



Wealth a way of life.









A Stock Exchange is an organized and regulated financial market where securities are bought and sold at prices governed by the forces of demand and supply. Stock exchanges impose stringent rules, listing requirements, and statutory requirements that are binding on all listed and trading parties

"Wealth a way of life"





To be a big contributor to the economic development and key player in leading Rwanda to become a Regional Financial Center



Mission

To provide the main platform for promotion of savings and raising funds for long term investments in Rwanda and beyond





LIST OF ACRONYMS AND ABBREVIATIONS

ALSI: All Share Index

ASEA: African Securities Exchanges Association

AgDF: Agaciro Development Fund

ATS: Automated Trading System

AU: African Union

BNR: Banque Nationale du Rwanda

Bralirwa: Brasseries et Limonaderies du Rwanda

BRD: Development Bank of Rwanda

BK: BK Group Plc

CBE: College of Business and Economics

CDSC: Central Depository and Settlement Corporation

CDH: Continental Discount House

CEO: Chief Executive Officer

CSD: Central Securities Depository **CMI:** Capital Market Infrastructure

CISI: Chartered Institute for Securities and Investment

DSE: Dar es Saalam Stock Exchange PLC

EASEA: East African Securities Exchanges Association

EASRA: East African Securities and Regulatory Authorities

EGH: Equity Group Holdings Plc

FSDP: Financial Sector Development Plan

FRW: Franc Rwandais

GDP: Gross Domestic Product

H1: Half 1 **H2:** Half 2

IFAC: International Federation of Accountants

IFC: International Finance Corporation.
INES: Institut d'Enseignement Superieur
IPB: Institut Polytechnique de Byumba

IPSAS: International Public Sector Accounting Standards

IOSCO: International Organization of Securities Commissions **FSDRP:** Financial Sector Development Regionalization Project

KCB: Kenya Commercial Bank

KIFC: Kigali International Financial Center

MINECOFIN: Ministry of Finance and Economic Planning

MINICOM: The Ministry of Trade and Industry

MoU: Memorandum of Understanding

NSE: Nairobi Securities Exchange

OTC: Over The Counter

PSF: Private Sector Federation

RSE: Rwanda Stock Exchange

RSI: Rwanda Share Index

RFL: Rwanda Finance Limited

RSSB: Rwanda Social Security Board

SITI: Securities Industry Training Institute

SORAS: Sociète Rwandaise d'Assurance

SMEs: Small and Medium Enterprises

SSE: Sustainable Stock Exchanges

UR: University of Rwanda

USE: Uganda Securities Exchange

US SEC: United States Securities and Exchanges

Commission

UTAB: University of Technology and Arts of Byumba

WBG: World Bank Group

WFE: World Federation of Exchanges



PROFILE OF THE BOARD OF DIRECTORS



Mr. Bob KARINA Chairman

Mr. Bob Karina is the Founder, Chairman of Faida Investment Bank, Corporate Finance Specialist, an accomplished Stockbroker and Research Analyst. He is the Vice Chairman, Nairobi Securities Exchange (NSE), Chairman of the Rwanda Stock Exchange, Chairman of Norwich Union Properties Ltd, Director Kenya Industrial Estates and served as Director of Kenya Private Sector Alliance and Kenya National Chamber of Commerce and Industry, among others.

Bob, holds a MSc in Corporate Finance from the University of Liverpool UK, in addition to technical and professional qualifications from the Institute of Systems Science, National University of Singapore, International Statistical Programs Center, United States Bureau of the Census, USA, Hong Kong Polytechnic Industrial Center, Institute of Development Studies, University of Sussex, UK., E.A. Statistical Training Centre, University of Dar-es-Salaam, Tanzania and London Institute of Statisticians.

Bob is a Founder Member of the Institute of Certified Investment and Financial Analysts (ICIFA), serves as the Chairman of the Association of Kenya Stockbrokers Nominees Ltd. He is a Member of the Institute of Directors, Director of the Central Depository and Settlement Corporation (CDSC), the NSE Clear Ltd., Trustee of both NSE Investor Protection Fund and NSE Derivatives Settlement Guarantee Fund.

Bob played a critical role in the establishment of the CDSC, the NSE Automated Trading System, the Wide Area Network and the Broker Back Office at the NSE as the Chairman of the Implementation Committee that spearheaded developments in Kenya's Capital Markets. For over two decades, Bob has acquired vast experience in Investment Banking and is passionate about supporting organizations improve their bottom line, list on the exchange, mergers and acquisitions, raise capital, grow and thrive.

He is married to Jennifer Karina, has three children and several grandchildren, enjoys jogging, swimming and playing golf.



Mrs. Amina RWAKUNDA Vice-Chairperson

Mrs. Amina Umulisa RWAKUNDA has been a Board Director of the Rwanda Stock Exchange (RSE) since 2012.

She is the current Chief Economist in the Ministry of Finance and Economic Planning; and board Director of the NISR (National Institute of Statistics Rwanda).

Mrs. Rwakunda is an Economist with over 12 years' experience and a seasoned negotiator on regional integration matters where she has been serving as the Deputy Chief Negotiator for Rwanda's High-Level Task Force on the EAC Monetary Union and she is also involved in negotiations on fiscal related policies.

Mrs. Rwakunda holds a Masters in Globalisation and Development Economics from the University of Antwerp.





Mrs. IZA Irame Board Member

Mrs. Iza Irame is the Chief Investment Officer at Crystal Ventures Limited.

Prior to joining CVL, Iza was the Chief Executive Officer of African Alliance for four years.

She led diverse corporate finance transactions in the Rwanda Market and has been instrumental in growing the local capital market industry. She was the first chairperson of the Rwanda Stockbrokers Association.

Prior to joining African Alliance, Iza was Group Finance Manager at the Horizon Group Ltd and worked as the Chief Accountant at the Office of the Prosecutor General.

She currently serves as a non-Executive Director on various boards including the Rwanda Stock Exchange, African Alliance Rwanda, Zigama CSS, Sonarwa General Insurance and Rwanda Teaching University Hospital.

Iza holds a Bachelor's degree in Finance from the Kigali Institute of Science, Technology and Management (KIST) and is an affiliate of the UK Association of Chartered Certified Accountants (ACCA).



Mr. Shehzad NOORDALLY Board Member

Mr. Shehzad Noordally is the CEO of CDH Capital Ltd, an Investment Banking and Management service provider in Rwanda.

He started his career in the Accountancy and Financial Sector, Shehzad has 20+ experience in the financial sector.

He is currently the Chairman of the Rwanda Association of Stockbrokers and a Board Member of the Rwanda Stock Exchange and BK General Insurance.





Mr. Andrew Otengo OWINY Board Member

Mr. Andrew is a Group Executive Director and Group Head of Corporate Finance & Research with MBEA Brokerage Services (Rwanda) Ltd ('MBEA Rwanda 'or 'MBSRW'), a Licensed Stock Broker Member of the Rwanda Stock Exchange (RSE).

For over 28 years, Andrew has been intimately involved with investment banking in Africa, the USA and parts of Europe, having served as Managing Director at MBEA Brokerage Services (Uganda) Limited, a Member of the Uganda Securities Exchange (USE) from 1997 to 2010; and as Senior Vice President and Head of International Finance at Pryor, Counts & Co., Inc., a full service boutique investment banking firm headquartered in Philadelphia, Pennsylvania in the United States of America ('USA').

Andrew currently serves as a Board Member on the Board of Directors of the Rwanda Stock Exchange ('RSE'), and is

the Chairman of the Board Finance & Administration Committee. He has, over the years, served on numerous other Boards of organizations across Africa. He currently serves as a Director on the Board of ICEA Life Assurance Company Limited (Uganda); and, on the Board of G4S Secure Solutions (Uganda) Limited.

Other Boards on which Andrew has also served include: Uganda Securities Exchange (USE); National Social Security Fund ('NSSF') of Uganda; aBi Finance Limited (Uganda); CAL Merchant Bank Limited (now Cal Bank Limited) in Accra, Ghana; National Merchant Bank of Zimbabwe Limited ('NMBZ') in Harare, Zimbabwe; and Securities Discount Company Limited ('SDC') in Accra, Ghana. Andrew also served as Chairman of Uganda Rugby Union, the governing body of the Game of Rugby in Uganda.

In June 1997, Andrew, at the invitation of the United States Congress/House of Representatives Subcommittee on Africa of the House Committee on International Relations, provided written and oral testimony regarding "Africa's Emerging Capital Markets".

He was also the 1st recipient of the "Kikonyogo Capital Markets Award" ('KCMA') 2003, presented by Capital Markets Authority of Uganda ('CMA Uganda') in recognition of his exemplary contribution towards the development of the Ugandan capital market. In 2007, Andrew received the Runner-up KCMA.

