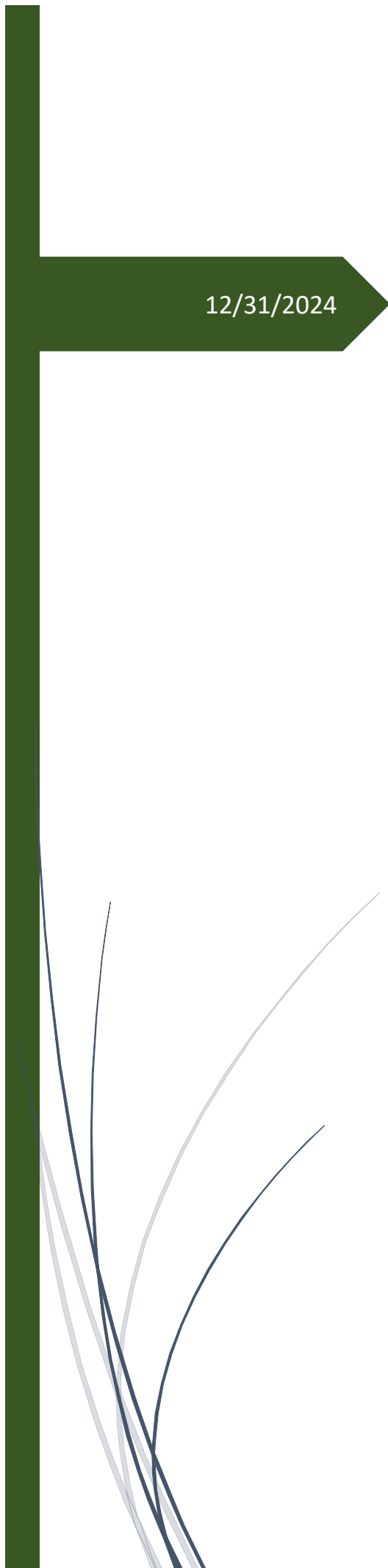


12/31/2024

## Rwanda Bank performance analysis



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## **LIST OF ACRONYMS AND ABBREVIATIONS**

<b>BNR</b>	: National Bank of Rwanda
<b>CAGR</b>	: Compound annual growth rate
<b>CAR</b>	: Capital adequacy Ratio
<b>LCR</b>	: Liquidity Coverage Ratio
<b>NPL</b>	: Non-performing loans
<b>NSFR</b>	: Net Stable Funding Ratio
<b>PAT</b>	: Profit after tax
<b>PBT</b>	: Profit before tax
<b>ROA</b>	: Return on assets
<b>ROE</b>	: Return on equity

## EXECUTIVE SUMMARY

This report analyses the financial performance of nine commercial banks operating in Rwanda in terms of assets and profitability looking at the last five years (2019-2023). It also applies CAMELS analysis to evaluate the robustness of Rwandan banking sector against various risk factors. We further look at trends, comparing the banks against each other to see the best performers and what drove their performances.

The total assets of all the commercial banks grew from Rwf 2,807 billion in December 2019 to Rwf 7,304 billion in December 2023, a growth of more than 200% in five years. Bank of Kigali is the biggest bank in Rwanda as of December 2023 with total assets of Rwf 2,062 billion, followed by Equity Bank with total assets of Rwf 1,028.6 billion, and BPR Bank with total assets of Rwf 860.4 billion. The smallest banks as of December 2023 were Bank of Africa in the 8<sup>th</sup> position and GT Bank in the 9<sup>th</sup> position, with total assets of Rwf 167.3 billion and 153.2 billion respectively.

In terms of profitability, Bank of Kigali was the best performer in 2023 with a PAT of Rwf 73.7 billion, followed by Equity Bank with a PAT of Rwf 36.4 billion, and BPR Rwanda coming in third with a PAT of 25.9 billion. The banks with the lowest PAT are GT Bank with Rwf 4.36 billion, Ecobank with Rwf 2.24 billion, and Bank of Africa with Rwf 1.82 billion.

Ecobank Rwanda was the most efficient in generating profits with a net profit margin of 87%, followed by Equity Bank with 79.8% and Access Bank and GT Bank coming in third and fourth place with 79.0% and 78.8% respectively. I&M Bank and Bank of Africa were the least efficient in generating profit in 2023, with net interest margins of 63.0% and 61.8%, respectively.

Further, CAMELS analysis shows that most of the banks are well capitalized with core capital adequacy ratio in 2023 ranging from 17% to 37%, above the regulatory requirement of 12.5%. It also shows banks with high-quality loan books, which constitute most of their assets, as evidenced by the NPL ratio below 5% for all the banks except NCBA and Bank of Africa.

The analysis also shows banks with quality and able management teams as indicated by positive ROA on assets for all the banks in the last 3 years of analysis, exemplifying the capacity of those banks who initially had negative ROE to make changes necessary to turn them positive. Similarly, the earning ability of the banks proxied by ROA was positive for all banks in the period (2021-2023) for all banks, which signals the ability of all the commercial banks to use their assets to generate profits.

Overall, this analysis shows a vibrant banking sector that is growing at breakneck pace and with significant potential due to high number of unbanked individuals (only 36% of the Rwanda adult population had bank accounts in 2020 according to BNR Report) and high economic growth of Rwanda.

# 1 INTRODUCTION TO THE BANKING SECTOR IN RWANDA

After KCB Rwanda Plc merged with BPR and Equity acquired Cogebanque, the number of commercial banks in Rwanda decreased from 11 to 9. According to BNR, banks' total assets expanded by 22% to FRW 7,304 billion in December 2023 from FRW 5,993 billion in December 2022. This growth of bank assets was mainly supported by the growth of customers' deposits (+ 32.5 percent) and equity (+ 13.3 percent). The summarised balance sheet of the banking sector is provided below. (Source: BNR monetary policy and financial stability statement, March 2024). Over the past three years, there has been a notable increase in total assets, growing by 18.3% from 2021 to 2022 and further by 21.9% from 2022 to 2023.

This robust growth indicates expansion within the sector, possibly driven by increased lending activities and investments. Customer deposits have experienced substantial growth, increasing by 16.6% from 2021 to 2022 and by 32.5% from 2022 to 2023. This indicates growing confidence among depositors in the banking system.

According to the monetary policy and financial stability statement of March 2024, the banking sector has maintained robust levels of capitalization, demonstrating its resilience and stability. As of December 2023, the total Capital Adequacy Ratio (CAR) stood at 21.5%, comfortably exceeding the regulatory minimum of 15%. Similarly, the core CAR was at 20.3%, surpassing the 12.5% regulatory requirement. These figures translate to capital buffers over the regulatory minimum standing at FRW 315 billion, indicating ample capacity to absorb potential shocks. Additionally, banks maintain substantial liquidity buffers, with the consolidated Liquidity Coverage Ratio (LCR) reaching 234% by the end of December 2023, well above the regulatory minimum of 100%. This strong capitalization and liquidity position enhances the sector's resilience to adverse market conditions.

The 9 banks are categorised into tiers based on total assets, loans, deposits, operating income, and profit before tax (PBT). The table below shows the market share per bank sourced from a peer comparison carried out by NCBA Bank Rwanda.

## 2 METHODOLOGY

To conduct this analysis, we start by looking at the market share of each commercial bank operating in Rwanda in terms of total assets, loans, deposits, operating income, and profit before tax (PBT) for years 2022 and 2023. Then, we look at the consolidated balance sheet for years 2021, 2022, and 2023 of the nine commercial banks operating in Rwanda in 2024. We then apply CAMELS analysis, a technique with six key components used to analyse banks, to each bank, starting with the ones with the biggest market share. These six components are capital adequacy, asset quality, management capabilities, earning ability, liquidity position, and sensitivity to market risks for each bank.

Then we proceed with conducting a comparative analysis of the banks on key performance indicators such as revenue, NPL ratio, profitability, expense ratio, etc.

### 3 RWANDAN BANKS BY MARKET SHARE

TIER	#	Banks	2022	2023	Y-o-Y Change
Tier 1	1	BANK OF KIGALI	40.6%	40.1%	-0.5%
	2	EQUITY BANK	19.0%	18.6%	-0.4%
Tier 2	3	BPR	15.9%	15.4%	-0.5%
	4	I&M	9.4%	9.1%	-0.3%
Tier 3	5	ECOBANK	3.9%	4.5%	0.6%
	6	NCBA RWANDA	2.8%	3.7%	0.9%
	7	ACCESS BANK	3.3%	3.6%	0.3%
	8	GT BANK	2.8%	2.6%	-0.2%
	9	BANK OF AFRICA	2.3%	2.4%	0.1%
Total			100.00%	100.00%	

The nine banks operating in Rwanda are categorised into three tiers based on total assets, loans, deposits, operating income, and profit before tax (PBT). Currently, only one bank, Bank of Kigali Plc, with a market share of 40.1% in 2023, down from 40.6% in 2022, is in Tier 1.

The banks in Tier 2 are Equity Bank Plc, with a market share of 18.6% down from 19% in 2022; BPR Bank Rwanda Plc, with a market share of 15.4% in 2023 down from 15.9% in 2022; and I&M Bank Rwanda Plc, with a market share of 9.1% in 2023 down from 9.4% in 2022.

The banks in Tier 3 are Ecobank Rwanda Limited with a market share of 4.5% in 2023, up from 3.9% in 2022; NCBA Bank Rwanda Plc with a market share of 3.7% in 2023, up from 2.8% in 2022; Access Bank (Rwanda) Ltd with a market share of 3.6% in 2023, up from 3.3% in 2022; GT Bank Rwanda Plc with a market share of 2.6% in 2023, down from 2.8% in 2022; and Bank of Africa with a market share of 2.4% in 2023, up from 2.3% in 2022.

All banks in Tiers 1 and 2 lost market shares in 2023 compared to 2022. All banks in Tier 3 gained market share except GT Bank Rwanda, whose market share dipped by 0.2%. NCBA gained the biggest, with its market share rising by 0.9%, followed by Ecobank with a 0.6% increase, Access Bank with a 0.3% increase, and Bank of Africa with a 0.1% increase in market share.

### 3.1 BALANCE SHEET OF THE BANKING SECTOR

<b>Assets (FRW Billion)</b>	<b>Dec-21</b>	<b>Dec-22</b>	<b>Dec-23</b>	<b>% Change 21//22</b>	<b>% Change 22/23</b>
Cash and bank balance	1,078	1,295	1,951	20.1	50,7
Government Securities	954	1,262	1,300	32.3	3,0
Net Loans	2,714	3,126	3,735	15.2	19.5
Fixed Assets	173	171	170	-1.2	-0.4
Other Assets	145	139	148	-4	6.6
<b>Total Assets</b>	<b>5,064</b>	<b>5,993</b>	<b>7,304</b>	<b>18.3</b>	<b>21.9</b>
<b>Liabilities (FRW Billion)</b>	<b>Dec-21</b>	<b>Dec-22</b>	<b>Dec-23</b>	<b>% Change 21/22</b>	<b>% Change 22/23</b>
Due to Domestic FIs	792	1,100	999	38.8	-9.2
Due to FIs Abroad	62	35	75	-43.4	113.3
Customer Deposits	3,087	3,600	4,770	16.6	32.5
Other Liabilities	273	251	321	-7.8	27.8
<b>Capital (FRW Billion)</b>	<b>Dec-21</b>	<b>Dec-22</b>	<b>Dec-23</b>	<b>% Change 21/22</b>	<b>% Change 22/23</b>
Total Shareholders Fund	849	1,006	1,139	18.4	13.3
Paid up Capital	403	456	502	13.3	10.0
Share Premium	176	181	181	2.8	0.0
Reserves	145	193	237	33.1	22.9
Profit of the Period	126	176	219	40.0	24.6
<b>Total Liabilities and Equity</b>	<b>5,064</b>	<b>5,993</b>	<b>7,304</b>	<b>18.3</b>	<b>21.9</b>

#### 3.1.1 ASSETS

The total assets of the nine commercial banks operating in Rwanda were Rwf 5,064 billion in 2021, rose by 18.3% to Rwf 5.993 billion in 2022, and further increased by 21.9% to Rwf 7,304 billion in 2023. These are held in various asset classes. The vast majority is held in loans extended to customers. The total value of assets on the loan book was Rwf 3,087 billion in 2021. It increased by 15.2% in 2022 to Rwf 3,600 billion, which further rose by 19.5% to Rwf 3,735 billion in 2023.

The second dominant asset class held by commercial banks in Rwanda is cash and bank balances. In 2021, the banks held a total of Rwf 1,078 billion in cash and cash balances. In 2022, it increased by 20.1% to Rwf 1,295 billion, which further increased by 50.1% to Rwf 1,951 billion in 2023. Overall, the cash and bank balance asset class has been growing significantly.

The third asset class with significant contributions from Rwanda's commercial banks' holdings is government securities. Banks' holdings in this asset class totalled Rwf 954 billion in 2021. It increased by 32.3% to Rwf 1262 billion in 2022, which in 2023 rose by 3% to Rwf 1300 billion.

The remaining assets are held in the Fixed Assets and Other Assets classes. The total assets held in the Fixed Assets class amounted to Rwf 173 billion in 2021. This decreased by 1.2% to Rwf 171 billion in 2022, which later increased by 0.4% to Rwf 170 billion in 2023. Overall, the value of the assets held as fixed decreased every year from 2021 to 2023.

Regarding the Other Assets class, the total value of assets held in this class in 2021 was Rwf 145 billion, which decreased by 4% to Rwf 139 billion in 2022. It rose by 6.6% in 2023 to Rwf 148 billion.

##### 3.1.1.1 Asset Classes Shares of Total Assets

Assets (share of total assets)	21-Dec	22-Dec	23-Dec
Cash and bank balance	21%	22%	27%
Government Securities	19%	21%	18%
Net Loans	54%	52%	51%
Fixed Assets	3%	3%	2%
Other Assets	3%	2%	2%
Total Assets	100%	100%	100%

Every year, net loans extended to customers accounted for more than 50% of the total assets. The share of cash and cash balance was 21%, 22%, and 27% of the total commercial banks' assets in 2021, 2022, and 2023, respectively. The share of government securities hovered between 18% and 21%, whereas the share of fixed assets and other asset classes ranged between 2% and 3%.

### 3.1.2 LIABILITIES

The liabilities of commercial banks in Rwanda stood at Rwf 4,214 billion in 2021, increased by 15% to Rwf 4,986 billion, and further increased by 24% to Rwf 6,165 billion in 2023. These liabilities are held in four categories: liabilities due to domestic financial institutions, liabilities due to foreign financial institutions, customer deposits, and other liabilities.

Liabilities due to domestic financial institutions amounted to Rwf 792 billion in 2021, increased by 38.8% to Rwf 1100 billion in 2022, and decreased by 9.2% to Rwf 999 billion in 2023. The share of this liability class in the total liability was 19% in 2021, 22% in 2022, and 16% in 2023. These figures indicate that there are financial transactions occurring between commercial banks in Rwanda.

Liabilities due to foreign financial institutions amounted to Rwf 62 billion in 2021, which decreased by 43.4 to Rwf 35 billion in 2022, later increasing by 113.3% to Rwf 75 billion in 2023. As a share of the total liability, liabilities to domestic financial institutions were 19% in 2021, 22% in 2022, and 16% in 2023.

Most of the liabilities held by commercial banks in Rwanda are customer deposits. In 2021, the total customer deposits amounted to Rwf 3,087 billion, accounting for 73% of the total liabilities of Rwandan commercial banks. In 2022, it increased by 16.6% to Rwf 3,600 billion, which accounted for 72% of the total commercial banks' liabilities. In 2023, customer deposits grew by 32.5% to 4,770 billion, and their share of the total banks' liabilities was 77%.

The other liabilities category was Rwf 273 billion in 2021 (6% of total liabilities). It decreased by 7.8% to Rwf 251 billion in 2022 (5% of total liabilities) but increased by 27.8% to Rwf 321 billion in 2023.

#### 3.1.2.1 Shares by Liability Categories

Share of Total Liabilities	21-Dec	22-Dec	23-Dec
Due to Domestic FIs	19%	22%	16%
Due Fis Abroad	1%	1%	1%
Customer Deposits	73%	72%	77%
Other Liabilities	6%	5%	5%
Total	100%	100%	100%

### 3.1.3 CAPITAL

The total shareholders' funds for Rwandan commercial banks were worth Rwf 849 billion in 2021, composed of Rwf 403 billion in paid-up capital (47% of total capital), Rwf 176 billion in share premium



(21% of total capital), Rwf 145 billion in reserves (17% of total capital), and Rwf 126 billion in profit for the period (15% of the total capital).

