>191,382</b>	<b>119,951</b>
Net result from foreign exchange operations		151	(9,403)
Net other operating income		39,301	56,841
<b>Net non-interest income</b>		<b>230,834</b>	<b>167,389</b>
<b>Net operating income</b>		<b>2,427,918</b>	<b>2,248,480</b>
Personnel expenses	5(a)	(1,192,164)	(1,018,964)
Depreciation and amortization expenses	5(b)	(199,634)	(195,751)
Other administrative expenses	5(b)	(704,249)	(529,227)
<b>Total operating expenses</b>		<b>(2,096,047)</b>	<b>(1,743,942)</b>
<b>Profit before tax</b>		<b>331,871</b>	<b>504,538</b>
Deferred income tax expense	13	(99,561)	(151,128)
<b>Profit for the period</b>		<b>232,310</b>	<b>353,410</b>
<b>Total comprehensive income for the period</b>		<b>232,310</b>	<b>353,410</b>

The notes on pages 9 to 18 are an integral part of the interim financial statements.

**AB BANK RWANDA PLC**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

in 000 Frw		30-Jun-23	31-Dec-22
	Note		
<b>ASSETS</b>			
Cash and cash equivalents	6	922,672	771,965
Debt securities	7	2,280,416	2,291,815
Balances with other banks	6	1,262,657	55,352
Loans and advances to customers	8	11,842,109	9,626,100
Other financial assets	9	167,289	116,703
Other non-financial assets	10	284,937	189,564
Intangible assets	11 (a)	338,522	44,971
Property and equipment	11 (b)	514,443	571,442
Rights-of-use assets	12	810,601	892,208
Deferred income tax asset	13	742,124	841,685
<b>Total assets</b>		<b>19,165,770</b>	<b>15,401,804</b>
<b>LIABILITIES</b>			
Loans from banks	14	2,000,000	300,000
Customer deposits	15	10,847,265	9,097,114
Provisions	16(a)	123,241	113,642
Lease Liabilities	17	907,502	963,804
Other financial liabilities	16(b)	241,643	121,022
Other non-financial liabilities	18	90,230	82,642
<b>Total liabilities</b>		<b>14,209,881</b>	<b>10,678,224</b>
<b>EQUITY</b>			
Share capital		11,461,300	11 461 300
Accumulated losses		(6,505,411)	(6,737,720)
<b>Total equity</b>		<b>4,955,889</b>	<b>4,723,580</b>
<b>Total liabilities and equity</b>		<b>19,165,770</b>	<b>15,401,804</b>

The interim financial statements set out on pages 5 to 18 were approved and authorised by the board of Directors on 30/08/2023 and signed on his behalf by:



Zachary Raymond  
 Chief Executive Officer



Dianne Dusaidi  
 Chairperson of the Board of Directors

The notes on pages 9 to 18 are an integral part of the interim financial statements.



**AB BANK RWANDA PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**AS AT 30 JUNE 2023**

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in '000' Frw

	Share capital	Accumulated losses	Total equity
<b>Balance as at 1 January 2023</b>	<b>11,461,300</b>	<b>(6,737,721)</b>	<b>4,723,580</b>
Profit for the period	-	232,310	<b>232,310</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>232,310</b>	<b>232,310</b>
<b>Balance as at 30 June 2023</b>	<b>11,461,300</b>	<b>(6,505,411)</b>	<b>4,955,889</b>

**For The Year ended 31 Dec 2022**  
in `000 Frw

	Share capital	Accumulated losses	Total equity
<b>Balance as at 1 January 2022</b>	<b>11,461,300</b>	<b>(7,609,612)</b>	<b>3,851,688</b>
Profit for the year	-	871,891	<b>871,891</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>871,891</b>	<b>871,891</b>
<b>Balance as at 31 December 2022</b>	<b>11,461,300</b>	<b>(6,737,721)</b>	<b>4,723,580</b>

The notes on pages 9 to 18 are an integral part of the interim financial statements.

