

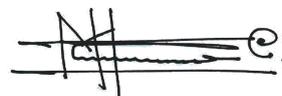
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

STATEMENT OF COMPREHENSIVE INCOME

	AUDITED	AUDITED
	31-Dec-2021	31-Dec-2020
	Frw'000	Frw'000
Interest income	41,395,795	38,196,017
Interest expense	(12,408,805)	(12,098,441)
Net interest income	28,986,990	26,097,576
Fee and commission income	8,746,794	7,196,542
Fee and commission expense	(1,265,567)	(969,658)
Net fee and commission income	7,481,227	6,226,884
Net foreign exchange income	(189,899)	1,086,598
Other operating income	358,535	548,296
Total operating income before impairment charge	36,636,853	33,959,354
Impairment charge on financial assets	(4,530,571)	(3,089,456)
Impairment charge for non-current asset held for sale	(120,000)	(368,000)
Total impairment charge	(4,650,571)	(3,457,456)
Total operating income after impairment charge	31,986,282	30,501,898
Operating expenses	(9,957,354)	(9,541,141)
Employee benefits	(11,211,699)	(11,533,077)
Depreciation and amortisation	(3,573,992)	(4,122,436)
Total operating expenses	(24,743,045)	(25,196,654)
Profit before income tax	7,243,237	5,305,244
Income tax expense	(2,442,944)	(1,463,894)
Profit for the year	4,800,293	3,841,350
Other comprehensive income:		
<i>Items that will not be reclassified to profit or loss</i>		
Changes in revaluation of land and buildings	324,810	(82,079)
Other comprehensive income (net of tax)	324,810	(82,079)
Total comprehensive income for the year	5,125,103	3,759,271

STATEMENT OF FINANCIAL POSITION

	AUDITED	AUDITED
	30-Dec-2021	31-Dec-2020
	Frw'000	Frw'000
ASSETS		
Cash and balances with the National Bank of Rwanda	25,631,888	38,162,143
Amounts due from banks	25,175,054	13,656,998
Government securities and other bonds	137,976,557	133,614,762
Loans and advances	194,551,641	183,895,414
Current income tax recoverable	4,119,051	3,003,387
Other assets	3,570,530	2,528,042
Non-current asset held for sale	-	120,000
Intangible assets	508,138	821,434
Property and equipment	24,096,078	26,758,961
Right of Use	1,949,665	2,308,808
TOTAL ASSETS	417,578,602	404,869,949
LIABILITIES		
Deposit from customers	247,495,533	236,557,349
Deposit from financial institutions	94,107,663	101,512,532
Provision for legal claims	818,836	343,006
Credit funds	1,187,337	368,596
Borrowings	5,717,543	1,252,417
Other payables	6,118,516	11,014,295
Due to related parties	100,966	-
Deferred income tax	1,471,268	2,242,902
Current income tax	3,214,579	1,269,962
Lease Liability	1,842,965	2,149,812
TOTAL LIABILITIES	362,075,206	356,710,871
EQUITY		
Share capital	43,466,413	43,466,413
Share premium	3,901,857	1,357,832
Revaluation reserves	1,101,308	1,426,118
Retained earnings	7,033,818	1,908,715
TOTAL EQUITY	55,503,396	48,159,078
TOTAL EQUITY AND LIABILITIES	417,578,602	404,869,949



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Chairperson
Board Audit Committee



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AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

STATEMENT OF CHANGES IN EQUITY	Share Capital	Share Premium	Revaluation n Reserves	Retained Earnings/(losses)	Total
	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000
Year ended 31 December 2021					
At 1 January 2021	43,466,413	1,357,832	1,426,118	1,908,715	48,159,078
Comprehensive income					
Profit for the year	-	-	-	4,800,293	4,800,293
Other comprehensive income	-	-	(324,810)	324,810	-
Total comprehensive income for the year	-	-	(324,810)	5,125,103	4,800,293
Transactions with equity holders of the Bank					
Contributions of equity net of transaction costs	-	2,544,025	-	-	2,544,025
	-	2,544,025	-	-	2,544,025
At 31 December 2021	43,466,413	1,357,832	1,101,308	7,033,818	55,503,396
Balance at 1 January 2020	43,466,413	1,357,832	1,508,197	(1,932,635)	44,399,807
Comprehensive income					
Profit for the year	-	-	-	3,841,350	3,841,350
*Other comprehensive income	-	-	(82,079)	-	(82,079)
Total comprehensive income for the year	-	-	(82,079)	3,841,350	3,759,271
At 31 December 2020	43,466,413	1,357,832	1,426,118	1,908,715	48,159,078

*Other comprehensive income comprises of movement in revaluation reserves for land and buildings derecognized during the year.

