

URWEGO BANK PLC
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2022 (AUDITED)

	Note	Dec-22 Frw'000	Dec-21 Frw'000
Interest and similar income	3	5,397,813	4,062,328
Interest and similar expense	4	<u>(464,523)</u>	<u>(356,659)</u>
Net interest income		<u>4,933,290</u>	<u>3,705,669</u>
Fees and commissions income	5	1,001,794	868,225
Fees and commissions expense	6	<u>(273,876)</u>	<u>(325,895)</u>
Net fees and commission income		<u>727,918</u>	<u>542,330</u>
Net foreign exchange income		119,946	232,540
Other operating income	7	<u>242,726</u>	<u>561,370</u>
Total operating income		<u>6,023,880</u>	<u>5,041,909</u>
Net impairment charge on loans and advances	8	(167,777)	173,613
Operating income after impairment losses		<u>5,856,103</u>	<u>5,215,522</u>
Personnel expenses	9	(3,219,138)	(2,788,573)
Depreciation on property and equipment	10	(159,961)	(154,971)
Depreciation on right of use assets	11	(200,569)	(231,550)
Amortisation of intangible assets	12	(13,010)	(21,913)
Other operating expenses	13	<u>(1,789,436)</u>	<u>(1,416,056)</u>
Total operating expenses		<u>(5,382,114)</u>	<u>(4,613,063)</u>
Profit before tax		<u>473,989</u>	<u>602,459</u>
Income tax	14	(212,089)	276,268
Profit for the year		<u>261,900</u>	<u>878,727</u>
Other comprehensive income		=	=
Total comprehensive profit		<u>261,900</u>	<u>878,727</u>

URWEGO BANK PLC
STATEMENT OF FINANCIAL POSITION
ASAT 31 DECEMBER 2022 (AUDITED)

	Note	Dec-22 Frw'000	Dec-21 Frw'000
ASSETS			
Cash in hand	15(a)	973,623	755,711
Due from the National Bank of Rwanda	15(b)	1,133,388	1,189,619
Due from other banking institutions	15(c)	2,670,774	4,000,729
Loans and advances to customers	16	22,478,240	17,120,080
Financial investments	17	1,743,373	2,146,427
Other assets	18	507,375	415,715
Current income tax assets	14(a)	328,012	300,916
Property and equipment	10	663,576	429,711
Right of use assets	11	718,477	655,589
Intangible assets	12	13,509	26,519
Deferred tax assets	14	<u>64,179</u>	<u>276,268</u>
TOTAL ASSETS		<u>31,294,526</u>	<u>27,317,284</u>
LIABILITIES			
Deposits from customers	19	19,429,862	18,754,064
Other payables	20	1,635,955	1,365,311
Borrowed funds	21	3,255,715	2,090,954
Lease Liabilities	22	<u>816,331</u>	<u>798,050</u>
TOTAL LIABILITIES		<u>25,137,863</u>	<u>23,008,379</u>
EQUITY			
Share capital	23(a)	11,077,450	9,491,629
Share premium	23(b)	126,605	126,568
Accumulated losses	23(c)	<u>(5,047,392)</u>	<u>(5,309,292)</u>
TOTAL EQUITY		<u>6,156,663</u>	<u>4,308,905</u>
TOTAL LIABILITIES AND EQUITY		<u>31,294,526</u>	<u>27,317,284</u>

The statement of financial position and statement of profit or loss were approved by the Board of Directors on2023 and signed on its behalf by