**AB BANK RWANDA PLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

In '000Frw	30-Jun-23	31-Dec-22
<b>Operating activities</b>		
Profit before tax	331,871	963,142
<i>Adjustments for non-cash items:</i>		
Impairment charge/credit for loan losses	161,836	(9,058)
Unrealised loss/gain from currency revaluation	(151)	(502)
Depreciation and amortisation expense	199,634	380,883
Gains and losses from sale of property, plant and equipment	-	(2,604)
Interest income	(2,581,580)	(4,754,787)
Interest expense	427,411	816,687
<b>Cash flows used in operating activities before changes in operating assets and liabilities</b>	<b>(1,460,979)</b>	<b>(2,606,239)</b>
<b>Changes in operating assets and liabilities</b>		
<i>Changes in operating assets:</i>		
Loans and advances to customers	(2,261,948)	(1,112,639)
Other assets	(23,809)	137,767
Interest received	2,206,121	4,295,674
<i>Changes in operating liabilities</i>		
Loans from banks and other financial institutions	2,000,000	300,000
Customer accounts	1,771,288	450,636
Other liabilities	107,111	(38,944)
Provisions	9,600	(5,764)
Interest paid	(291,709)	(774,038)
<b>Cash inflow from operating activities before taxation</b>	<b>2,055,673</b>	<b>646,453</b>
<b>Net cash inflow from operating activities</b>	<b>2,056,673</b>	<b>646,453</b>
<b>Investment activities</b>		
Purchase of property and equipment and intangible assets	(327,264)	(40,782)
Purchase of debt securities	(15,139)	(928,030)
<b>Net cash outflow from investing activities</b>	<b>(308,620)</b>	<b>(968,812)</b>
<b>Financing activities</b>		
Proceeds from issuance of ordinary shares		-
Payment of lease liabilities	(56,302)	(112,329)
Net proceeds from issuance/(net repayments) of debt	(300,000)	(1,019,422)
<b>Net cash used in financing activities</b>	<b>(356,302)</b>	<b>(1,131,751)</b>
Effect of changes in foreign exchange rate on cash and cash equivalents	1,043	(17,394)
<b>Total Cash flow</b>	<b>1,358,011</b>	<b>(1,471,504)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>827,318</b>	<b>2,298,822</b>
<b>Cash and cash equivalents, end of year</b>	<b>2,185,329</b>	<b>827,317</b>

**AB BANK RWANDA PLC**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

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**(1) Reporting Entity**

AB Bank Rwanda (the Bank) is a company based in Kigali, Rwanda and has its registered office at 15 KN 78 Street, P.O. Box 671, Kigali, Rwanda. The Bank was incorporated as a company on 2 October 2012 and issued with microfinance banking license by the National Bank of Rwanda on 31 December 2013. Banking operations started on 6 January 2014. The business purpose of the company, as a microfinance bank, is providing financial services to micro, small and medium sized enterprises in form of working capital and loans and to the general public in a form of deposits.

**(2) Basis of preparation and changes to the accounting policies**

**(2.1) Basis of preparation**

The interim financial statements for the six months period ended 30 June 2023 have been prepared in accordance with IAS 34 *Interim Financial Reporting* and in the manner required by Regulation No 28/2019 of 09/09/2019 on publication by banks of financial statements and other disclosures. The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Bank's annual financial statements as at 31 December 2022.

However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Bank's financial position and performance since the last IFRS financial statements.

These interim financial statements were authorized for issue by the Bank's Board of Directors on 25/08/2023.

**AB BANK RWANDA PLC**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

**(2.2) New standards, interpretations and amendments adopted by the Bank**

<b>Standards and Amendments</b>	<b>Application</b>	<b>Impact</b>
IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020)	1 January 2023	No significant impact expected
Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 (All issued 14 May 2020)	1 January 2022	No significant impact expected
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021)	1 January 2023	No significant impact expected
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021)	1 January 2023	No significant impact expected
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021)	1 January 2023	No significant impact expected
Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021)	1 January 2023	No significant impact expected

**Standards issued but not yet effective:**

<b>Standards and Amendments</b>	<b>Application date</b>	<b>Impact</b>
Amendments to IAS 1 Presentation of Financial Statements: <ul style="list-style-type: none"> <li>• Classification of Liabilities as Current or Non-current</li> <li>• Classification of Liabilities as Current or Non-current – Deferral of Effective Date</li> <li>• Non-current Liabilities with Covenants</li> </ul>	1 January 2024*	No significant impact expected
Amendments to IFRS 16 <i>Leases</i> : Lease Liability in a Sale and Leaseback	1 January 2024*	No significant impact expected

