

# BK GROUP PLC FINANCIAL RESULTS

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

REVIEWED BY EXTERNAL AUDITORS ALL FIGURES ARE IN FRw '000 FOR THE PERIOD ENDED	30 Sept 2019	30 Sept 2018
Interest income	86,683,961	68,539,604
Interest expense	(15,962,835)	(13,519,196)
<b>Net interest income</b>	<b>70,721,125</b>	<b>55,020,408</b>
Net Fees and Commission income	10,376,634	12,313,290
Foreign exchange income	6,643,950	6,457,871
Net premium income	1,544,990	1,116,000
Other operating income	771,886	429,940
<b>Total non-funded income</b>	<b>19,337,460</b>	<b>20,317,101</b>
<b>Total operating income</b>	<b>90,058,585</b>	<b>75,337,509</b>
Net impairment on loans and advances	(18,738,998)	(9,946,411)
<b>Net Operating income</b>	<b>71,319,587</b>	<b>65,391,098</b>
Personnel costs	(16,173,609)	(15,170,053)
Administration and General expenses	(14,797,133)	(15,015,060)
Depreciation and amortisation	(4,267,310)	(3,826,236)
<b>Total Operating expenses</b>	<b>(35,238,052)</b>	<b>(34,011,349)</b>
<b>Profit Before Tax</b>	<b>36,081,535</b>	<b>31,379,749</b>
Taxation	(11,080,501)	(11,697,338)
<b>Profit After Tax</b>	<b>25,001,034</b>	<b>19,682,411</b>

Diane Karusisi  
CEO

  
Date: 28<sup>th</sup> November 2019

Risper Alaro Mukoto  
Director

  
Date: 28<sup>th</sup> November 2019

## EXPLANATORY NOTES

- Total interest income rose by 26.5% y-o-y to FRw 86.7 billion supported higher income from loans & advances, which grew by 32.4% from 9M 18. The loan book expanded by 16.2% year-to-date to FRw 697.8 billion while investments in government securities also increased by 26.5% YTD to FRw 93.1 billion.
- Total interest expenses rose by 18.1% to FRw 16.0 billion in line with a 20.5% growth in customer deposits y-o-y to FRw 593.0 billion. Customers deposits increased by 11.5% year-to-date. Overall, net interest income growth was at 28.5% to FRw 70.7 billion. Net interest margin rose to 11.4% from 10.4% in FY 2018.
- Non-interest income of FRw 19.3bn; includes a 50% growth (y-o-y) of income from our Insurance subsidiary. Our banking fees and commissions decreased by 4.8% (y-o-y) due to changes for fees and commissions tariffs to promote digital products and channels. Total operating income rose by 19.5% to FRw 90.1 billion.
- Loan loss provisions rose by 88.4% y-o-y to FRw 18.7 billion while non-performing loans increased to FRw 38.0 billion. Asset quality remained flat year-to-date at 4.9%. Management commitment to closer monitoring of the loan book should yield better asset quality and lower cost of risk before year end.
- Excluding provisions, operating expenses rose by 3.6% y-o-y to FRw 35.2 billion; with an improved cost to income ratio of 39.1% from 45.1% in the same period last year. Profit after tax (PAT) rose by 27.0% y-o-y to FRw 25.0 billion in the year to date.
- Bank of Kigali Plc as the largest Subsidiary of BK Group PLC is adequately capitalized with core capital to risk weighted assets at 25.4 % ; 12.1% above the statutory requirements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

REVIEWED BY EXTERNAL AUDITORS ALL FIGURES ARE IN FRw '000 AS AT	30 Sept 2019	31 Dec 2018
<b>ASSETS</b>		
Cash in hand	12,831,148	20,071,592
Balances with the National Bank of Rwanda	55,986,221	64,914,684
Due from banks	67,340,158	105,210,355
Held to maturity investments	93,118,291	73,594,798
Loans and advances to customers	651,132,012	568,104,724
Insurance receivables	3,969,148	2,877,789
Other assets	22,779,104	10,725,793
Right to use assets	3,516,198	-
Property and equipment	26,873,925	28,226,576
Intangible assets	6,803,476	3,675,053
<b>TOTAL ASSETS</b>	<b>944,349,681</b>	<b>877,401,364</b>

