

**URWEGO FINANCE CBC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025**

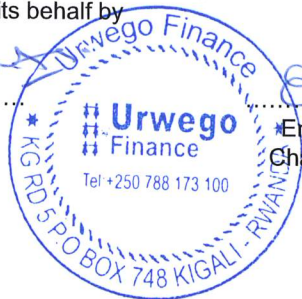
	Note	2025 Frw'000	2024 Frw'000
Interest and similar income	3	9,168,776	7,716,042
Interest and similar expense	4	<u>(1,216,184)</u>	<u>(760,690)</u>
Net interest income		<u>7,952,592</u>	<u>6,955,352</u>
Fees and commissions income	5	872,066	800,747
Fees and commissions expense	6	<u>(480,403)</u>	<u>(440,700)</u>
Net fees and commission income		<u>391,663</u>	<u>360,047</u>
Net foreign exchange income	7(b)	94,944	516,733
Other operating income	7(a)	<u>908,966</u>	<u>512,895</u>
Total operating income		9,348,165	8,345,027
Net impairment charge on loans and advances	8	<u>(131,209)</u>	<u>(318,289)</u>
Operating income after impairment losses		<u>9,216,956</u>	<u>8,026,738</u>
Employee benefits	9	(4,802,673)	(4,200,249)
Depreciation on property and equipment	10	(346,513)	(272,386)
Depreciation on right-of-use assets	11	(213,060)	(207,289)
Amortisation of intangible assets	12	(39,713)	(39,325)
Other operating expenses	13	<u>(2,913,834)</u>	<u>(2,585,571)</u>
Total operating expenses		<u>(8,315,793)</u>	<u>(7,304,820)</u>
Profit before income tax		901,163	721,918
Income tax expense	14	<u>(364,871)</u>	<u>(253,364)</u>
Profit for the year		536,292	468,554
Other comprehensive income		=	=
Total comprehensive income for the year		<u>536,292</u>	<u>468,554</u>

**URWEGO FINANCE CBC
STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2025**

	Note	2025 Frw'000	2024 Frw'000
ASSETS			
Cash in hand	15(a)	965,086	1,107,365
Due from the National Bank of Rwanda	15(b)	483,085	572,506
Due from other banking institutions	15(c)	4,329,637	5,205,917
Derivatives	17(a)	308,993	270,141
Loans and advances to customers	16	42,204,665	29,048,610
Financial investments	17(b)	3,109,511	1,748,990
Other assets	18	978,919	711,910
Property and equipment	10	1,183,246	1,187,680
Right of use assets	11	1,292,643	625,625
Intangible assets	12	108,860	147,295
Deferred income tax	14	<u>49,850</u>	<u>65,082</u>
TOTAL ASSETS		<u>55,014,495</u>	<u>40,691,121</u>
LIABILITIES			
Deposits from customers	19	31,799,642	24,263,987
Other payables	20	7,471,762	4,158,775
Borrowed funds	21	5,078,407	4,372,066
Lease liabilities	22	1,197,027	718,761
Current income tax		<u>349,638</u>	<u>122,084</u>
TOTAL LIABILITIES		<u>45,896,476</u>	<u>33,635,673</u>
EQUITY			
Share capital	23	12,666,170	11,139,900
Share premium	24	126,618	126,608
Statutory reserve	25	411,787	250,899
Accumulated losses	26	<u>(4,086,556)</u>	<u>(4,461,959)</u>
Total equity		<u>9,118,019</u>	<u>7,055,448</u>
TOTAL LIABILITIES AND EQUITY		<u>55,014,495</u>	<u>40,691,121</u>

The statement of financial position and statement of profit or loss were approved by the Board of Directors onMarch 2026 and signed on its behalf by