**(2.3) Use of assumptions and estimates**

The Bank's financial reporting and its financial results are influenced by assumptions, estimates, and management judgements which necessarily have to be made in the preparation of the interim financial statements. All estimates and assumptions required in conformity with IFRSs are best estimates undertaken in accordance with the applicable standards. Estimates and judgements are evaluated on a continuous basis, are based on past experience and other factors, including expectations with regard to

**AB BANK RWANDA PLC**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR SIX MONTHS ENDED 30 JUNE 2023 'CONTINUED'**

Future events and are considered appropriate under the given circumstances. There were no material changes in estimates and assumptions during the first six months of 2023.

Taxes on income in the interim period are accrued using the tax rates that would be applicable to expected total annual earnings.

**1. Interest income**

**in 000 Frw**

	<b>30-Jun-23</b>	<b>30-June-22</b>
Interest income from loans and advances to customers	2,415,970	2,193,313
Interest income from loans and advances to banks	35,070	74,895
Interest income from debt securities at amortized cost	130,540	70,548
<b>Total</b>	<b><u>2,581,580</u></b>	<b><u>2,338,756</u></b>

\*interest income on loans includes loan origination fees

that the bank recognises progressively for the whole life of the loan.

**2. Interest expense**

**in 000 Frw**

	<b>30-Jun-23</b>	<b>30-June-22</b>
Interest expenses on term deposits	269,731	268,979
Interest expense on lease liabilities	56,510	62,535
Interest expense on savings accounts	53,750	38,021
Interest expenses on loans from banks	47,420	33,448
	<b><u>427,411</u></b>	<b><u>402,983</u></b>

**3. Impairment credit on loans and advances**

**in 000 Frw**

	<b>30-Jun-23</b>	<b>30-June-22</b>
Income from recovery of written-off loans	211,349	134,609
Expense on loan recoveries	(6,598)	-
Impairment debit/(credit) charge for the period/year	(161,836)	10,709
<b>Impairment credit for loan losses</b>	<b><u>42,915</u></b>	<b><u>145,318</u></b>

**4. Net fees and commission income**

**in 000 Frw**

	<b>30-Jun-23</b>	<b>30-June-22</b>
Account maintenance fee	56,889	49,944
Other account service fees	19,303	17,839
Fee and commission income from insurance brokerage	12,408	12,600
Fees from cash transactions	4,492	4,141
Fees on cheques	1,936	1,700
Other fees from customers	99,002	35,813
<b>Total fee and commission income</b>	<b><u>194,031</u></b>	<b><u>122,037</u></b>
Fees and Commissions expense	(2,650)	(2,086)
	<b><u>191,382</u></b>	<b><u>119,951</u></b>

**AB BANK RWANDA PLC**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR SIX MONTHS ENDED 30 JUNE 2023 'CONTINUED'**

**5(a) Personnel expenses**  
**in 000 Frw**

	<b>30-Jun-23</b>	<b>30-June-22</b>
Salary expenses	1,015,500	864,656
Social security expenses	48,995	44,452
Other personnel expenses	127,669	109,856
<b>Total</b>	<b><u>1,192,164</u></b>	<b><u>1,018,964</u></b>

**5(b) Other operating expenses**  
**in 000 Frw**

	<b>30-Jun-23</b>	<b>30-June-22</b>
Depreciation expenses of right of use assets	96,595	98,051
Depreciation expenses of property and equipment	69,326	78,950
Amortization expenses of intangible assets	33,713	18,750
<b>Sub-total depreciation and amortization expenses</b>	<b><u>199,634</u></b>	<b><u>195,751</u></b>