In 2022, total shareholder's fund values grew by 18.4% from the value in 2021 to Rwf 1,006 billion. Paid-up capital, the biggest component of shareholders' funds, grew by 13.3% to Rwf 456 billion, but its share of the total capital fell to 45%. The share premium grew by 2.8% to Rwf 181 billion, and its share of the total capital fell to 18%. Reserves rose by 33.1% to Rwf 193 billion, and their share of the total capital increased to 19%. The profit for the period grew by 40% to Rwf 176 billion, with its share of the total capital rising to 17%.

In 2023, total shareholder's fund values grew by 13.3% from the value in 2022 to Rwf 1,139 billion. Paid-up capital, the biggest component of shareholders' funds, grew by 10% to Rwf 502 billion, but its share of the total capital fell to 44%. The share premium remained at Rwf 181 billion, while its share of the total capital fell to 16%. Reserves rose by 22.9% to Rwf 237 billion, and their share of the total capital increased to 21%. The profit for the period grew by 24.6% to Rwf 219 billion, with its share of the total capital rising to 19%.

Overall, the share of paid-up capital and share premium in the total shareholder fund decreased, whereas the share of reserves and profit for the period increased over the analysed period (2021–2023).

### 3.1.3.1 Percentage Share by Capital Categories

Capital	21-Dec	22-Dec	23-Dec
Paid up Capital	47%	45%	44%
Share Premium	21%	18%	16%
Reserves	17%	19%	21%
Profit of the Period	15%	17%	19%
Total Shareholders' Funds	100%	100%	100%

## 3.2 KEY FINANCIAL METRIC OF THE BANKING SECTOR

The key financial metrics paint a picture of a resilient banking sector, a sector that is ready to deal with challenges it may face.

Indicators	Dec-21	Dec-22	Dec-23
Total CAR (min 15 %)	21.5	21.7	21.5
Core Capital Tier 1 (min 12.5%)	20.6	20.9	20.3
NPLs Ratio	4.6	3.1	4.1
Provisions / NPLs	119.8	141.9	99.1
LCR (min 100%)	268.9	215.9	234.0
NSFR (min 100%)	147.1	136.8	114.6
FX Exposure/Core Capital ( $\pm$ 20%)	-3.7	-0.6	1.0

The consolidated total capital adequacy ratio of commercial banks in Rwanda remained above the 15% minimum set by the Central Bank, hovering around 21.5%. The Core Capital Adequacy Ratio (Core CAR), which only counts Common Equity Tier 1 (CET1), hovered above 20% for the years 2021–2023, well above the regulatory minimum of 12.5%. These ratios indicated that the commercial banks in Rwanda are well capitalised to absorb liquidity shocks.

The non-performing loans ratio (NPL ratio), which measures the proportion of non-performing loans to the total loans on the book, stayed below the recommended 5%, which indicates that banks in Rwanda have in place effective measures to reduce their exposure to credit risks. It ranged from 4.6% in 2021, decreased to 3.1% in 2022, but increased by 1% to 4.1% in 2023 due to default by a large credit facility. However, this increase was not sector-wise; therefore, it is not expected that the NPL ratio will deteriorate. Rather, it is expected to get better.

Provisions to NPL ratio was 119.8% in 2021, 141.9% in 2022, and slightly below 100% in 2023, at 99.1%. In monetary terms, the total amount of money set aside for provisions was Frw 180 billion in 2022 and Rwf 207 billion in 2023. Overall, the banks are in a good position to raise provisions and absorb loan losses if the credit risk outlook worsens more than expected.

The consolidated Liquidity Coverage Ratio (LCR), which measures the bank's ability to withstand any liquidity withdrawal over a 30-day period, was 268.9% in 2021, 215.9% in 2022, and 234% in 2023, more than twice the 100% percent required by the regulator.

For a long-term perspective, the Net Stable Funding Ratio (NSF Ratio), which measures the proportion of funds available to finance banks' activity over a one-year period horizon, remained stable for the three-year period, standing at 147.1% in 2021, 136.8% in 2022, and 114.6% in 2023, all above the prudential minimum of 100%.

Overall, commercial banks in Rwanda are financially healthy and are in good shape to withstand financial risks that may arise.

## 4 FINANCIAL ANALYSIS

### 4.1 CAMELS ANALYSIS FOR ALL COMMERCIAL BANKS

CAMELS Analysis	RATIOS	BK		Equity Bank		BPR Bank		I&M Bank	
		AVG	2023	AVG	2023	AVG	2023	AVG	2023
		19/22		19/22		19/22		19/22	
CAPITAL ADEQUACY	Core Capital / total deposits	23.80%	20.90%	18%	17%	19%	21%	20.30%	19%
	Core capital / RWA	21.90%	18.10%	17%	17%	22%	22%	17.00%	17%
	Total Capital / Deposits	24.10%	22.30%	19%	19%	19%	21%	23.60%	21%
	Total Capital / RWA	22.20%	19.40%	19%	18%	22%	22%	19.80%	18%
	Total Capital/ Total Assets	15.20%	15.00%	13%	13%	12%	14%	14.00%	12%
	Equity/Deposits	26.70%	22.70%	22%	18%	23%	25%	22.90%	21%
ASSET QUALITY	NPL Ratio	5.10%	4.50%	4%	4%	6%	4%	3.40%	2.41%
	Non-Performing loans / Total Capital	27.50%	27.80%	22%	16%	25%	19%	16.00%	13.00%
MANAGEMENT RATIO	ROE	19.40%	23.40%	23%	27%	12%	18%	12.90%	14%
	Expense Ratio	46.90%	46.70%	46%	45%	67%	52%	66.90%	66%
	Non-interest income / Total income	2.00%	17.90%	18%	18%	23%	20%	16.50%	23%
	Non-interest income / Interest Income	3.50%	21.80%	22%	21%	30%	24%	19.90%	30%
EARNINGS ABILITY	PBT/ RWA	6.80%	6.60%	8%	7%	5%	7%	3.50%	4%
	Net Interest Margin	76.90%	76.20%	76%	80%	71%	73%	61.00%	63%
	ROA	3.20%	3.60%	3%	4%	2%	3%	1.80%	2%
Liquidity	Total liquid Assets /Total Deposits	30.50%	41.90%	36%	30%	22%	14%	30.70%	42%
	Total liquid Assets / Total Assets	19.10%	28.20%	23%	25%	13%	10%	18.10%	24%

	Loans/Customer Deposits	103.90%	89.70%	71%	58%	87%	97%	83.50%	83%
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CAMELS Analysis	RATIOS	ECOBANK		NCBA RWANDA		Access Bank		GT BANK		Bank of Africa	
		AVG 19/22	2023	AVG 19/22	2023	AVG 19/22	2023	AVG 19/22	2023	AVG 19/22	2023
Capital Adequacy	Core Capital/ total deposits	17.5 %	12.0 %	29.5%	28.6%	16.0 %	17.0 %	21.0 %	24.0 %	37.0%	17.0 %
	Core capital IRWA	26.5 %	22.7 %	23.6%	17.8%	27.0 %	23.0 %	25.3 %	37.0 %	34.0%	21.0 %
	Total Capital / Total Deposits	17.8 %	12.1 %	31.1%	30.3%	16.0 %	18.0 %	21.9 %	25.0 %	38.0%	19.0 %
	Total Capital / RWA	26.9 %	23.0 %	24.9%	18.8%	27.0 %	25.0 %	25.3 %	36.6 %	35.0%	23.0 %
	Total Capital / Total Assets	13.9 %	9.6%	18.3%	14.9%	13.0 %	15.0 %	17.0 %	19.0 %	18.0%	13.0 %
	Equity/ Deposits	17.9 %	13.5 %	31.5%	30.3%	16.0 %	17.0 %	21.8 %	25.0 %	27.0%	18.0 %
Asset Quality	NPL Ratio	5.1%	4.5%	3.6%	6.7%	3.0%	2.0%	2.7%	0.5%	6.0%	8.0%
	Non-Performing Loans / Total Capital	8.5%	1.1%	9.3%	23.9%	5.0%	4.0%	10.1 %	1.0%	14.0%	26.0 %
Management Ratio	ROE	9.5%	19.3 %	-5.0%	19.4%	10.0 %	20.0 %	14.6 %	14.9 %	4.0%	9.0%
	Expense Ratio	72.4 %	56.9 %	164.3 %	67.5%	72.0 %	50.0 %	58.7 %	52.0 %	92.0%	70.0 %
	Non-interest Income / Total income	30.3 %	30.3 %	25.4%	18.2%	41.0 %	35.0 %	32.1 %	36.0 %	2.0%	- 24.0 %
	Non-interest income / Interest Income	38.0 %	37.7 %	16.0%	13.6%	70.0 %	55.0 %	49.7 %	57.0 %	3.0%	- 20.0 %
Earning Ability	PBT / RWA	4.1%	7.0%	-1.6%	5.3%	4.0%	7.0%	5.7%	8.1%	1.0%	3.0%
	Net Interest Margin	84.7 %	86.8 %	64.0%	74.0%	81.0 %	79.0 %	81.5 %	79.0 %	64.0%	62.0 %
	ROA	1.3%	2.1%	-1.2%	2.9%	1.4%	2.9%	2.5%	2.8%	0.4%	1.0%
Liquidity	Total Liquid Assets / Total Deposits	38.7 %	58.2 %	126.5 %	61.6%	41.0 %	35.0 %	71.2 %	94.0 %	125.0 %	70.0 %
	Total Liquid Assets / Total Assets	30.3 %	46.1 %	33.0%	42.0%	34.0 %	30.0 %	55.3 %	73.0 %	57.0%	48.0 %
	Loans/Customer / Deposits	30.0 %	24.9 %	93.1%	102.4 %	27.0 %	32.0 %	49.7 %	29.0 %	73.0%	63.0 %

#### 4.1.1 CAPITAL ADEQUACY RATIO

Capital adequacy is the minimum amount of capital (shareholder's money) that a bank must hold to ensure stability and protect customers' deposits. Two of the most used indicators to measure capital adequacy are the Core Capital Adequacy Ratio (Core CAR), which divides Tier 1 capital by total

risk-weighted assets, and the Total Capital Adequacy Ratio (Total CAR), which divides Tier 1 and Tier 2 (supplementary capital) by total risk-weighted assets.

The central bank of Rwanda has set the minima for the two ratios at 12.5% and 15%, respectively. All the commercial banks in Rwanda had core CAR and total CAR that exceeded their regulatory minima in 2023, and their averages for the years 2019–2022 also exceeded the regulatory requirements.

GT Bank ranked first on both the core and total CAR, followed by Access Bank. The worst-performing banks were Equity Bank and I&M Bank, at 8th and 9th positions, respectively.

#### 4.1.2 ASSET QUALITY

Asset quality is another component of the CAMELS analysis that assesses the quality of the assets held by the bank. Since loans and advances made to customers constitute a significant portion of commercial banks' holdings, one indicator used to measure asset quality is the ratio of non-performing loans to total loans (NPL ratio). BNR recommends that the NPL ratio should not go above 5 percent.

The average NPL ratios for the 2019–2022 period are slightly above 5 percent for four banks: BK (5.1%), BPR (6%), Ecobank (5.10), and Bank of Africa (6%). All the banks analysed, except for the Bank of Africa and NCBA, had an NPL ratio less than the recommended 5 percent in 2023. The NPL ratio for Bank of Africa and NCBA in 2023 was 8% and 6.7%, respectively.

The best performing banks in terms of NPL ratio in 2023 were GT Bank (NPL ratio of 1%), followed by Access Bank (NPL ratio of 2%), and coming in third was I&M Bank (NPL ratio of 2%). The worst-performing banks in 2023 on this indicator were NCBA, with an NPL ratio of 6.7%, coming in at the 8th position, while Bank of Africa came in at the 9th position with an NPL ratio of 8%.

#### 4.1.3 MANAGEMENT QUALITY

This component of CAMELS analysis is management quality, which focuses on measuring the ability of the bank's management team to identify, measure, monitor, and control risks. It also evaluates the management team's capability to run the bank safely, soundly, and competently. Further, it looks at the bank's financial performance, whereby good performance is expected from a bank run by a capable and high-quality management team.

One proxy used to measure management quality is the return on equity (ROE), the ability of the management team to turn shareholders' equity into profit. This parameter is also used for peer comparison within a particular industry. A positive ROE indicates positive earnings per one Rwf of shareholders' equity invested. A negative ROE is indicative of a loss on each Rwf of shareholders' equity invested in the banks' operations.

In 2023, Bank of Africa had the lowest return on equity ratio (ROE) of 9 percent, whereas Equity Bank had the best return on equity ratio (ROE) of 27 percent.

Another indicator of management quality is the expense ratio, which measures the share of operational income spent on operational expenses. A low expense ratio is indicative of a bank's efficiency.

In 2023, GT Bank had the best expense ratio of 37%, followed by Equity Bank with an expense ratio of 45%. The banks with the highest expense ratios were NCBA and Bank of Africa, spending 68% and 70% of operational income on operational expenses, respectively.

#### 4.1.4 EARNINGS ABILITY

This component of the CAMELS analysis technique assesses the bank's capacity to generate income over time and the stability and quality of that income. One of the parameters used to gauge this earning ability is the return on asset ratio (ROA), which evaluates the bank's ability to efficiently utilise its assets to generate profits. A high ROA translates into higher profits.

In 2023, Bank of Kigali had the best ROA of 3.6%, followed by Equity Bank with 3.5%, and BPR in third with a ROA of 3.0%. The two worst-performing banks on this indicator were I&M Bank (ROA of 1.6%) and Bank of Africa (ROA of 1.1%) at the 8th and 9th positions, respectively. Crucially, no bank had a negative ROA in 2023 or in the previous two years (2021 and 2022).

#### 4.1.5 LIQUIDITY

A bank is considered liquid when it has access to cash or assets easily convertible to cash. Liquidity ratios are used to determine a bank's liquidity status, which indicates the bank's ability to meet its short-term and long-term obligations. In the case of banks, it is crucial that they meet financial obligations as they come due.

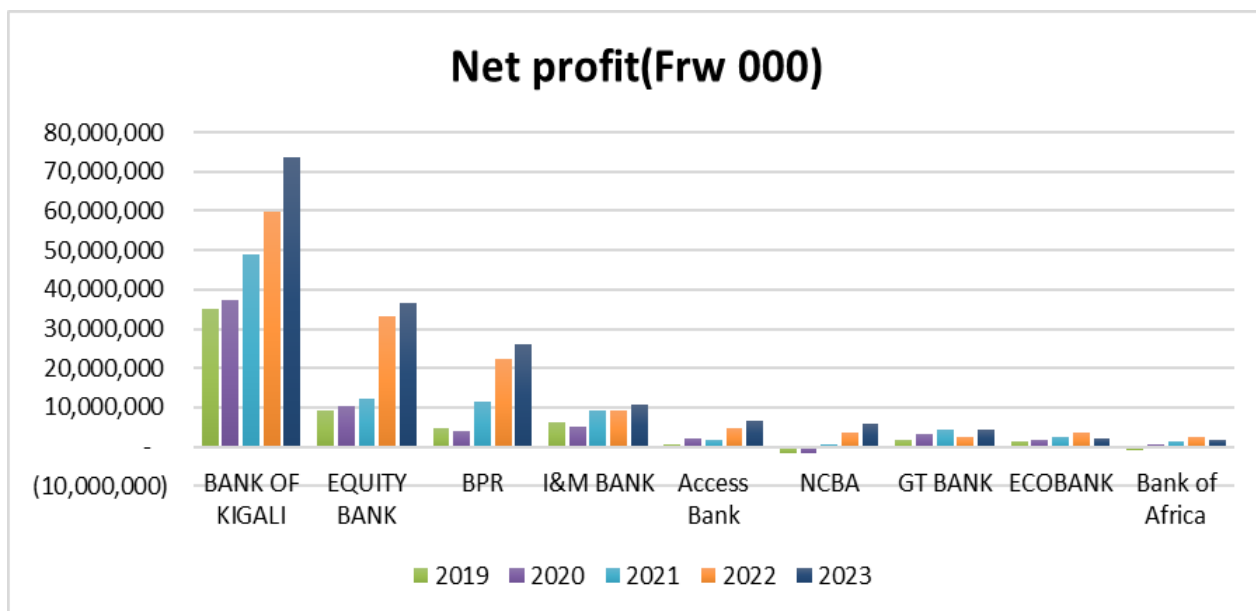
Two of the indicators of a bank's liquidity status are Total Liquid Assets to Total Deposits and Total Liquid Assets / Total Assets ratios. BNR has set the benchmark of 20%, which means that, for a liquid bank, these two ratios are equal or greater than 20%.