Christine Baingana
Chief Executive Officer


Amanda Y. Fung
Chairperson of the Board of Audit Committee



URWEGO BANK PLC
 STATEMENT OF CHANGES IN EQUITY (AUDITED)
 FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital Frw'000	Accumulated losses Frw'000	Share premium Frw'000	Total equity Frw'000
As at 01 January 2021	9,491,629	(6,188,019)	126,568	3,430,178
Profit of the year	-	878,727	-	878,727
Issue of shares	=	=	=	-
At 31 December 2021	<u>9,491,629</u>	<u>(5,309,292)</u>	<u>126,568</u>	<u>4,308,905</u>
As at 01 January 2022	9,491,629	(5,309,292)	126,568	4,308,905
Profit of the year	-	261,900	-	261,900
Adjustment	(29)		29	-
Issue of shares	<u>1,585,850</u>	=	<u>8</u>	1,585,858
At 31 December 2022	<u>11,077,450</u>	<u>(5,047,392)</u>	<u>126,605</u>	<u>6,156,663</u>

URWEGO BANK PLC
STATEMENT OF CASH FLOWS (AUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Dec-22 Frw'000	Dec-21 Frw'000
Cash flows from operating activities:			
Profit/(Loss) before tax		473,989	602,459
<u>Adjustments for:</u>			
Amortization of intangible assets	12	13,010	21,913
Depreciation on property and equipment	10	159,961	154,971
Depreciation on right of use assets	11	200,569	231,550
Grant income from amortization of deferred revenue	7	(205,109)	(561,370)
Income from amortization of loan processing fees	5	(481,572)	(310,496)
Provision for impairment on assets	12	49,087	(26,071)
WOF of bad assets	12	(2,948)	60,176
Loss / (gain) on disposal of property and equipment	12	(7)	436
Finance costs on lease	4	95,252	73,732
Exchange gain difference		<u>(119,946)</u>	<u>(232,540)</u>
Operating profit before changes in operating assets and liabilities		<u>182,286</u>	<u>14,760</u>
Changes in working operating assets and liabilities			
Decrease/(increase) in loans and advances	16	(5,358,160)	(4,904,058)
Decrease/(increase) in other assets	18	(91,785)	(75,761)
(Decrease) / increase in deposits from customers	19	675,798	2,673,487
Increase/(decrease) in other payables (excluding deferred items)	20	250,731	335,339
Loan processing fees collected		192,256	347,650
Grants received		94,180	574,981
Decrease/(Increase) in cash reserve balances with National Bank	15(d)	<u>(132,401)</u>	<u>(122,662)</u>
Cash generated from operations		<u>(4,187,095)</u>	<u>(1,156,264)</u>
Taxes paid	14 (i)	(21,620)	(12,064)
Cash flows from investing activities			
(Increase)/decrease in financial investments	17	403,054	855,334
Purchase of property and equipment	10	(393,889)	(138,142)
Purchase of intangible assets	12	-	(3,877)
Proceeds from sale of property and equipment	10	<u>70</u>	<u>6,337</u>
Net cash flows from / (used in) investing activities		<u>9,235</u>	<u>719,652</u>
Cash flows from financing activities:			
Proceeds from long & short-term borrowings	21	535,043	670,501
Repayment of finance lease		(304,836)	(326,125)
Repayment from sublease		25,567	25,432
Repayment of short- & long-term debt		(260,044)	(562,569)
Proceeds of issuance of share capital	23	<u>1,585,850</u>	=
Net cash flows from financing activities		<u>1,581,580</u>	<u>(192,761)</u>
Net increase/(decrease) in cash and cash equivalents		(2,617,900)	(641,437)
Net foreign exchange difference		1,317,226	401,694
Cash and cash equivalents at 01 January		<u>5,128,971</u>	<u>5,368,714</u>
Cash and cash equivalents	15 (d)	<u>3,828,297</u>	<u>5,128,971</u>