Andrew was nominated one of the "2009 Distinguished Wharton Alumni (contributing to Africa)" by the Wharton African Students Association ('WASA'), of which Mr. Owiny was the Founding President; and the Wharton Club of Africa ('WCA'), a congregation of Wharton Alumni from across the African Continent, both organizations associated with The Wharton School of the University of Pennsylvania in Philadelphia, Pennsylvania, USA.

Andrew received his Master of Business Administration degree in Finance & Accounting from the Wharton School of the University of Pennsylvania, and holds a Bachelor of Commerce honours degree in Finance from Makerere University, Kampala ('MUK'), Uganda.





Mr. Innocent Idi KABANDA Board Member

Mr. Innocent Idi KABANDA has served as a member of the Rwanda Stock Exchange Board of Directors since May 2015.

Mr. Innocent joined RSSB in 2007 as investment analyst. Since 2015 he was promoted as Portfolio Management Division Manager of Rwanda Social Security Board (RSSB) after being successively Director of Non Fixed Income Investments since April 2013 and Director of Fixed Income Investments since September 2011. The responsibilities of his position are to carry out the analysis of the Fixed Income Investments (bank term deposits, Government securities, mortgage, commercial papers and loans) and non-fixed income investments (Real estates and Equity) to determine prudent investment reallocation opportunities to generate additional yield or minimize investment risk; follow up the global& macro-economic situation and prepare various analysis reports on regular basis.

He serves other Boards such as Eastern Province Investment Company (EPIC) as Vice chairman since January 2016, SONARWA Life since October 2018; GOSHEN FINANCE Itd (banking services) since May 2017; SILOWAMU Medical Clinic since September 2018 and former Board member of SOYCO MOUNT MERU RWANDA Ltd (soy bean factory located at Kayonza District) from January 2016 to December 2017.

An expert in Economics Policy Management graduate from a known University of Kinshasa sponsored by World Bank, Bachelor's degree in Management from University of Rwanda at Huye Campus and currently pursuing Chartered Public Accountant course (CPA®) under sponsorship of ICPAR.



Mr. Pierre Celestin RWABUKUMBA Board Member

Mr. Pierre Celestin RWABUKUMBA, a Rwandan national, is the current Chairman of the East African Securities Exchanges Association (EASEA) and Chief Executive Officer of the Rwanda Stock Exchange Ltd. He was the Co-founder and Chairman of Kigali Cement Company, a private company that produces, Markets and sells cement in Rwanda and neighboring countries.

He is also a non-Executive in a number of institutions in finance and business development, hospitality and industry in Rwanda and beyond. The list includes the Securities Industry Training Institute (SITI East Africa) where he serves as Chairman, The Executive Committee of the African Securities Exchanges Umbrella Organization (ASEA), The New Faces New Voices – Rwanda and others.

He is also involved in different investment projects ranging from Real Estate, Poultry and Agro – processing to Energy. Mr. Rwabukumba started his career in financial services in New York City more than a decade ago

after graduating from the University of Buffalo (UB), New York in the United States with A bachelor's Degree in Economics. He worked in different professional positions as a stock broker, in Compliance and Operations and Institutional Investors' Sales before he joined the Central Bank of Rwanda in 2004 to help start the Capital Market Development Project in Rwanda.

Mr. Rwabukumba is a seasoned negotiator as he has been instrumental in different negotiations on regional integration of the East African Community. He has served on different Capital Market Committees both at the national and the regional level; the latest being the High Level Task Force negotiating the EAC Monetary Union. He completed an International post Graduate Advanced Management Program (AMP) for Executives at Strathmore Business School.



1. BRIEF DESCRIPTION OF RWANDA STOCK EXCHANGE

A Stock Exchange is an oganized and regulated financial market where securities are bought and sold at prices governed by the forces of demand and supply. Stock exchanges impose stringent rules, listing requirements, and statutory requirements that are binding on all listed and trading parties.

Rwanda Stock Exchange Limited was incorporated on 7th October 2005 with the objective of carrying out stock market operations. The Stock Exchange was demutualized from the start as it was registered as a company limited by shares.

The company was officially launched on 31st January, 2011.

RSE OWNERSHIP STRUCTURE

The ownership structure of Rwanda Stock Exchange is as follows:

No	Shareholders	Ownership (%)
1.	Agaciro Development Fund	20
2.	Faida Securities Rwanda Ltd	10
3.	African Alliance Rwanda Ltd	10
4.	CDH Capital Ltd	10
5.	Baraka Capital Ltd	10
6.	MBEA Brokerage Services Rwanda Ltd	10
7.	Dyer & Blair Rwanda Ltd.	10
8.	RSSB	10
9.	BRD	8
10.	SONARWA General Insurances Company Ltd	1
11.	Sanlam Insurance	1



1.1 RSE BOARD COMPOSITION & REPRESENTATION

The Rwanda Stock Exchange Board is comprised of 7 members distributed as follows:

- Agaciro Development Fund has one representative
- Members have three representatives
- Institutional investors have one representative
- Members of the public and/or professional bodies have one representative
- Listed companies have one representative

1.1.1 CORPORATE INFORMATION

Directors

No	Name	Role
1.	Mr. Bob KARINA	Chairman
2.	Mrs. Amina RWAKUNDA	Vice Chairperson
3.	Mrs. Iza IRAME	Member
4.	Mr. Andrew OTENGO OWINY	Member
5.	Mr. Shehzad NOORDALLY	Member
6.	Mr. Innocent Idi KABANDA	Member
7.	Mr. Pierre Celestin RWABUKUMBA	Member/Secretary



Board Secretary

Mr. Pierre Celestin RWABUKUMBA Avenue du Commerce P. O. Box 5337, Kigali - RWANDA



Registered Office

KCT Building 1st Floor, Avenue du Commerce, P. O. Box 5337 Kigali - Rwanda



Bankers

Bank of Kigali Plot No.6112, Avenue de la Paix P.O. Box 175, Kigali, Rwanda



Auditors

RUMA CERTIFIED PUBLIC ACCOUNTANTS (CPA)

P. O. Box 2611. Kigali, Rwanda KG 2 Av 4, Kimihurura.Kigali, Rwanda.



Legal Advisor

K-Solutions & Partners KG 645, St 12, Urugwiro, Kamatamu, Kacyiru, Gasabo - PO.Box 4062 Rwanda





Mr. Bob KARINA Chairman

STATEMENT OF THE CHAIRMAN

It is my pleasure to report that 2021 was an exceptionally good year for Rwanda Stock Exchange (RSE) despite the continued challenges associated with the pandemic Covid–19. Which has been affecting economies around the globe. The Exchange registered an increase in activity both in Fixed Income Securities and Equities at the primary and with lower activity in the secondary market.

The biggest highlight of the year was RSE hitting yet an important milestone to date as this year the Exchange registered the biggest domestic listing that of MTN Rwandacell to date and at the same time we registered the first corporate bond from an SME making it the first company to graduate from the Investment Clinic project launched in 2020. These developments clearly make our role as a stock exchange becoming even more relevant.

Given the fact that the RSE was established to facilitate implementation of the country's economic reforms and encourage wider ownership of public resources, collaboration and support from the Government and other key stakeholders continues to be key towards supporting the country's economic development.

The RSE strategy and plans therefore, aim at positioning the RSE as the focus for raising capital for private enterprises and to the Government development projects through providing the platform for mobilizing savings for productive investments activities and creating investment opportunities for investors.

During 2020, RSE started implementation of its new 5-year strategic plan where efforts and resources were directed towards successfully running the investment clinic project aimed at handholding Small and Medium Enterprises (SMEs) and other corporates. This and combined efforts to sensitize retail investor market niche, increasing on efficiency levels and public outreach contributed to raising further the profile of the exchange. The first batch of 12 companies have already reached the final stage of the improvement plan and this is giving us hope that the Investment Clinic product will gain more traction and recognition in future.

In the course of the year, we increased our visibility on world stage by actively participating in different regional and international conferences and activities. The RSE actively participated in the 24th ASEA Conference and Annual General meeting held virtually by Bourse de Casablanca

on 24th November, 2021 and a few others jointly held with the Rwanda Finance and a few other supranational organizations.

I am also happy to note that this year we have continued our work with the World Federation of Exchanges (WEF) as an associate member and actively pursued our interactions and consultations with the UN's Sustainable Stock Exchanges initiative (SSE) through their working groups after joining in 2015.

This initiative aims to provide an effective platform for peer-to-peer dialogue among global exchanges. RSE has joined number 5 on the continent after Nigeria, Mauritius, Ivory Coast and the Nairobi Securities Exchanges and a few more Exchanges that have joined this year.

The Outlook is exciting, as all these efforts start to bear fruits i.e., increase activity, broaden the range of products, streamline the operations and commercialize the RSE as an entity.

During this period, we continued our efforts towards the automation of the exchange. The Market Capitalization at the close of 2021 was at USD 3.67 billion slightly higher from USD 3.56 billion at the end of 2020 mainly due to price fluctuation.