In 2023, industrywide, all the banks in Rwanda, except BPR Rwanda Plc, maintained total liquid assets to total deposits and total liquid assets to total assets ratios the required 20%, which illustrates their ability to honour their contractual obligations, even in stressed times. Even for BPR where assets to were below 20% ( total liquid assets to total deposits 14% while total liquid assets to total assets stood 10% respectively), the Bank's liquidity coverage ratio, which indicates the bank's ability to meet its obligations even in the events of significant drawdowns by depositors in 30 days and the net stable funding which looks at the bank's ability to meet its obligations for a year were 237.65% and 180.28% respectively. So, no bank operating in Rwanda shows any signs of insolvency.

Overall, liquidity analyses of commercial banks in Rwanda does not uncover any liquidity risk that would hamper the financials performance of the banks for the foreseeable future.

## 5 TREND ANALYSIS

### 5.1 SELECTED INCOME STATEMENT KPIS TREND ANALYSIS



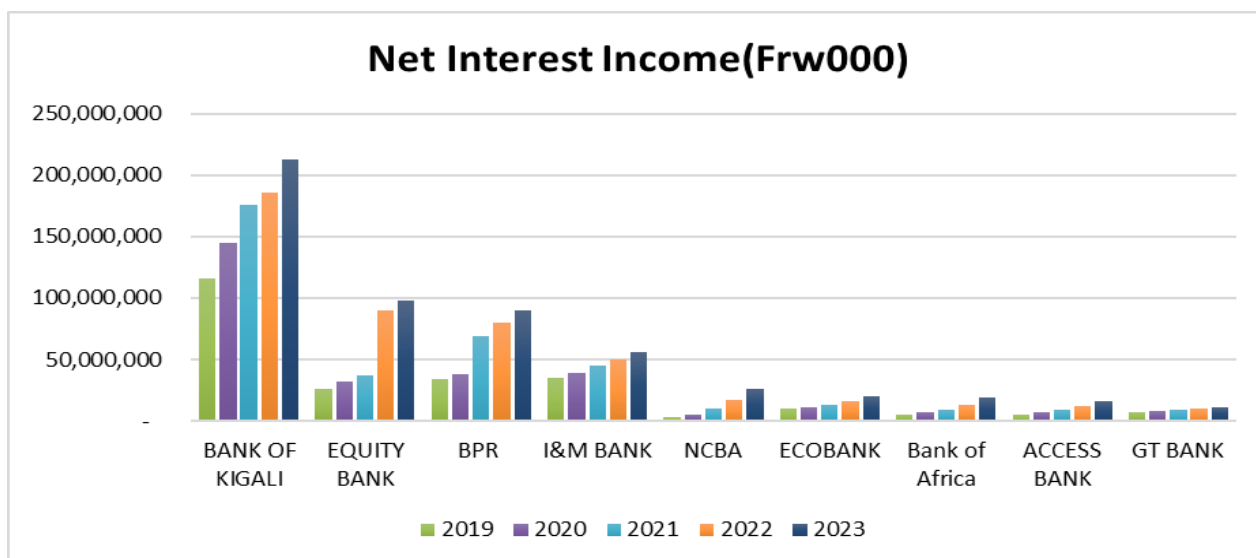
- **Overall Growth:** Most banks in Rwanda exhibited a consistent increase in net profits from 2019 to 2023, indicating a positive trend in the banking sector's profitability.
- **Bank of Kigali's Dominance:** Bank of Kigali demonstrated the highest net profits throughout the years, with a significant jump in profits, especially from 2021 onwards.
- **Variability Among Smaller Banks:** Smaller banks such as NCBA, GT Bank, and Bank of Africa showed greater variability in their profit trends. NCBA and Bank of Africa had negative profits at the beginning of the period but managed to turn around to positive by 2023, highlighting their recovery and growth efforts.
- **Impact of Economic Factors:** The sharp increase in profits for some banks, especially around 2021 and 2022, reflects the impact of economic recovery post-COVID-19 pandemic and the effectiveness of banks' adaptation strategies during this period.

#### Categories:

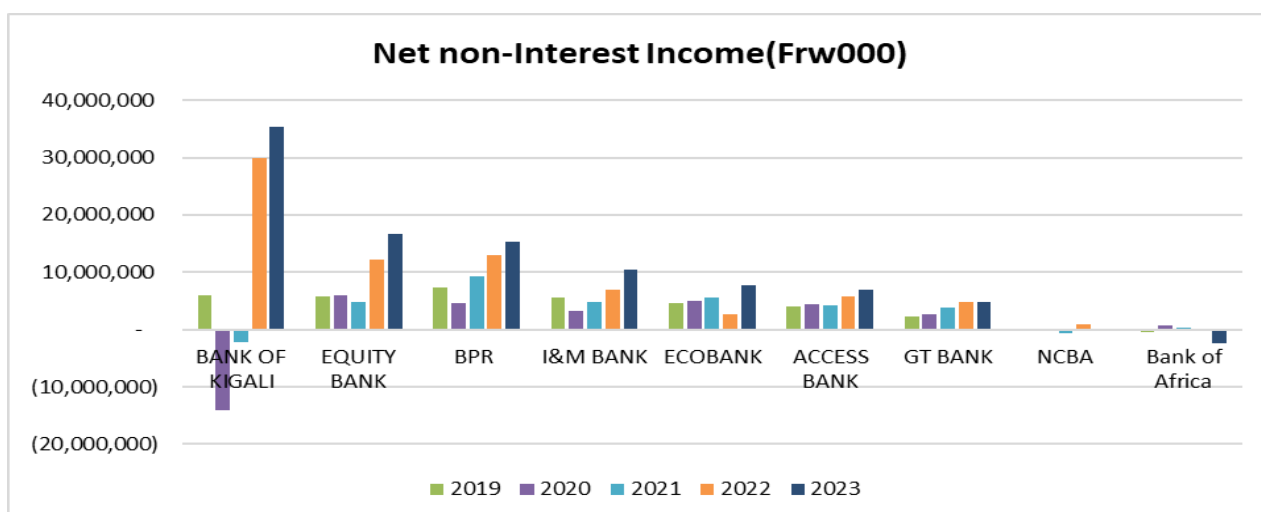
The net profit trends of banks in Rwanda from 2019 to 2023 highlight different trajectories:

- **Strong Growth:** Bank of Kigali, BPR, Access Bank, NCBA
- **Significant Spike:** Equity Bank (notably in 2022)
- **Recovery from Losses:** NCBA, Bank of Africa

- **Fluctuating Profits:** I&M Bank, GT Bank, Ecobank



- **Significant Increases:** Certain banks experienced notable surges in net interest income, especially Equity Bank and BPR, which saw substantial jumps in 2022.
- **Market Leaders:** Bank of Kigali maintained its position as the market leader in net interest income throughout the years, significantly outpacing other banks.
- **Steady Growth in Mid-Tier Banks:** Mid-tier banks such as I&M Bank and Access Bank demonstrated steady and consistent growth over the years.

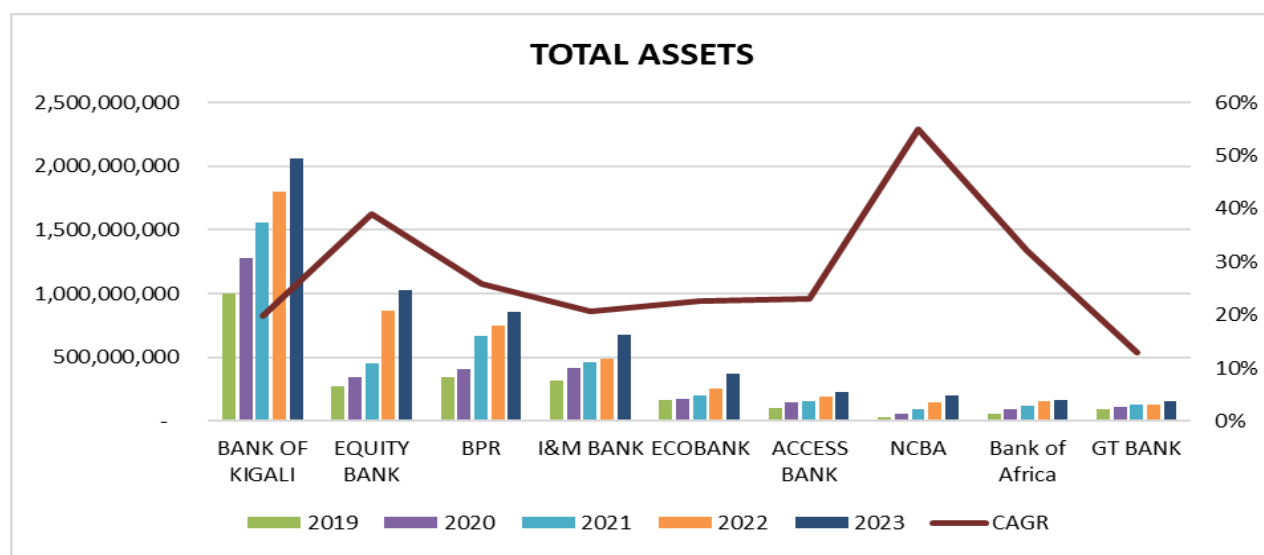


- **Year 2020 Setback:** The year 2020 shows mixed results, with some banks experiencing a decline or negative non-net interest income, possibly due to the economic impact of the COVID-19 pandemic.



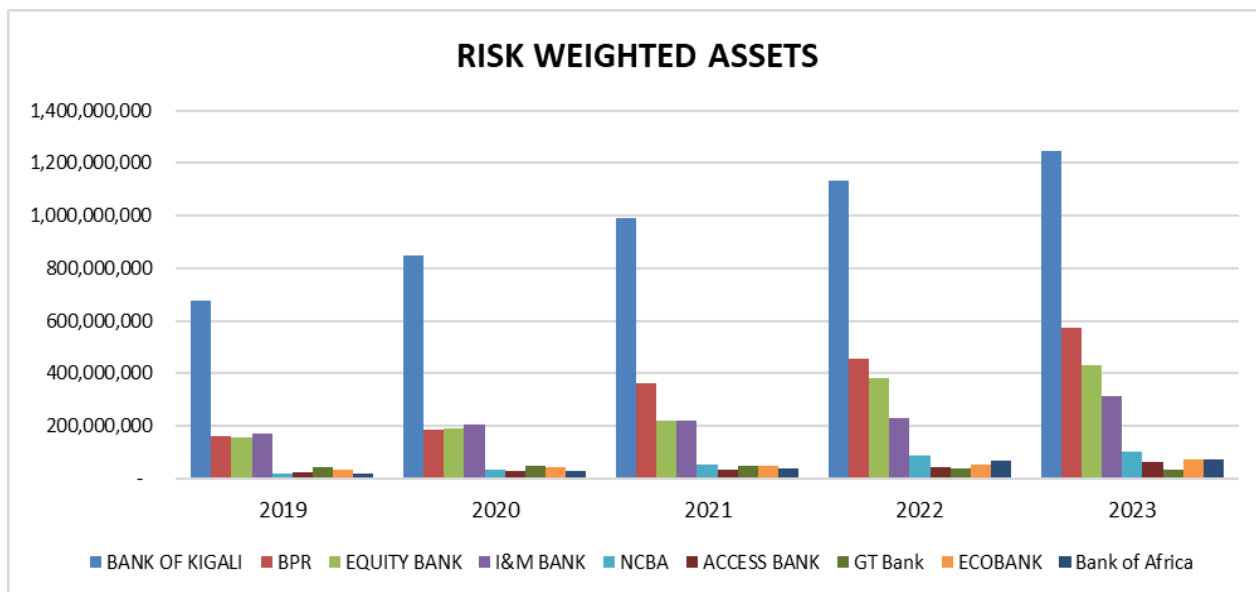
- **Variation in Performance:** There is significant variation in the performance of banks, with some banks showing consistent growth each year, while others such as Bank of Kigali have fluctuating or negative figures.

## 5.2 SELECTED BALANCE SHEET KPIS TREND ANALYSIS

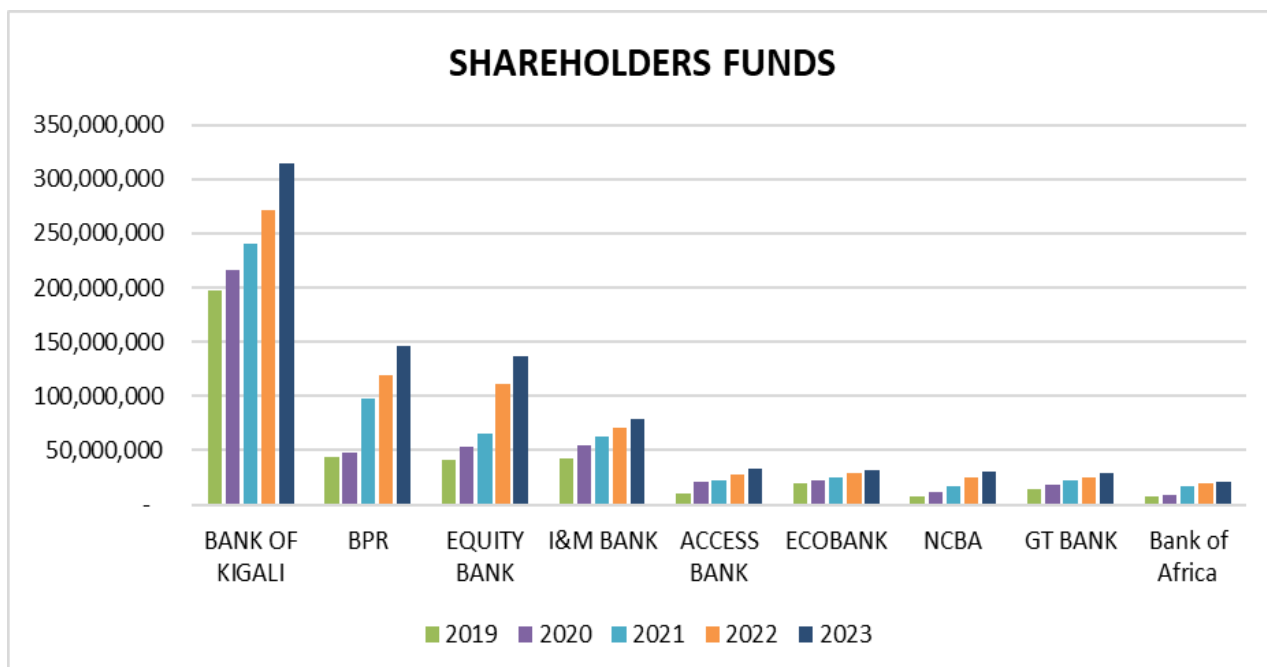


- **Strong Growth Across the Sector:** Most banks in Rwanda experienced significant growth in their total assets from 2019 to 2023, with the CAGR for most banks exceeding 20%. This indicates a robust expansion in the banking sector during this period.
- **High Variability in Growth Rates:** While all banks showed growth, the rates varied considerably. NCBA exhibited the highest CAGR at 55%, indicating an exceptionally rapid expansion, while GT Bank had the lowest CAGR at 13%, suggesting more moderate growth compared to its peers.
- **Dominance of Larger Banks:** The largest banks by total assets, such as Bank of Kigali and Equity Bank, maintained their dominance in the market. Despite differences in growth rates, these banks consistently reported higher total assets each year, underscoring their strong market positions.
- **Emergence of Mid-Sized Banks:** Banks like BPR and I&M Bank showed substantial growth, indicating that mid-sized banks are increasingly capturing market share. This trend suggests a competitive environment where mid-sized players are gaining ground.
- **Smaller Banks on the Rise:** Smaller banks, including NCBA and Bank of Africa, also posted impressive growth rates, particularly NCBA with its standout 55% CAGR. This reflects a dynamic banking landscape where even smaller institutions are expanding rapidly and contributing to the overall growth of the sector.





