

BK GROUP PLC FINANCIAL RESULTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

REVIEWED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ALL FIGURES ARE IN FRw '000 FOR THE PERIOD ENDED	30 June 2020	30 Jun 2019
Interest income	66,980,631	56,257,622
Interest expense	(15,217,657)	(9,897,412)
Net interest income	51,762,974	46,360,210
Net Fees and Commission income	5,955,294	6,721,712
Foreign exchange income	4,178,006	4,420,357
Net premium income	2,823,808	2,612,380
Other operating income	641,450	332,152
	13,598,558	14,086,601
Operating income	65,361,532	60,446,811
Credit impairment losses	(18,264,396)	(14,397,422)
Net claims	(810,781)	(936,689)
Net Operating income	46,286,355	45,112,700
Employee benefits expense	(10,304,821)	(11,110,021)
Administration and general expenses	(9,453,535)	(9,472,465)
Depreciation and amortisation	(3,248,982)	(3,064,567)
Total Operating expenses	(23,007,338)	(23,647,053)
Profit Before Tax	23,279,017	21,465,647
Taxation	(7,182,842)	(6,914,025)
Profit After Tax	16,096,175	14,551,622

EXPLANATORY NOTES

- Total interest income rose by 19.1% y-o-y to FRw 67.0 billion supported higher income from loans & advances, which grew by 22.4% from 1H19. Our Net loan book expanded by 16.5% YTD to FRw 790.2 billion while investments in other securities also increased by 46.8% mostly diversifying excess liquidity into government securities.
- Non-interest income of FRw 12.8 billion were 2.8% lower than same period last year due to the impact of COVID19 pandemic. The Bank's non-interest income have been affected by the reduction of digital channels fees aimed at encouraging cashless transactions during the lockdown period. Furthermore, our clients in export and import trade were adversely affected impacting our fees and commission from letter of credits and Bank guarantees.
- Loan loss provisions rose by 26.9% y-o-y to FRw 18.3 billion while non-performing loans increased to FRw 52.8 billion, after considering the potential impact of COVID-19 and significant increase in credit risk for the large exposures. With reduced business volumes and increased financial distress, the Bank granted grace period between 3 to 10 months to clients who sought moratorium. Restructured facilities related to COVID-19 reached 37% of gross loans and advances. NPLs ratio remained flat at 5.6% while cost of risk increased to 4.6% from 2.7% in FY19. Excluding provisions, operating expenses decreased by 2.7% y-o-y to FRw 23.0 billion with an improved cost to income ratio of 35.6% from 42.2% in FY19. Profit after tax (Net Income) rose by 10.6% y-o-y to FRw 16.1 billion.
- Bank of Kigali Plc as the largest Subsidiary of BK Group PLC is adequately capitalized with core capital to risk weighted assets at 23.2% ; 9.9% above the statutory requirements. statutory requirements.

STATEMENT OF FINANCIAL POSITION

REVIEWED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ALL FIGURES ARE IN FRw '000 AS AT	30 June 2020	31 Dec 2019
ASSETS		
Cash in hand	16,757,261	14,400,534
Balances with the National Bank of Rwanda	64,876,403	68,351,345
Due from banks	52,020,185	77,286,457
Held to maturity investments	171,856,445	124,797,114
Investment in corporate bond	11,344,120	-
Loans and advances to customers	790,200,499	678,005,885
Insurance receivable	1,788,625	2,923,995
Deferred income tax	5,722,754	5,261,914
Assets held for sale	1,634,510	1,634,510
Other assets	15,258,412	9,943,427
Right of use assets	2,934,066	3,309,375
Property and equipment	24,961,155	26,389,977
Intangible assets	7,654,465	6,771,054
TOTAL ASSETS	1,167,008,900	1,019,075,587
LIABILITIES		
Due to banks	70,050,329	54,160,261
Deposits and balances from customers	750,432,439	642,698,799
Current income tax	721,436	7,441,556
Dividends payable	18,921,478	13,291,112
Insurance liabilities	3,924,424	5,079,081
Other liabilities	19,685,581	26,189,778
Lease liabilities	3,084,124	3,426,696
Long-term finance	68,915,692	45,977,418
TOTAL LIABILITIES	935,735,502	798,264,701
CAPITAL AND RESERVES		
Share capital	9,045,474	9,045,474
Share premium	76,573,491	76,573,491
Revaluation Reserves	13,000,149	13,000,149
Retained earnings	130,906,866	120,862,519
Equity attributable to the owners of the parent	229,525,981	219,481,633
Non-controlling interests	1,747,418	1,329,253
TOTAL EQUITY	231,273,399	220,810,886
TOTAL LIABILITIES AND EQUITY	1,167,008,900	1,019,075,587