	<b>30-Jun-23</b>	<b>30-June-22</b>
	<b>Frw'000</b>	<b>Frw'000</b>
Communication expenses	85,258	91,512
Security expenses	46,067	45,977
Transport expenses	43,219	26,062
Utilities expenses	24,724	23,077
Repair and maintenance	16,385	22,848
Insurance expenses	20,677	21,612
Legal expenses	18,166	20,111
Other consumables	18,894	13,774
Audit fees	30,550	12,334
Printings and office supplies	15,675	12,174
Marketing, advertising and entertainment	13,484	10,766
Board Expenses	13,194	10,319
Expenses related to leases of low value items	14,301	10,315
Expenses related to short-term leases	9,677	9,731
IT expenses	4,652	6,570
Travel expenses	13,901	4,012
Other service expenses	187,069	167,751
Others	128,356	20,282
<b>Sub-total other administrative expenses</b>	<b><u>704,249</u></b>	<b><u>529,227</u></b>

**AB BANK RWANDA PLC**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR SIX MONTHS ENDED 30 JUNE 2023 'CONTINUED'**

**6. Cash and cash equivalents**  
**in 000 Frw**

	<b>30-Jun-23</b>	<b>31-Dec-22</b>
Cash on hand	396,313	240,008
Balances with National Bank of Rwanda	526,359	531,957
<b>Cash and cash equivalents in the statement of financial position</b>	<b>922,672</b>	<b>771,965</b>
Short-term balances with other banks (< 90 days maturity)	1,262,657	55,352
<b>Cash and Cash equivalents in the statement of cash flows</b>	<b>2,185,329</b>	<b>827,317</b>

**7. Debt securities**

As at close June 2023, the bank held treasury bonds amounting Frw 2,280,416 thousands (Dec-2022: Frw 2,291,815 thousands).

**8. Loans and advances to customers**  
**in 000 Frw**

	<b>30-Jun-23</b>	<b>31-Dec-22</b>
Loans and advances to customers - principal outstanding	13,251,152	11,072,688
Accrued interest on loans and advances to customers	336,344	252,859
Deferred disbursement fee	(482,251)	(382,528)
<b>Total amount outstanding</b>	<b>13,105,245</b>	<b>10,943,020</b>
Allowance for impairment losses	(1,263,135)	(1,316,920)
<b>Total carrying amount</b>	<b>11,842,109</b>	<b>9,626,100</b>

**9. Other financial assets**  
**in 000 Frw**

	<b>30-Jun-23</b>	<b>31-Dec-22</b>
Sundry receivables	124 721	111 475
Receivables against group companies	36 645	3 029
Clearing and internal accounts	5 923	2 198
	<b>167,289</b>	<b>116,703</b>

**10. Other non-financial assets**  
**in `000 Frw**

	<b>30-Jun-23</b>	<b>31-Dec-22</b>
Prepayments / Advance payments	253,893	166 987
Claims on tax authorities	27,755	21 355
Inventory	3,289	1 221
<b>Total</b>	<b>284,937</b>	<b>189,564</b>

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**11. Property and equipment**

During the six months ended 30 June 2023, the Bank acquired assets with a cost of Frw 15,069 thousand (twelve months ended 31 Dec 2022: Frw 51,177 thousand). The bank acquired an open banking API during the first half year 2023, the value of intangible assets moved from 45 million in Dec-2022 to 339 million as at end of June 2023.

The following tables show the composition and development of property and equipment:

	<b>30-Jun-23</b>	<b>31-Dec-22</b>
Leasehold improvements	352,157	377,750
Furniture, fixtures, and equipment	58,922	64,813
IT and computer equipment	71,061	86,204
Motor vehicles	32,303	42,674
<b>Total</b>	<b><u>514,443</u></b>	<b><u>571,442</u></b>