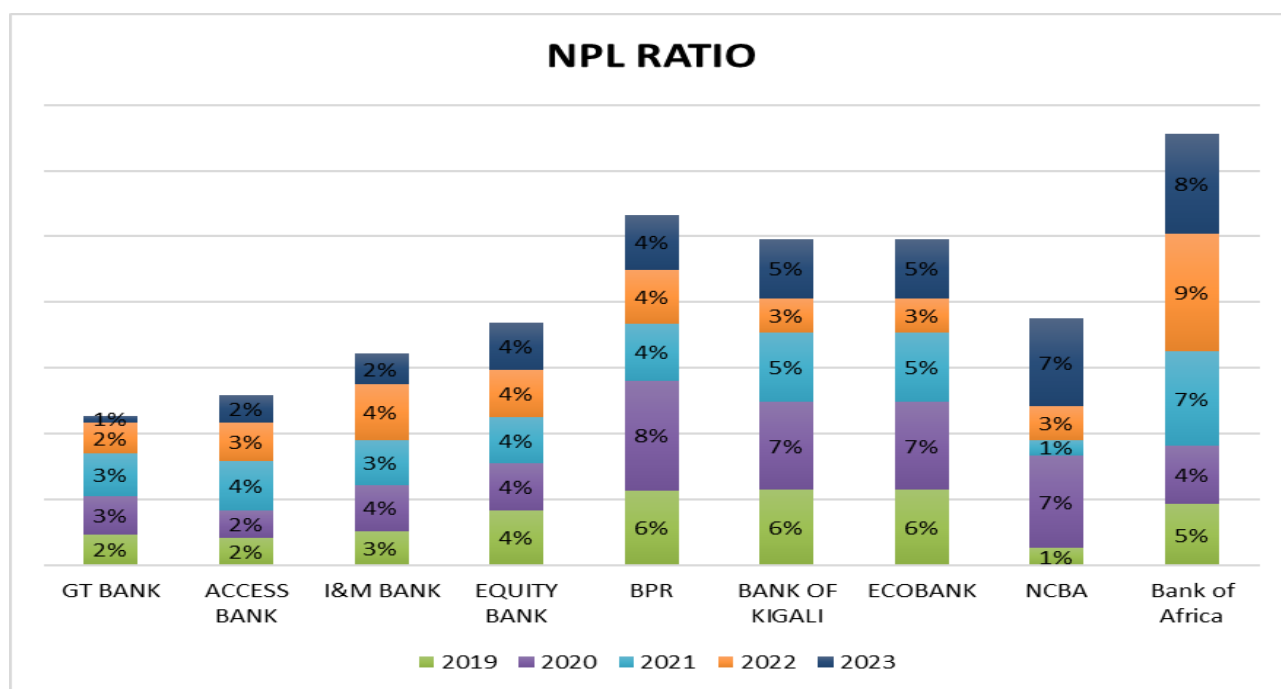
- **Market Stability and Competition:** The general upward trend across all banks suggests a stable and growing banking sector in Rwanda.
- **Significant Increases in Certain Banks:** Some banks, particularly BPR and Equity Bank, experienced substantial increases in their risk-weighted assets, especially between 2020 and 2023.



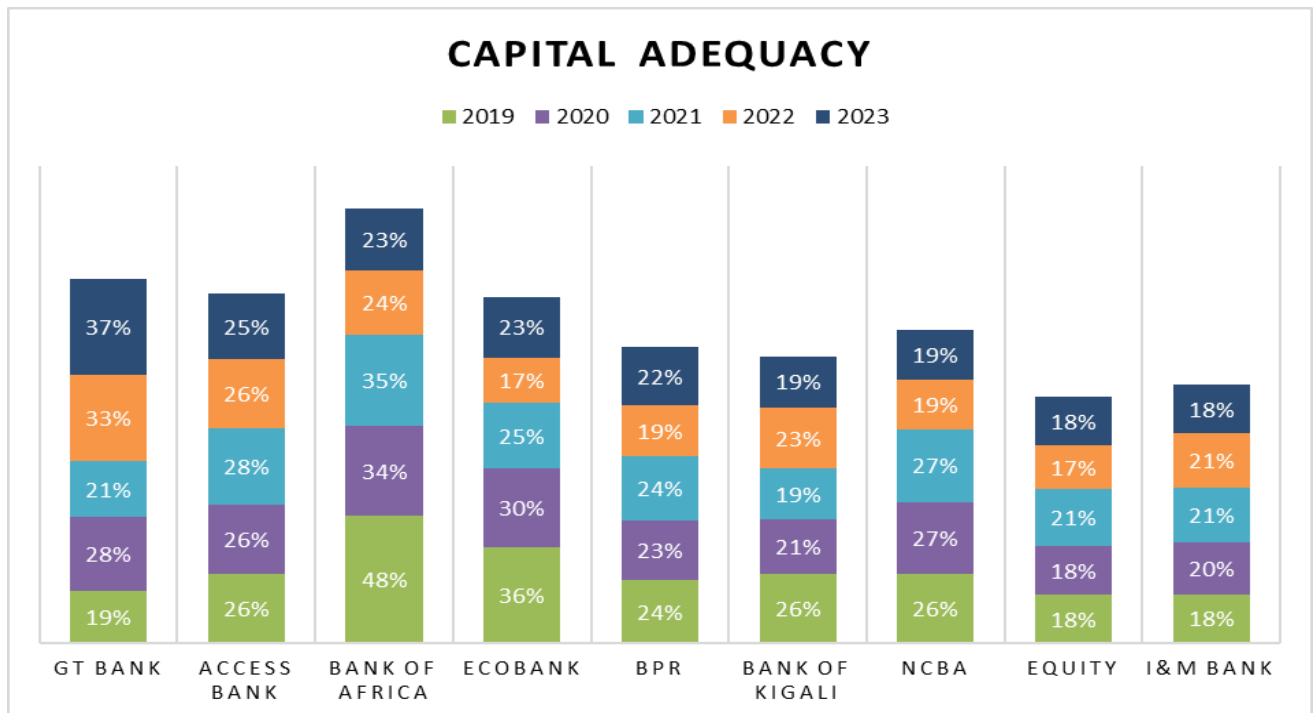
- **Overall observation:** All banks experienced a positive trend in shareholders' funds from 2019 to 2023. This indicates overall sectoral growth and reflects increased investor confidence and profitability in the banking sector. The accelerated growth in shareholders'

funds across most banks post-2020 could be attributed to favourable economic conditions, regulatory changes, strategic financial management, and more that allowed banks to enhance their equity base significantly.

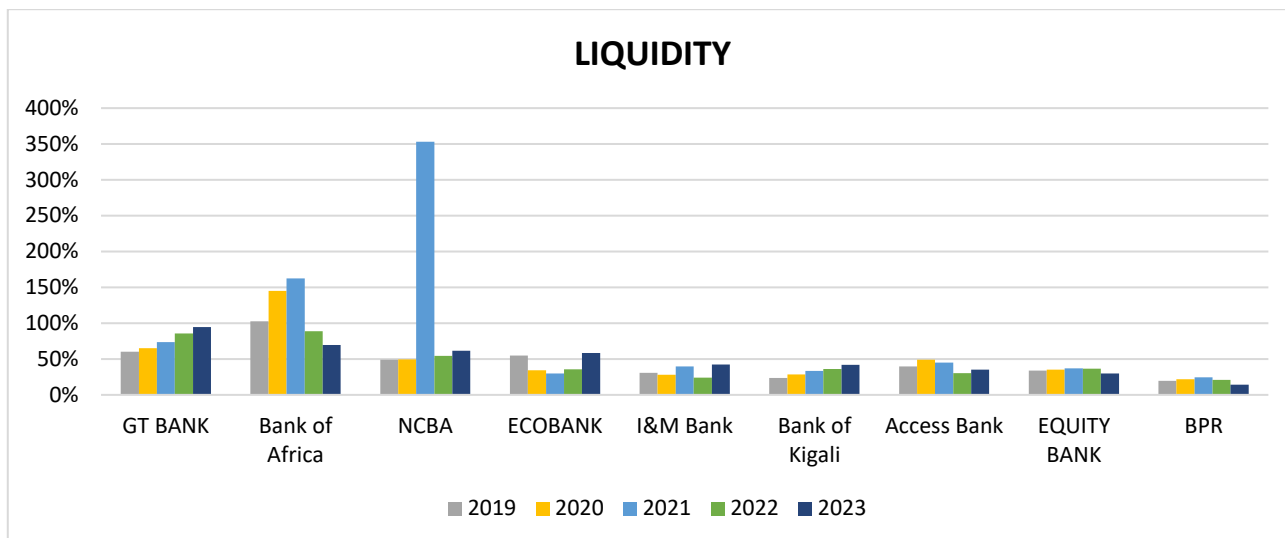
### 5.3 KEY CAMELS RATIO TREND ANALYSIS



- Improvement Trends:** Banks, such as GT Bank, Access Bank, and I&M Bank, have shown a general improvement in their NPL ratios over the years, indicating better loan management and recovery practices. GT Bank consistently maintained the lowest NPL ratio, reducing it from 2% in 2019 to 1% in 2023.
- Consistent Performance:** Equity Bank maintained a stable NPL ratio of 4% throughout the 5 years, indicating consistent loan performance but also suggesting no significant improvement in reducing non-performing loans.
- Volatility:** Banks like NCBA and Bank of Africa exhibited significant fluctuations in their NPL ratios, with NCBA having a notable spike to 7% in 2020 and 2023, while Bank of Africa's NPL ratio increased from 5% in 2019 to 8% in 2023. This suggests variability in their loan portfolios and potential challenges in credit risk management.
- General Industry Trend:** The overall trend for the banking sector in Rwanda shows efforts towards improving NPL ratios with mixed results. While some banks have successfully reduced their NPLs, others still struggle with maintaining consistent performance, highlighting the need for industry-wide improvements in credit risk practices.



- Fluctuating Ratios:** Some banks exhibited notable fluctuations in their capital adequacy ratios. For instance, Ecobank saw a decrease from 36% in 2019 to 17% in 2022 before recovering to 23% in 2023.
- Consistent Performance:** A few banks demonstrated consistent performance with relatively stable capital adequacy ratios. Access Bank, for example, maintained ratios close to 26%-28% over the five-year period, showing a steady approach to capital adequacy.
- Diverse Performance in Recent Years:** In the later years of the period, there was a divergence in performance. Some banks like GT Bank and I&M Bank maintained or increased their ratios, while others like Bank of Africa and NCBA experienced declines.



- **Overall Compliance with Central Bank Benchmark:** Most banks consistently maintain liquidity ratios well above the Central Bank's benchmark of 15%. However, there are notable exceptions, particularly BPR, which fell below the benchmark in 2023.
- **Fluctuations and Volatility:** Several banks, including NCBA and ECOBANK, demonstrate significant fluctuations in their liquidity ratios, reflecting potential volatility in their liquidity management.
- **General Upward Trends:** While some banks experience volatility, a general upward trend in liquidity ratios was observed for many banks over the five-year period, suggesting an overall improvement in liquidity management practices.

## 6 HISTORICAL FINANCIAL ANALYSIS

### 6.1 BANK OF KIGALI



#### 6.1.1 INCOME STATEMENT OF BANK OF KIGALI

Frw'000	<b>BANK OF KIGALI</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Interest income</b>	<b>115,825,090</b>	<b>144,547,186</b>	<b>175,273,400</b>	<b>185,918,302</b>	<b>212,821,310</b>
<b>Interest expense</b>	<b>(21,564,703)</b>	<b>(32,703,514)</b>	<b>(41,481,321)</b>	<b>(50,953,192)</b>	<b>(50,684,375)</b>
<b>Net impairment charge</b>					
<b>Net interest income</b>	<b>94,260,387</b>	<b>111,843,672</b>	<b>133,792,079</b>	<b>134,965,110</b>	<b>162,136,935</b>
Fees and commission income	14,698,847	12,798,630	21,824,950	29,063,931	43,288,034
Fees and commission expenses	-	-	(1,953,063)	(2,859,953)	(3,671,796)
Net gain/loss on foreign exchange	8,798,694	9,921,585	11,751,527	13,504,051	13,777,145
Net fair value movement					
impairment on loans/financial assets	(17,883,583)	(37,129,381)	(34,063,660)	(10,003,604)	(18,606,590)
Other operating income	299,586	317,585	248,657	160,969	485,840
<b>Net non-Interest income</b>	<b>5,913,544</b>	<b>(14,091,581)</b>	<b>(2,191,589)</b>	<b>29,865,394</b>	<b>35,272,633</b>
<b>Total operating income after impairment</b>	<b>100,173,931</b>	<b>97,752,091</b>	<b>131,600,490</b>	<b>164,830,504</b>	<b>197,409,568</b>
Staff/personal costs	(23,121,162)	(21,728,439)	(28,943,709)	(31,687,839)	(39,690,030)
Operating expenses	(21,295,052)	(16,990,764)	(24,034,087)	(37,826,791)	(41,932,243)
Impairment charge					
Depreciation & Amortization	(6,060,235)	(4,537,686)	(6,925,589)	(8,676,965)	(10,491,415)
Other expenses					
<b>Total operating expenses</b>	<b>(50,476,449)</b>	<b>(43,256,889)</b>	<b>(59,903,385)</b>	<b>(78,191,595)</b>	<b>(92,113,688)</b>
Other Income					
Finance Cost					
<b>profit/loss before tax</b>	<b>49,697,482</b>	<b>54,495,202</b>	<b>71,697,105</b>	<b>86,638,909</b>	<b>105,295,880</b>
Tax	(14,485,673)	(17,274,615)	(22,206,302)	(26,288,278)	(31,448,778)
<b>profit/loss After tax</b>	<b>35,211,809</b>	<b>37,220,587</b>	<b>49,490,803</b>	<b>60,350,631</b>	<b>73,847,102</b>
Expense margin	44%	30%	34%	42%	43%

#### Notes on the Income Statement

In the five-year period (2019-2023):

- The bank's net interest income rose from Rwf 94 billion to Rwf 212 billion
- The Net non-interest income also grew from Rwf 5.9 billion to Rwf 35 billion
- Profit before tax more than doubled to Rwf 104 billion from Rwf 49 billion
- Similarly, profit after tax (PAT) increased from Rwf 35 billion to Rwf 73.8 billion

Overall, Bank of Kigali is the most profitable bank in Rwanda, which is a testament to its leadership capacity to leverage its experience and efficiently use its assets to generate profits and create values for the shareholders.

## 6.1.2 STATEMENT OF FINANCIAL POSITION

Rwf'000	BANK OF KIGALI				
	2019	2020	2021	2022	2023
<b>Assets</b>					
Cash in hand	14,400,534	21,152,662	21,723,165	21,757,316	30,615,261
Cash and bank balance at BNR	68,351,345	101,621,779	231,758,146	328,750,207	305,656,016
Loans to banks and financial institutions/other debtors balances	73,314,429	102,954,162	75,422,002	43,319,605	245,045,682
Due from Group companies					
Loans and advances to customers	678,005,885	851,099,810	990,267,321	1,134,512,318	1,244,843,264
Current income tax recoverable					
Financial Instruments	121,063,025	148,736,026	169,767,214	219,059,892	193,011,616
Fixed assets& other assets	43,922,371	51,571,074	66,272,824	56,749,648	43,446,092
<b>TOTAL ASSETS</b>	<b>999,057,589</b>	<b>1,277,135,513</b>	<b>1,555,210,672</b>	<b>1,804,148,986</b>	<b>2,062,617,931</b>
<b>Liabilities</b>					
Deposits from customers	660,287,351	793,007,614	980,510,581	1,084,321,751	1,387,291,803
Deposit from banks and other financial institution	54,160,261	143,528,103	204,570,044	280,588,198	195,184,606
Other liabilities	24,843,574	30,261,148	32,559,886	26,637,274	38,351,952
Current income tax	7,013,901	2,948,980	9,178,886	5,418,880	660,909
Deferred Tax					
Lease liability	12,834,823	9,898,524	7,063,744	3,674,937	739,759
Item in the course of collection					
borrowed funds	43,122,875	63,445,753	56,026,996	102,718,354	103,722,062
Subordinated debts					
proposed/payable dividend	-	17,605,904	24,460,702	29,974,880	21,639,940
Provisions					
<b>TOTAL LIABILITIES</b>	<b>802,262,785</b>	<b>1,060,696,026</b>	<b>1,314,370,839</b>	<b>1,533,334,274</b>	<b>1,747,591,031</b>
<b>Shareholders' funds</b>					
Share capital	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Share Premium	141,582,995	141,582,995	141,582,995	141,582,995	141,582,995
Retained earnings/losses	35,211,809	52,547,439	76,934,865	106,909,744	151,121,932
Revaluation reserves	-	2,279,052	-	-	-
Other reserves	-	-	2,321,973	2,321,973	2,321,973
Statutory credit risk					
<b>Total Shareholders' funds</b>	<b>196,794,804</b>	<b>216,409,486</b>	<b>240,839,833</b>	<b>270,814,712</b>	<b>315,026,900</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS</b>	<b>999,057,589</b>	<b>1,277,105,512</b>	<b>1,555,210,672</b>	<b>1,804,148,986</b>	<b>2,062,617,931</b>

### Notes on the Statement of Financial Position

Over the five-year period (2019-2023):

- The total assets increased from Rwf 999 billion to Rwf 2,062 billion.
- Total liabilities also more than doubled to 2,062 billion from Rwf 802 billion.
- The rise in assets of the bank was mainly driven by the increase in amount of loans extended to customers while the increase in the liabilities was mainly due to the increase in customer deposits.
- Total shareholders' funds grew from Rwf 196 billion to Rwf 315 billion.