<b>LIABILITIES</b>		
Due to banks	44,077,002	61,312,934
Deposits and balances from customers	593,080,690	531,959,345
Insurance liabilities	5,238,154	3,909,011
Tax Payable	6,542,892	4,095,815
Dividend payable	8,930,580	11,078,029
Other liabilities	29,205,694	19,457,343
Lease liabilities	3,609,130	-
Long-term finance	40,854,399	50,883,806
<b>TOTAL LIABILITIES</b>	<b>731,538,541</b>	<b>682,696,283</b>

<b>CAPITAL AND RESERVES</b>		
Share capital	9,045,474	8,967,592
Share premium	76,573,491	74,795,986
Revaluation Reserves	13,000,149	13,000,149
Retained earnings	112,915,006	96,995,779
Equity attributable to the owners of the parent	211,534,120	193,759,506
Non-controlling interests	1,277,020	945,575
<b>TOTAL EQUITY</b>	<b>212,811,140</b>	<b>194,705,081</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>944,349,681</b>	<b>877,401,364</b>



# BANK OF KIGALI PLC FINANCIAL RESULTS

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

REVIEWED BY EXTERNAL AUDITORS ALL FIGURES ARE IN FRw '000 FOR THE PERIOD ENDED	30 Sept 2019	30 Sept 2018
Interest income	86,202,832	68,345,808
Interest expense	(15,636,113)	(13,562,944)
<b>Net interest income</b>	<b>70,566,719</b>	<b>54,782,864</b>
Net Fees and Commission income	10,376,647	12,313,290
Foreign exchange income	6,644,840	6,458,439
Other operating income	116,906	178,436
	<b>17,138,393</b>	<b>18,950,165</b>
<b>Total operating income</b>	<b>87,705,112</b>	<b>73,733,029</b>
Net impairment on loans and advances	(18,736,509)	(9,946,411)
<b>Net operating income</b>	<b>68,968,603</b>	<b>63,786,618</b>
Personnel costs	(15,227,527)	(14,216,127)
Administration and General expenses	(15,713,245)	(15,027,749)
Depreciation and amortisation	(4,053,102)	(3,753,267)
<b>Total Operating expenses</b>	<b>(34,993,874)</b>	<b>(32,997,143)</b>
<b>Profit Before Tax</b>	<b>33,974,729</b>	<b>30,789,475</b>
Taxation	(10,516,697)	(11,362,255)
<b>Profit After Tax</b>	<b>23,458,032</b>	<b>19,427,220</b>

Diane Karusisi  
CEO

  
Date: 28<sup>th</sup> November 2019

Risper Alaro Mukoto  
Director

  
Date: 28<sup>th</sup> November 2019

## STATEMENT OF FINANCIAL POSITION

REVIEWED BY EXTERNAL AUDITORS ALL FIGURES ARE IN FRw '000 AS AT	30 Sept 2019	31 Dec 2018
<b>ASSETS</b>		
Cash in hand	12,831,143	20,071,592
Balances with the National Bank of Rwanda	55,986,221	64,914,684
Due from banks	63,412,395	75,429,071
Held to maturity investments	90,396,048	73,306,443
Loans and advances to customers	651,132,012	568,104,724
Other assets	24,770,239	13,313,789
Rights to use assets	13,213,796	-
Property and equipment	2,050,668	1,055,661
Intangible assets	6,609,984	3,541,072
<b>TOTAL ASSETS</b>	<b>920,402,506</b>	<b>819,737,036</b>
<b>LIABILITIES</b>		
Due to banks	56,081,915	61,312,934
Deposits and balances from customers	594,693,547	533,246,505
Tax Payable	5,891,869	3,909,180
Other liabilities	27,164,620	18,525,231
Lease liabilities	13,563,298	-
Long-term finance	37,966,230	41,160,191
<b>TOTAL LIABILITIES</b>	<b>735,361,479</b>	<b>658,154,041</b>
<b>CAPITAL AND RESERVES</b>		
Share capital	20,000,000	20,000,000
Share premium	141,582,995	141,582,995
Retained earnings	23,458,032	-
<b>TOTAL EQUITY</b>	<b>185,041,027</b>	<b>161,582,995</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>920,402,506</b>	<b>819,737,036</b>