Christine Baingana
Chief Executive Officer



Emily Mugisha
Chairperson of the Board of Audit Committee

**URWEGO FINANCE CBC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Share capital	Share premium	Statutory reserve	Accumulated losses	Total equity
	Frw'000	Frw'000	Frw'000	Frw'000	Frw'000
At 01 January 2024	11,139,900	126,608	110,333	(4,789,947)	6,586,894
Profit and total comprehensive for the year	-	-		468,554	468,554
Transfer to statutory reserve	-	-	140,566	(140,566)	-
At 31 December 2024	<u>11,139,900</u>	<u>126,608</u>	<u>250,899</u>	<u>(4,461,959)</u>	<u>7,055,448</u>
At 01 January 2025	11,139,900	126,608	250,899	(4,461,960)	7,055,447
Profit and total comprehensive income for the year	-	-	-	536,292	536,292
Transfer to statutory reserve	-	-	160,888	(160,888)	-
Issue of shares	<u>1,526,270</u>	<u>10</u>	-		1,526,280
At 31 December 2025	<u>12,666,170</u>	<u>126,618</u>	<u>411,787</u>	<u>(4,086,556)</u>	<u>9,118,019</u>

* Statutory reserve relates to regulatory reserve requirement for Microfinance Institution in Rwanda as per article 20 of Law No. 072/2021 of 5/11/2021 governing deposit taking microfinance institutions. The reserve is non distributable.

**URWEGO FINANCE CBC
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2025**

		2025	2024
	Note	Frw'000	Frw'000
Cash flows from operating activities:			
Profit before income tax		901,163	721,918
<u>Adjustments for:</u>			
Amortization of intangible assets	12	39,713	39,325
Depreciation on property and equipment	10	346,513	272,386
Depreciation on right-of-use assets	11	213,060	207,289
Interest expense on borrowings	13	292,390	-
ECL movement on government securities	17(b)	40,670	23,832
ECL movement on due from other banking institutions and National Bank of Rwanda		19,676	94,978
ECL movement on loans and advances	16	108,171	33,689
ECL movement on other assets	18	(35,402)	165,790
Interest expense on lease liability	4	97,061	84,176
Loss on sale of fixed asset	10	<u>18,011</u>	-
Operating profit before changes in operating assets and liabilities		<u>2,041,026</u>	<u>1,643,383</u>
Changes in working operating assets and liabilities			
Increase in loans and advances	16	(13,264,226)	(5,541,663)
Decrease/(increase) in other assets	18	(231,607)	34,419
Increase in deposits from customers	19	7,535,655	3,082,646
Increase/(decrease) in other liabilities	20	3,312,987	2,603,771
Increase in derivatives	17(a)	(38,852)	151,133
Other Non cash movement on right-of-use assets	11	(880,078)	(187,839)
Other Non cash movement on lease liability	22	<u>582,364</u>	227,118
Other Non cash movement on property, plant and equipment	10	=	<u>(4,630)</u>
		<u>(942,731)</u>	<u>2,008,338</u>
Taxes paid	18	<u>(152,549)</u>	<u>(11,424)</u>
Cash generated from operations		<u>(1,095,280)</u>	<u>1,996,914</u>
Cash flows from investing activities			
(Decrease)/Increase in financial investments	17(b)	(1,401,191)	7,867
Purchase of property and equipment	10	(360,090)	(427,362)
Purchase of intangible assets	12	<u>(1,278)</u>	<u>(30,712)</u>
		<u>(1,762,559)</u>	<u>(450,207)</u>

**URWEGO FINANCE CBC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

STATEMENT OF CASH FLOW (Continued)

Cash flows from financing activities:

Net movement in borrowing	21	-	(88623)
Proceeds from borrowings	21	2,410,856	1,127,490
Principal repayment	21	(1,730,081)	(1,000,000)
Interest repayment	21	(266,824)	(216,113)
Lease repayment	22	(201,159)	(277,956)
Amount received from sublease		10,787	22,199
Proceeds of issuance of share capital	23	<u>1,526,280</u>	=
Net cash from / (used in) financing activities		1,749,859	(433,003)
Net (decrease) / increase in cash and cash equivalents		(1,107,980)	1,113,704
Net foreign exchange difference		-	162,322
Cash and cash equivalents at 01 January		<u>6,885,788</u>	<u>5,609,762</u>
Cash and cash equivalents	15 (d)	<u>5,777,808</u>	<u>6,885,788</u>