Overall, BK is the biggest bank in Rwanda in terms of assets.

### 6.1.3 KEY CAMELS RATIOS

Ratios	2019	2020	2021	2022	2023
ROA	3,5%	2,9%	3,1%	3,3%	3,6%
ROE	17,9%	17,2%	20,3%	22,1%	23,4%
NPL ratio	5,7%	6,7%	5,3%	2,6%	4,5%
Core capital/RWA	25,8%	21,0%	19,0%	21,8%	18,1%
Total Liquid Assets / Total Deposits	23,6%	28,5%	33,5%	36,3%	41,9%
Net loans/Deposit ratio	102,7%	107,3%	101,0%	104,6%	89,7%

#### Notes on the Key CAMELS Ratio

- BK maintained positive ROA and ROE, ranking first on both on ROA and second on ROE.
- Its NPL ratio was 4.5%, below the recommended minimum of 5%. The Core CAR was 18.1% in 2023, above the regulatory minimum of 12.5%.

Overall, BK is well positioned to thrive in the Rwandan Financial Market.



## 6.2 EQUITY BANK

### 6.2.1 INCOME STATEMENT

Equity Bank					
	2019 (Rwf'000)	2020 (Rwf'000)	2021 (Rwf'000)	2022 (Rwf'000)	2023 (Rwf'000)
Interest income	26,301,174	31,525,295	36,730,654	89,646,263	97,459,749
Interest expense	(6,537,763)	(7,327,907)	(8,591,529)	(20,342,271)	(19,640,687)
Net Impairment charge					
<b>Net interest income</b>	<b>19,763,411</b>	<b>24,197,388</b>	<b>28,139,125</b>	<b>69,303,992</b>	<b>77,819,062</b>
Fees and commission income	7,205,087	7,963,882	10,385,958	16,581,984	21,288,829
Fees and commission expenses	(1,760,003)	(2,112,118)	(2,909,483)	(6,680,910)	(8,939,625)
Net gain/loss on foreign exchange	1,583,841	2,458,633	2,481,412	4,321,036	7,937,025
Net fair value movement					
impairment on loans/financial assets	(1,578,229)	(2,648,710)	(6,403,787)	(3,067,913)	(5,036,515)
Other operating income	254,800	277,414	1,242,850	1,005,788	1,426,598
<b>Net non-interest income</b>	<b>5,705,496</b>	<b>5,939,101</b>	<b>4,796,950</b>	<b>12,159,985</b>	<b>16,676,312</b>
<b>Total operating income after impairment</b>	<b>25,468,907</b>	<b>30,136,489</b>	<b>32,936,075</b>	<b>81,463,977</b>	<b>94,495,374</b>
Staff/personal costs	(5,281,142)	(6,075,171)	(6,142,614)	(17,425,590)	(21,144,684)
Operating expenses	(4,827,520)	(7,149,835)	(6,875,767)	(11,812,472)	(17,298,358)
Impairment charge					
Depreciation & Amortization	(2,007,712)	(1,968,177)	(1,995,137)	(3,996,701)	(3,884,843)
Other expenses	(94,435)	(92,900)	(72,952)	(205,282)	(157,130)
<b>Total operating expenses</b>	<b>(12,210,809)</b>	<b>(15,286,083)</b>	<b>(15,086,470)</b>	<b>(33,440,045)</b>	<b>(42,485,015)</b>
Other Income					-
Finance Cost					
<b>Profit/loss before tax</b>	<b>13,258,098</b>	<b>14,850,406</b>	<b>17,849,605</b>	<b>48,023,932</b>	<b>52,010,359</b>
Tax	(4,059,086)	(4,562,991)	(5,470,364)	(14,748,161)	(15,604,782)
<b>Profit/loss After tax</b>	<b>9,199,012</b>	<b>10,287,415</b>	<b>12,379,241</b>	<b>33,275,771</b>	<b>36,405,577</b>

#### Notes on Income Statement

- Net interest income rose from Rwf 19.8 billion in 2019 to Rwf 77.8 billion in 2023

- Net non-interest income also grew from Rwf 5.7 billion in 2019 to Rwf 16.7 billion in 2023. Profit before tax (PBT) nearly quadrupled to Rwf 52 billion in 2023, from Rwf 13 billion 2019
- Also, profit after tax (PAT) nearly quadrupled in the 5-year period, from Rwf 9.2 billion in 2019 to Rwf 36.4 billion in 2023.

## 6.2.2 STATEMENT OF FINANCIAL

Rwf'000	EQUITY BANK				
	2019	2020	2021	2022	2023
<b>Assets</b>					
Cash in hand					
Cash and bank balance at BNR	64,883,075	79,618,456	110,470,367	183,286,944	255,638,038
Loans to banks and financial institutions/other debtors balances	117,504	29,426	69,598	161,225	962,166
Due from Group companies					
Loans and advances to customers	156,299,235	189,955,663	220,998,847	381,591,841	430,460,456
Current income tax recoverable	-	586,877	696,499	3,549,152	6,823,574
Financial Instruments	45,804,683	62,045,738	106,738,993	261,123,963	291,769,729
Fixed assets& other assets	8,996,302	13,163,618	17,993,289	38,107,355	42,962,099
<b>TOTAL ASSETS</b>	<b>276,100,799</b>	<b>345,399,778</b>	<b>456,967,593</b>	<b>867,820,480</b>	<b>1,028,616,062</b>
<b>Liabilities</b>					
Deposits from customers	184,177,472	215,876,054	301,067,056	611,345,385	742,562,135
Deposit from banks and other financial institution	14,168,837	24,643,324	28,741,438	57,420,875	40,595,409
Other liabilities	3,468,045	14,487,539	12,852,680	16,603,891	25,944,685
Current income tax	2,139,161	1,578,361	-	5,648,636	4,192,476
Deferred Tax	171,191	-	61,457	-	-
Lease liability	2,472,123	2,237,593	3,557,175	3,610,685	6,558,277
Item in the course of collection					
borrowed funds	27,782,541	33,718,963	45,511,581	45,624,530	62,358,122
Subordinated debts					
proposed/payable dividend	-	-	-	16,979,580	10,000,000
Provisions					
<b>TOTAL LIABILITIES</b>	<b>234,379,370</b>	<b>292,541,834</b>	<b>391,791,387</b>	<b>757,233,582</b>	<b>892,211,104</b>
<b>Shareholders' funds</b>					
Share capital	18,175,000	18,175,000	18,175,000	38,175,000	23,301,283
Share Premium	2,112,690	2,112,690	2,112,690	3,486,127	18,359,844
Retained earnings/losses	20,756,452	31,043,867	43,423,108	73,631,607	100,671,234
Revaluation reserves	677,287	1,526,387	1,465,408	(7,714,395)	(8,301,907)
Other reserves	-	-	-	3,008,558	2,374,504
statutory credit risk					
<b>Total Shareholders' funds</b>	<b>41,721,429</b>	<b>52,857,944</b>	<b>65,176,206</b>	<b>110,586,897</b>	<b>136,404,958</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS</b>	<b>276,100,799</b>	<b>345,399,778</b>	<b>456,967,593</b>	<b>867,820,479</b>	<b>1,028,616,062</b>

## Notes on Statement of Financial Position of Equity Bank

- In the five-year period (2019-2023), the total assets of Equity bank grew fivefold from 276 billion in 2019 to Rwf 1,028 billion in 2023, significantly aided by the acquisition of Cogebanque, which increased the number of Equity's customers.
- Total liabilities rose from Rwf 234 billion in 2019 to Rwf 894 billion in 2023, also affected by the acquisition of Cogebanque. Total shareholders' funds rose threefold, from Rwf 41.7 billion in 2019 to Rwf 136.4 billion in 2023.

Overall, Equity bank is the second largest bank in Rwanda in terms of total assets as of December 2023.



### 6.2.3 KEY CAMELS RATIOS

Ratios	2019	2020	2021	2022	2023
ROA	3.3%	3.0%	2.7%	3.8%	3.5%
ROE	22.0%	19.5%	19.0%	30.1%	26.7%
NPL ratio	4.1%	3.6%	3.6%	3.6%	3.6%
Core capital/RWA	16.8%	17.3%	20.4%	15.5%	17.1%
Total Liquid Assets / Total Deposits	34.0%	35.2%	36.9%	36.7%	30.0%
Net loans/Deposit ratio	84.9%	88.0%	73.4%	62.4%	58.0%

#### Notes of Key CAMELS Ratios of Equity Bank

- Equity Bank maintained a positive Return on Assets (ROA) and a positive Return on Equity (ROE), ranking 1<sup>st</sup> on ROE and 2<sup>nd</sup> on ROA, which demonstrates the Bank's management team abilities to efficiently utilize the Bank's assets and shareholders' funds and turn them into profits.
- The Bank's NPL Ratio stood at 3.6% in 2023, well below the recommended maximum of 5%, which is indicative of the Bank's ability to prudentially manage risks and extend quality loans without compromising its profitability.
- Also, the Bank's Core Capital Adequacy Ratio (Core CAR) was 17.1% in 2023, above the regulatory minimum of 12.5%.

Overall, the results of Equity Bank's CAMELS analysis indicates that the bank is on a solid footing, in terms of capitalization, financial performance, risk management, and the performance of its management team.

## 6.3 BPR RWANDA PLC



### 6.3.1 INCOME STATEMENT

	BPR				
	2019 (Rwf'000)	2020 (Rwf'000)	2021 (Rwf'000)	2022 (Rwf'000)	2023 (Rwf'000)
Interest income	34,273,828	37,950,539	69,397,261	80,388,942	89,699,193
Interest expense	(9,202,257)	(12,098,441)	(21,866,734)	(20,666,257)	(24,536,972)
Net Impairment charge					
<b>Net interest income</b>	<b>25,071,571</b>	<b>25,852,098</b>	<b>47,530,527</b>	<b>59,722,685</b>	<b>65,162,221</b>
Fees and commission income	7,082,436	7,196,542	12,914,912	11,688,331	12,515,947
Fees and commission expenses	(904,124)	(969,658)	(1,902,656)	(2,443,346)	(1,901,272)
Net gain/loss on foreign exchange	815,514	1,086,598	2,315,823	1,696,646	2,088,502
Net fair value movement					
Impairment on loans/financial assets	(2,498,947)	(3,337,456)	(5,239,218)	771,111	(733,622)
Other operating income	2,830,281	548,296	1,110,286	1,349,373	3,240,046
<b>Net no-interest income</b>	<b>7,325,160</b>	<b>4,524,322</b>	<b>9,199,147</b>	<b>13,062,115</b>	<b>15,209,601</b>
<b>Total operating income after impairment</b>	<b>32,396,731</b>	<b>30,376,420</b>	<b>56,729,674</b>	<b>72,784,800</b>	<b>80,371,822</b>
Staff/personal costs	(12,223,912)	(11,287,599)	(17,337,341)	(18,722,227)	(19,268,046)
Operating expenses	(10,136,906)	(9,541,141)	(15,805,077)	(16,109,519)	(16,356,938)
Impairment charge	(350,000)	(120,000)	-	(5,795,562)	-
Depreciation& Amortization	(2,775,147)	(4,122,436)	(6,512,312)	-	(6,868,304)
Other expenses					

<b>Total operating expenses</b>	<b>(25,485,965)</b>	<b>(25,071,176)</b>	<b>(39,654,730)</b>	<b>(40,627,308)</b>	<b>(42,493,288)</b>
Other Income					
Finance Cost					
<b>profit/loss before tax</b>	<b>6,910,766</b>	<b>5,305,244</b>	<b>17,074,944</b>	<b>32,157,492</b>	<b>37,878,534</b>
Tax	(2,205,724)	(1,463,894)	(5,497,511)	(9,886,493)	(11,982,761)
<b>Profit/loss After tax</b>	<b>4,705,042</b>	<b>3,841,350</b>	<b>11,577,433</b>	<b>22,270,999</b>	<b>25,895,773</b>

## Notes of Income Statement of BPR Bank Rwanda PLC

In the five-year period:

- Net interest income rose from Rwf 25.1 billion to Rwf 65.2 billion, with a CAGR of 27%. This was aided by the merger of BPR Atlas Mara with KCB to form BPR Rwanda Plc.
- Net non-interest income rose from Rwf 7.3 billion in 2019 to Rwf 15.2 billion in 2023, with a CAGR of 20%.
- The total operating expenses increased from Rwf 25.5 billion to Rwf 42.5 billion, with a CAGR of 14%.
- Profit before tax rose from Rwf 6.9 billion to 37.9 billion, with a CAGR of 53%.
- Profit after tax grew by a CAGR of 53%, from Rwf 4.7 billion to Rwf 25.9 billion.

Overall, BPR Rwanda shows a sustainable growth in profitability as profits both before and after tax grew faster than the operational costs.

## 6.3.2 STATEMENT OF FINANCIAL POSITION

<b>Rwf'000</b>	<b>BPR</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Assets</b>					
Cash in hand					
Cash and bank balance at BNR	26,778,812	38,239,356	47,072,657	76,189,863	51,617,777
Loans to banks and financial institutions/other debtors balances	14,737,630	13,673,157	50,609,923	16,503,185	33,230,934
Due from Group companies					
Loans and advances to customers	162,740,904	184,979,962	363,204,143	456,813,644	572,749,472
Current income tax recoverable	1,914,554	3,003,387	4,119,051	6,059,326	3,353,728
Financial Instruments	96,071,407	133,614,762	163,748,221	144,495,970	145,610,838
Fixed assets& other assets	40,298,025	31,452,697	38,313,073	46,704,962	53,776,655
<b>TOTAL ASSETS</b>	<b>342,541,332</b>	<b>404,963,321</b>	<b>667,067,068</b>	<b>746,766,950</b>	<b>860,339,404</b>
<b>Liabilities</b>					
Deposits from customers	214,302,736	236,557,349	399,395,783	441,349,679	588,616,484
Deposit from banks and other financial institution	53,647,260	101,512,532	119,141,983	85,118,231	48,830,635
Other liabilities	21,781,109	10,924,915	11,858,599	33,662,285	6,501,391
Current income tax	-	1,269,962	5,339,361	9,843,091	1,424,470
Deferred Tax	2,048,970	2,242,902	-	-	-
Lease liability	2,820,981	2,149,812	5,044,348	3,343,004	6,281,695
Item in the course of collection					
borrowed funds	2,867,289	1,803,765	27,886,401	52,589,255	62,682,088
Subordinated debts					
Proposed/payable dividend					
Provisions	673,180	343,006	818,836	913,668	159,131
<b>TOTAL LIABILITIES</b>	<b>298,141,525</b>	<b>356,804,243</b>	<b>569,485,311</b>	<b>626,819,213</b>	<b>714,495,894</b>
<b>Shareholders' funds</b>					
Share capital	43,466,413	43,466,413	63,614,563	81,509,050	81,509,050
Share Premium	1,357,832	1,357,832	4,978,042	8,032,565	8,032,565
Retained earnings/losses	(1,932,635)	1,908,715	27,632,363	29,855,469	56,301,895
Revaluation reserves	1,508,197	1,426,118	1,101,308	550,654	-
Other reserves	-	-	536,908	-	-

Statutory credit risk					
<b>Total Shareholders' funds</b>	<b>44,399,807</b>	<b>48,159,078</b>	<b>97,863,184</b>	<b>119,947,738</b>	<b>145,843,510</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS</b>	<b>342,541,332</b>	<b>404,963,321</b>	<b>667,348,495</b>	<b>746,766,951</b>	<b>860,339,404</b>

## Notes on Statement of Financial Position

In the five-year period (2019 – 2023):

- The total assets of BPR more than doubled, from Rwf 342 billion to Rwf 860 billion due to the increase in the amount of loans the Bank extended to its customers, which grew from Rwf 162.7 billion to Rwf 572.8 billion. This was also aided by the merger of BPR Atlas Mara and KCB.
- The total liabilities increased from Rwf 298 billion to Rwf 712 billion, mostly driven by the increase in the customer deposits, which grew from Rwf 214 billion to Rwf 588.6 billion.
- Total shareholders' funds grew threefold from Rwf 44 billion to Rwf 145.8 billion, which indicates an increase in the value of the bank.