<b>2023</b> <b>in `000 Frw</b>	<b>Leasehold</b> <b>improvements</b>	<b>Furniture,</b> <b>fixtures,</b> <b>equipment</b>	<b>Computer</b> <b>equipment</b>	<b>Motor</b> <b>vehicles</b>	<b>Total</b>
<b>Costs</b>					
<b>1 January</b>	<b>807,876</b>	<b>414,441</b>	<b>447,667</b>	<b>82,959</b>	<b>1 752,943</b>
Additions	-	7,194	7,875	-	15,069
Adjustment	(1,784)	-	-	-	(1,784)
Disposals	-	(1,412)	(2,084)	-	(3,496)
<b>30 June 2023</b>	<b><u>806,092</u></b>	<b><u>420,223</u></b>	<b><u>453,458</u></b>	<b><u>82,959</u></b>	<b><u>1,762,732</u></b>
<b>Accumulated depreciation</b>					
<b>1 January</b>	<b>430,126</b>	<b>349,669</b>	<b>361,421</b>	<b>40,285</b>	<b>1,181,501</b>
Charge for the period	23,809	12,105	23,041	10,370	69,326
Disposals	-	(473)	(2,065)	-	(2,538)
<b>30 June 2023</b>	<b><u>453,935</u></b>	<b><u>361,301</u></b>	<b><u>382,397</u></b>	<b><u>50,655</u></b>	<b><u>1,248,289</u></b>
<b>Net book value</b>	<b><u>352,157</u></b>	<b><u>58,922</u></b>	<b><u>71,061</u></b>	<b><u>32,303</u></b>	<b><u>514,443</u></b>

<b>December 2022</b> <b>in `000 Frw</b>	<b>Leasehold</b> <b>improvements</b>	<b>Furniture,</b> <b>fixtures,</b> <b>equipment</b>	<b>Computer</b> <b>equipment</b>	<b>Motor</b> <b>vehicles</b>	<b>Total</b>
<b>Costs</b>					
<b>1 January</b>	<b>773,326</b>	<b>424,256</b>	<b>439,894</b>	<b>79,865</b>	<b>1,717,340</b>
Additions	34,550	2,459	11,074	3,094	51,177
Disposal	-	(10,395)	-	-	(10,395)
Adjustment	-	(1,878)	(3,301)	-	(5,179)
<b>31 December</b>	<b><u>807,876</u></b>	<b><u>414,441</u></b>	<b><u>447,667</u></b>	<b><u>82,959</u></b>	<b><u>1,752,943</u></b>
<b>Accumulated depreciation</b>					
<b>1 January</b>	<b>382,143</b>	<b>333,382</b>	<b>308,972</b>	<b>19,789</b>	<b>1,044,285</b>
Charge for the year	47,983	28,242	55,749	20,497	152,471
Disposals	-	(10,075)	-	-	(10,075)
Adjustment	-	(1,880)	(3,300)	-	(5,180)
<b>31 December</b>	<b><u>430,126</u></b>	<b><u>349,669</u></b>	<b><u>361,421</u></b>	<b><u>40,285</u></b>	<b><u>1,181,501</u></b>
<b>Net book value</b>	<b><u>377,750</u></b>	<b><u>64,772</u></b>	<b><u>86,246</u></b>	<b><u>42,674</u></b>	<b><u>571,442</u></b>



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**12. Rights-of-use assets**

**In `000 Frw**

	<b>30-Jun-23</b>	<b>31-Dec-22</b>
<b>Acquisition costs</b>		
<b>01-Jan</b>	<b>1,706,692</b>	<b>1,524,839</b>
Additions	24,028	196,073
Modifications	-	83
Derecognition	(9,040)	(14,303)
<b>30-Jun</b>	<b><u>1,721,681</u></b>	<b><u>1,706,692</u></b>
<b>Accumulated depreciation</b>		
<b>01-Jan</b>	<b>814,484</b>	<b>616,970</b>
Additions	96,595	197,857
Derecognition	-	(343)
<b>30-Jun</b>	<b><u>911,079</u></b>	<b><u>814,484</u></b>
<b>Net book value</b>	<b><u>810,601</u></b>	<b><u>892,208</u></b>

**13. Deferred income tax asset**

**in 000 Frw**

	<b>30-Jun-23</b>	<b>31-Dec-22</b>
Deferred tax asset as at 1st January	841,685	932,935
Deferred income tax expense	(99,561)	(91,250)
<b>Deferred tax asset as at report date</b>	<b><u>742,124</u></b>	<b><u>841,685</u></b>

**14. Loans from banks**

**in 000 Frw**

	<b>30-Jun-23</b>	<b>31-Dec-22</b>
Balance as at 1 January	300,000	1,019,422
Additions	2,000,000	300,000
Repayments	(300,000)	(1,019,422)
<b>Total</b>	<b><u>2,000,000</u></b>	<b><u>300,000</u></b>

