



## DEVELOPMENT BANK OF RWANDA, PLC.

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021



#### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021



#### STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

Audited by External Auditors	2021 Frw' 000	2020 Frw' 000
Interest income	26,471,135	26,437,778
Interest expense	(11,489,729)	(11,599,933)
<b>Net interest income</b>	<b>14,981,406</b>	<b>14,837,845</b>
Fee and commission income	398,870	468,961
Fee and commission expense	(34,041)	(30,405)
<b>Net fee and commission income</b>	<b>364,829</b>	<b>438,556</b>
Net foreign exchange losses	(938,367)	(2,376,422)
Other operating income	2,312,274	735,365
<b>Net operating income</b>	<b>16,720,142</b>	<b>13,635,344</b>
Net gain (losses) on financial instruments	(7,172,159)	(4,160,060)
(Loss)/Gain on derivative instruments at fair value through profit or loss	(158,546)	19,769
<b>Operating income</b>	<b>9,389,437</b>	<b>9,495,053</b>
Share of profit (loss) of investment in associates	807,059	(2,398,541)
Employee benefits expense	(4,182,879)	(3,682,157)
Depreciation and amortization	(924,278)	(717,164)
Other operating expenses	(2,356,861)	(1,838,245)
Gains on modification of financial liabilities	258,934	3,239,286
<b>Profit before Tax</b>	<b>2,991,412</b>	<b>4,098,232</b>
Income tax expense	-	-
<b>Profit for the year</b>	<b>2,991,412</b>	<b>4,098,232</b>
<b>Other Comprehensive Income:</b>		
Fair value gain on Equity investments at fair value through OCI	3,512,768	596,966
Reversal of fair value gain on land	(2,772)	-
<b>Items that may be subsequently reclassified to profit or loss</b>	<b>3,509,996</b>	<b>596,966</b>
<b>Total comprehensive income for the year</b>	<b>6,501,408</b>	<b>4,695,198</b>

Audited by External Auditors	2021 Frw' 000	2020 Frw' 000
<b>ASSETS</b>		
Cash and balances with the National Bank of Rwanda	898,579	2,042,767
Amounts due from other Banks	74,086,828	59,661,424
Investments at amortized cost	6,025,328	6,076,673
Loans and advances	183,265,173	167,079,964
Investment in associates	11,447,402	10,640,344
Equity investments at fair value through OCI	20,445,502	16,932,735
Derivative Financial Instruments	1,999,828	2,095,814
Other assets	5,212,987	4,119,579
Investment Properties	21,015	21,015
Intangible assets	445,752	632,757
Property and equipment	13,241,732	14,243,093
<b>TOTAL ASSETS</b>	<b>317,090,126</b>	<b>283,546,165</b>
<b>LIABILITIES</b>		
Other payables	21,871,197	10,363,824
Dividends payable	11,017	11,017
Borrowings	176,469,792	174,088,173
Special funds	11,236,258	9,455,277
Grants	6,335,785	4,747,753
<b>TOTAL LIABILITIES</b>	<b>215,924,049</b>	<b>198,666,044</b>
<b>EQUITY</b>		
Share capital	65,392,018	55,607,470
Share premium	11,665,569	11,665,569
Other reserves	32,051,588	28,541,592
Accumulated losses	(7,943,098)	(10,934,510)
<b>TOTAL EQUITY</b>	<b>101,166,077</b>	<b>84,880,121</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>317,090,126</b>	<b>283,546,165</b>

The financial statements for the year ended 31 December 2021 were approved and authorized for issue by the Board of Directors.