With regard to the fixed income securities, the government's monthly bond issuance program continued with a subscription rate ranging between 100.15% and 159.77%



This there was a decrease in secondary trading activity in the fixed income securities to the tune of Rwf 29.3 billion or 24.83% in bonds value traded compared to Frw 39.02 billion recorded in the same period of 2020.

The recorded performance slightly impacted the financial performance during the year. The RSE registered a decrease of 10% in net income or Rwf 274 million from Rwf 304 million recorded in 2020. We managed to stay the course despite the fact that we operated in a volatile year mainly due to the Covid – 19 pandemic.

On behalf of the Board of Directors, Management and the rest of the members of staff at Rwanda Stock Exchange, I wish to acknowledge and extend our appreciation to the continued support of the Government of Rwanda through the Ministry of Finance and the CMA. It is our sincere belief that the Government will continue supporting the RSE for the foreseeable future.

I am also grateful to all our development partners such as Financial Sector Development Plan (FSDP), Banque National Du Rwanda (BNR), Rwanda Finance Limited (RFL) and the Private Sector Federation (PSF) for their support in developing the market. During the year under review, we intensified the public awareness campaigns for Small and Medium Enterprises Market Segment at the RSE and increased our presence mainly virtually for the general public.

We believe through these we will envisage to result into an appetite for Small & Medium Enterprises raising capital and list on the Exchange and see more participation from the general public on the demand side as we can foresee more collective investments gaining popularity.

Again, in a special way I acknowledge with appreciation the outstanding role played by all my colleagues (the Members of Board of Directors) for their continued contribution and commitment to the development of the Exchange. The concerted efforts by the Management and the Board should push even further the development agenda of the RSE in years to come.

On behalf of the Board, I would like to also thank the RSE Management and entire team of staff for their dedication and commitment in ensuring that the Exchange meets its strategic objectives even during challenging moments.

In the longer term, we remain very positive about the opportunities to grow our Exchange as we are well positioned to capitalize on the ongoing economic reforms and development in the country through providing efficient capital raising platform to support growth post Covid – 19 pandemic.

Mr. Bob Karina Chairman

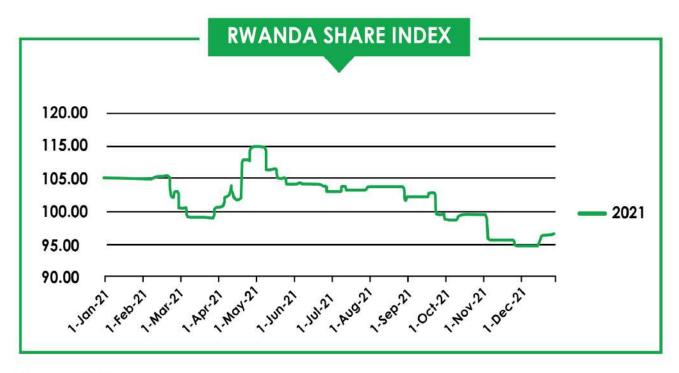


MANAGEMENT

The management of RSE during the year and to the date of this report was:

	NAMES	POSITIONS
1	Mr. Pierre Celestin RWABUKUMBA	Chief Executive Officer
2	Mrs.Alice IRIBAGIZA	Head of Finance and Administration
3	Mr. Robert TWAGIRA	Head of Operations and IT
4	Mr. David MITALI	Operations Officer
5	Mrs.Liliane RUTERA UWASE	Accountant
6	Mrs.Grace TWAGIRA	Client Relations & Executive Assistant

1. Market performance



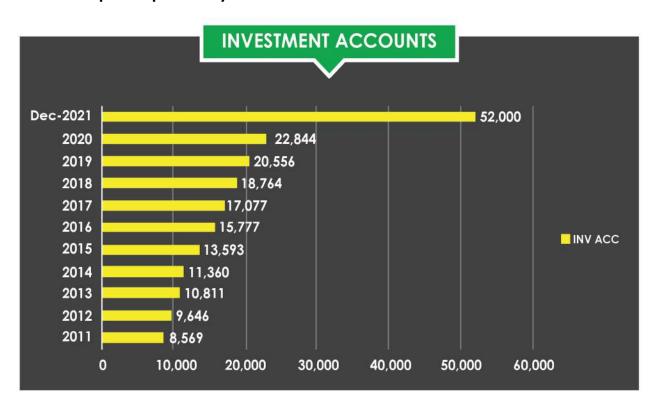


B. All Shares Index (ALSI)



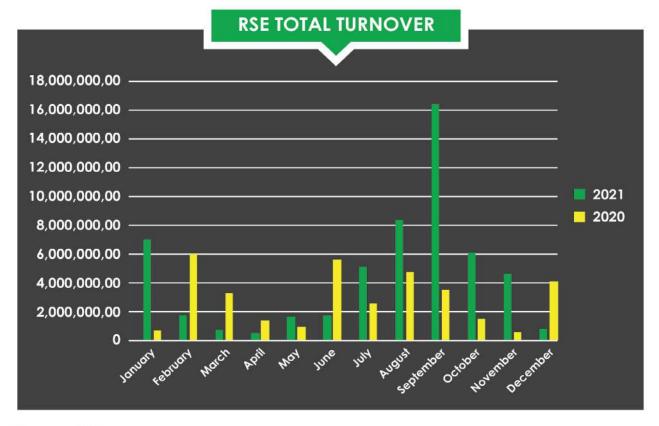
Source: RSE

C. Market participation by end of 2021





D. Comparison turnover between 2020–2021











The global economy ends 2021 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have reimposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. The ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects.

Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022—half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast markdowns in the two largest economies.

A revised assumption removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages produced a downward 1.2 percentage-points revision for the United States. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress

among property developers have induced a 0.8 percentage-point downgrade. Global growth is expected to slow to 3.8 percent in 2023. Although this is 0.2 percentage point higher than in the previous forecast, the upgrade largely reflects a mechanical pickup after current drags on growth dissipate in the second half of 2022.

The forecast is conditional on adverse health outcomes declining to low levels in most countries by end-2022, assuming vaccination rates improve worldwide and therapies become more effective.

Elevated inflation is expected to persist for longer than envisioned in the October WEO, with ongoing supply chain disruptions and high energy prices continuing in 2022. Assuming inflation expectations stay well anchored, inflation should gradually decrease as supply-demand imbalances wane in 2022 and monetary policy in major economies responds.

Risks to the global baseline are tilted to the downside. The emergence of new COVID-19 variants could prolong the pandemic and induce renewed economic disruptions.



Moreover, supply chain disruptions, energy price volatility, and localized wage pressures mean uncertainty around inflation and policy paths is high. As advanced economies lift policy rates, risks to financial stability and emerging market and developing economies' capital flows, currencies, and fiscal positions—especially with debt levels having increased significantly in the past two years-may emerge. Other global risks may crystallize as geopolitical tensions remain high, and the ongoing climate emergency means that the probability of major natural disasters remains elevated.

With the pandemic continuing to maintain its grip, the emphasis on an effective global health strategy is more salient than ever. Worldwide access to vaccines, tests, and treatments is essential to reduce the risk of further dangerous COVID-19 variants. This requires increased

production of supplies, as well as better incountry delivery systems and fairer international distribution. Monetary policy in many countries will need to continue on a tightening path to curb inflation pressures, while fiscal policyoperating with more limited space than earlier in the pandemic-will need to prioritize health and social spending while focusing support on the worst affected.

In this context, international cooperation will be essential to preserve access to liquidity and expedite orderly debt restructurings where needed. Investing in climate policies remains imperative to reduce the risk of catastrophic climate change:

Source: IMF Report, December 2021





1.2. Emerging Markets

Following a strong rebound in 2021, the global economy is entering a pronounced slowdown amid fresh threats from COVID-19 variants and a rise in inflation, debt, and income inequality that could endanger the recovery in emerging and developing economies. Global growth is expected to decelerate markedly from 5.5 percent in 2021 to 4.1 percent in 2022 and 3.2 percent in 2023 as pent-up demand dissipates and as fiscal and monetary support is unwound across the world.

The rapid spread of the Omicron variant indicates that the pandemic will likely continue to disrupt economic activity in the near term. In addition, a notable deceleration in major economies—including the United States and China—will weigh on external demand in emerging and developing economies.

At a time when governments in many developing economies lack the policy space to support activity if needed, new COVID-19 outbreaks, persistent supply-chain bottlenecks and inflationary pressures, and elevated financial vulnerabilities in large swaths of the world could increase the risk of a hard landing.

The slowdown will coincide with a widening divergence in growth rates between advanced economies and emerging and developing economies. Growth in advanced economies is expected to decline from 5 percent in 2021 to 3.8 percent in 2022 and 2.3 percent in 2023—a pace that, while moderating, will be sufficient to restore output and investment to their prepandemic trend in these economies. In emerging and developing economies, however, growth is expected to drop from 6.3 percent in 2021 to 4.6 percent in 2022 and 4.4 percent in 2023.