STATEMENT OF CASH FLOWS

	AUDITED	AUDITED
	31-Dec-2021	31-Dec-2020
	Frw'000	Frw'000
Net cash generated by operating activities	7,931,611	22,443,618
Cash flows from investing activities		
Payment of intangible assets including transfers from PPE	(271,346)	(176,000)
Payment of property and equipment	(350,251)	(11,681,005)
Payment of right of use assets	(641,322)	(9,736)
Proceeds from sale of property and equipment	94,745	111,562
Net cash used in investing activities	(1,168,174)	(11,755,179)
Cash flows from financing activities		
Additional capital	2,544,025	-
Proceeds from borrowings	4,731,726	821,902
Payment of lease liabilities	(867,743)	(847,337)
Additions - Lease liabilities	641,322	44,958
Repayment of borrowings	(222,665)	(1,939,530)
Net additions/(Repayment) of credit fund	818,741	(10,645)
IFRS 9 adjustment on ERF funds	(180,494)	(182,752)
Net cash from financing activities	7,464,912	(2,113,404)
Increase in cash and cash equivalents	14,228,349	8,575,035
Cash and cash equivalents at start of year	65,291,502	55,644,771
Effects of currency translation on cash and cash equivalents	721,421	1,071,696
Cash and cash equivalents at end of year	80,241,272	65,291,502

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

OTHER REGULATORY DISCLOSURES	31-Dec-2021
ITEM	Amount (Frw'000')

1. CAPITAL STRENGTH

a. Core capital (Tier 1)	53,893,950
b. Supplementary capital (Tier 2)	275,327
c. Total capital	54,169,277
d. Total risk weighted assets	225,128,558
e. Core capital/ Total risk weighted assets ratio	23.94%
f. Tier 2 ratio	0.12%
g. Total capital/total risk weighted assets ratio	24.06%
h. Leverage Ratio	11.80%

2. CREDIT RISK

1. Total gross credit risk exposure: after accounting offsets and without taking into account credit risk mitigation	340,217,779
2. Average gross credit exposure, broken down by major types of credit exposure:	
a) Loans commitments and other non-derivatives off-balance sheet exposure	214,783,414
b) Debt securities	138,498,771
c) OCT derivatives	-
3. Regional or geographic distribution of exposures, broken down in significant areas by major types of credit exposure;	

	Debt Securities	Loans and Commitments
a) Kigali	138,498,771	154,663,761
b) Northern Region	-	13,742,910
c) Southern Region	-	15,363,421
d) Eastern Region	-	18,062,287
e) Western Region	-	12,951,034

4. Sector distribution of exposures, broken down by major types of credit exposure and aggregated:

	Debt Securities	Loans and Commitments
a) Government	138,498,77	14,011,078
b) Financial	-	-
c) Manufacturing	-	15,711,648
d) Infrastructure and construction	-	27,322,650
e) Services and Commerce	-	53,898,898
f) Others	-	103,839,139

5. Off-balance sheet items

6. Non-performing loans indicators

a) Non-performing loans (NPL)	15,648,184
b) NPL ratio	7.29%

7. Related parties

a) Loans to Directors, shareholders and subsidiaries	
b) Loan to employees	5,746,075

8. Restructured loans as at 31 December 2021

a) No. of borrowers	1,980
b) Amount outstanding (Frw '000)	37,234,192
c) Provision thereon (Frw '000) (regulatory):	866,375
d) Restructured loans as % of gross loans	17.84%

3. LIQUIDITY RISK

a. Liquidity Coverage Ratio	308%
b. Net Stable Funding Ratio	206%

OTHER REGULATORY DISCLOSURES	31-Dec-2021
ITEM	Amount (Frw'000')

4. OPERATIONAL RISK

TYPE	NUMBER	AMOUNT Frw '000'
1. Fraud cases	6	45,516
2. Forged documents	2	315
3. Account Manipulation	3	3,751
4. Error	1	0

5. MARKET RISK

a. Interest rate risk	-
b. Equity position risk	-
c. Foreign exchange risk	1,786,890

6. COUNTRY RISK

a. Credit exposure abroad	-
b. Other asset held abroad	25,191,192
c. Liabilities to abroad	-

7. MANAGEMENT AND BOARD COMPOSITION

a. Number of Board members	9
b. Number of independent Directors	5
c. Number of non-independent Directors	4
d. Number of female Directors	3
e. Number of male Directors	6
f. Number of senior managers	10
g. Number of females senior managers	3
h. Number of males senior managers	7

EXPLANATORY NOTES TO THE REVIEWED FINANCIAL STATEMENTS:

- **Net interest income:** YoY Growth of 11.07% on the back of 5.79% growth in Net loans and advances and 3.26% on Government Securities.
- **Net fees and commission:** YoY Growth of 20.14% due to increased customer transactions following an improved operating environment post Covid-19 lockdowns.
- **Operating Expenses:** Down YoY by 1.8% as a result of ongoing improvements in operational efficiencies and enhanced deployment of technology to serve our customers.
- **Digital Transformation:** Customer initiated transactions accounts for 68% of the total number of transactions compared to 57% in 2020.
- **Impairment charge on financial assets:** Increased by 34.51% YoY because of increased credit related losses brought by Covid-19 pandemic impact on the cashflows of many borrowing customers. While Loans and Advances increased by 5.79%, there was an increase in Non-Performing Loans by 67.9% during the period which resulted in an NPL ratio of 7.29%.
- **Total Assets:** YoY Growth of 3.14% supported by a 4.62% growth in customer deposits. This demonstrates continued confidence that our customers have in the bank.

The financial statements and other disclosures are available on our website at www.bpr.rw

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