Diane Karusisi
CEO


Date: 28 Aug 2020

Risper Alaro Mukoto
Director


Date: 28 Aug 2020

BANK OF KIGALI PLC FINANCIAL RESULTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

REVIEWED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ALL FIGURES ARE IN FRw '000 FOR THE PERIOD ENDED	30 June 2020	30 Jun 2019
Interest income	66,493,133	55,979,982
Interest expense	(15,167,724)	(9,675,136)
Net interest income	51,325,409	46,304,845
Net Fees and Commission income	5,955,357	6,721,713
Foreign exchange income	4,169,530	4,421,937
Other operating income	25,807	107,683
	10,150,695	11,251,332
Operating income	61,476,103	57,556,178
Net impairment on loans and advances	(18,264,881)	(14,391,870)
Net Operating income	43,211,222	43,164,308
Employee benefits expense	(9,609,452)	(10,395,537)
Administration and general expenses	(9,818,492)	(11,000,437)
Depreciation and amortisation	(2,885,110)	(4,306,604)
Total Operating expenses	(22,313,054)	(25,702,577)
Profit Before Tax	20,898,168	17,461,730
Taxation	(6,651,622)	(5,488,851)
Profit After Tax	14,246,546	11,972,880

Diane Karusisi
CEO


Date: 28 Aug 2020

Risper Alaro Mukoto
Director


Date: 28 Aug 2020

Misplaced your BK Card?
call 4455 to report &
have it blocked immediately



 **BANK OF KIGALI**
Financially transforming lives

Contact: 4455 |    Bank of Kigali | www.bk.rw

STATEMENT OF FINANCIAL POSITION

REVIEWED STATEMENT OF FINANCIAL POSITION ALL FIGURES ARE IN FRw '000 AS AT	30 June 2020	31 Dec 2019
ASSETS		
Cash in hand	16,757,256	14,400,534
Balances with the National Bank of Rwanda	64,876,403	68,351,345
Due from banks	49,373,476	73,314,429
Held to maturity investments	167,018,128	121,063,025
Investment in corporate bond	10,344,120	-
Loans and advances to customers	790,200,499	678,005,885
Deferred income tax asset	10,052,172	10,000,696
Recoverable income taxes	76,172	-
Other assets	18,370,362	12,322,862
Right to use assets	10,796,116	12,395,123
Property and equipment	2,701,378	2,643,635
Intangible assets	7,436,115	6,560,055
TOTAL ASSETS	1,148,002,197	999,057,589
LIABILITIES		
Due to banks	86,898,844	54,160,261
Deposits and balances from customers	752,045,003	660,287,351
Tax Payable	-	7,013,901
Dividends payable	24,729,177	-
Other liabilities	19,905,169	24,843,574
Lease liabilities	11,369,487	12,834,823
Long-term finance	66,742,344	43,122,875
TOTAL LIABILITIES	961,690,024	802,262,785
CAPITAL AND RESERVES		
Share capital	20,000,000	20,000,000
Share premium	141,582,995	141,582,995
Retained earnings	24,729,178	35,211,809
TOTAL EQUITY	186,312,173	196,794,804
TOTAL LIABILITIES AND EQUITY	1,148,002,197	999,057,589