**IKOFI**  
INZIRA Y'UBUKUNGU

**JYANA N'IGIHE  
WIYANDIKISHA  
MU IKOFI**

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# BANK OF KIGALI PLC OTHER DISCLOSURE

I. Capital Strength	30-Sep-19	31-Dec-18
	FRw'000	FRw'000
1. Core capital (Tier 1)	165,368,409	158,041,927
2. Total capital	165,368,409	158,041,927
3. Total risk weighted assets	650,377,654	520,429,305
4. Core capital/ Total risk weighted assets ratio (Tier 1 ratio)	25.4%	30.4%
5. Total capital/total risk weighted assets ratio	25.4%	30.4%
6. Leverage ratio	17.4%	13.7%
II. Credit Risk	30-Sep-19	31-Dec-18
1. Total gross credit risk exposures: after accounting offsets and without taking into account credit risk mitigation;	776,839,534	675,172,334
2. Average gross credit exposures, broken down by major types of credit exposure:		
a) Letter of credits	12,029,550	12,609,944
b) Acceptance to pay	24,274,957	22,189,647
c) Bank Guarantees	42,778,265	39,805,401
3. Regional or geographic distribution of exposures;	697,756,762	600,567,341
City of Kigali	637,436,192	542,601,988
Northern Province	18,425,267	17,621,953
Eastern Province	20,514,656	19,984,964
Western province	9,928,008	9,957,107
Southern province	11,452,639	10,401,328
4. Sector distribution of exposures, broken down by major types of credit exposure and aggregated in the following areas:	697,756,762	600,567,341
a) Transport, Warehousing and Communication	128,642,558	98,620,730
b) Energy and Water	63,300,469	48,997,849
c) Mortgage, Lease and Services to Companies	105,635,072	93,239,991
d) Construction	93,225,999	94,286,258
e) Other activities of collective, social and personal services	81,595,391	69,258,774
f) Manufacturing Industries	64,220,795	36,637,999
g) Hotels and Restaurants	57,995,446	57,990,508
h) Commerce	73,806,283	72,998,215
i) Education	4,594,625	4,683,587
j) Health and Social Actions	3,936,338	3,043,056
k) Financial Intermediation	14,807,358	13,646,222
l) Others	5,996,427	7,164,153
5. Off- balance sheet items	79,082,773	74,604,993
6. Non-performing loans indicators		
a) Non-performing loans (NPL)	37,953,093	32,857,359
b) NPL ratio	4.9%	4.9%
7. Related parties		
a) Loans to directors, shareholders and subsidiaries	194,650	212,705
b) Loan to employees	14,610,259	12,591,284

III. LIQUIDITY RISK	30-Sep-19	31-Dec-18
a) Liquidity Coverage Ratio (LCR)	187.0%	326.0%
b) Net Stable Funding Ratio (NSFR)	116.4%	110.9%
IV. OPERATIONAL RISK	30-Sep-19	
	Number	Amount
Number and types of frauds and their corresponding amount	12	690,925
Digital channel frauds	8	101,148
Frauds using forged documentation	1	24,050
Internal frauds involving staff	3	565,727
V. MARKET RISK	30-Sep-19	31-Dec-18
1. Interest rate risk	484,156,521	516,597,741
2. Equity position risk	-	-
3. Foreign exchange risk	(20,236,029)	(6,834,686)
VI. COUNTRY RISK	30-Sep-19	31-Dec-18
1. Credit exposures abroad	-	-
2. Other assets held abroad	49,876,069	72,529,151
3. Liabilities to abroad	47,069,981	68,541,324
VII. Management and board composition	30-Sep-19	31-Dec-18
1. Number of Board members	8	6
2. Number of independent directors	6	6
3. Number of non-independent directors	2	2
4. Number of female directors	3	3
5. Number of male directors	5	5
6. Number of Senior Managers	9	9
7. Number of females senior managers	4	4
8. Number of males senior managers	5	5

