STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR YEAR ENDED 31 DECEMBER 2021
(AUDITED BY EXTERNAL AUDITORS)

	2021 Frw'000	2020 Frw'000
Interest income	36,730,654	31,525,295
Interest expense	(8,591,529)	(7,327,907)
Net interest income	**28,139,125**	**24,197,388**
Credit impairment losses	(6,403,787)	(2,648,710)
Net interest income after Credit impairment losses	**21,735,338**	**21,548,678**
Fee and commission income	10,385,958	7,963,882
Fee and commission expense	(2,909,483)	(2,112,118)
Net fee and commission income	**7,476,475**	**5,851,764**
Net foreign exchange income	2,481,412	2,458,633
Other operating income	1,242,850	277,414
Net operating income	**32,936,075**	**30,136,489**
Employee benefits	(6,142,614)	(6,075,171)
Depreciation and amortisation	(1,132,283)	(1,184,332)
Depreciation of right of use assets	(862,854)	(783,845)
Short term operating lease expenses	(72,952)	(92,900)
Other operating expenses	(6,875,767)	(7,149,835)
Operating expenses	**(15,086,470)**	**(15,286,083)**
Profit before income tax	**17,849,605**	**14,850,406**
Income tax expense	(5,470,364)	(4,562,991)
Profit for the year	**12,379,241**	**10,287,415**

STATEMENT OF OTHER COMPREHENSIVE INCOME

	2021	2020
Items that will be reclassified to profit or loss:		
FVOCI investment securities		
Fair value gain(loss)	(87,113)	1,213,000
Deferred income tax	26,134	(363,900)
Total other comprehensive income for the year	**(60,979)**	**849,100**
Total profit after tax and other comprehensive income	**12,318,262**	**11,136,515**

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021
(AUDITED BY EXTERNAL AUDITORS)

	2021 Frw'000'	2020 Frw'000'
ASSETS		
Cash, deposits, and balances due from financial institutions	95,760,367	70,056,498
Restricted cash with central bank of Rwanda	14,710,000	9,561,958
Investment securities at amortised cost	6,402,874	15,046,737
Investment securities at FVOCI	100,336,119	46,999,001
Due from related parties	69,598	29,426
Loans and advances to customers	220,998,847	189,955,663
Other assets and prepaid expenses	11,446,062	8,131,827
Current income tax	696,499	-
Property and equipment	2,899,253	2,577,892
Intangible assets	214,698	233,297
Right of use assets	3,433,276	2,220,602
Deferred income tax	-	586,877
Total assets	**456,967,593**	**345,399,778**
LIABILITIES		
Deposits from customers	301,067,056	215,876,054
Deposits from banks	27,967,919	24,162,066
Due to related parties	773,519	481,258
Borrowed funds	45,511,581	33,718,963
Other liabilities and deferred income	12,852,680	14,487,539
Lease liabilities	3,557,175	2,237,593
Current income tax	-	1,578,361
Deferred tax liabilities	61,457	-
Total liabilities	**391,791,387**	**292,541,834**
EQUITY		
Share capital	18,175,000	18,175,000
Share premium	2,112,690	2,112,690
FVOCI reserve	1,465,408	1,526,387
Retained earnings	43,423,108	31,043,867
Total equity	**65,176,206**	**52,857,944**
Total liabilities and equity	**456,967,593**	**345,399,778**

The financial statements of Equity Bank Rwanda Plc were approved by the board of directors on 22nd March 2022 and signed on its behalf by:

Hannington Namara
Managing Director

Anita D. Umuhire
Chair of Board Audit Commitee

STATEMENT OF CHANGES IN EQUITY

FOR YEAR ENDED 31 DECEMBER 2021
(AUDITED BY EXTERNAL AUDITORS)