Overall, BPR Rwanda PLC is the third largest bank in Rwanda as of December 2023.

### 6.3.3 KEY CAMELS RATIOS OF BPR BANK RWANDA PLC

Ratios	2019	2020	2021	2022	2023
ROA	1.4%	0.9%	1.7%	3.0%	3.0%
ROE	10.6%	8.0%	11.8%	18.6%	17.8%
NPL ratio	5.6%	8.4%	4.3%	4.1%	4.2%
Core capital/RWA	23.3%	22.6%	23.9%	19.3%	21.7%
Total Liquid Assets / Total Deposits	19.4%	21.9%	24.5%	21.0%	14.4%
Net loans/Deposit ratio	75.9%	78.2%	90.9%	103.5%	97.3%

## Notes on Key CAMELS Ratios of BPR Bank Rwanda PLC

For the five-year period:

- BPR Bank Rwanda maintained a positive return on asset (ROA) and a positive return on equity for each year, which demonstrates the Bank's ability to use its assets and shareholders' equity and turn them into a profit.
- Although the Bank's NPL ratio was 5.6% in 2019 and 8.4% in 2020, which are above the recommended minimum of 5%, the Bank has since brought it down, demonstrating the Bank's management team's ability to manage risks and resolve challenges that the Bank faces in its day-to-day operations.
- The Core CAR was 22.7% in 2023, above the regulatory minimum of 12.5%, which means that the Bank's has adequate liquidity to cover its obligations.

Overall, the CAMELS analysis of BPR Bank Rwanda Plc shows a bank that is financially healthy and resilient to challenges as indicated by its ability to reduce the NPL ratio to below the acceptable maximum level.

## 6.4 I&M BANK RWANDA

### 6.4.1 INCOME STATEMENT

<b>Rwf'000</b>	<b>I&amp;M BANK</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Interest income	34,808,787	39,123,691	44,694,998	50,352,640	56,102,518
Interest expense	(12,942,802)	(16,710,944)	(17,818,505)	(18,284,610)	(20,772,466)
Net Impairment charge					
Net interest income	<b>21,865,985</b>	<b>22,412,747</b>	<b>26,876,493</b>	<b>32,068,030</b>	<b>35,330,052</b>
Fees and commission income	3,420,566	3,588,222	4,068,478	5,028,575	6,198,237
Fees and commission expenses	(1,179,536)	(1,619,018)	(2,093,696)	(2,660,308)	(3,841,152)
Net gain/loss on foreign exchange	<b>3,280,146</b>	<b>5,277,228</b>	<b>4,123,874</b>	<b>5,158,421</b>	<b>8,994,974</b>
Net fair value movement					
Impairment on loans/financial assets	(463,401)	(5,536,066)	(1,704,740)	(3,373,077)	(2,803,467)
Other operating income	471,438	1,531,921	470,348	2,834,922	1,923,065
Net non-interest income	<b>5,529,213</b>	<b>3,242,287</b>	<b>4,864,264</b>	<b>6,988,533</b>	<b>10,471,657</b>
<b>Total operating income after impairment</b>	<b>27,395,198</b>	<b>25,655,034</b>	<b>31,740,757</b>	<b>39,056,563</b>	<b>45,801,709</b>
Staff/personal costs	(10,005,526)	(8,934,839)	(9,943,343)	(10,277,519)	(12,011,898)
Operating expenses	<b>(5,280,040)</b>	<b>(5,773,005)</b>	<b>(7,336,004)</b>	<b>(11,024,355)</b>	<b>(13,683,544)</b>
Impairment charge					
Depreciation& Amortization	(2,795,100)	(3,108,842)	(3,477,007)	(4,331,277)	(4,531,087)
Other expenses	(324,158)	-	-	-	-
Total operating expenses	<b>(18,404,824)</b>	<b>(17,816,686)</b>	<b>(20,756,354)</b>	<b>(25,633,151)</b>	<b>(30,226,529)</b>
Other Income					-
Finance Cost					-
Profit/loss before tax	<b>8,990,374</b>	<b>7,838,348</b>	<b>10,984,403</b>	<b>13,423,412</b>	<b>15,575,180</b>
Tax	<b>(2,848,432)</b>	<b>(2,698,567)</b>	<b>(1,814,664)</b>	<b>(4,110,037)</b>	<b>(4,885,157)</b>
<b>Profit/loss After tax</b>	<b>6,141,942</b>	<b>5,139,781</b>	<b>9,169,739</b>	<b>9,313,375</b>	<b>10,690,023</b>
Expense margin	<b>53%</b>	<b>46%</b>	<b>46%</b>	<b>51%</b>	<b>54%</b>

### Notes on Income Statement

In the five-year period (2019-2023):

- Net interest income rose from Rwf 21.9 billion to Rwf 35.3 billion.
- Non-interest income rose from Rwf 5.53 billion to Rwf 10.47 billion.
- Profit before tax (PBT) and profit after tax increased from Rwf 8.99 billion to Rwf 15.6 billion and from Rwf 6.1 billion to Rwf 10.7 billion in 2023, respectively.
- Total shareholders' funds grew nearly doubled from Rwf 41 B in 2019 to Rwf 78.6 B in 2023, indicating an increase in the value of the Bank.

Overall, I&M bank is the fourth largest bank in Rwanda as of December 2023.

### 6.4.2 STATEMENT OF FINANCIAL POSITION

<b>Rwf'000</b>	<b>I&amp;M BANK</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Assets</b>					
Cash in hand					
Cash and bank balance at BNR	30,691,946	30,266,747	30,502,283	16,767,428	85,543,980
Loans to banks and financial institutions/other debtors balances	28,604,211	39,302,920	75,020,885	54,395,647	74,462,501
Due from Group companies	4,272,426	1,131,523	1,303,319	2,995,560	9,745,444
Loans and advances to customers	171,887,690	205,229,128	222,423,047	231,719,807	313,892,313

Current income tax recoverable					
Financial Instruments	48,539,171	100,850,674	91,506,222	136,983,629	146,218,554
Fixed assets other assets	35,968,613	40,422,696	46,170,407	48,472,095	48,911,443
<b>Total Assets</b>	<b>319,964,057</b>	<b>417,203,688</b>	<b>466,926,163</b>	<b>491,334,166</b>	<b>678,774,235</b>
<b>Liabilities</b>					
Deposits from customers	191,804,341	248,435,597	266,462,345	295,239,951	376,545,358
Deposit from banks and other financial institution	51,567,393	49,823,984	60,430,768	62,182,772	162,522,953
Other liabilities	5,892,252	11,001,954	13,313,408	10,276,134	13,737,015
Current income tax	245,479	595,345	-	1,725,939	1,180,051
Deferred Tax	1,642,339	1,393,422	3,481,942	3,126,307	1,758,737
Lease liability					
Item in the course of collection	1,364,320	2,371,917			
borrowed funds	13,336,947	39,349,792	50,907,060	36,698,561	44,380,776
Subordinated debts	9,259,073	9,754,824	10,126,673	10,762,769	-
proposed/payable dividend	1,515,000				
Provisions					
<b>TOTAL LIABILITIES</b>	<b>276,627,144</b>	<b>362,726,835</b>	<b>404,722,196</b>	<b>420,012,433</b>	<b>600,124,890</b>
<b>Shareholders' funds</b>					
Share capital	5,050,000	12,120,000	15,150,000	15,150,000	15,150,000
Share Premium	400,000	6,249,832	6,249,832	6,249,832	6,249,832
Retained earnings/losses	33,437,216	33,995,670	38,335,409	47,674,841	55,570,864
Revaluation reserves	2,011,095	1,861,898	1,964,142	1,945,902	1,962,506
Other reserves	173,454	249,453	504,584	301,158	(283,857)
statutory credit risk	200,117				
<b>Total Shareholders' funds</b>	<b>41,271,882</b>	<b>54,476,853</b>	<b>62,203,967</b>	<b>71,321,733</b>	<b>78,649,345</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS</b>	<b>317,899,026</b>	<b>417,203,688</b>	<b>466,926,163</b>	<b>491,334,166</b>	<b>678,774,235</b>

## Notes on Statement of Financial Position

Over the five-year period (2019-2023):

- The total assets of I&M more than doubled, from Rwf 171.9 billion to Rwf 678.8 billion due to an increase in the loan book of the Bank.
- The total liabilities increased from Rwf 276.6 B in 2019 to Rwf 600 B in 2023 due to increase in customer deposits.
- Total shareholders' funds grew nearly doubled from Rwf 41 B in 2019 to Rwf 78.6 B in 2023, indicating an increase in the value of the Bank.

Overall, I&M bank is the fourth largest bank in Rwanda as of December 2023.

### 6.4.3 KEY CAMELS RATIOS

Ratios	2019	2020	2021	2022	2023
ROA	1,9%	1,2%	2,0%	1,9%	1.6%
ROE	14,4%	9,4%	14,7%	13,1%	13.6%
NPL ratio	2,6%	3,5%	3,5%	4,2%	2.4%
Core capital/RWA	14,3%	16,5%	18,1%	19,3%	16.6%
Total Liquid Assets / Total Deposits	30,9%	28,0%	39,6%	24,1%	42.5%
Net loans/Deposit ratio	89,6%	82,6%	83,5%	78,5%	83.4%

## Notes on Key CAMELS Ratios

In the five-year period (2019-2023):

- I&M bank maintained positive returns on assets (ROA) and returns on equity (ROE), which stood at 1.6% and 13.6% respectively.
- The Bank's NPL ratio was below the recommended minimum of 5% for the whole period and stood at 2.4% in 2023.
- Core CAR was 16.6% in 2023, above the regulatory minimum of 12.5%, which indicates the Bank's capacity to service its obligations and withstand shocks.

Overall, CAMELS analysis results show that the Bank is financially sound.



## 6.5 ECOBANK RWANDA PLC

### 6.5.1 INCOME STATEMENT

Rwf'000	ECOBANK				
	2019	2020	2021	2022	2023
Interest income	9,971,783	10,631,637	12,816,204	15,576,072	20,264,453
Interest expense	(1,923,427)	(1,386,585)	(1,795,273)	(2,315,681)	(2,673,922)
Net Impairment charge					
<b>Net interest income</b>	<b>8,048,356</b>	<b>9,245,052</b>	<b>11,020,931</b>	<b>13,260,391</b>	<b>17,590,531</b>
Fees and commission income	3,064,953	2,715,489	3,476,497	3,867,324	4,219,081
Fees and commission expenses	(218,846)	(140,006)	(345,795)	(637,107)	(270,069)
Net gain/loss on foreign exchange	2,381,586	2,415,975	1,987,200	2,952,163	4,150,129
Net fair value movement					
Impairment on loans/financial assets	(925,050)	(452,911)	52,753	(3,568,826)	(637,346)
Other operating income	201,649	429,821	313,395	113,073	180,433
Net non-interest income	<b>4,504,292</b>	<b>4,968,368</b>	<b>5,484,050</b>	<b>2,726,627</b>	<b>7,642,228</b>
<b>Total operating income after impairment</b>	<b>12,552,648</b>	<b>14,213,420</b>	<b>16,504,981</b>	<b>15,987,018</b>	<b>25,232,759</b>
Staff/personal costs	(3,788,464)	(4,079,623)	(4,198,348)	(5,299,795)	(5,153,872)
Operating expenses	(5,181,267)	(5,090,466)	-	-	-
Impairment charge					
Depreciation & Amortisation	(671,907)	(886,430)	(909,845)	(894,829)	(878,991)
Other expenses	-	-	(5,591,754)	(6,117,331)	(8,315,462)
<b>Total operating expenses</b>	<b>(9,641,638)</b>	<b>(10,056,519)</b>	<b>(10,699,947)</b>	<b>(12,311,955)</b>	<b>(14,348,325)</b>
<b>Other Income</b>					
Finance Cost					
Profit/loss before tax	<b>2,911,010</b>	<b>4,156,901</b>	<b>5,805,034</b>	<b>3,675,063</b>	<b>10,884,434</b>
<b>Tax</b>	<b>(1,076,328)</b>	<b>(1,550,209)</b>	<b>(2,094,678)</b>	<b>(1,435,499)</b>	<b>(3,264,788)</b>
<b>Profit/loss After tax</b>	<b>1,834,682</b>	<b>2,606,692</b>	<b>3,710,356</b>	<b>2,239,564</b>	<b>7,619,646</b>

### Notes on Income Statement

Between 2019 to 2023:

- The net interest income rose from Rwf 8 billion to Rwf 17 billion.
- Non-interest income grew from Rwf 4.5 billion to Rwf 7.6 billion.
- Profit before tax (PBT) rose from Rwf 2.9 billion to Rwf 10.9 billion in 2023.
- Profit after tax increased from Rwf 1.8 billion to Rwf 7.6 billion in 2023.

Overall, Ecobank's profitability has been on a positive trajectory.



## 6.5.2 STATEMENT OF FINANCIAL POSITION

Rwf'000	ECOBANK				
	2019	2020	2021	2022	2023
<b>Assets</b>					
Cash in hand	7,019,651	5,127,448	3,776,430	4,397,764	5,283,551
Cash and bank balance at BNR	5,572,792	10,169,080	15,587,611	35,542,853	19,102,176
Loans to banks and financial institutions/other debtors balances	59,763,885	29,653,527	26,585,101	30,820,889	145,974,064
Due from Group companies					
Loans and advances to customers	35,483,928	46,036,309	47,728,341	53,396,318	72,991,936
Current income tax recoverable	775,928	55,180	869,192	1,984,447	1,370,540
Financial Instruments	44,859,871	68,165,714	94,376,790	112,899,248	109,919,367
Fixed assets& other assets	10,385,420	12,607,506	11,147,518	12,705,104	15,121,913
<b>TOTAL ASSETS</b>	<b>163,861,475</b>	<b>171,814,764</b>	<b>200,070,983</b>	<b>251,746,623</b>	<b>369,763,547</b>
<b>Liabilities</b>					
Deposits from customers	131,878,704	130,699,405	153,901,569	198,985,761	292,662,566
Deposit from banks and other financial institution	1,284,180	594,070	387,387	707,237	1,134,747
Other liabilities	4,624,678	5,515,875	5,783,946	9,002,710	8,081,037
Current income tax	-	-	216,351	-	-
Deferred Tax	1,170,311	1,108,350	458,573	213,184	360,228
Lease liability	758,026	636,184	1,044,488	968,650	1,043,521
Item in the course of collection					
borrowed funds	1,847,226	7,596,957	8,994,545	10,345,393	26,851,900
Subordinated debts					
proposed/payable dividend					
Provisions					
<b>TOTAL LIABILITIES</b>	<b>141,563,125</b>	<b>146,150,841</b>	<b>170,786,859</b>	<b>220,222,935</b>	<b>330,133,999</b>
Shareholders' funds					
Share capital	27,137,783	27,137,783	27,137,783	27,137,783	27,137,783
Share Premium	8,607,914	8,607,914	8,607,914	8,607,914	8,607,914
Retained earnings/losses	(15,633,998)	(13,027,306)	(9,551,601)	(7,491,252)	280,895
Revaluation reserves	2,186,651	2,945,532	3,269,243	3,269,243	3,539,956
Other reserves					
statutory credit risk					
<b>Total Shareholders' funds</b>	<b>22,298,350</b>	<b>25,663,923</b>	<b>29,463,339</b>	<b>31,523,688</b>	<b>39,566,548</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS</b>	<b>163,861,475</b>	<b>171,814,764</b>	<b>200,250,198</b>	<b>251,746,623</b>	<b>369,700,547</b>

### Notes on Statement of Financial Position

In the five-year period (2019-2023):

- The total assets of the Bank more than doubled, from Rwf 163.9 billion to Rwf 369.8 billion.
- The total liabilities increased from Rwf 141.6 billion to Rwf 330 billion due to the increase in customer deposits.
- Total shareholders' funds grew nearly doubled from Rwf 41 billion to Rwf 78.6 billion.

Overall, Ecobank is the 5<sup>th</sup> largest bank in terms of assets in Rwanda as of December 2023.

