

URWEGO BANK PLC
STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 JUNE 2020 (REVIEWED BY EXTERNAL AUDITORS)

	Notes	June-20 Frw'000	June-19 Frw'000
Interests and similar income	1	1,353,768	1,592,741
Interests and similar expense	2	<u>(187,325)</u>	<u>(288,098)</u>
Net interest income		<u>1,166,443</u>	<u>1,304,643</u>
Fee and commission income	3	264,638	393,349
Fee and commission expense	4	<u>(46,586)</u>	<u>(59,300)</u>
Net fee and commission income		<u>218,052</u>	<u>334,049</u>
Net foreign exchange income		57,222	69,366
Premium income		5,800	7,484
Gain on sale of fixed assets		-	25,257
Other operating income	5	<u>275,016</u>	<u>346,625</u>
Total operating income		<u>1,722,533</u>	<u>2,087,424</u>
Impairment (loss)/gains on financial assets	6	<u>(1,201,554)</u>	<u>(9,632)</u>
Operating income after impairment (loss)/gain		<u>520,979</u>	<u>2,077,792</u>
Personnel expenses	7	(1,238,910)	(1,204,405)
Depreciation of property, plant and equipment	9	(89,284)	(114,326)
Depreciation from right of use assets	10	(147,058)	(177,417)
Amortization of intangible assets	11	(15,204)	(30,312)
Other operating expenses	8	<u>(610,907)</u>	<u>(725,629)</u>
Total operating expense		<u>(2,101,363)</u>	<u>(2,252,089)</u>
Profit/(loss) before income tax		<u>(1,580,384)</u>	<u>(174,297)</u>
Income tax		-	-
(Loss) / profit for the year		<u>(1,580,384)</u>	<u>(174,297)</u>

	Note	Jun-20 Frw'000	Dec-19 Frw'000
ASSETS			
Cash in hand	12(a)	926,599	507,328
Due from the National Bank of Rwanda	12(b)	324,540	452,467
Due from other banking institutions	12(c)	3,433,652	3,366,406
Loans and advances to customers	13	10,751,339	12,995,100
Financial investments	14	2,300,251	1,611,709
Other assets	15	527,155	254,592
Current income tax assets		264,555	252,207
Property and equipment	9	550,169	674,170
Right of use assets	10	1,044,107	1,187,801
Intangible assets	11	<u>58,516</u>	<u>48,985</u>
TOTAL ASSETS		<u>20,180,883</u>	<u>21,350,765</u>
LIABILITIES			
Deposits from customers	16	15,150,404	15,044,826
Other payables	17	1,064,383	1,172,018
Borrowed funds	18	<u>1,663,277</u>	<u>1,913,180</u>
TOTAL LIABILITIES		<u>17,878,064</u>	<u>18,130,024</u>
EQUITY			
Share capital	19	10,255,077	9,592,677
Share premium	20	(1,394,489)	(1,394,553)
Accumulated losses		<u>(6,557,769)</u>	<u>(4,977,383)</u>
Total equity		<u>2,302,819</u>	<u>3,220,741</u>
TOTAL LIABILITIES AND EQUITY		<u>20,180,883</u>	<u>21,350,765</u>

The statement of financial position and statement of profit or loss were approved by

the Board of Directors on 27/08/2020 and signed on its behalf by

.....
Chief Executive Officer

.....
Chairperson of the Board of Audit Committee

URWEGO BANK PLC

AS AT 30 JUNE 2020

APPENDIX 1: OTHER DISCLOSURES (REVIEWED BY EXTERNAL AUDITORS)

Item	Figures in Frw'000		
I. Capital Strength			
a. Core Capital (Tier1)	2,243,945		
b. Supplementary Capital (Tier 2)	-		
c. Total Capital	2,405,778		
d. Total risk weighted assets	12,946,579		
e. Core capital/Total risk weighted assets ratio	17.33%		
f. Tier 1 ratio	17.33%		
g. Total capital/total risk weighted assets ratio	18.58%		
h. Tier 2 Ratio	-		
f. Leverage Ratio	14%		
II. Credit Risk			
1. total gross credit risk exposures: after accounting offsets and without taking into account credit risk mitigation	19,197,628		
2. average gross credit exposures, broken down by major types of credit exposure	19,197,628		
a. Loans, commitments and other non-derivative off-balance, sheets exposures	-		
b. debt securities	-		
c. OTC derivatives	-		
3. Regional or geographic distribution of exposures, broken down in significant areas by major types of credit exposures	-		
a. Kigali City	7,843,848		
b. Northern Province	535,761		
c. Eastern province	1,817,460		
d. Western Province	832,810		
f. Southern Province	1,198,883		

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AS AT 30 JUNE 2020

APPENDIX 1 (CONT'D): OTHER DISCLOSURES (REVIEWED BY EXTERNAL AUDITORS)

4. Sector distribution of exposures, broken down by major types of credit exposures and aggregated in the following areas:			
a. Government		324,540	
b. financial		3,429,288	
c. manufacturing;		-	
d. infrastructure and construction		5,327,652	
e. Services and commerce		6,402,777	
f. others		2,579,267	
5. Off- balance sheet items		425,000	
6. Non-performing loan indicators			
a. Non-performing loans		230,554	
b. NPL Ratio		1.89%	
7. Related parties			
a. Loans to directors, shareholders and subsidiaries		-	
b. Loan to employees		360,509	
III. LIQUIDITY RISK			
a. Liquidity ratio		219%	
b. Net Stable Funding Ratio (NSFR)		221%	
IV. OPERATIONAL RISK			
Number and types of frauds and their corresponding amount	Type	Number	Amount in Frw'000
	Misappropriation of Funds	1	330
V. MARKET RISK			
1. Interest rate risk		2,844	
2. Equity position risk		-	
3. Foreign exchange risk		32,958	



URWEGO BANK PLC

AS AT 30 JUNE 2020

APPENDIX 1 (CONT'D): OTHER DISCLOSURES (REVIEWED BY EXTERNAL AUDITORS)

VI. COUNTRY RISK		
1. Credit exposures abroad	-	
2. Other assets held abroad	351,512	
3. Liabilities to abroad	624,411	
VII. Management and board composition		
1. Number of Board members	10	
2. Number of independent directors	6	
3. Number of non-independent directors	4	
4. Number of female directors	4	
5. Number of male directors	6	
6. Number of Senior Managers	6	
7. Number of females senior managers	3	
8. Number of males senior managers	3	

KEY VARIANCES FOR QUARTER ENDED 30 JUNE 2020 VS YEAR ENDED 30 JUNE 2019

- The bank total assets were 5% lower than prior year namely due to lower disbursement as well as increase in loan loss reserve as a result of significant increase in credit risk as result of covid-19
- Loan and advances were 17% lower than prior year due to lower disbursement as a result of covid-19 as well as higher loan loss reserve
- Bank's customers' deposits are almost similar to prior year deposits with a small negative variance of 1%
- The bank's share capital increased by 7% due to new capital injection made by shareholders to support bank's operation
- The loan impairments loss was higher than prior year same period due to increase in expected credit loss a result of covid-19
- The bank net interest income was 11% worse than prior year due to lower disbursement as a result of covid-19 as well as payment holidays offered to its clients
- The bank cumulative loss is worse than prior year due to higher provision as a result of covid-19 as well as payment moratorium offered to its clients whereby interests were not recognized on eligible loans during the said periods

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

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