By 2023, all advanced economies will have achieved a full output recovery; yet output in emerging and developing economies will remain 4 percent below its pre-pandemic trend. For many vulnerable economies, the setback is even larger: output of fragile and conflict-affected economies will be 7.5 percent below its pre-pandemic trend, and output of small island states will be 8.5 percent below.

Source: IMF, Regional Economic Outlook, November 2021

1.3. Sub Saharan Africa & EAC

In 2021, the region's economy is resumed and slowly expanded at 3.4 percent, weaker than the 6 percent for the rest of the world, amid a continued lack of access to vaccines and limited policy space to support the crisis response and recovery.

Macroeconomic policies will in many countries entail some difficult choices. Saving lives remains the first priority, which will require access to affordable vaccines, ensuring that the logistical and administrative prerequisites of a vaccination rollout are in place, targeted containment efforts, and added spending to strengthen local health systems.

The next priority is to unlock the region's potential by creating more fiscal space and implementing transformative reforms. These include mobilizing domestic revenue, strengthening social protection, promoting digitalization, and improving transparency and governance. Countries will also have to consolidate their fiscal positions to bring debt back on a sustainable footing.

Such measures will help lift longer-term growth and provide opportunities for the region's new job seekers. The international community has a key role to play by ensuring more equitable and quicker access to vaccines and other medical products; and by providing low-income countries the external funding needed to pursue the policy priorities sketched above and avoid long-term scarring.

Source: IMF, November 2021 world economic update report



1.4. The Rwandan Economic Performance

This section presents the developments in the national economy, focusing on the drivers of the economic growth of 2021 and the outlook for 2022.

In line with the global context, the Rwandan economy is recovering as a result of relevant policy measures and the successful vaccination agenda, which prompted the easing of Covid-19 restrictions.

In the first three quarters of 2021; GDP grew by 11.4%, with 3.5 percent in Q1 2021, 20.6% in Q2 2021 and 10.1% in Q3 2021. The high frequency indicators show that the economy sustained this recovery path in Q4 2021 towards achieving the projected annual growth of 10.2%.

The Composite Index of Economic Activities (CIEA) recorded a growth of 13.4% in Q4 2021 from a growth of 10.5% in the same period in 2020. Turnovers (industry and services sectors) have also increased by 19.3% against 7.0% during the same period in 2020.

The economy is expected to continue recovering in 2022, with a projected growth of 7.2% backed by the Government's supportive macroeconomic policies of which the manufacturing and build to recover program, the vaccine rollout, and continued reopening of economic activities.

On external trade in 2021, Rwanda's merchandise exports continue to recover from the Covid-19 induced drop, rising by 53.4% to settle at USD 1,167.8 million, up from USD 761.3 million a year earlier.

The increase in export revenues is mainly attributable to a combination of rising commodity prices as global economies recover from the Covid-19 pandemic, and less supply-side disruptions to global trade compared to a year before.

Moreover, domestically, the good performance of the country's exports has been supported by the Government's policy support to revive the country's economy and a recovering manufacturing sector as the economy reopened.

Total merchandise imports rose by 16.5%, partly reflecting the continued strong recovery of domestic demand combined with rising global prices. Imports of energy products and consumer goods largely food products increased by 13.9% and 14.1% respectively, driven by international commodity and oil prices.

Moreover, imports of capital goods and intermediate goods rose by 11.6% and 15.7% respectively, reflecting rebounding investment and manufacturing activities.

As a result, Rwanda's merchandise trade deficit widened by 2.4% to USD 2,033.1 million in 2021, up from USD 1,985.3 million of the same period a year ago.

The current account deficit (CAD) is estimated to improve to 11.1% of GDP in 2021 from 11.9% of GDP recorded in 2020. Contributing to this improvement in the CAD are higher transfer inflows, mainly remittances and government grants recorded in 2021.

The CAD has been financed by government external borrowings and improving private capital inflows such as FDI and loans. As a result, by end of December 2021, NBR ended with foreign exchange reserves covering 5.3 months of the following year's imports of goods and services (against a benchmark of 4 months).

At end of December 2021, the FRW depreciated by 3.8% (year-on-year) against the USD, from a depreciation of 5.4% in December 2020.

Pressures on the Rwandan Franc slightly reduced during the period under review, mainly attributed to stable demand for foreign currencies and increased export earnings. The foreign exchange market is expected to remain stable as foreign exchange reserves are expected to be adequate in 2022.

Source: National Bank of Rwanda (BNR), February 2022 Monetary Policy



2. MARKET PERFORMANCE

On Rwanda Stock Exchange (RSE), trading activities went down compared to the same period of 2020 due to liquidity issues both in the equities and bond markets.

2.1. Primary Market

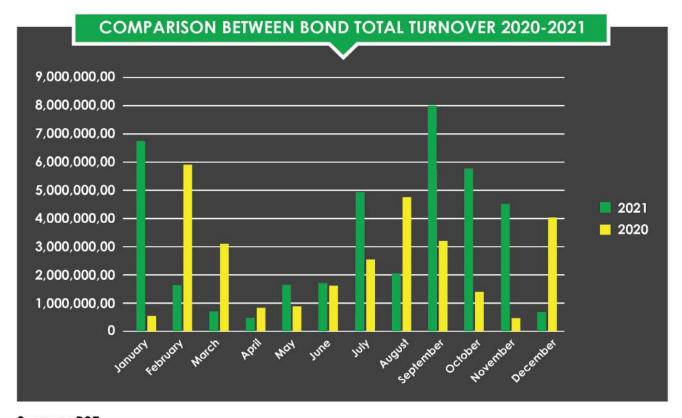
During the period under review, the government of Rwanda issued 6 Treasury bonds and reopened 8 bonds with a total face value of Frw 315 billion compared to Frw305.03 billion issued during the same period in 2020, or an increase of 4.42%. The coupon rates for the issued bonds ranged between 10.65% and 13.15%. The highest subscription level was 159.77% and the lowest was 100.15% for the bonds.

There was also a 10-year corporate bond issued by Energicotel Plc (ECTL) worth Frw 6.5 billion with a coupon rate of 13.75%. The company successfully placed its first tranche of Frw 3.5 billion and the rest will be raised thereafter. The corporate bond attracted a diverse base of local investors whereby 80% of funds raised were allocated to Institutional Investors and 20% to retail investors.

2.2 Secondary Market

2.2.1 Bond market

During this period, thirteen treasury bonds and one corporate bond with a total face value of Frw 318.5 billion were listed and trading activities on the market recorded Frw 29.3billion worth of bonds traded in 430 transactions. This translated into a decrease of 24.83% in bonds trading compared to the same period last year.



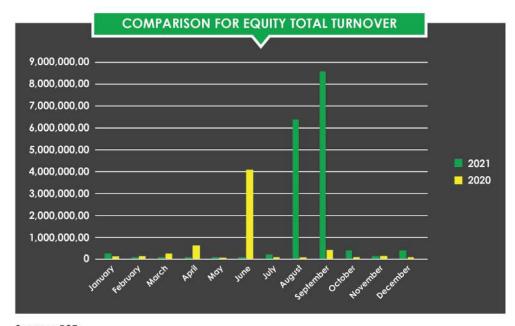




2.2.2 Equities market

The equity market recorded a total turnover of Frw 5.78 billion from 90.59 million shares traded in 543 deals translating into a decrease of 64.21% in turnover compared to Frw 16.16 billion recorded for the same period in 2020.

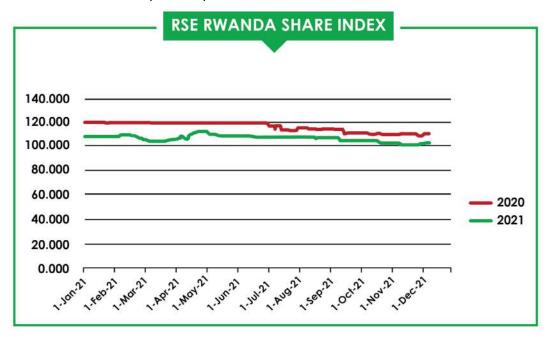
Comparison for market total turnover 2020 - 2021



Source: RSE

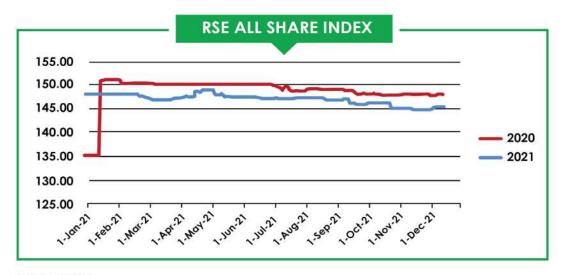
2.2.3 RSE indices

The Rwanda Share Index (RSI) and All share Index (ALSI) went down by 7.58 and 1.90 points to close at 101.71 and 145.34 respectively.





