

URWEGO BANK PLC
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2021 (AUDITED)

	Note	Dec-21 Frw'000	Dec-20 Frw'000
Interest and similar income	3	4,062,328	3,119,764
Interest and similar expense	4	(356,659)	(364,997)
Net interest income		3,705,669	2,754,767
Fees and commissions income	5	868,225	659,955
Fees and commissions expense	6	(325,895)	(195,352)
Net fees and commission income		542,330	464,603
Net foreign exchange income		232,540	264,206
Premium income		-	14,817
Other operating income	7	561,370	603,674
Total operating income		5,041,909	4,102,067
Net impairment charge on loans and advances	8	173,613	(919,982)
Operating income after impairment losses		5,215,522	3,182,085
Personnel expenses	9	(2,788,573)	(2,478,061)
Depreciation on property and equipment	10	(154,971)	(165,276)
Depreciation on right of use assets	11	(231,550)	(277,081)
Amortisation of intangible assets	12	(21,913)	(29,166)
Other operating expenses	13	(1,416,056)	(1,443,136)
Total operating expenses		(4,613,063)	(4,392,720)
Profit/(Loss) before tax		602,459	(1,210,635)
Income tax asset/(expense) for the period	14	276,268	-
Profit/(Loss) for the year		878,727	(1,210,635)
Other comprehensive income		-	-
Total comprehensive profit/(loss)		878,727	(1,210,635)

URWEGO BANK PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021 (AUDITED)

	Note	Dec-21 Frw'000	Dec-20 Frw'000
ASSETS			
Cash in hand	15(a)	755,711	652,572
Due from the National Bank of Rwanda	15(b)	1,189,619	515,712
Due from other banking institutions	15(c)	4,000,729	4,894,856
Loans and advances to customers	16	17,120,080	12,216,022
Financial investments	17	2,146,427	3,001,761
Other assets	18	415,715	339,954
Current income tax assets	14	300,916	310,524
Property and equipment	10	429,711	453,349
Right of use assets	11	655,589	968,174
Intangible assets	12	26,519	44,554
Deferred tax assets	14	276,268	-
TOTAL ASSETS		<u>27,317,284</u>	<u>23,397,478</u>
LIABILITIES			
Deposits from customers	19	18,754,064	16,080,577
Other payables	20	1,365,311	980,770
Borrowed funds	21	2,889,004	2,905,953
TOTAL LIABILITIES		<u>23,008,379</u>	<u>19,967,300</u>
EQUITY			
Share capital	22(a)	9,491,629	9,491,629
Share premium	22(b)	126,568	126,568
Accumulated losses	23	(5,309,292)	(6,188,019)
TOTAL EQUITY		<u>4,308,905</u>	<u>3,430,178</u>
TOTAL LIABILITIES AND EQUITY		<u>27,317,284</u>	<u>23,397,478</u>

The statement of financial position and statement of profit or loss were approved by the Board of Directors on2022 and signed on its behalf by

.....
 Christine Bangana
 Chief Executive Officer

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 Chairperson of the Board of Audit Committee



URWEGO BANK PLC
STATEMENT OF CHANGES IN EQUITY (AUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Accumulate d losses	Share premium / (discount)	Total equity
	Frw'000	Frw'000	Frw'000	Frw'000
As at 01 January 2020	8,071,629	(4,977,384)	126,496	3,220,741
Profit/(Loss) for the year	-	(1,210,635)	-	(1,210,635)
Issue of shares	<u>1,420,000</u>	<u>-</u>	<u>72</u>	<u>1,420,072</u>
At 31 December 2020	<u>9,491,629</u>	<u>(6,188,019)</u>	<u>126,568</u>	<u>3,430,178</u>
As at 01 January 2021	9,491,629	(6,188,019)	126,568	3,430,178
Profit/(loss) for the year	-	878,727	-	878,727
Issue of shares	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2021	<u>9,491,629</u>	<u>(5,309,292)</u>	<u>126,568</u>	<u>4,308,905</u>