URWEGO FINANCE CBC
APPENDIX 1: OTHER DISCLOSURES (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2025

Item			
A. Capital Strength	Figures in Frw'000		
a. core capital (Tier 1)	8,959,309		
b. supplementary capital (Tier 2)	2,788,977		
c. total capital	11,748,123		
d. total risk weighted assets	47,513,123		
e. core capital/ Total risk weighted assets ratio (Tier 1 ratio)	18.86%		
f. tier 2 ratio	5.87%		
g. total capital/total risk weighted assets ratio	24.73%		
B. Credit Risk			
1. total gross credit risk exposures: after accounting offsets and without taking into account credit risk mitigation;	43,670,757		
2. average gross credit exposures, broken down by major types of credit exposure:	43,670,757		
a) loans, commitments and other non-derivative off-balance sheet exposures;	43,670,757		
b) debt securities;	2,906,150		
c) OTC derivatives-liability	1,325,716		
c) OTC derivatives-assets	1,634,709		
3. Regional or geographic distribution of exposures, broken down in significant areas by major types of credit exposure;			
a. Kigali City	19,485,649		
b. Northern Province	3,760,910		
c. Eastern province	9,441,713		
d. Western Province	4,966,226		
f. Southern Province	4,779,630		
4. Sector distribution of exposures, broken down by major types of credit exposure and aggregated in the following areas:			
a) Construction	7,948,745		
b) Whole sale and retail	22,231,192		
c) Agriculture	9,234,696		
d) Transport, warehousing and communication	1,895,800		
e) Other industries	1,123,695		
5. Off- balance sheet items	5,852,055		
6. Non-performing loans indicators			
a) Non-performing loans (NPL)	640,346		
b) NPL ratio	1.47%		
7. Related parties			
a. Loans to directors, shareholders and subsidiaries	-		
b. Loans to employees	928,290		

URWEGO FINANCE CBC
APPENDIX 1: OTHER DISCLOSURES (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2025

8. Restructured loans as at 31 DECEMBER 2025			
a. No. of borrowers with restructured loans		88	
b. No. of loans restructured		87	
c. Amount outstanding (Frw'000) on restructured loans		104,045	
d. Provision thereon (Frw'000) (regulatory)		2,730	
e. Restructured loans as % of outstanding loan amounts (all borrowers)		0.24%	
C. LIQUIDITY RISK			
Liquidity ratio		34%	
D. OPERATIONAL RISK			
	Types	Number	Amount Frw'000
a. Number and types of frauds and their corresponding amount	cash misappropriation	3	13,426
F. COUNTRY RISK			
a. Credit exposures abroad	-		
b. Other assets held abroad		180,015	
c. Liabilities to abroad		2,788,977	
G. Management and board composition			
a. Number of Board members		10	
b. Number of independent directors		7	
G. Management and board composition (cont'd)			
c. Number of non-independent directors		3	
d. Number of female directors		4	
e. Number of male directors		6	

Note: These financial statements and other disclosures are also accessible at Urwego Finance CBC website: www.urwegofinance.com

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

Explanatory notes on 2025 performance vs 2024 performance

- 1) Loan portfolio grew by 45% YOY due to growing outreach and increased loans to the clients.
- 2) Investment grew by 78% due to the increase in cash and cash equivalents that allowed placements
- 3) Deposits grew by 31% due to growing deposits mobilizations from individual clients and corporations
- 4) Equity grew by 29% driven by the capital injections by the shareholder to support Urwego Finance CBC's operations in its efforts to serve the underserved.
- 5) Urwego realized a growth of 35% in its total assets as a result of loans, deposits, cash and placements
- 6) Interest income grew by 19% YOY due namely to lending activities, investments and fees from loans and other banking operations
- 7) Interest expenses on deposits and loans grew by 60% namely due to borrowings and deposits mobilization to fund Urwego's lending activities.
- 8) Personnel expenses grew by 14% due to recruitments of extra staff to support Urwego's lending activities as well as other incentives and fringe benefits to staff.
- 9) Profit after tax was 14% higher than prior year due to increase in lending activities, investments and other fees from loans and banking operations