**15. Customer deposits**

**in 000 Frw**

	<b>30-Jun-23</b>	<b>31-Dec-22</b>
Term deposit accounts	6,754,889	5,219,304
Savings accounts	3,056,979	2,132,017
Current accounts	813,690	1,502,989
Accrued interest on customer accounts	221,706	242,804
<b>Total</b>	<b><u>10,847,265</u></b>	<b><u>9,097,114</u></b>

**16(a) Provisions**

**in 000 Frw**

	<b>30-Jun-23</b>	<b>31-Dec-22</b>
Provision for untaken vacation	81,138	64,726
Clearing accounts	42,103	48,916
	<b><u>123,241</u></b>	<b><u>113,642</u></b>

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**16(b) Other financial liabilities**  
**in 000 Frw**

	<b>30-Jun-23</b>	<b>31-Dec-22</b>
Accrued expenses	150,341	68,121
Social Security contributions payable	15,539	12,493
Liabilities for goods and services	75,764	40,408
	<b><u>241,643</u></b>	<b><u>121,022</u></b>

**17. Lease liabilities**  
**in 000 Frw**

	<b>30-Jun-23</b>	<b>31-Dec-22</b>
At 1 January	963,804	951,219
Additions	14,744	196,073
Modifications	2,262	(5,232)
Derecognition	-	(10,582)
Finance cost	56,545	126,385
Lease payments	(129,853)	(294,057)
	<b><u>907,502</u></b>	<b><u>963,804</u></b>

**18. Other non-financial liabilities**  
**in 000 Frw**

	<b>30-Jun-23</b>	<b>31-Dec-22</b>
Non income tax liabilities	71,635	59,193
Grant liabilities	18,595	23,449
<b>Total</b>	<b><u>90,230</u></b>	<b><u>82,642</u></b>

**19. Financial assets instrument classes**

The Bank categorizes financial instruments into the following classes that are appropriate to the nature of business model of the Bank in according with IFRS 9:

<b>Asset description</b>	<b>IFRS 9 classification/ measurement method</b>	<b>Carrying amount as At 30 June 2023 Frw'000</b>
Loans and advances to customers	Amortised costs	11,842,109
Investment securities	Amortised costs	2,280,416
Cash and balances with the Central Bank	Amortised costs	526,359
Balances with other banks	Amortised costs	1,262,657
Other financial assets	Amortized cost	167,289

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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The Bank considers that the carrying amounts of all classes of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

**20. Related-party transactions**

The following table provides the total amount of transactions and balances that have been entered into with related parties during the six-month ended 30 June 2023 from 31 December 2022, as well as balances with related parties from January 2022 as at 31 December 2022:

**Related party Transactions**

	<b>30-Jun-23</b> <b>Frw'000'</b>	<b>30-Jun-23</b> <b>Frw'000'</b>	<b>Total</b> <b>Frw'000</b>
	<b>Access</b> <b>Microfinance</b> <b>Holding AG</b>	<b>Access</b> <b>Microfinance</b> <b>Nigeria</b>	<b>Intercompany</b> <b>liabilities</b>
Software Acquired	239,809	-	239,809
Consultancy fee-2023	158,976	10,113	169,089
	<b>398,785</b>	<b>10,113</b>	<b>408,898</b>

	<b>30-Dec-22</b> <b>Frw'000'</b>	<b>31-Dec-22</b> <b>Frw'000'</b>	<b>Total</b> <b>Frw'000</b>
	<b>Access</b> <b>Microfinance</b> <b>Holding AG</b>	<b>Access</b> <b>Microfinance</b> <b>Nigeria</b>	<b>Intercompany</b> <b>liabilities</b>
Consultancy Service	-	13,828	13,828
Amount due to related parties	4,537	-	4,537
<b>Total</b>	<b>4,537</b>	<b>13,828</b>	<b>18,365</b>

**Board Members**

Board Expenses during the period:

<b>in 000 Frw</b>	<b>30-Jun-23</b>	<b>30-Jun-22</b>
Board Expenses	13,194	10,319

No loans have been provided to members of the Board of Directors, board expenses comprise mainly board sitting allowances.

