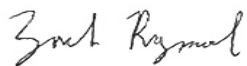


STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE TWELVE MONTHS PERIOD ENDED 31 DECEMBER-2022 (AUDITED)

in `000 Frw	DEC 2022	DEC 2021
Interest income	4,754,787	4,407,235
Interest expense	(816,687)	(1,270,011)
Net interest income before impairment on loans	3,938,101	3,137,224
Impairment credit /debit charge for loan losses	125,748	(571,456)
Net Interest Income	4,063,848	2,565,768
Fee and commission income	222,672	201,721
Fee and commission expense	(3,914)	(8,302)
Net fee and commission income	218,758	193,419
Net result from foreign exchange operations	(10,353)	(53,483)
Net other operating income	102,981	2,278,746
Net non-interest income	311,386	2,418,682
Net operating income	4,375,234	4,984,450
Personnel expenses	(2,125,494)	(2,021,941)
Depreciation and amortization expenses	(380,883)	(403,739)
Lease expenses	(50,446)	(58,216)
Other administrative expenses	(855,270)	(1,010,199)
Total operating expenses	(3,412,093)	(3,494,095)
Profit / (Loss) before tax	963,142	1,490,355
Income tax expense/credit	(91,250)	90,844
Profit/(Loss) for the year	871,891	1,581,199
Other comprehensive income	-	-
Total Comprehensive income for the year	871,891	1,581,199

The financial statements were approved and authorized for issue by the Board of Directors on 25th March 2023 and were signed on its behalf by:



Mr. Zachary Raymond
Chief Executive Officer



Mrs. Dianne Dusaidi
Chairperson of the Board of Directors

These financial statements and other disclosures can be accessed on the institution's website www.abbank.rw. They may also be accessed at the institution's Head Office located at KN 78 Street #15, Nyarugenge, Kiyovu (BCK Building). Telephone: +25078 819 83 00.

EXPLANATORY NOTES TO THE FINANCIALS

Interest income increased by 8% as compared to Dec-2021, following the increase in loan book size, gross loans moved from 10.4 Bn to 11.3 Bn as at end of the year 2022; investment in government securities increased as well moving from 1.4Bn to 2.3 Bn.

A saving of 36% was recorded on the line of interest expense resulted from the full repayment of a foreign borrowing which was expensive in 2021.

Impairment charge moved from a loss of 571 Mio and recorded a write back provision 126 Mio, resulting from actual recovery of written off loans counted in the balance.

in 2021 The bank booked a huge modification gain resulting from restructuring agreement on a foreign borrowing, where lenders agreed to waive 40% of the debt; this explains the decrease of other operating income from 2.3 Bn to 103 Mio.

Balances with banks decreased significantly by 96% following a repayment of a term deposit amounting 1 Bn that matured at end of the year.

Investment in government securities increased significantly by 68% following the increase in deposits and the decrease in balances with other banks.

Net loans increased by 18%, following increase in gross loans that moved from 10.4Bn to 11.3 Bn and the decrease in Loan Loss Provision that moved from 1.9 Bn to 1.3 Bn.

Deposits increased by 5%, dominated by term deposits.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 (AUDITED)

in `000 Frw	2022	2021
ASSETS		
Cash and cash equivalents	771,965	731,288
Balances with banks	55,352	1,567,534
Debt securities	2,291,815	1,363,785
Loans and advances to customers	9,626,100	8,132,971
Other financial assets	116,703	161,316
Other non-financial assets	189,564	282,718
Intangible assets	44,971	77,350
Property and equipment	571,442	673,055
Rights-of-use assets	892,208	907,869
Deferred income tax asset	841,685	932,935
Total assets	15,401,804	14,830,821
LIABILITIES		
Loans from banks and other financial institutions	300,000	1,019,422
Customer accounts	9,097,114	8,646,478
Provisions	113,642	119,406
Lease Liabilities	963,804	951,219
Other financial liabilities	121,022	153,670
Other non-financial liabilities	82,642	88,938
Total liabilities	10,678,224	10,979,133
EQUITY		
Share capital	11,461,300	11,461,300
Accumulated losses	(6,737,720)	(7,609,612)
Total equity	4,723,580	3,851,688
Total liabilities and equity	15,401,804	14,830,821

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2022

in `000 Frw	Share capital	Accumulated losses	Total equity
Carry Forward as at 1 January 2022	11,461,300	(7,609,611)	3,851,688
Profit for the year	-	871,891	871,891
Total comprehensive income	-	871,891	871,891
Balance as at 31 December 2022	11,461,300	(6,737,721)	4,723,580

OTHER DISCLOSURES

ITEM	AMOUNT/ RATIO/ NUMBER
I. CAPITAL STRENGTH	
1. Core capital (Tier 1)	3,836,925
2. Supplementary Capital (Tier 2)	134,026
3. Total capital	3,970,951
4. Total Risk Weighted Assets	10,722,094
5. Core capital /Total Risk Weighted Assets (Tier 1)	35.79%
6. Tier 2 ratio	1.25%
7. Total Capital /Total Risk Weighted Assets	37.04%
8. Leverage Ratio	25%
II. CREDIT RISK	
1. Total Gross Credit risk exposures: after accounting offsets and without taking into account credit risk mitigation	11,325,547
2. Average gross credit exposure, broken down by major types of credit exposure	10,843,011
Micro Loans	7,011,987
Super Micro Loans	2,205,028
Micro Agro Loans	488,048
SME	900,857
Other Loans	237,091
a) Loans, commitments and other non-derivative off-balance sheet exposure	
b) Debt securities	2,291,815