## 6.5.3 KEY CAMELS RATIOS

Ratios	2019	2020	2021	2022	2023
ROA	1.1%	1.5%	1.9%	0.9%	2.1%
ROE	8.2%	10.2%	12.6%	7.1%	19.3%
NPL ratio	5.7%	6.7%	5.3%	2.6%	4.5%
Core capital/RWA	35.6%	29.1%	24.4%	16.7%	22.7%
Total Liquid Assets / Total Deposits	54.9%	34.4%	29.9%	35.6%	58.2%

<b>Net loans/Deposit ratio</b>	26.9%	35.2%	31.0%	26.8%	24.9%

## Notes on Key CAMELS Ratios

For the five-year period (2019-2023):

- Ecobank maintained a positive return on assets (ROA) and return on equity (ROE), with a ROA of 2.1% and ROE of 19.3% in 2023, respectively.
- The Bank's NPL ratio in 2023 was 4.5, below the recommended minimum of 5%.
- Also, the Bank consistently maintained a Core CAR above the regulatory minimum of 12.5%. It stood at 22.7% in 2023.

Overall, key CAMELS Ratios indicate a healthy and financially sound bank. Specifically, positive ROE and ROA show that the management team of the Bank is capable of efficiently using its resources and shareholders' equity to generate profits while also minimizing risks.

## 6.6 ACCESS BANK



### 6.6.1 INCOME STATEMENT

	ACCESS BANK				
	2019 (Rwf'000)	2020 (Rwf'000)	2021 (Rwf'000)	2022 (Rwf'000)	2023 (Rwf'000)
Interest income	5,425,072	7,314,756	9,365,527	12,249,419	15,963,687
Interest expense	(1,014,314)	(1,193,131)	(1,830,180)	(2,569,177)	(3,348,711)
Net Impairment charge					
<b>Net interest income</b>	<b>4,410,758</b>	<b>6,121,625</b>	<b>7,535,347</b>	<b>9,680,242</b>	<b>12,614,976</b>
Fees and commission income	2,327,422	2,139,867	2,525,501	3,696,070	3,988,201
Fees and commission expenses	(127,973)	(67,184)	(86,931)	(73,277)	(123,319)
Net gain/loss on foreign exchange	1,434,303	2,229,616	1,790,610	2,150,397	3,022,339
Net fair value movement	(95,452)	-	-	-	-
Impairment on loans/financial assets	197,134	(99,121)	-	-	-
Other operating income	279,219	217,270	34,614	54,729	39,963
<b>Net Non-interest income</b>	<b>4,014,653</b>	<b>4,420,448</b>	<b>4,263,794</b>	<b>5,827,919</b>	<b>6,927,184</b>
<b>Total operating income after impairment</b>	<b>8,425,411</b>	<b>10,542,073</b>	<b>11,799,141</b>	<b>15,508,161</b>	<b>19,542,160</b>
Staff/personal costs	(3,569,948)	(3,494,106)	(3,638,717)	(4,048,704)	(4,357,309)
Operating expenses	(2,471,413)	(2,349,166)	(3,326,495)	(2,937,550)	(3,491,407)
Impairment charge	-	-	(364,172)	(281,580)	(766,357)
Depreciation & Amortization	(1,293,972)	(1,258,495)	(1,224,008)	(1,328,281)	(1,139,666)
Other expenses	(251,752)	(147,279)	(109,797)	(110,167)	(75,603)
<b>Total operating expenses</b>	<b>(7,587,085)</b>	<b>(7,249,046)</b>	<b>(8,663,189)</b>	<b>(8,706,282)</b>	<b>(9,830,342)</b>
Other Income					-
Finance Cost					
<b>Profit/loss before tax</b>	<b>838,326</b>	<b>3,293,027</b>	<b>3,135,952</b>	<b>6,801,879</b>	<b>9,711,818</b>
Tax	(361,790)	(1,150,301)	(1,370,935)	(2,111,489)	(2,993,901)
<b>Profit/loss After tax</b>	<b>476,536</b>	<b>2,142,726</b>	<b>1,765,017</b>	<b>4,690,390</b>	<b>6,717,917</b>

## Notes on Income Statements

In the five-year period (2019-2023):

- The Bank's net interest income rose from Rwf 4.4 billion to Rwf 12.6 billion.
- Net non-interest income grew from Rwf 4 billion to Rwf 6.9 billion.



- Profit before tax (PBT) increased from 838 million to Rwf 9.7 billion.
- Profit after tax (PAT) increased from Rwf 476 million to Rwf 6.7 billion.

Overall, Access Bank demonstrates a trajectory of growth in all key financial performance metrics.

## 6.6.2 STATEMENT OF FINANCIAL POSITION

Rwf'000	ACCESS BANK				
	2019	2020	2021	2022	2023
<b>Assets</b>					
Cash in hand					
Cash and bank balance at BNR	24,257,102	26,988,138	27,568,083	10,552,954	38,407,980
Loans to banks and financial institutions/other debtors balances	9,632,592	32,024,976	30,063,356	37,069,303	29,839,963
Due from Group companies					
Loans and advances to customers	26,749,190	31,584,397	31,994,114	41,729,370	62,315,574
Current income tax recoverable	70,209	-	54,383	-	-
Financial Instruments	32,449,543	48,037,654	58,374,460	81,259,423	87,783,581
Fixed assets& other assets	7,301,888	7,712,419	8,278,976	17,974,482	12,713,503
<b>TOTAL ASSETS</b>	<b>100,460,524</b>	<b>146,347,584</b>	<b>156,333,372</b>	<b>188,585,532</b>	<b>231,060,601</b>
<b>Liabilities</b>					
Deposits from customers	85,514,827	119,925,882	127,734,131	156,904,569	194,087,774
Deposit from banks and other financial institution	-	464,169	381,878	379,488	217,297
Other liabilities	983,982	1,042,763	2,820,449	554,953	700,602
Current income tax					
Deferred Tax	393,698	404,737	629,217	602,822	387,416
Lease liability	3,592,334	2,773,880	2,028,567	1,421,784	1,060,057
Item in the course of collection					
borrowed funds	-	-	-	1,414,637	1,240,574
Subordinated debts					
proposed/payable dividend					
Provisions					
<b>TOTAL LIABILITIES</b>	<b>90,484,841</b>	<b>124,611,431</b>	<b>133,594,242</b>	<b>161,278,253</b>	<b>197,693,720</b>
Shareholders' funds					
Share capital	5,000,000	14,233,981	14,233,981	15,000,000	20,000,000
Share Premium					
Retained earnings/losses	4,383,314	6,559,730	7,949,390	11,873,812	12,710,598
Revaluation reserves	331,037	331,037	354,277	354,277	354,277
Other reserves	261,333	227,643	121,581	159,091	302,006
Statutory credit risk					
<b>Total Shareholders' funds</b>	<b>9,975,684</b>	<b>21,352,391</b>	<b>22,659,229</b>	<b>27,387,180</b>	<b>33,366,881</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS</b>	<b>100,460,525</b>	<b>145,963,822</b>	<b>156,253,471</b>	<b>188,665,433</b>	<b>231,060,601</b>

## Notes on Statement of Financial Position

In the five-year period (2019-2023):

- The total Bank's assets grew from Rwf 100 billion to Rwf 231 billion, mainly due to the increase in size of the Bank's loan book.
- The Bank's total liability rose from Rwf 90.5 billion to Rwf 197 billion, largely driven by an increase in customers' deposits.
- Total shareholders' funds grew from Rwf 8 billion to Rwf 33 billion, which highlights shareholders' confidence in the bank and signals a significant increase in the value of the Bank.
- The Bank ranks sixth in total assets.

Overall, the statement of financial position of Access Bank shows a bank on a solid footing.

### 6.6.3 KEY CAMELS RATIOS

Ratios	2019	2020	2021	2022	2023
ROA	0.5%	1.5%	1.1%	2.5%	2.9%
ROE	4.8%	17.2%	20.3%	22.1%	23.4%
NPL ratio	5.7%	6.7%	5.3%	2.6%	4.5%
Core capital/RWA	25.9%	26.4%	28.3%	26.2%	23.3%
Total Liquid Assets / Total Deposits	39.6%	49.2%	45.1%	30.4%	35.2%
Net loans/Deposit ratio	31.3%	26.3%	25.0%	26.6%	32.1%

### Notes on Key CAMELS Ratios

In the five-year period (2019- 2023):

- Access Bank maintained a positive return on asset (ROA) and a positive return on equity (ROE), with the two indicators standing at 2.9% and 23.4% in 2023, respectively.
- The Bank's NPL ratio in 2023 was 4.5% in 2023, below the recommended maximum of 5%.
- The Core CAR for the Bank remained above the regulatory minimum of 12.5 % for the whole five-year period, standing at 23.3% in 2023.

Overall, the analysis of key CAMELS ratios shows a healthy and growing bank.



## 6.7 NCBA RWANDA PLC

### 6.7.1 INCOME STATEMENT

	NCBA				
	2019 (Rwf'000)	2020 (Rwf'000)	2021 (Rwf'000)	2022 (Rwf'000)	2023 (Rwf'000)
Interest income	3,551,220	5,145,595	9,738,766	17,059,475	25,909,625
Interest expense	(1,323,254)	(2,280,069)	(3,345,018)	(4,816,088)	(6,727,901)
Net Impairment charge					
<b>Net interest income</b>	<b>2,227,966</b>	<b>2,865,526</b>	<b>6,393,748</b>	<b>12,243,387</b>	<b>19,181,724</b>
Fees and commission income	389,064	510,072	868,496	812,039	1,061,028
Fees and commission expenses					
Net gain/loss on foreign exchange	78,478	423,821	872,395	1,725,188	2,206,748
Net fair value movement					
Impairment on loans/financial assets	(449,999)	(772,034)	(2,428,676)	(1,583,598)	(3,388,385)
Other operating income	-	-	-	-	243,293
<b>Net non-interest income</b>	<b>17,543</b>	<b>161,859</b>	<b>(687,785)</b>	<b>953,629</b>	<b>122,684</b>
<b>Total operating income after impairment</b>	<b>2,245,509</b>	<b>3,027,385</b>	<b>5,705,963</b>	<b>13,197,016</b>	<b>19,304,408</b>
Staff/personal costs	(1,044,804)	(1,451,247)	(2,082,136)	(3,047,434)	(3,980,849)
Operating expenses	(2,295,462)	(2,421,404)	(2,618,127)	(4,200,006)	(5,364,511)
Impairment charge					
Depreciation & Amortization	(640,565)	(664,901)	(773,911)	(1,098,904)	(1,317,437)
Other expenses					
<b>Total operating expenses</b>	<b>(3,980,831)</b>	<b>(4,537,552)</b>	<b>(5,474,174)</b>	<b>(8,346,344)</b>	<b>(10,662,797)</b>
Other Income					

Finance Cost					
<b>Profit/loss before tax</b>	<b>(1,735,322)</b>	<b>(1,510,167)</b>	<b>231,789</b>	<b>4,850,672</b>	<b>8,641,611</b>
Tax	(12,526)	9,149	269,700	(1,355,828)	(2,688,900)
<b>Profit/loss After tax</b>	<b>(1,747,848)</b>	<b>(1,501,018)</b>	<b>501,489</b>	<b>3,494,844</b>	<b>5,952,711</b>

## Notes on Income Statement

In the five-year period (2019-2023):

- The Bank's net interest income rose from Rwf 2.2 billion to Rwf 19.2 billion.
- Net non-interest income grew from Rwf 17 million to Rwf 122.7 million.
- The Bank made a loss before tax of Rwf 1.7 billion in 2019 but improved to make a positive profit before tax of 8.6 billion in 2023.
- Profit after tax (PAT) increased from a loss of 1.75 billion in 2019 to a profit of 5.95 billion in 2023.

Overall, although the Bank faced had poor financial performance in the years 2019 and 2020, it has since improved and started making positive profits. Its operating income has also almost decupled. The improved performance is a testament to the Bank's leadership's resilience and ability to tackle financial challenges the institution face in its operations.

## 6.7.2 STATEMENT OF FINANCIAL POSITION

<b>Rwf'000</b>	<b>NCBA</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Assets</b>					
Cash in hand	1,619,482	941,492	1,010,670	2,029,558	3,759,659
Cash and bank balance at BNR	2,888,470	2,179,813	6,387,360	9,916,217	5,616,567
Loans to banks and financial institutions/other debtors balances	751,118	3,397,818	6,348,295	13,336,111	42,445,053
Due from Group companies					
Loans and advances to customers	18,539,935	32,795,838	52,124,448	86,790,615	103,420,331
Current income tax recoverable					
Financial Instruments	7,254,872	13,977,944	23,907,905	26,740,647	34,232,544
Fixed assets & other assets	4,412,308	5,308,740	8,388,892	11,336,312	15,276,397
<b>TOTAL ASSETS</b>	<b>35,466,185</b>	<b>58,601,645</b>	<b>98,167,570</b>	<b>150,149,460</b>	<b>204,750,551</b>
<b>Liabilities</b>					
Deposits from customers	20,590,148	35,867,128	56,936,601	87,349,897	100,987,220
Deposit from banks and other financial institution	4,814,202	5,994,111	20,803,829	14,993,463	51,964,613
Other liabilities	1,180,507	3,622,786	2,107,047	4,273,488	3,030,273
Current income tax	-	-	-	1,672,528	431,008
Deferred Tax	199,437	190,288	-	-	-
Lease liability	1,518,191	1,264,650	1,055,922	1,697,206	1,514,993
Item in the course of collection					
borrowed funds	-	-	-	15,503,863	16,210,718
Subordinated debts					
proposed/payable dividend					
Provisions					
<b>TOTAL LIABILITIES</b>	<b>28,302,485</b>	<b>46,938,963</b>	<b>80,903,399</b>	<b>125,490,445</b>	<b>174,138,825</b>
<b>Shareholders' funds</b>					
Share capital	15,399,604	21,399,604	26,499,604	30,399,604	30,399,604
Share Premium					
Retained earnings/losses	(8,235,904)	(9,736,922)	(9,235,433)	(5,740,589)	212,122
Revaluation reserves					
Other reserves					

statutory credit risk					
<b>Total Shareholders' funds</b>	<b>7,163,700</b>	<b>11,662,682</b>	<b>17,264,171</b>	<b>24,659,015</b>	<b>30,611,726</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS</b>	<b>35,466,185</b>	<b>58,601,645</b>	<b>98,167,570</b>	<b>150,149,460</b>	<b>204,750,551</b>

## Notes on the Statement of Financial Position

In the five-year period (2019-2023):

- NCBA's total assets grew from Rwf 35 billion to Rwf 204 billion, mainly driven by loans and credits extended to customers.
- Total liabilities of the Bank also grew from Rwf 28 billion to Rwf 174 billion, largely driven by an increase in the customer deposits.
- Total shareholders' funds grew from Rwf 7 billion to Rwf 30 billion in 2023.

The bank ranks seventh in terms of total assets.

### 6.7.3 KEY CAMELS RATIOS

Ratios	2019	2020	2021	2022	2023
ROA	-4.9%	-2.6%	0.5%	2.3%	2.9%
ROE	-24.4%	-12.9%	2.9%	14.2%	19.4%
NPL ratio	1.3%	7.1%	1.2%	2.5%	6.7%
Core capital/RWA	24.5%	26.2%	26.2%	17.6%	17.8%
Total Liquid Assets / Total Deposits	49.3%	49.6%	353.0%	54.3%	61.6%
Net loans/Deposit ratio	90.0%	91.4%	91.5%	99.4%	102.4%

## Notes on Key CAMELS Ratios

In the five years (2019-2023):

- NCBA return on assets (ROA) grew from -4.9% in 2019 to 2.9% in 2023
- The return on equity (ROE) rose from -24.4% in 2019 to 19.4% in 2023
- The improvement in ROA and ROE shows that the management team of the Bank was able to and can take measures to improve performance and the conversion of shareholders' funds and the Bank's assets into profits.
- The Bank's maintained core CAR above the regulatory minimum of 12.5% for the whole period.
- The NPL ratio shows some fluctuations, starting at 1.3% in 2019, ballooning 7.1%, descending to below the maximum of 5% for 2021 and 2022, and ascending back to 6.7% above the recommended maximum. For 2018, it ranked 8<sup>th</sup> out of 9 banks in Rwanda.

Overall, the Bank has shown significant improvement in key CAMELS ratios especially ROA and ROE. However, the fluctuations in NPL ratio, especially increasing to more than 5%, which is the recommended maximum is not ideal. The Bank's management team should take effective and prudential measures to vet loan requests the Bank receives and only extend high quality loans.