RSE All Share Index (ALSI)



Source: RSE

2.2.4 Market Capitalization

By the end of December 2021, the market capitalization stood at \$3.67 billion, 3.09% up from the \$3.56 billion at the end of December 2020.

2.2.4 Investors participation

As of December 2021, there were 52,000 active investors on record. The current composition is as follows: Domestic investors account for 93.22%; other East Africans are 5.70% and 1.08% are international. The sudden jump in numbers from lower 22.8 thousand investment accounts

to above 50 thousand here is a result of more campaigns towards collective investment schemes which are becoming popular and provide stable returns for investors especially retail investors. There are roughly 6,000 plus individual/retail investors who have opened individual accounts under such CIS and at least 25,000 who have come in groups as well. The pandemic has been an eye opener for a lot of people to get to understand more about savings in non-traditional ways. Therefore, products such as Iterambere Fund of RNIT, Aguka Fund by BK Capital and Ejo Heza among others are making a big difference.

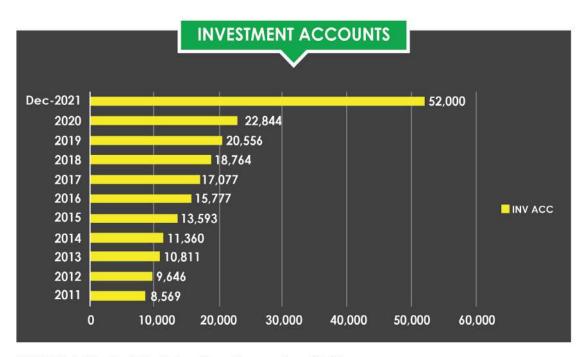


FIGURE 4: Market Participation, December 2021

ACTIVITIES REPORT





2. ACTIVITIES REPORT

Rwanda Stock Exchange (RSE) conducted various activities as follows:

- 1. Conferences, meetings and workshop
- 2. Public education and investement awareness campaigns
- 3. Capacity building
- 4. Corporate social responsibility (CSR)

1. Conferences, Meetings and Workshops

- RSE participated in different meetings organized by the EAC Secretariat and ASEA.
- RSE hosted the 7th Annual Ring the Bell Ceremony for Gender Equality to celebrate International Women's Day 2021 in partnership with UN-Sustainable Stock Exchanges Initiative (SSE), UN Women, IFC, WFE and UN-Global Compact.
- RSE conducted workshops on investment clinic project.
- RSE hosted the launch of the SME Governance Guidebook Kinyarwanda Version by the
 International Finance Corporation (IFC).
- RSE had an introductory meeting with MTN Rwanda PLC management and the Rwanda Association of Stock Brokers (RASB).
- RSE hosted a conference on the official listing of the Energicotel corporate bond.
- RSE hosted a conference on the official listing by introduction of MTN Rwandacell.
- RSE participated in different business missions together with Rwanda Finance (RFL) under the Kigali International Finance Center project (KIFC) namely to Kinshasa in DRC, UAE, Qatar and Luxembourg.

































2. Public education awareness campaigns

- RSE hosted 139 students from different local learning institutions both secondary and university levels.
- RSE in collaboration with other sponsors sponsored the Rwanda triathlon federation & Golf tournaments.
- RSE participated in different radio talks and TV shows on CNBC, RBA and others.
- RSE participated in the University Challenge 2021 in collaboration with CMA.
- RSE hosted 30 members of Rwanda Bankers Association
- RSE participated in the Global Money Week 2021















3. Capacity Building

- RSE staff went through Capital Market Infrastracture (CMI) training
- RSE staff got CISI training on Rwanda Regulation & Market Practice
- Study tours at Ghana Stock Exchange (GSE) & Uganda Securities Exchange (USE)
- RSE attended the GSSS Bonds Market training- LGX Academy
- RSE hosted various trainings on the operations of the market for students from secondary and university schools





4. Corporate Social Responsibility (CSR)

Rwanda stock exchange has continued to extend corporate social responsibilities to the Rwandan community as a commitment to behave ethically and contribute to the economic development while improving the quality of lives of workforce and their families as well as of the local community and society in general.

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021



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CORPORATE INFORMATION DIRECTORS

The directors who served in the company during the year ended 31 December 2021 were;

Name Designation

1.	Mr. Bob Karina	Chairman
2.	Mrs. Amina Umulisa Rwakunda	Vice Chairperson
3.	Mr. Idi Innocent Kabanda	Member
4.	Mr. Andrew Otengo Owiny	Member
5.	Mrs. Iza Irame	Member
6.	Mr. Shehzad Noordally	Member
7.	Mr. Pierre Celestin Rwabukumba	Member

SHAREHOLDERS

No.	Shareholder Name	Share group	Number of shares	Share capital
1	AGACIRO Development Fund	Ordinary share	20	20,000,000
2	Rwanda Social Security Board (RSSB)	Ordinary share	10	10,000,000
3	African Alliance Rwanda Ltd	Ordinary share	10	10,000,000
4	FAIDA Securities Rwanda Ltd	Ordinary share	10	10,000,000
5	MBEA Brokerage services Rwanda Ltd	Ordinary share	10	10,000,000
6	CDH Rwanda Ltd	Ordinary share	10	10,000,000
7	DYER & Blair Securities Rwanda Ltd	Ordinary share	10	10,000,000
8	Baraka Capital Ltd	Ordinary share	10	10,000,000
9	Banque Rwandaise de Development	Ordinary share	8	8,000,000
10	SONARWA General Insurance Ltd	Ordinary share	1	1,000,000
11	SORAS Assurances Generales Ltd	Ordinary share	1	1,000,000
	Total			100,000,000



REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Rwanda Stock Exchange Ltd, 1st Floor Kigali City Tower (KCT) KN81 ST P.O Box 5337, Kigali-Rwanda Email: info@rse.rw Website: www.rse.rw

LEGAL ADVISOR

K-Solutions & Partner KG 645, St 12, Urugwiro, Kamatamu, Kacyiru, Gasabo PO.Box 4062 Rwanda

CORPORATE INFORMATION PRINCIPAL BANKERS

Bank of Kigali KN 4 Ave P.O Box 175, Kigali, Rwanda

I&M bank (Rwanda) PLC 9 KN 3 Ave P.O. Box 354, Kigali, Rwanda

INDEPENDENT AUDITOR

RUMA Certified Public Accountants 4 KG 2 Ave, Kimihurura P.O.Box 2611, Kigali, Rwanda. Email: info@rumacpa.com Website: www.rumacpa.com





REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

REPORT OF DIRECTORS

The directors have the pleasure in submitting their report together with the audited financial statements for the year ended 31 December 2021 which disclose the state of affairs of Rwanda Stock Exchange Ltd.

PRINCIPAL ACTIVITIES

The Rwanda Stock Exchange Limited was incorporated on 7th October 2005 with the objective of carrying out stock market operations. The Stock Exchange was demutualized from the start as it was registered as a company limited by shares. The company was officially launched on 31st January 2011.

The principal activity of the company is carrying out financial securities. The main business activities include:

- Financial Leasing
- Administration of financial markets
- Security and commodity contract brokerage
- Activities of insurance agents and brokers
- Undertaking other financial service activities, except insurance and pension funding activities
 Rwanda Stock Exchange Limited has a fully paid up share capital of Frw 100,000,000.

FINANCIAL RESULTS

	2021 Frw	2020 Frw
Profit before tax	414,692,722	453,423,407
Tax expense	(140,193,649)	(148,744,864)
Profit after tax	274,499,073	304,678,543
Other comprehensive Income	-	-
Total comprehensive Income	274,499,073	304,678,543

DIVIDENDS

The directors have proposed a dividend of Frw 86,250,000 (eighty-six million, two hundred and fifty thousand Rwandan francs only) for the year ended 31st December 2021 (year ended 31st December 2020: Frw 57,500,000).



DIRECTORS

The directors who served in the company during the year are shown on page 37.

AUDITOR

The auditor, RUMA CPA has expressed willingness to continue in office and is eligible for reappointment in accordance with Law N° 007/2021 of 05/02/2021 governing companies in Rwanda.

By order of the Board

Mr. Bob Karina

Chairman of the Board of Directors

Rwanda Stock Exchange Ltd

Date 31/12/2021



RWANDA STOCK EXCHANGE LTD STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2021

Law number 007/2021 of 05/02/2021 governing companies in Rwanda requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for that year.