**Compensation of the key management personnel**

<b>in 000 Frw</b>	<b>30-Jun-23</b>	<b>30-Jun-22</b>
Employee Benefits	222,822	150,273
Employer Contribution to pension funds (RSSB)	11,775	7,481
	<b>234,597</b>	<b>157,754</b>

**AB BANK RWANDA PLC**  
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**21. Going concern**

The Bank's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Management is not aware of any material uncertainties that may cast significant doubt on the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

**AB BANK RWANDA PLC**

## Other disclosures

<b>Other Disclosures</b>	
<b>Item</b>	<b>Amount /ratio/number</b>
<b>I. Capital strength</b>	
1. Core capital (Tier 1)	3,998,899
2. Supplementary Capital (Tier 2)	166,622
3. Total capital	4,165,521
4. Total Risk Weighted Assets	13,329,772
5. Core capital /Total Risk Weighted Assets (Tier 1)	30.0%
6. Tier 2 ratio	1.250%
7. Total Capital /Total Risk Weighted Assets	31.25%
8. Leverage Ratio	22%

<b>Item</b>	<b>Amount / ratio/number</b>
<b>II. Credit Risk</b>	
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
Micro-Agro Loans	1,645,951
SME loans	166,647
Other loans	210,475
a) Loans, commitments and other non-derivative off-balance sheet exposure	-
b) Debt securities	2,280,416
c) OTC derivatives	-

**AB BANK RWANDA PLC**

## Other disclosures

**3. Regional or geographic distribution of exposures, broken down in the following country provinces by major types of credit exposures in 000 Frw**

	City of Kigali	North	East	West	South	Total
Micro loans	4,653,845	853,608	1,300,858	635,343	1,730,131	9,173,785
Super Micro Loans	1,592,079	182,437	213,242	32,728	370,151	2,390,637
Micro-Agro Loans	21,448	407,746	699,198	104,491	413,068	1,645,951
Other loans	166,647	-	-	-	-	166,647
SME loans	143,663	1,879	7,778	2,367	54,788	210,475
	<b>6,577,683</b>	<b>1,445,670</b>	<b>2,221,076</b>	<b>774,929</b>	<b>2,568,137</b>	<b>13,587,495</b>

**4. Sector distribution of exposures, broken down by Major types of credit exposure and aggregated in the following sectors**

	Micro loans	Super Micro Loans	Micro Agro Loans	SME loans	Other loans	Total
a) Financial	25,876	19,393	-	-	105,220	<b>150,490</b>
b) Manufacturing	179,526	112,438	-	19,994	-	<b>311,957</b>
c) Service and commerce	7,971,910	1,761,680	273	115,576	-	<b>9,849,438</b>
d) others	569,028	196,557	1,645,678	6,181	1,694	<b>2,419,137</b>
g) Building and construction	427,445	300,570	-	24,897	103,561	<b>856,473</b>
<b>Total</b>	<b>9,173,785</b>	<b>2,390,636</b>	<b>1,645,951</b>	<b>166,648</b>	<b>210,475</b>	<b>13,587,495</b>

**5. Off-balance sheet items**

<b>6. Non- performing loans indicators</b>	
a) Non-performing Loans (NPL)	803,708
b) NPL Ratio	5.9%
<b>7.Related Parties</b>	
a) Loans to Directors, Shareholders, and subsidiaries	-
b) Loans to employees	200,289
<b>8. Restructured loans as at 30.06.2023</b>	
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	<b>2.5%</b>

**AB BANK RWANDA PLC**

## Other disclosures

**Other Risks**

<b>II. Liquidity risk</b>	
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%

<b>IV. Operational Risk</b>	<b>Type</b>	<b>Number</b>	<b>Amount</b>
Number and Types of Frauds and Their corresponding amount		-	-

<b>V. Market Risk</b>	
1. Interest rate risk	-
2. Equity position risk	-
3. Foreign exchange risk	2,063
<b>VI. Country Risk</b>	
1. Credit exposures abroad	-
2. Other assets held Abroad	-
3. Liabilities to Abroad	-
<b>VII. Management and Board composition</b>	
a. Number of Board members	5
b. Number of independent Directors	4
b. Number of non-independent Directors	1
d. Number of female Directors	2
e. Number of male Directors	3
f. Number of senior managers	4
f. Number of female senior managers	1
f. Number of male senior managers	3