3. REGIONAL OR GEOGRAPHIC DISTRIBUTION OF EXPOSURES, BROKEN DOWN IN SIGNIFICANT AREAS BY MAJOR TYPES OF CREDIT EXPOSURES

	KIGALI	NORTH	EAST	WEST	SOUTH	TOTAL
Micro loans	3,884,100	705,282	1,087,390	564,396	1,325,523	7,566,690
Agro loans	20,785	303,347	435,310	63,221	210,939	1,033,602
Super-Micro loans	1,425,789	191,207	244,479	26,480	366,814	2,254,679
SME loans	250,734	-	-	-	-	250,734
Other loans	151,800	2,440	6,229	1,952	57,332	219,753
TOTAL	5,733,207	1,202,276	1,773,409	656,049	1,960,607	11,325,547

4. SECTEUR DISTRIBUTION OF EXPOSURES, BROKEN DOWN BY MAJOR TYPES OF CREDIT EXPOSURE AND AGGREGATED IN THE FOLLOWING AREAS

	MICRO	SUPER MICRO	AGRO	SME	OTHER LOANS	TOTAL
a) Financial	25,214	-	-	-	89,001	114,214
b) Manufacturing	130,353	84,672	-	19,994	-	235,019
c) Service and commerce	6,588,049	1,787,283	943	161,606	332	8,538,213
d) Others	440,289	207,656	1,032,659	31,704	3,314	1,715,348
e) Construction	382,786	175,157	-	37,704	127,105	722,753
TOTAL	7,566,690	2,254,769	1,033,602	250,734	219,753	11,325,547

5. OFF-BALANCE SHEET ITEMS
6. NON-PERFORMING LOANS INDICATORS

a) Non-Performing Loans (NPL)	1,008,019
b) NPL Ratio	8.9%

7. RELATED PARTIES

Loans to Directors, Shareholders and Subsidiaries	-
Loans to employees	218,990

8. RESTRUCTURED LOANS AS AT 31.12.2022

a. Number of borrowers	288
b. Amount outstanding (Frw'000)	669,855
c. Provision thereon (Frw'000) (regulatory)	408,458
c. Restructured loans as % of gross loans	5.9%

OTHER RISKS

LIQUIDITY RISK	
High Quality Liquidity Assets	2,949,634
Total net cash outflows	1,026,201
a) Liquidity Coverage Ratio (LCR)	287%
Available stable funding	10,610,332
Required stable funding	8,696,413
b) Net Stable Funding Ratio (NSFR)	122%

OPERATIONAL RISK

	TYPE	NUMBER	AMOUNT
Number and Types of Frauds and Their corresponding amount	-	-	-

MARKET RISK

Interest rate risk	-
Equity position risk	-
Foreign exchange risk	-

COUNTRY RISK

1. Credit exposures abroad	-
2. Other assets held Abroad	-
3. Liabilities to Abroad	-

MANAGEMENT AND BOARD COMPOSITION

a. Number of Board members	5
b. Number of independent directors	3
c. Number of non-independent directors	2
d. Number of female directors	2
e. Number of male directors	3
f. Number of senior managers	4
g. Number of females senior managers	1
h. Number of males senior managers	3

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STATEMENT OF CASH FLOWS FOR THE YEAR END ED DECEMBER 31 2022

	2022	2021
Profit/(loss)		
Profit/(loss) before tax	963,142	1,490,355
Adjustments for non-cash items		
Impairment of charge for loan losses	(9,058)	572,259
Unrealised loss from currency revaluation	(502)	3,675
Depreciation and amortization expense	380,883	403,739
Gain on Debt restructuring	-	(2,252,764)
Gains and losses from sale of fixed assets	(2,604)	-
Interest income	(4,754,787)	(4,407,235)
Interest expense	816,687	1,270,011
Cash flows used in operating activities before changes in operating assets and liabilities	(2,606,239)	(2,919,960)
Changes in operating assets and liabilities		
Changes in operating assets		
Loans and advances to customers	(1,112,639)	462,045
Other assets	137,767	150,961
Interest received	4,295,674	4,447,155
Changes in operating liabilities		
Loans from banks and other financial institutions	300,000	-
Customer accounts	450,636	(28,272)
Other liabilities	(38,944)	66,638
Provisions	(5,764)	44,561
Interest paid	(774,038)	(761,535)
Cash flow/(outflow) from operating activities before taxation	646,453	1,461,593
Net cash inflow (outflow) from operating activities	646,453	1,461,593

STATEMENT OF CASH FLOWS FOR THE YEAR END ED DECEMBER 31 2022 (CONT'D)

	2022	2021
Cash flow from investment activities		
Purchase of property and equipment	(40,782)	(112,275)
Purchase of debt securities	(928,030)	(998,919)
Net cash outflow from investing activities	(968,812)	(1,111,194)
Cash flow from financing activities		
Proceeds from issuance of ordinary shares	-	125,000
Payment of lease liabilities	(112,329)	(158,583)
Net proceeds from issuance repayments) of debt	(1,019,422)	(2,323,156)
Net cash used in financing activities	(1,131,751)	(2,356,739)
Effect of changes in foreign exchange rate on cash and cash equivalents	(17,394)	-
Total Cash flow	(1,471,504)	(2,006,340)
Cash and cash equivalents, beginning of year	2,298,822	4,305,162
Cash and cash equivalents, end of year	827,318	2,298,822



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(*) Some conditions may apply

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