It also requires the directors to ensure the company keeps proper accounting records that are sufficient to show and explain the transactions of the company, that disclose with reasonable accuracy, the financial position of the company and that enable them to prepare financial statements of the company that comply with International Financial Reporting Standards (IFRS) and the requirements of Law no. 007/2021 of 05/02/2021 governing companies in Rwanda. They are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the preparation and fair presentation of these financial statements which have been prepared in accordance with the International Financial Reporting Standards (IFRSs) and the requirements of the Law no. 007/2021 of 05/02/2021 governing companies in Rwanda. They also accept responsibility for;

- i) Designing, implementing and maintaining such internal control as they determine is necessary to enable preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii) Selecting and applying appropriate accounting policies;
- iii) Making accounting estimates and judgments that are reasonable in the circumstances.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its financial performance and cash flows in accordance with the International Financial Reporting Standards (IFRSs) and the Law no. 007/2021 of 05/02/2021 governing companies in Rwanda.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approval of the financial statements

The financial statements, as indicated above were approved by the Board of Directors and were signed on its behalf by:

Mr. Bob Karina

Chairman of the Board of Directors Rwanda Stock Exchange Ltd

Date 31/12/2021

Mr. Pierre Celestin RWABUKUMBA Chief Executive Officer

Rwanda Stock Exchange Ltd

Date 31/12/2021





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REPORT OF THE INDEPENDENT AUDITOR To the shareholders of Rwanda Stock Exchange Ltd

Our Opinion

We have audited the financial statements of Rwanda Stock Exchange Ltd, set out on pages 8 to 25, which comprise the Statement of Financial Position as at 31 December 2021, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Rwanda Stock Exchange Ltd, as at 31 December 2021 and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Law N° 007/2021 of 05/02/2021 governing companies in Rwanda.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Rwanda Stock Exchange Ltd in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Rwanda, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report of Rwanda Stock Exchange Ltd but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.







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In accordance with our audit of the financial statements, our responsibility is to read the other information and in doing so consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (IFRS) and the requirements of the Law N° 007/2021 of 05/02/2021 governing companies in Rwanda, and for such internal control as directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The directors are responsible for overseeing the company's reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of the audit.

We also:

Identify and assess the risks of material misstatement of the financial statements, whether
due to fraud or error, design and perform audit procedures responsive to those risks,
and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.









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- Obtain an understanding of internal control relevant to the audit in order to design audit
 procedures that are appropriate in the circumstances, but not for the purpose of expressing
 an opinion on the effectiveness of the company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors` use of going concern basis of accounting
 and based on the audit evidence obtained, whether a material uncertainty exists related to
 events or conditions that may cast significant doubt on the company's ability to continue as a
 going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

Report on other legal and regulatory requirements

Law governing companies Law N° 007/2021 of 05/02/2021 requires that in carrying our audit, we consider and report to you on the following matters.

We confirm that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion, proper accounting records have been kept by the company, so far as appears from our examination of the accounting records.







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- iii) We are not related to Rwanda Stock Exchange Ltd and have no interests or debts in the company;
- iv) In our opinion, the financial statements comply with the international accounting standards.
- v) We have communicated to you through a management letter highlighting problems identified during the audit and our recommendations for improvement.
- vi) In our opinion and considering the information and explanations given to us through accounting and other company documents, the financial statements comply with Article 125 of Law no. 007/2021 of 05/02/2021 governing companies in Rwanda.

The engagement partner on the audit resulting in this independent auditor's report is;

My J

Obed Rugara, Partner

Date 31/12/2022





RWANDA STOCK EXCHANGE LTD STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 Frw	2020 Frw
Fees and Commissions	5	924,624,770	765,558,589
Other income	6	96,457,299	116,962,351
Gross Revenue		1,021,082,069	882,520,940
Administrative expenses	7	(230,834,454)	(157,058,902)
Staff Costs	8	(343,286,804)	(245,118,551)
Marketing and advertising expenses	9	(25,862,535)	(21,081,910)
Finance costs	10	(1,224,737)	(1,164,900)
Depreciation	11	<u>(5,180,817)</u>	(4,673,270)
Profit for the year		414,692,722	<u>453,423,407</u>
Tax expense	12 (a)	(140,193,649)	(148,744,864)
Profit after tax		<u>274,499,073</u>	304,678,543
Other Comprehensive Income		-	-
Total comprehensive income for the year		274,499,073	304,678,543



RWANDA STOCK EXCHANGE LTD STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

ASSETS	Note	2021	2020
Non-Current Assets		Frw	Frw
Property and equipment	13	41,454,350	44,652,767
Current Assets			
Trade and other receivables	14	395,796,342	376,530,664
Short-term Investments	15	605,651,500	561,151,500
Cash and bank balances	16	96,767,141	95,579,875
Total current assets		1,098,214,983	1,033,262,040
TOTAL ASSETS		1,139,669,333	1,077,914,806
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	17	100,000,000	100,000,000
Retained earnings	18	543,976,130	355,727,057
		643,976,130	455,727,057
Long term Liabilities			
Grant	19	244,302,868	244,302,868
Current Liabilities			
Tax payable	12(b)	3,251,846	104,200,389
Trade and other payables	20	248,138,489	273,684,492
		<u>251,390,336</u>	377,884,881
TOTAL EQUITY AND LIABILITIES		1,139,669,333	1,077,914,806

The financial statements from pages 8 to 25 were authorized for issue by the board of directors on 24/03/2022 and signed on its behalf by:

Chairman of the Board of Directors

Chief Executive Officer



RWANDA STOCK EXCHANGE LTD STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital Frw	Retained earnings Frw	Total Frw
Year ended 31 December 2021			
At start of the year	100,000,000	355,727,057	455,727,057
Profit for the year	_	274,499,073	274,499,073
Dividends paid	-	(86,250,000)	(86,250,000)
As at 31 December 2021	100,000,000	543,976,130	643,976,130
Year ended 31 December 2020			
At start of the year	100,000,000	108,548,517	208,548,517
Prior Year adjustment	_	(3)	(3)
Profit for the year	_	304,678,543	304,678,543
Dividends paid	-	(57,500,000)	(57,500,000)
As at 31 December 2020	100,000,000	355,727,057	455,727,057



RWANDA STOCK EXCHANGE LTD STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

Operating activities Net profit before tax Adjustments for non-cash income and expenses:	Note	2021	2020 Frw 453,423,407
Depreciation of Property and Equipment	13	5,180,817	4,673,270
Prior period adjustment	18	-	(3)
Changes in working capital Tax expense for the year		1	
	12(a)		(148,744,864)
(Increase)/Decrease in trade and other receivables Increase/(Decrease) in payables Cash generated from operations		(19,265,678) (126,494,546) 133,919,666	(54,632,045) 217,279,988 471,999,753
Investment activities Investments		(44,500,000)	(355,651,500)
Transfer of assets	13	23,374,000	-
Purchase of fixed assets Net cash used in investing activities	13	<u>(25,356,400)</u> (46,482,400)	<u>(40,821,500)</u> (396,473,000)
Cash flows used on financing activities Dividends Net Cash flows used on financing activities	18	(86,250,000) (86,250,000)	(57,500,000) (57,500,000)
Cash & Cash equivalents Net increase or decrease in cash and cash ed Cash and Cash equivalents as at start of the Cash and Cash equivalent as		1,187,266 95,579,875	18,026,753 77,553,122
at end of the year	16	<u>96,767,141</u>	<u>95,579,875</u>



1. REPORTING ENTITY

Rwanda Stock Exchange Ltd is a limited liability Company incorporated and domiciled in Rwanda. The address of its registered office and principal place of business is Kigali City Tower (KCT), 1st Floor, KN81 ST, Avenue du Commerce, Kigali-Rwanda.

2. BASIS OF PREPARATION

The financial statements have been prepared on a going concern basis and are presented in Rwandese Franc which is the company's functional and presentation currency. All the amounts have been rounded to the nearest Franc.

Basis of measurement

The financial statements have been prepared on historical cost basis except where otherwise stated in the accounting policies below.

3. STATEMENT OF COMPLIANCE

The financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Law N° 007/2021 of 05/02/2021 governing companies in Rwanda

4. SIGNIFICANT ACCOUNTING POLICIES

a) New and amended standards and interpretations in issue but not yet effective for the year ended 31 December 2021

At the date of authorization of the financial statements of Rwanda Stock Exchange Ltd for the year ended 31 December 2020, the following Standards and Interpretations were in issue but not yet effective:

Amendment	Effective annual period
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2023
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	1 January 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28	Available for optional adoption

All standards and Interpretations will be adopted at their effective date (except for those standards and Interpretations that are not applicable to the entity).





Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, issued by the International Accounting Standards Board, clarify that the 'costs of fulfilling a contract' when assessing whether a contract is onerous comprise both:

- The incremental costs e.g. direct labour and materials; and
- An allocation of other direct costs e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments will be recognized as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives will not be restated. Earlier application is permitted. The amendments are not expected to have a material impact on the Company.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Proceeds from selling items before the related item of property, plant and equipment is available for use should be recognized in profit or loss, together with the costs of producing those items. IAS 2 Inventories should be applied in identifying and measuring these production costs.