	Share capital Frw' 000'	Share premium Frw' 000'	Retained earnings Frw' 000'	FVOCI reserve Frw' 000'	Total equity Frw' 000'
At 1 January 2020	**18,175,000**	**2,112,690**	**20,756,452**	**677,287**	**41,721,429**
Profit for the year	-	-	10,287,415	-	**10,287,415**
Fair value gains/(loss) on FVOCI investments	-	-	-	1,213,000	**1,213,000**
Deferred tax on fair value gains/(loss) on FVOCI investments	-	-	-	(363,900)	**(363,900)**
Total comprehensive income for the year	**-**	**-**	**10,287,415**	**849,100**	**11,136,515**
At 31 December 2020	**18,175,000**	**2,112,690**	**31,043,867**	**1,526,387**	**52,857,944**
YEAR ENDED 31 DECEMBER 2021					
At 1 January 2021	18,175,000	2,112,690	31,043,867	1,526,387	**52,857,944**
Profit for the year	-	-	12,379,241	-	**12,379,241**
Fair value gains/(loss) on FVOCI investments	-	-	-	(87,113)	(87,113)
Deferred income tax on fair value gains/(loss) on FVOCI investments	-	-	-	26,134	**26,134**
Total comprehensive income for the year	**-**	**-**	**12,379,241**	**(60,979)**	**12,318,263**
At 31 December 2021	**18,175,000**	**2,112,690**	**43,423,108**	**1,465,408**	**65,176,206**

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Chair of Board Audit Commitee

EQUITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021
(AUDITED BY EXTERNAL AUDITORS)

	2021 Frw'000'	2020 Frw'000'
OPERATING ACTIVITIES		
Profit before income tax	17,849,605	14,850,406
Adjustments for:		
Depreciation on property and equipment	1,039,056	1,098,792
Depreciation on right of use assets	862,854	783,845
Amortisation of intangible assets	93,227	85,540
Unrealised exchange gains	-	-
Profit/Loss on disposal of property and equipment	26,577	7,418
Interest expense on term borrowings	2,850,087	2,224,647
Provision for impairment losses on loans and advances	6,403,787	2,825,329
Interest expense on lease liability	210,884	179,316
Net foreign exchange gain on cash and cash equivalents	(2,469,217)	(2,457,733)
Operating profit before changes in operating assets and liabilities	**26,866,860**	**19,597,560**
Loans and advances	(37,446,971)	(36,481,757)
Other assets	(3,314,235)	(5,175,847)
Right of use assets	(2,075,528)	(505,736)
Non-current assets held for sale	-	245,000
Deposits from customers	85,191,002	31,698,582
Deposit from Banks	3,805,853	10,248,321
Due from related party balances	(40,171)	88,078
Due to related party balances	292,260	226,166
Other liabilities	(1,634,859)	11,019,496
Lease liabilities	2,104,851	427,197
Deferred tax assets	586,877	(586,877)
Deferred tax liabilities	61,457	(171,192)
Movement in restricted cash balances	(5,148,042)	1,878,484
Cash generated from operations	**69,249,354**	**32,507,475**
Income taxes paid	(7,745,223)	(5,123,791)
Net cash from operating activities	**61,504,131**	**27,383,684**
INVESTING ACTIVITIES		
Purchase of property and equipment	(1,394,961)	(662,431)
Purchase of intangible assets	(74,629)	(43,900)
Proceeds from sale of property and equipment	7,967	-
Purchase of investment securities	(96,686,196)	(57,900,890)
Sale of investment securities	51,931,962	42,508,936
Net cash used in investing activities	**(46,215,857)**	**(16,098,285)**
FINANCING ACTIVITIES		
Long term borrowings	444,500,558	133,647,799
Repayment of long term borrowings	(432,934,757)	(127,871,437)
Interest paid on borrowed funds	(2,623,270)	(2,064,586)
Principal elements of lease payments	(996,153)	(841,043)
Net cash used in financing activities	**7,946,378**	**2,870,733**
Net increase / (decrease) in cash and cash equivalents	**23,234,652**	**14,156,132**
Movement in cash and cash equivalents		
At start of year	70,056,498	53,442,633
Net foreign exchange gain on cash and cash equivalents	2,469,217	2,457,733
At end of year	**95,760,367**	**70,056,498**

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Hannington Namara
Managing Director