URWEGO BANK PLC
APPENDIX 1: OTHER DISCLOSURES (AUDITED)
AS AT 31 DECEMBER 2022

Item			
A. Capital Strength		Figures in Frw'000	
a. core capital (Tier 1)		6,078,975	
b. supplementary capital (Tier 2)		251,645	
c. total capital		6,330,620	
d. total risk weighted assets		20,131,587	
e. core capital/ Total risk weighted assets ratio (Tier 1 ratio)		30.20%	
f. tier 2 ratio		1.25%	
g. total capital/total risk weighted assets ratio		31.45%	
h. leverage ratio		16%	
B. Credit Risk			
1. total gross credit risk exposures: after accounting offsets and without taking into account credit risk mitigation;		30,411,029	
2. average gross credit exposures, broken down by major types of credit exposure:		30,411,029	
a) loans, commitments and other non-derivative off-balance sheet exposures;		-	
b) debt securities;		-	
c) OTC derivatives		-	
3. Regional or geographic distribution of exposures, broken down in significant areas by major types of credit exposure;			
a. Kigali City		18,659,659	
b. Northern Province		1,661,686	
c. Eastern province		5,205,574	
d. Western Province		2,827,195	
f. Southern Province		2,056,915	
4. Sector distribution of exposures, broken down by major types of credit exposure and aggregated in the following areas:			
a) public;		1,133,388	
b) financial;		4,846,597	
c) manufacturing;		-	
d) infrastructure and construction;		10,737,702	
e) services and commerce.		10,037,096	
f) others		3,656,246	
5. Off- balance sheet items		500,000	

URWEGO BANK PLC
APPENDIX 1: OTHER DISCLOSURES (AUDITED)
AS AT 31 DECEMBER 2022 (CONT'D)

6. Non-performing loans indicators			
a) Non-performing loans (NPL)	436,546		
b) NPL ratio	1.85%		
7. Related parties			
a. Loans to directors, shareholders and subsidiaries	-		
b. Loans to employees	455,885		
8. Restructured loans as at 31 DECEMBER 2022			
a. No. of borrowers with restructured loans	100		
b. No. of loans restructured	100		
c. Amount outstanding (Frw'000) on restructured loans	1,698,953		
d. Provision thereon (Frw'000) (regulatory)	22,903		
e. Restructured loans as % of outstanding loan amounts (all borrowers)	7%		
C. LIQUIDITY RISK			
a. Liquidity Coverage Ratio (LCR)	164%		
b. Net Stable Funding Ratio (NSFR)	169%		
D. OPERATIONAL RISK			
		Types	Number
			Amount Frw'000
a. Number and types of frauds and their corresponding amount	cash misappropriation	9	14,151
E. MARKET RISK			
a. Interest rate risk	1,594		
b. Equity position risk	-		
c. Foreign exchange risk	1,744		
F. COUNTRY RISK			
a. Credit exposures abroad	-		
b. Other assets held abroad	131,297		
c. Liabilities to abroad	1,763,687		

URWEGO BANK PLC
APPENDIX 1: OTHER DISCLOSURES (AUDITED)
AS AT 31 DECEMBER 2022 (CONT'D)

G. Management and board composition			
a. Number of Board members	10		
b. Number of independent directors	6		
c. Number of non-independent directors	4		
d. Number of female directors	4		
e. Number of male directors	6		

Note: These financial statements and other disclosures are also accessible at Urwego Bank Plc website: www.urwegobank.com

Our head office address: KG5, Rukiri Cell, Remera Sector, Gasabo District

EXPLANATORY NOTES ON KEY VARIANCES FOR Q4-2022 VERSUS Q4-2021

- The Bank realized a 33% yoy growth on net interest income due to increase in loan disbursements compared to prior year
- In Q4-2022, fee income is 15% higher than fee income for Q4-2021 as a result of loan portfolio growth as well as more transactions from its Banking operations compared to prior year
- In 2022, the Bank realized a 15% growth of its total assets triggered namely by growth of its portfolio by 33%, growth of its fixed assets by 54% as a result of investment in IT equipment to support its digitization efforts
- Bank’s customers’ deposit grew by 4% compared to Dec 21 as a result of deposits mobilization efforts and expanded outreach
- The Bank total equity grew by 43% as a result of new capital injected by shareholders to support Bank’s strategic plan as well as its efforts to expand its frontiers as it serves the underserved