Companies will therefore need to distinguish between:

- Costs associated with producing and selling items before the item of property, plant and equipment is available for use; and
- Costs associated with making the item of property, plant and equipment available for its intended use.

The amendments apply for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the Company first applies the amendments. The amendments are not expected to have a material impact on the Company.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

The amendments require the full gain to be recognized when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognized.



The definition of a business is key to determining the extent of the gain to be recognized. The IASB has decided to defer the effective date for these amendments indefinitely. Adoption is still permitted. When a parent loses control of a subsidiary in a transaction with an associate or joint venture (JV), there is a conflict between the existing guidance on consolidation and equity accounting. Under the consolidation standard, the parent recognizes the full gain on the loss of control. But under the standard on associates and JVs, the parent recognizes the gain only to the extent of unrelated investors' interests in the associate or JV. In either case, the loss is recognized in full if the underlying assets are impaired. The amendments are not expected to have a material impact on the Company.

b) Critical accounting estimates and assumptions

The preparation of financial statements in conformity with IFRS requires directors to make estimates and assumptions that affect the assets, liabilities, revenues, expenses and the disclosure of contingent liabilities at end of reporting period. Estimates and judgments are continuously evaluated and are based on directors' experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Such estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

Property and equipment

Annually, directors make estimates in determining the depreciation rates for property, plant and equipment using internal technical expertise. The rates used are set out in the accounting policy for property, plant and equipment. These estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the prevailing circumstances.

Impairment of non-financial assets

The entity assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non- financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Income taxes

Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Going concern

Directors have assessed the entity's ability to continue as a going concern and are satisfied that the entity has the resources to continue in operations for the foreseeable future. Furthermore, the directors are not aware of any material uncertainties that may cast significant doubt upon the entity's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Right of Use Asset:

IFRS 16 states that one has the right to direct how and for what purpose an asset is used throughout its period of use or the relevant decisions about use are pre-determined and one has the right to operate the asset throughout the period of use without having the right to change these operating instructions. The Right of use asset Involves estimating the lease term and the discount rate.





The lease term is the non-cancellable period and any optional renewal periods if the Company reasonably with certainty exercises it and periods after the termination date if lessee is reasonably certain not to terminate.

c) Revenue

The company has several revenue streams earned primarily from fees charged to listed entities, brokers and custodians, traded equity Instruments such as government treasury bonds and corporate bonds. The core principle of IFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The company recognizes revenue at the point the fees are charged as indicated below;

Product	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Equity listing	These are fees charged to clients who list their shares on the exchange. This is charged at the beginning of the year.	Revenue from this service is recognised over time as the services are provided.
Transaction levies	The exchange offers trading services to brokers and custodians. Brokerage fees are charged on a monthly basis based on fixed rates.	Revenue from this product is recognized at a point in time as and when brokers and custodians make trades.
Membership	The exchange charges annual membership fees to members.	Revenue from this service is recognized over time as the services are provided.
Government Treasury bonds	These are fees charged on the listing of government treasury bonds on an annual basis. This fee is charged at the point of listing of the bonds.	The company recognizes this revenue over time as the service is provided.

d) Property and equipment

Property, plant and equipment are stated at cost or valuation, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment in value. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the decommissioning obligation and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Residual value, useful life and depreciation methods are reviewed at least annually at the reporting date. Changes in the residual value and expected useful life are accounted for by changing the depreciation charge for the year, and treated as changes in accounting estimates. Freehold land is not depreciated.



An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

On revaluation, surplus is credited to the property, plant and equipment revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the statement of comprehensive income, in which case the increase is recognized in the statement of comprehensive income. A revaluation deficit is recognized in the statement of comprehensive income, except to the extent that it offsets an existing surplus on the same asset recognized in the property, plant and equipment revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made. Where parts of an item of property, plant and equipment have significantly different useful lives, they are accounted for as separate items of property, plant and equipment. Although individual components are accounted for separately, the financial statements continue to disclose a single asset.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows,

Communication Equipment	50%
Computer Equipment	50%
Furniture and fittings	25%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

e) Tax Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an
 asset or liability in a transaction that is not a business combination and, at the time of
 the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary





differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

- Where the deferred income tax asset relating to the deductible temporary difference arises
 from the initial recognition of an asset or liability in a transaction that is not a business
 combination and, at the time of the transaction, affects neither the accounting profit
 nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred Income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the income statement. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

f) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

g) Foreign currencies

The financial statements are presented in Rwandese Francs, which is the company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.



h) Financial instruments

Initial recognition and measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL;

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.



Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised inprofit or loss. Any gain or loss on derecognition is recognized in profit or loss
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de- recognition, gains and losses accumulated in OCI are reclassified to profit or loss
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.



Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

De-recognition-financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

De-recognition- financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Identification and measurement of impairment

At each reporting date the Company assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s) and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably. Impairment losses on assets measured at amortised cost are calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate

i) Retirement benefits obligations

The employees and the Company contribute to the Social Security Fund of Rwanda, a national defined contributions retirement benefits scheme. Contributions are determined by the country's statutes and the Company's contributions are charged to the income statement.

j) Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.





k) Cash and cash equivalents

Cash and cash equivalents include cash in hand and demand and term deposits, with maturities of three months or less from the date of acquisition, that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, net of bank overdrafts. In the balance sheet, bank overdrafts are included as borrowings under current liabilities.

5	Fees and Commissions	2021 Frw	2020 Frw
	Listing fees Transaction levy Membership fees	896,109,620 24,995,150 3,520,000 924,624,770	706,671,350 55,367,239 3,520,000 765,558,589
6	Other income Interest Received Gain on Exchange Event Hosted Income/EACMD registration fees Other Income	2021 Frw 96,457,298 1 - - 96,457,299	2020 Frw 46,489,954 2,838,306 5,526,249 62,107,842 116,962,351
7	Board Expenses Capacity Building Consultancy Services General Expenses Health Insurance IT Equipment Expenses Miscellaneous/Contingency Office Rent Reception & Entertainment Travel, Research & Development CSR Activities Staff Health & Sports Activities Utilities Loss on Exchange Write off	2021 Frw 51,067,450 16,645,819 11,100,000 7,827,340 6,447,595 390,000 6,837,022 49,400,640 4,000,000 43,641,153 3,300,000 - 29,696,132 481,361 (58) 230,834,454	2020 Frw 36,832,807 1,275,625 11,130,000 5,674,910 6,085,562 45,000 - 45,283,920 4,000,000 18,727,054 3,007,200 3,500,000 21,496,762 - 62 157,058,902
8	Staff Costs Staff Emoluments	2021 Frw <u>343,286,804</u>	2020 Frw 245,118,551
9	Marketing and advertising expenses Marketing and advertising costs	2021 Frw <u>25,862,535</u>	2020 Frw <u>21,081,910</u>



10	Finance costs	2021 Frw	2020 Frw
	Bank Charges	1,224,737	1,164,900
11	Depreciation & amortization	2021 Frw	2020 Frw
	Depreciation of property and equipment	5,180,817	4,673,270
12 (a)	Income tax	2021 Frw	2020 Frw
	Tax expense /charge		
	Current income tax	140,193,649	148,744,864
	Accounting profit/ (loss)	414,692,722	453,423,407
	Tax calculated at		
	the statutory rate of 30%	124,407,816	136,027,022
	Tax effect of:		
	30% on expenses not		
	deductible for tax purposes 30% on allowable deductions	19,269,828	12,717,842
	(RRA depreciation)	(3,483,995)	_
	Income tax expense	140,193,649	148,744,864
12 (b)	Corporation tax payable	2021	2020
	Income tax charge for the year Income tax prepayments As at 31 December	Frw 140,193,649 (136,941,803) 3,251,846	Frw 148,744,864 (44,544,475) 104,200,389

13. Property and equipment

Year Ended 31 December 2021

Cost	Communication Equipment	Computers	Office Furniture	Purchase in Progress	Total
01/01/2021	1,226,000	38,799,500	23,978,816	38,374,000	102,378,316
Additions	-	15,790,000	9,566,400		25,356,400
Transfer				(23,374,000)	(23,374,000)
31/12/2021	1,226,000	<u>54,589,500</u>	33,545,216	<u>15,000,000</u>	<u>104,360,716</u>
Depreciation					
01/01/2021	1,226,000	34,971,400	21,528,150	-	57,769,746
Charge for the year	-	2,176,550	3,004,267	-	5,180,817
31/12/2021	1,226,000	37,147,950	24,532,416	-	62,906,366
Carrying amount					
31.12.2021	_	17,441,550	9,012,800	15,000,000	41,454,350