Chief Executive Officer

Date: 11/03/2022



Chairperson, Board Audit Committee

Date: 11/03/2022

The bank's financial statements are available on: [www.brd.rw](http://www.brd.rw)



STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31 DECEMBER 2021

Audited by External Auditors

	Frw' 000	Frw' 000	Frw' 000	Frw' 000	Frw' 000	Frw' 000	Frw' 000	Frw' 000	Frw' 000
<b>Year ended 31 December 2020</b>									
As at 1 January	42,661,685	11,665,569	10,911,747	1,088,127	232,561	4,201,869	11,510,322	(13,812,584)	68,459,296
Profit for the year	-	-	-	-	-	-	-	4,098,232	4,098,232
Issue of new shares Note 28 (a)	12,945,785	-	-	-	-	-	-	-	12,945,785
Fair Value gains on Equity investments at fair value through OCI	-	-	-	-	-	596,966	-	-	596,966
Adjustment on share buy back	(297,293)	-	-	-	-	-	-	(1,220,158)	(1,517,451)
Prorata issue bought buy back shares by existing shareholding	297,293	-	-	-	-	-	-	-	-
<b>As at 31 December</b>	<b>55,607,470</b>	<b>11,665,569</b>	<b>10,911,747</b>	<b>1,088,127</b>	<b>232,561</b>	<b>4,798,835</b>	<b>11,510,322</b>	<b>(10,934,510)</b>	<b>84,880,121</b>
<b>Year ended 31 December 2021</b>									
As at 1 January	55,607,470	11,665,569	10,911,747	1,088,127	232,561	4,798,835	11,510,322	(10,934,510)	84,880,121
Profit for the year	-	-	-	-	-	-	-	2,991,412	2,991,412
Issue of new shares	9,784,548	-	-	-	-	-	-	-	9,784,548
Fair Value gains on Equity investments at fair value through OCI	-	-	-	-	-	3,512,768	-	-	3,512,768
Reversal of Fair value gain on land	-	-	(2,772)	-	-	-	-	-	(2,772)
<b>As at 31 December</b>	<b>65,392,018</b>	<b>11,665,569</b>	<b>10,908,975</b>	<b>1,088,127</b>	<b>232,561</b>	<b>8,311,603</b>	<b>11,510,322</b>	<b>(7,943,098)</b>	<b>101,166,077</b>



STATEMENT OF CASHFLOWS FOR YEAR ENDED 31 DECEMBER 2021

Audited by External Auditors

	2021 Frw' 000	2020 Frw' 000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	2,991,412	4,098,232
Adjustments for:		
Depreciation on property and equipment	683,386	451,753
Amortization of intangible assets	240,912	265,409
Gain on disposal of fixed assets	370,753	88,687
Share of profit /in investments in associates	-	(139,356)
Change in Equity Investments	(807,059)	2,497,779
Net Fair Value change – on Derivative Instrument	(158,546)	19,769
Net foreign exchange losses	938,367	2,376,422
Interest accrued on borrowings	3,892,298	4,077,630
<b>CASH FLOWS BEFORE CHANGES IN OPERATING ACCOUNTS</b>	<b>8,151,523</b>	<b>13,736,325</b>
Increase in Loans and advances	(16,185,209)	(9,753,747)
Decrease in Other assets	1,437,182	584,733
Increase in Other payables	12,691,886	4,315,003
Changes in derivative financial instruments	95,985	(314,568)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>6,191,367</b>	<b>8,567,746</b>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(208,209)	(1,072,650)
Disposal of property and equipment	526,203	451,753
Purchase of intangible assets	(53,906)	(80,355)
Change in equity investments	(3,512,767)	(66,657)
Purchase of Investment in Associates	-	68,166
Non-current assets held for sale	-	250,000
Net change in investments at amortised cost	51,345	(5,088,209)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(3,197,334)</b>	<b>(5,537,952)</b>

CASH FLOWS FROM FINANCING ACTIVITIES

Drawdown of borrowings	27,745,171	26,568,630
Repayment of borrowings	(30,611,533)	(32,774,422)
Drawdown of special funds	2,044,312	137,527
Repayment in special funds	(263,347)	(38,559)
Increase in grants	1,588,032	5,035,750
Decrease in grants	-	(2,011,099)
Shares repurchase	-	(1,220,158)
Additional Capital	9,784,548	12,945,785
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>10,287,183</b>	<b>8,643,454</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>13,229,438</b>	<b>11,673,248</b>
<b>CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR</b>	<b>61,704,191</b>	<b>50,030,943</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>74,985,407</b>	<b>61,704,191</b>