URWEGO BANK PLC
STATEMENT OF CASH FLOWS (AUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Dec-21 Frw'000	Dec-20 Frw'000
Cash flows from operating activities:			
Profit/(Loss) before tax		602,459	(1,210,635)
<u>Adjustments for:</u>			
Amortization of intangible assets	12	21,913	29,166
Depreciation on property and equipment	10	154,971	165,276
Depreciation on right of use assets	11	231,550	277,081
Grant income from amortization of deferred revenue	7	(561,370)	(552,203)
Income from amortization of loan processing fees	5	(310,496)	(208,405)
Provision for impairment on assets	12	(26,071)	(117,062)
WOF of bad assets	12	60,176	45,227
Loss / (gain) on disposal of property and equipment	12	436	229,034
Finance costs on lease	4	73,732	111,011
Exchange gain difference		<u>(232,540)</u>	<u>(264,206)</u>
Operating profit before changes in operating assets and liabilities		<u>14,760</u>	<u>(1,495,716)</u>
Changes in working operating assets and liabilities			
Decrease/(increase) in loans and advances	16	(4,904,058)	779,078
Decrease/(increase) in other assets	18	(75,761)	(85,362)
(Decrease) / increase in deposits from customers	19	2,673,487	1,035,751
Increase/(decrease) in other payables (excluding deferred items)	20	335,339	8,798
Loan processing fees collected		347,650	76,616
Grants received		574,981	395,040
Decrease/(Increase) in cash reserve balances with National Bank	15(d)	<u>(122,662)</u>	<u>81,898</u>
Cash generated from operations		<u>(1,156,264)</u>	<u>796,103</u>
Taxes paid	14 (i)	(12,064)	(25,934)
Cash flows from investing activities			
(Increase)/decrease in financial investments	17	855,334	(1,390,051)
Purchase of property and equipment	10	(138,142)	(169,946)
Purchase of intangible assets	12	(3,877)	(25,114)
Proceeds from sale of property and equipment	10 & 12	<u>6,337</u>	<u>19,547</u>
Net cash flows from / (used in) investing activities		<u>719,652</u>	<u>(1,565,564)</u>
Cash flows from financing activities:			
Proceeds from long & short-term borrowings	21	670,501	1,679,588
Repayment of finance lease		(326,125)	(362,003)
Repayment from sublease		25,432	22,807
Repayment of short- & long-term debt		(562,569)	(271,295)
Proceeds of issuance of share capital	21 (b)	-	<u>1,420,000</u>
Net cash flows from financing activities		<u>(192,761)</u>	<u>2,489,097</u>
Net increase/(decrease) in cash and cash equivalents		(641,437)	1,693,702
Net foreign exchange difference		401,694	125,661
Cash and cash equivalents at 01 January		<u>5,368,714</u>	<u>3,549,351</u>
Cash and cash equivalents	15 (d)	<u>5,128,971</u>	<u>5,368,714</u>

URWEGO BANK PLC
APPENDIX 1: OTHER DISCLOSURES (AUDITED)
AS AT 31 DECEMBER 2021

Item			
A. Capital Strength		Figures in Frw'000	
a. core capital (Tier 1)		3,566,754	
b. supplementary capital (Tier 2)		199,526	
c. total capital		3,766,280	
d. total risk weighted assets		15,962,119	
e. core capital/ Total risk weighted assets ratio (Tier 1 ratio)		22.345%	
f. tier 2 ratio		5.298%	
g. total capital/total risk weighted assets ratio		23.595%	
h. leverage ratio		13%	
B. Credit Risk			
1. total gross credit risk exposures: after accounting offsets and without taking into account credit risk mitigation;		25,551,705	
2. average gross credit exposures, broken down by major types of credit exposure:		25,551,705	
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		16,765,013	
b. Northern Province		1,022,695	
c. Eastern province		3,876,836	
d. Western Province		1,997,145	
f. Southern Province		1,890,016	

URWEGO BANK PLC
APPENDIX 1: OTHER DISCLOSURES (AUDITED)
AS AT 31 DECEMBER 2021 (CONT'D)

4. Sector distribution of exposures, broken down by major types of credit exposure and aggregated in the following areas:			
a) public;		1,189,619	
b) financial;		4,002,104	
c) manufacturing;		-	
d) infrastructure and construction;		9,112,381	
e) services and commerce.		8,264,447	
f) others		2,983,154	
5. Off- balance sheet items		500,000	
6. Non-performing loans indicators			
a) Non-performing loans (NPL)		565,738	
b) NPL ratio		3.15%	
7. Related parties			
a. Loans to directors, shareholders and subsidiaries		-	
b. Loans to employees		368,610	
8. Restructured loans as at 31 December 2021			
a. No. of borrowers with restructured loans		607	
b. No. of loans restructured		607	
c. Amount outstanding (Frw'000) on restructured loans		3,833,481	
d. Provision thereon (Frw'000) (regulatory)		219,283	
e. Restructured loans as % of outstanding loan amounts (all borrowers)		22%	
C. LIQUIDITY RISK			
a. Liquidity Coverage Ratio (LCR)		183%	

URWEGO BANK PLC
APPENDIX 1: OTHER DISCLOSURES (AUDITED)
AS AT 31 DECEMBER 2021 (CONT'D)

b. Net Stable Funding Ratio (NSFR)	218%		
D. OPERATIONAL RISK			
	Types	Number	Amount Frw'000
a. Number and types of frauds and their corresponding amount	-	-	-
E. MARKET RISK			
a. Interest rate risk	-		
b. Equity position risk	-		
c. Foreign exchange risk	16,101		
F. COUNTRY RISK			
a. Credit exposures abroad	-		
b. Other assets held abroad	322,692		
c. Liabilities to abroad	2,095,648		
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		
f. Number of Senior Managers	6		
g. Number of females senior managers	3		
h. Number of males senior managers	3		

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

EXPLANATORY NOTES ON KEY VARIANCES FOR 2021 VERSUS 2020

- The Bank Total Assets were 17% higher than prior year namely due to increased Loan to customers.
- The Bank had a growth of 40% in loans and advances to customers due to increased Disbursements
- The Bank Total Equity increased by 26% due to 2021 profit.
- Loan Loss reserve was 33% better than prior Year Loan, due to Improvement on early Loan delinquency Management
- The Bank net interest income was 35% better than Prior year, due to increase in Loans to customers
- The Bank recorded a Profit in 2021 due to Increased Loans to customers that brought more income at the same time, Timely Management of Portfolio at risk.