## 6.8 BANK OF AFRICA

### 6.8.1 INCOME STATEMENT

	Bank of Africa				
	2019 (Rwf'000)	2020 (Rwf'000)	2021 (Rwf'000)	2022 (Rwf'000)	2023 (Rwf'000)
Interest income	5,254,708	6,748,659	9,265,205	13,296,240	19,262,284
Interest expense	(1,818,865)	(2,584,539)	(3,447,633)	(4,660,107)	(7,362,238)
Net Impairment charge					
<b>Net interest income</b>	<b>3,435,843</b>	<b>4,164,120</b>	<b>5,817,572</b>	<b>8,636,133</b>	<b>11,900,046</b>
Fees and commission income	260,241	560,912	1,413,535	1,714,868	920,525
Fees and commission expenses					
Net gain/loss on foreign exchange	242,435	320,945	498,454	356,249	584,697
Net fair value movement					
Impairment on loans/financial assets	(1,032,031)	(443,399)	(1,319,657)	(1,655,981)	(3,477,544)
Other operating income	137,499	358,383	(323,157)	(327,234)	(348,756)
<b>Net non-interest income</b>	<b>(391,856)</b>	<b>796,841</b>	<b>269,175</b>	<b>87,902</b>	<b>(2,321,078)</b>
<b>Total operating income after impairment</b>	<b>3,043,987</b>	<b>4,960,961</b>	<b>6,086,747</b>	<b>8,724,035</b>	<b>9,578,968</b>
Staff/personal costs	(1,753,450)	(2,132,081)	(2,235,570)	(2,439,403)	(3,240,760)
<b>Operating expenses</b>					
Impairment charge					
Depreciation& Amortization	(558,365)	(590,448)	(724,055)	(825,583)	(663,163)
Other expenses	(1,680,936)	(1,733,262)	(1,683,928)	(2,071,453)	(2,814,527)
<b>Total operating expenses</b>	<b>(3,992,751)</b>	<b>(4,455,791)</b>	<b>(4,643,553)</b>	<b>(5,336,439)</b>	<b>(6,718,450)</b>
Other Income					
Finance Cost			(303,176)	(283,442)	
<b>Profit/loss before tax</b>	<b>(948,764)</b>	<b>505,170</b>	<b>1,140,018</b>	<b>3,104,154</b>	<b>2,860,518</b>
Tax	-	(64,138)	377,114	(677,790)	(1,041,175)
<b>Profit/loss After tax</b>	<b>(948,764)</b>	<b>441,032</b>	<b>1,517,132</b>	<b>2,426,364</b>	<b>1,819,343</b>

### Notes on Income Statement

In the five-year period (2019- 2023):

- NCBA's net interest income rose from Rwf 3.4 billion in 2019 to Rwf 11.9 billion in 2023
- Net non-interest income was negative in 2019, grew positive for the years 2020, 2021, 2023, but then again declined to negative Rwf 2.3 billion in 2023.
- The Bank made a loss of Rwf 948 million in 2019, but improved to consistently make positive profits before tax since 2020, reaching Rwf 2.86 billion
- The profit after tax (PAT) was also negative in 2019 but improved to positive, standing at 1.82 billion in 2023

Overall, there is a positive trend in the financial performance of Bank of Africa and the Bank's leadership team appear to have guided the Bank into a year-on-year profitable bank.

### 6.8.2 STATEMENT OF FINANCIAL POSITION

Rwf'000	Bank of Africa				
	2019	2020	2021	2022	2023
<b>Assets</b>					
Cash in hand					
Cash and bank balance at BNR	5,963,150	10,541,660	6,136,604	8,986,008	10,747,513

Loans to banks and financial institutions/other debtors balances	12,081,164	26,217,542	36,276,008	682,899	304,839
Due from Group companies	1,526,834	3,861,537	-	3,021,500	7,999,791
Loans and advances to customers	19,237,876	28,034,733	38,162,497	68,240,577	72,698,105
Current income tax recoverable	-	-	312,976	533,400	726,951
Financial Instruments	11,819,882	20,993,920	36,980,980	68,263,292	69,146,239
Fixed assets& other assets	4,328,102	5,741,034	6,110,100	8,528,630	5,694,774
<b>TOTAL ASSETS</b>	<b>54,957,008</b>	<b>95,390,426</b>	<b>123,979,165</b>	<b>158,256,306</b>	<b>167,318,212</b>
<b>Liabilities</b>					
Deposits from customers	29,068,147	39,785,944	48,804,491	87,876,925	115,005,766
Deposit from banks and other financial institution	2,955,636	177,800	54,246,876	130,517	137,500
Other liabilities	490,299	7,010,747	3,450,790	2,151,710	2,915,255
Current income tax	-	-	-	898,213	72,858
Deferred Tax					
Lease liability	1,750,504	2,482,502	-	2,150,428	1,871,777
Item in the course of collection					
borrowed funds	12,592,708	37,392,687	-	45,752,131	26,199,332
Subordinated debts					
proposed/payable dividend					
Provisions					
<b>TOTAL LIABILITIES</b>	<b>46,857,294</b>	<b>86,849,680</b>	<b>106,502,157</b>	<b>138,959,924</b>	<b>146,202,488</b>
<b>Shareholders' funds</b>					
Share capital	12,580,870	12,580,870	20,000,000	20,000,000	20,000,000
Share Premium	871,740	871,740	871,740	871,740	871,740
Retained earnings/losses	(5,352,896)	(4,911,864)	(3,394,732)	(1,575,358)	243,984
Revaluation reserves					
Other reserves					
statutory credit risk					
<b>Total Shareholders' funds</b>	<b>8,099,714</b>	<b>8,540,746</b>	<b>17,477,008</b>	<b>19,296,382</b>	<b>21,115,724</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS</b>	<b>54,957,008</b>	<b>95,390,426</b>	<b>123,979,165</b>	<b>158,256,306</b>	<b>167,318,212</b>

## Notes on the Statement of Financial Position

In the five-year period (2019-2023):

- Total assets of the bank grew from Rwf 54.96 billion to Rwf 167 billion, mainly driven by the increase in loans and credits extended to customers
- The Bank's total liabilities increased from Rwf 46.9 billion to Rwf 146 billion, largely driven by an increase in the customer deposits
- The Bank's total shareholders' funds grew from Rwf 8 billion to Rwf 21 billion in 2023

The Bank ranks 8<sup>th</sup> in Rwanda in terms of total assets.

### 6.8.3 KEY CAMELS RATIO

Ratios	2019	2020	2021	2022	2023
ROA	-1.7%	0.5%	1.2%	1.5%	1.1%
ROE	-11.7%	5.2%	8.7%	12.6%	8.6%
NPL ratio	4.6%	4.4%	7.2%	8.9%	7.7%
Core capital/RWA	46.9%	32.5%	33.3%	22.5%	21.5%
Total Liquid Assets / Total Deposits	102.7%	145.2%	162.7%	88.7%	69.7%

<b>Net loans/Deposit ratio</b>	66.2%	70.5%	78.2%	77.7%	63.2%
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## Notes on Key CAMELS Ratio

In the five-year period (2019-2023):

- Bank of Africa had negative ROE and ROA in 2019 but improved and maintained positive values since 2020
- The NPL Ratio in 2023 was 7.7 in 2023 and has been above the recommended maximum of 5% since 2021, and ranks 9<sup>th</sup>, which is the last position among the banks operating in Rwanda
- The Core CAR was 21.5% in 2023, greater than the regulatory minimum of 12.5%

Overall, except for the high NPL ratio, CAMELS analysis show that Bank of Africa is on a positive trajectory on key performance indicators like interest income and profitability. The Bank's management should put in places measures to bring the level of non-performing loans down and increase the scrutiny of loan applications to make quality loans.



## 6.9 GT BANK RWANDA

### 6.9.1 INCOME STATEMENT

	<b>GT BANK</b>				
	<b>2019 (Rwf'000)</b>	<b>2020 (Rwf'000)</b>	<b>2021 (Rwf'000)</b>	<b>2022 (Rwf'000)</b>	<b>2023 (Rwf'000)</b>
Interest income	7,346,128	8,092,792	9,325,147	10,289,195	10,714,110
Interest expense	(984,988)	(712,830)	(739,134)	(903,159)	(663,103)
Net Impairment charge			7,215	(3,610,271)	(1,604,218)
<b>Net interest income</b>	<b>6,361,140</b>	<b>7,379,962</b>	<b>8,593,228</b>	<b>5,775,765</b>	<b>8,446,789</b>
Fees and commission income	2,846,637	2,951,920	3,235,324	3,351,694	2,788,175
Fees and commission expenses	(875,919)	(796,060)	(946,198)	(1,223,420)	(1,287,148)
Net gain/loss on foreign exchange	987,720	1,063,459	1,509,785	1,875,728	3,030,323
Net fair value movement					
Impairment on loans/financial assets	(841,489)	(705,228)	-	-	-
Other operating income	156,769	52,649	45,436	814,643	306,674
<b>Net non-interest income</b>	<b>2,273,718</b>	<b>2,566,740</b>	<b>3,844,347</b>	<b>4,818,645</b>	<b>4,838,024</b>
<b>Total operating income after impairment</b>	<b>8,634,858</b>	<b>9,946,702</b>	<b>12,437,575</b>	<b>10,594,410</b>	<b>13,284,813</b>
Staff/personal costs	(2,376,948)	(2,446,805)	(2,637,241)	(2,565,541)	(2,782,037)
Operating expenses	(2,798,051)	(2,373,427)	(2,654,222)	(3,445,050)	(3,411,884)
Impairment charge					
Depreciation & Amortization	(692,306)	(679,056)	(682,761)	(725,531)	(699,794)
Other expenses					
<b>Total operating expenses</b>	<b>(5,867,305)</b>	<b>(5,499,288)</b>	<b>(5,974,224)</b>	<b>(6,736,122)</b>	<b>(6,893,715)</b>
Other Income					-
Finance Cost					
<b>profit/loss before tax</b>	<b>2,767,553</b>	<b>4,447,414</b>	<b>6,463,351</b>	<b>3,858,288</b>	<b>6,391,098</b>
Tax	(1,131,999)	(1,303,771)	(2,076,955)	(1,335,803)	(2,030,817)
<b>Profit/loss After tax</b>	<b>1,635,554</b>	<b>3,143,643</b>	<b>4,386,396</b>	<b>2,522,485</b>	<b>4,360,281</b>

## Notes on Income Statement

In the five-year period (2019- 2023):



- Net interest income rose from Rwf 6.4 billion to Rwf 8.4 billion
- Net non-interest income rose from Rwf 2.3 billion to Rwf 4.8 billion
- Profit before tax (PBT) grew from Rwf 2.8 billion to Rwf 6.4 billion
- The Bank's profit after tax (PAT) increased from Rwf 1.64 billion to Rwf 4.8 billion

Overall, the bank's financial performance of the Bank is positive, but it grows at a small pace relative to its peers. Thus, there is still a significant room to grow, at least at the same pace with the other similar-sized banks in Rwanda.

## 6.9.2 STATEMENT OF FINANCIAL POSITION

Rwf'000	GT BANK				
	2019	2020	2021	2022	2023
<b>Assets</b>					
Cash in hand					
Cash and bank balance at BNR	13,384,277	23,898,032	31,720,667	30,842,831	34,219,708
Loans to banks and financial institutions/other debtors balances	16,742,210	6,800,072	14,911,472	14,765,086	28,750,933
Due from Group companies					
Loans and advances to customers	42,633,996	48,622,677	48,908,518	37,253,477	34,471,872
Current income tax recoverable					
Financial Instruments	13,492,864	27,426,389	28,972,542	38,945,704	49,363,945
Fixed assets& other assets	7,730,438	7,379,440	6,411,233	5,969,669	6,419,145
<b>TOTAL ASSETS</b>	<b>93,983,785</b>	<b>114,126,610</b>	<b>130,924,432</b>	<b>127,776,767</b>	<b>153,225,603</b>
<b>Liabilities</b>					
Deposits from customers	72,651,331	89,046,813	102,653,687	98,922,931	118,955,171
Deposit from banks and other financial institution	1,000,000	-	-	-	-
Other liabilities	-	964,817	2,177,797	1,449,911	2,031,129
Current income tax	430,845	578,722	534,273	-	677,194
Deferred Tax	439,192	272,221	167,735	-	-
Lease liability	2,632,698	2,371,049	2,064,264	1,808,793	1,715,899
Item in the course of collection					
borrowed funds	1,933,232	2,841,088	911,048	644,554	454,076
Subordinated debts					
Proposed/payable dividend					
Provisions	143,263	155,034	132,367	144,831	137,298
<b>TOTAL LIABILITIES</b>	<b>79,230,561</b>	<b>96,229,744</b>	<b>108,641,171</b>	<b>102,971,020</b>	<b>123,970,767</b>
<b>Shareholders' funds</b>					
Share capital	10,994,882	10,994,882	10,994,882	20,000,000	20,000,000
Share Premium					
Retained earnings/losses	3,196,241	6,474,539	10,395,947	3,934,852	8,777,431
Revaluation reserves	562,100	368,693	368,693	368,693	349,159
Other reserves	-	58,752	523,740	502,203	128,245
Statutory credit risk					
<b>Total Shareholders' funds</b>	<b>14,753,223</b>	<b>17,896,866</b>	<b>22,283,262</b>	<b>24,805,748</b>	<b>29,254,835</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS</b>	<b>93,983,784</b>	<b>114,126,610</b>	<b>130,924,433</b>	<b>127,776,768</b>	<b>153,225,602</b>

### Notes on the Statement of Financial Position

In the five-year period (2019-2023):



- The Bank's total assets grew from Rwf 93.98 billion to Rwf 153 billion, mainly driven by growth in financial instruments holdings and cash and cash balance at BNR.
- Total Liabilities of the bank increased from Rwf 79.2 B in 2019 to Rwf 123.97 B in 2023, largely driven by an increase in customer deposits
- Total Shareholders' funds grew from Rwf 14.8 B to Rwf 29.3 B in 2023

The bank ranks 9<sup>th</sup> in total assets and is the one with the slowest growth rate among all the commercial banks operating in Rwanda. This slow pace of growth indicates the needs for the banks to implement growth strategy to match or exceed the pace of its peers.

### 6.9.3 KEY CAMELS RATIOS

Ratios	2019	2020	2021	2022	2023
ROA	1.7%	2.8%	3.4%	2.0%	2.8%
ROE	11.1%	17.6%	19.7%	10.2%	14.9%
NPL ratio	2.3%	2.9%	3.2%	2.4%	0.5%
Core capital/RWA	19.4%	28.1%	21.0%	32.5%	36.6%
Total Liquid Assets / Total Deposits	60.1%	65.3%	73.7%	85.5%	94.4%
Net loans/Deposit ratio	58.7%	54.7%	47.7%	37.7%	29.0%

#### Notes on Key CAMELS Ratios

In the five years (2019-2023):

- GT Bank Rwanda maintained positive ROE and ROA for all years. Those two indicators, in 2023, stood at 2.8% and 14.9% respectively
- The Bank's NPL ratio remained below the recommended maximum of 5% for the whole period, standing at .5% in 2023, which ranked first among the banks operating in Rwanda.
- The Core CAR was 36.6% in 2023, greater than the regulatory minimum of 12.5%, and was the best in Rwanda

Although the Key CAMELS Ratios analysis shows a financially healthy and well-run bank, it also appears that the bank is overly cautious as evidenced by the drop in the total loans extended to customers in the five years being analysed: they dropped from Rwf 42 billion to Rwf 34 billion. Perhaps, one way the Bank can boost its profitability is by extending high-quality loans to its customers, which will in turn lead to more interest income.

## 7 CONCLUSION

The commercial banking system in Rwanda has undergone significant transformation over the last five years (2019–2023). There have been two major changes, with KCB merging with BPR Atlas Mara to form BPR Bank Rwanda PLC and Equity Bank acquiring Cogebanque Plc. Banks' assets have increased significantly, with Bank of Kigali, Equity Bank, BPR, and I&M Bank coming 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup>, respectively, in terms of assets.

The increase in assets was driven by the increase in loans extended to customers, indicating the increased lending activities of the bank in Rwanda, which is also a signal of the increased role of financial institutions in economic activities in Rwanda.

Overall, financial performance indicators such as interest income, profit before tax, and profit after tax have increased significantly for most banks. Also, except for NCBA and Bank of Africa, all the banks had an NPL ratio less than the recommended minimum of 5%, which is illustrative of their improved capacity to manage risks and extend quality credits.

The banks are also well capitalized, hence able to meet their short- and long-term obligations. All the banks have Core CAR and Total CAR above the regulatory requirements of 12.5% and 15%, respectively.

It is worth noting that the four biggest banks own over 81% of total banks' assets, which paint a fairly concentrated financial sector.

In summary, the banking sector is financially sound, robust, and well-equipped to handle future challenges. However, this does not imply that all banks are performing at the same level. Institutions such as Bank of Kigali, Equity, BPR, and Access Bank have experienced rapid growth, while others, like GT Bank, have shown slower but steady progress