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## OTHER DISCLOSURES

## Audited by External Auditors

## Quantitative Disclosures

## I. Capital Strength

	Frw' 000	2021	2020
1. Core capital (Tier 1)	Frw' 000	76,805,324	61,087,267
2. Supplementary capital (Tier 2)	Frw' 000	16,523,592	15,786,815
3. Total Capital	Frw' 000	93,328,916	76,874,082
4. Total risk weighted assets	Frw' 000	338,163,099	321,622,959
5. Core capital/total risk weighted assets (Tier 1 Ratio)	%	22.71%	18.99%
6. Tier 2/total risk weighted assets (Tier 2 ratio)	%	4.89%	4.91%
7. Total capital/total risk weighted assets (Total Capital ratio)	%	27.60%	23.90%
8. Leverage ratio	%	21%	19%

## II. Credit Risk

1. Total gross credit risk exposures: after accounting offsets and without taking into account credit risk mitigation	Frw' 000	199,733,649	181,689,202
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2. Average gross credit exposures, broken down by major types of credit exposure:

a) loans, commitments, and other non-derivative off-balance sheet exposures;	Frw' 000	54,512,019	67,569,695
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## Quantitative Disclosures

b) debt securities	Frw' 000	-	-
c) OTC derivatives	Frw' 000	13,683,939	17,554,452

## Quantitative Disclosures

	Frw' 000	2021	2020
3. Regional or geographic distribution of exposures, broken down in significant areas by major types of credit exposure;	Frw' 000		
a) City of Kigali	Frw' 000	124,895,937	101,895,604
b) Northern Province	Frw' 000	2,273,466	2,452,975
c) Eastern Province	Frw' 000	21,993,402	20,975,252
d) Western Province	Frw' 000	24,782,929	21,889,670
e) Southern Province	Frw' 000	25,799,386	22,837,762

4. Sector distribution of exposures, broken down by major types of credit exposure and aggregated in the following areas

a) Government	Frw' 000	46,041,888	51,213,194
b) financial	Frw' 000	23,114,767	12,910,891
c) manufacturing	Frw' 000	10,722,871	13,402,987
d) infrastructure and construction	Frw' 000	96,222,331	37,948,181
e) services and commerce	Frw' 000	22,424,129	54,352,052
f) others	Frw' 000	1,219,134	223,960

5. Off- balance sheet items	Frw' 000	54,755,031	67,569,695
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6. Non-performing loans indicators	Frw' 000	10,963,088	15,562,230
a) Non-performing loans (NPL)			
b) NPL ratio	%	4.49%	6.37%

7. Related parties	Frw' 000		
a) Loans to Directors, shareholders, and subsidiaries	Frw' 000	46,041,888	51,299,261
b) Loan to employees	Frw' 000	2,862,005	2,221,910

8. Restructured Loans			
a) Number of Borrowers	Number	88	124
b) Outstanding Amount	Frw' 000	128,525,989	119,445,540
c) Provisions there on	Frw' 000	10,266,993	6,281,367
d) Restructured loans as a percentage of gross loans	%	64%	66%

## Quantitative Disclosures

2021 2020

## III. LIQUIDITY RISK

a) Liquidity Coverage Ratio (LCR)	%	561%	128%
b) Internal liquidity coverage ratio (1 year ahead)	%	114%	109%
c) Net Stable Funding Ratio (NSFR)	%	203%	202%

## IV. OPERATIONAL RISK

Number and types of frauds and their corresponding amount	Type		
	Number	-	-
	Amount	-	-

## V. MARKET RISK

1. Interest rate risk	%	-	-
2. Equity position risk	Frw' 000	-	-
3. Foreign exchange risk	Frw' 000	3,453,844	5,501,273

## VI. COUNTRY RISK

1. Credit exposures abroad	Frw' 000	-	-
2. Other assets held abroad	Frw' 000	-	-
3. Liabilities to abroad	Frw' 000	-	-

## VII. MANAGEMENT AND BOARD COMPOSITION

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

## Explanatory Notes:

- The loans book grew by 10% as a result of new loans booked during the year 2021.
- The non-performing loans ratio decreased from 6.37% in 2020 to 4.49% in 2021 due to tightened up measures on portfolio monitoring and recoveries made during the year.
- Share capital increased by 18% due to additional capital injection from the main Shareholder.

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