Year Ended 31 December 2020

Cost	Communication Equipment	Computers	Office Furniture	Purchase in Progress	Total
01/01/2020	1,226,000	36,352,000	23,978,816	-	61,556,816
Additions	-	2,447,500		38,374,000	40,821,500
31/12/2020	1,226,000	38,799,500	23,978,816	38,374,000	102,378,316
Depreciation					
01/01/2020	1,197,719	31,143,299	20,711,261	-	53,096,110
Charge for the year	28,281	3,828,101	816,889	-	4,673,270
31/12/2020	1,226,000	34,971,400	21,528,150	-	57,725,549
Carrying amount					
31.12.2020	-	<u>3,828,101</u>	2,450,666	38,374,000	44,652,767

14 Trade and other receivables

11440 4114 01101 100017410100	2021	2020
	Frw	Frw
FAIDA	103,624	157,596
African Alliance	45,980	26,946
CDH	2,126,387	3,618,807
Baraka Capital	17,517	445,523
MBEA	12,694	12,589
SBG	-	9
Renaissance capital Kenya	-	640,000
BK Securities	898,813	318,217
BNR	119,250,000	54,250,000
NMG	309,178	309,178
MO Cap	566,600	405,131
Equity bank group	-	20,000,000
BDF	1,600,000	1,280,000
RNIT	1,000,000	1,000,000
Core Securities	<u>1,539,035</u>	<u>1,219,035 </u>
	<u>127,469,828</u>	<u>83,683,031</u>
Oth av va a shorth las		
Other receivables	055.044.016	050 760 775
Prepayments Pent Panait	255,044,916	253,768,775
Rent Deposit STI Accrued interest	13,280,598	13,280,598
311 ACCIDED IIILEIESL	1,000 268,326,514	25,798,260 292,847,633
Total trade and other receivable	395,796,342	<u>376,530,664</u>

Included in the prepayments is Frw 244,302,868 paid to EAX in the financial periods 2014 and 2015 for supply of Electronic Trading software (ETP). The software has not been delivered as at the end of the financial year.



15 Short-term Investments

	2021	2020
Maturity less than 12 months	Frw	Frw
Treasury Bond	-	5,500,000
Term déposit	605,651,500	155,651,500
Share transfer-STI	-	400,000,000
	<u>605,651,500</u>	<u>561,151,500</u>

Cash and bank balance	2021	2020
	Frw	Frw
BK Frw 00040-0465317-41	89,581,710	76,479,127
BK USD 00040-0699804-18USD	7,073,362	7,823,069
BPR Frw 400416419810291	_	10,976,210
I&M Bank account	101,469	101,469
Cash at hand	10,600	200,000
	96,767,141	95,579,875
	BK Frw 00040-0465317-41 BK USD 00040-0699804-18USD BPR Frw 400416419810291 I&M Bank account	BK Frw 00040-0465317-41 89,581,710 BK USD 00040-0699804-18USD 7,073,362 BPR Frw 400416419810291 - I&M Bank account 101,469 Cash at hand 10,600

17	Share capital	2021	2020
		Frw	Frw

Ordinary and paid up share capital of 1,000,000 shares of Frw 100 each 100,000,000 100,000,000

Authorised and fully paid up share capital of Frw 100,000,000 (100 shares with a par value of Frw 1,000,000).

18	Retainea earnings	2021	2020
	_	Frw	Frw
	Opening balance	355,727,057	108,548,517
	Prior year adjustments	-	(3)
	Profit/loss for the year	274,499,073	304,678,543
	Dividends	(86,250,000)	(57,500,000)
	Closing balance	543,976,130	355,727,057
19	Grant for Equipment and software	2021	2020
	• •	Frw	Frw
	Balance at the Start of the year	244,302,868	244,302,868
	Additions during the Year	-	_
	Balance as at 31 December 2021**	<u>244,302,868</u>	<u>244,302,868</u>

Grant equipment relates to Government support (through Capital Markets Authority to RSE for infrastructure development. The funds were paid to EAX for supply of Electronic Trading software (ETP) as disclosed under note 14.

20	Trade and other payables	2021	2020
	• •	Frw	Frw
	BNR/CDSC	11,063,940	51,099,811
	Compensation fund	103,900,419	89,853,711
	Payable control	114,149,486	116,865,550
	RSE Staff Fund	-	2,110,360
	Pay as you earn (PAYE) payable	15,137,497	10,941,493
	RSSB payable	<u>3,887,147</u>	<u>2,813,567</u>
		<u>248,138,489</u>	<u>273,684,492</u>



21. Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance, but the Company does not hedge any risks.

The company is faced by liquidity, interest rate, credit and foreign currency risks in regards to its principal non-derivative financial instruments. The directors review and agree to the policies of managing these risks. The company does not engage in speculation in the markets and neither does it trade in derivative financial instruments. The company's main financial instruments are;

- Cash and cash equivalents
- Trade and other receivables
- Trade and other payables

The main risk arising from the company's' financial instruments are liquidity, foreign currency and credit risk.

Liquidity risk management

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company always ensures that it will always have sufficient liquidity to meet its obligations when due. The maturity of the company's' financial liabilities and the associated assets that can be utilised to pay off the liabilities is as shown below:

Liquidity risk management Current assets	within one year Frw	1-2 years Frw	2-3 years Frw	Total Frw
Trade and other receivables	395,796,342	_	-	395,796,342
Short-term Investments	605,651,500	_	_	605,651,500
Cash & bank balances	96,767,141	_	_	96,767,141
	1,098,214,983	-	-	1,098,214,983
Current Liabilities				
Income tax payable	3,251,846	_	_	3,251,846
Trade and other payables	248,138,489	_	_	248,138,489
. ,	251,390,336	-	-	251,390,336
Excess (Deficit) Liquidity	<u>846,824,648</u>	-	-	<u>846,824,648</u>

Interest rate risk management

The Interest rate risk exposure arises mainly from Interest rate movements on the Company's Investments in cash and fixed deposits. However, this exposure is not deemed significant as the interest rates are fixed, and the deposits mature in 12 months.



Credit risk management and expected credit losses

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk mainly arises from financial assets, and is managed on a company-wide basis. Credit risk on financial assets with banking institutions is managed by dealing with institutions with good credit ratings and placing limits on deposits that can be held with each institution.

The Company carries out its own assessment of credit risk before investing in corporate bonds, and updates such assessments at each reporting date.

Credit risk on trade receivables is managed by ensuring that credit is extended to customers with an established credit history. The credit history is determined by considering the financial position, past experience and other relevant factors. Credit is managed by setting a credit limit and credit period for each customer. The utilisation of the credit limits and the credit period is monitored by management on a monthly basis.

In assessing whether the credit risk on a financial asset has increased significantly, the company compares the risk of default occurring on the financial asset as at the reporting date with the risk of default occurring on that financial asset as at the date of initial recognition.

In doing so, the company considers reasonable and supportable information that is indicative of significant increases in credit risk since initial recognition and that is available without undue cost or effort. There is a rebuttable assumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

For these purpose defaults is defined as having occurred if the debtor is in breach of contractual obligations, or if information is available internally or externally that suggests that the debtor is unlikely to be able to meet its obligations. However, there is a rebuttable assumption that that default does not occur later than when a financial asset is 90 days past due.

If the Company does not have reasonable and supportable information to identify significant increases in credit risk and/or to measure lifetime credit losses when there has been a significant increase in credit risk on an individual instrument basis, lifetime expected credit losses are recognised on a collective basis.

For such purposes, the Company's financial assets on the basis of shared credit risk characteristics, such as:

- Type of instrument
- Industry in which the debtor operates
- Nature of collateral.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.



Evidence that a financial asset is credit impaired include observable data about the following events:

- Significant financial difficulty of the debtor
- A breach of contract
- It is probable that the debtor will enter bankruptcy
- The disappearance of an active market for the financial asset because of financial difficulties

Financial assets for which the loss allowance has been measured at an amount equal to lifetime expected credit losses have been analysed above based on their credit risk ratings as follows:

- Financial assets for which credit risk has increased significantly since initial recognition but that are not credit impaired.
- Financial assets that are credit impaired at the balance sheet date;
- Trade receivables, contract assets and lease receivables for which the loss allowance is always measured at an amount equal to lifetime expected credit losses, based, as a practical expedient, on provision matrices.
- Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's' processes, personnel, technology, infrastructure and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The company's' objective is to manage operational risk so as to prevent damage to its reputation and avoid control procedures that restrict initiative and creativity. Senior management is assigned the responsibility of developing and implementing controls to address management of operational risks. This is supported by the company standards for the management of operational risks in;

- Compliance and legal requirements
- Training and professional development
- Ethical and business standards
- Development of contingency plans
- Compliance with legal and regulatory requirements

Developing requirements for the periodic assessment of operational risk faced and the adequacy of controls and procedures to address the risks identified.

22. CONTINGENT LIABILITIES

The Company had no contingent liabilities in 2021 (2020: Nil)

23. EVENTS AFTER THE REPORTING PERIOD

At the date of finalisation of the annual financial statements, there were no material events that occurred subsequent to the statement of financial position date that require adjustment in the financial statements.