BANK OF KIGALI PLC OTHER DISCLOSURE

I. Capital Strength	30 June 20	31 Dec 19
	FRw'000	FRw'000
1. Core capital (Tier 1)	168,823,886	172,628,844
2. Supplementary capital (Tier 2)	-	-
3. Domestic Important Bank	(1,350,591)	(1,381,031)
4. Total capital	167,473,295	171,247,813
5 Total risk weighted assets	721,848,431	648,251,750
6. Core capital/ Total risk weighted assets ratio (Tier 1 ratio)	23.4%	26.6%
7. Tier 2 ratio	0.0%	0.0%
8. Total capital/total risk weighted assets ratio	23.2%	26.4%
9. Leverage ratio	13.9%	16.9%
II. Credit Risk	30 June 2020	31 Dec 2019
1. Total gross credit risk exposures: after accounting offsets and without taking into account credit risk mitigation;	945,024,951	803,982,346
2. Average gross credit exposures, broken down by major types of credit exposure:		
a) Letter of credits	9,482,253	6,491,176
b) Acceptance to pay	22,592,300	22,822,103
c) Bank Guarantees	60,762,894	48,672,856
d) debt securities;	-	-
e) OTC derivatives	-	-
3. Regional or geographic distribution of exposures;	852,187,503	725,996,211
City of Kigali	789,461,324	664,000,124
Northern Province	19,634,063	18,675,643
Eastern Province	21,053,177	21,719,314
Western province	9,928,149	9,767,696
Southern province	12,110,790	11,833,434
4. Sector distribution of exposures, broken down by major types of credit exposure and aggregated in the following areas:	852,187,503	725,996,211
a) Transport, Warehousing and Communication	150,764,891	145,430,371
b) Energy and Water	47,474,909	47,558,393
c) Mortgage, Lease and Services to Companies	81,302,703	98,292,467
d) Construction	90,774,704	96,076,994
e) Other activities of collective, social and personal services	88,000,950	90,485,064
f) Manufacturing Industries	80,931,955	66,295,821
g) Hotels and Restaurants	118,401,398	58,201,034
h) Commerce	123,936,356	90,350,062
i) Education	8,686,967	5,800,965
j) Health and Social Actions	5,546,576	5,816,082
k) Financial Intermediation	17,272,377	12,285,286
l) Others	39,093,719	9,403,674
5. Off- balance sheet items	109,821,749	95,549,742

6. Non-performing loans indicators		
a) Non-performing loans (NPL)	52,819,400	45,599,820
b) NPL ratio	5.6%	5.7%

7. Related parties		
a) Loans to directors, shareholders and subsidiaries	433,970	192,354
b) Loan to employees	15,778,487	15,543,829

III. LIQUIDITY RISK	30 June 2020	31 Dec 2019
a) Liquidity Coverage Ratio (LCR)	193.3%	116.6%
b) Net Stable Funding Ratio (NSFR)	114.3%	117.1%

IV. OPERATIONAL RISK	30 June 2020	
	Number	Amount
Number and types of frauds and their corresponding amount	7	133,018
Digital channel frauds	7	133,018

V. MARKET RISK	30 June 2020	31 Dec 2019
1. Interest rate risk	568,427,963	560,577,879
2. Equity position risk	-	-
3. Foreign exchange risk	(16,308,530)	(26,177,020)

VI. COUNTRY RISK	30 June 2020	31 Dec 2019
1. Credit exposures abroad	-	-
2. Other assets held abroad	43,455,886	66,130,907
3. Liabilities to abroad	65,089,344	43,122,875

VII. Management and board composition	30 June 2020	31 Dec 19
1. Number of Board members	7	8
2. Number of independent directors	5	6
3. Number of non-independent directors	2	2
4. Number of female directors	2	3
5. Number of male directors	5	5
6. Number of Senior Managers	11	9
7. Number of females senior managers	4	4
8. Number of males senior managers	7	5