Anita D. Umuhire
Chair of Board Audit Commitee

OTHER DISCLOSURES

AS AT 31 DECEMBER 2021
APPENDIX: OTHER INFORMATION

	31-Dec-21 Frw 000 Amount/ Ratio/Number
I. CAPITAL STRENGTH	
1.Core Capital (Tier 1)	64,961,508
2.Supplementary Capital (Tier 2)	3,367,007
3.Total Capital	68,328,515
4.Total Risk Weighted Assets	318,133,180
5.Core Capital/ Total Risk Weighted Assets Ratio (Tier 1 Ratio)	20.42%
6.Tier 2 Ratio	1.06%
7.Total Capital/Total Risk Weighted Assets Ratio	21.48%
8.Leverage Ratio	14.00%
II.CREDIT RISK	
1.**Total gross credit risk exposures: after accounting offsets and without taking into account credit risk mitigation;**	230,463,927
2. **Average gross credit exposures, broken down by major types of credit exposure:**	
a) Loans, commitments and other non-derivative off-balance sheet exposures;	
• Agriculture	9,472,107
• Building and construction	5,401,305
• Education	11,270,931
• Energy and water	5,831,928
• Financial intermediation	299,291
• Information and communication	13,481,048
• Manufacturing	13,592,740
• Mining & quarrying	480,466
• Other service activities	10,078,105
• Personal/household	59,123,050
• Real estate	40,332,433
• Tourism, rest & hotels	32,992,815
• Trade	17,324,245
• Transport and communication	10,783,463
b) Debt securities;	106,738,993
c) OTC derivatives;	-
3. **Regional or geographic distribution of gross exposures, broken down in significant areas by major types of credit exposure:**	
a) Kigali	194,056,226
b) Southern	10,385,797
c) Western	12,320,912
d) Northern	6,574,285
e) Eastern	7,126,706

OTHER DISCLOSURES [CONTINUED]

AS AT 31 DECEMBER 2021
APPENDIX: OTHER INFORMATION

	31-Dec-21 Frw 000 Amount/ Ratio/Number
4. **Sector distribution of exposures, broken down by major types of credit exposure and aggregated in the following areas:**	
a) Government	9,162,375
b) Financial	299,291
c) Manufacturing	14,797,856
d) Infrastructure and construction	50,489,299
e) Services and commerce	89,471,245
f) Others	66,243,861
5. **Off- balance sheet items**	
a) Guarantees issued outward	41,908,495
b) Outward letter of credit contra	9,077,572
6. **Non-performing loans indicators**	
a) Non-performing loans (NPL)	20,859,062
b) NPL ratio	8.69%
7. **Related parties**	
a) Loans to directors, shareholders, and subsidiaries	156,812
b) Loan to employees	5,215,797
8. **Restructured loans**	
a. No. of borrowers	713
b. Amount outstanding	81,424,804
c. Regulatory Provision thereon	3,957,426
c. Restructured loans as % of gross loans	35.33%

III. LIQUIDITY RISK

1) Liquidity Coverage Ratio (LCR)	312%
2) Net Stable Funding Ratio (NSFR)	156%

IV. OPERATIONAL RISK

	Type	Number	Amount (000)
Number and types of frauds and their corresponding amount	None	None	-

V. MARKET RISK

1. Interest rate risk	63,035,435
2. Equity position risk	-
3. Foreign exchange risk % of Core Capital (NOP)	(6.23 %)

VI. COUNTRY RISK

1. Credit exposures abroad	-
2. Other assets held abroad	73,744,921
3. Liabilities to abroad	20,062,462

VII. MANAGEMENT AND BOARD COMPOSITION

1. Number of Board members	9
2. Number of independent directors	6
3. Number of non-independent directors	3
4. Number of female directors	3
5. Number of male directors	6
6. Number of Senior Managers	10
7. Number of females senior managers	4
8. Number of males senior managers	6

EXPLANATORY NOTES TO THE FINANCIALS

1. **Interest Income increased by 17%**
   The increase is mainly attributed to growth in loan and advances, investments in government securities and Placements during the year.
2. **Interest expense increased by 17%**
   Interest expenses grew by 17% in line with increased deposits as well as short term borrowings during the year.
3. **Net fees and commissions income increased by 28%**
   The increase is mainly attributed to more customers transactions backed by growth in customer numbers and convenient access to banking through digital platforms.
4. **Foreign exchange income increased by 1%**
   This is supported by both foreign exchange margins and sale of foreign currency mainly USD.
5. **Net loans and advances increased by 16%**
   The increase was supported by new deals booked during the year in line with market opportunities.
6. **Investment securities increased by 72%**
   The increase was attributed by additional investments during the year mainly on Government Treasury Bonds and Bills.
7. **Deposits from customers increased by 37%**
   The increase is mainly attributed to new clients acquired during the year as well growth on existing clients.
8. **Borrowed funds increased by 35%**
   These include short-term borrowings necessary to support local currency liquidity for investments in loans and securities as well as the Economic recovery funds to support the businesses affected by COVID19

These financial statements and other disclosures can be accessed on the institutions website **www.rw.equitybankgroup.com.**They may also be accessed at the institution's head office located at **Grand Pension Plaza, 3rd Floor, Kigali, Rwanda**,
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