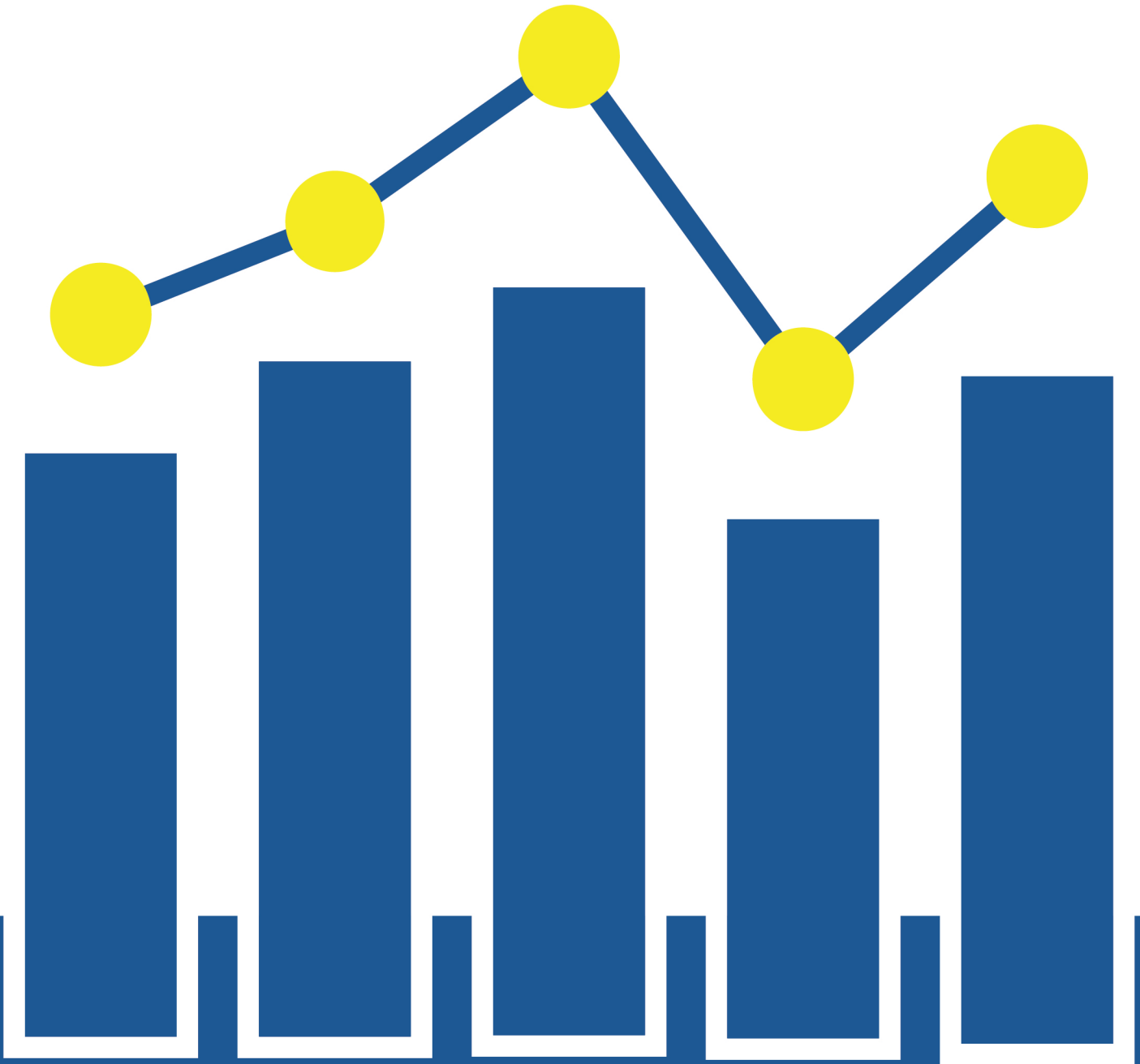




2022 ANNUAL REPORT



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”

Our Vision



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

Our Mission



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

Our Values



LIST OF ACRONYMS AND ABBREVIATIONS

ALSI: All Share Index	PSF: Private Sector Federation
ASEA: African Securities Exchanges Association	RSE: Rwanda Stock Exchange
AgDF: Agaciro Development Fund	RSI: Rwanda Share Index
ATS: Automated Trading System	RFL: Rwanda Finance Limited
AU: African Union	RSSB: Rwanda Social Security Board
BNR: Banque Nationale du Rwanda	SITI: Securities Industry Training Institute
Bralirwa: Brasseries et Limonaderies du Rwanda	SORAS: Société Rwandaise d'Assurance
BRD: Development Bank of Rwanda	SMEs: Small and Medium Enterprises
BK : BK Group Plc	SSE: Sustainable Stock Exchanges
CBE : College of Business and Economics	UR: University of Rwanda
CDSC: Central Depository and Settlement Corporation	USE: Uganda Securities Exchange
CDH: Continental Discount House	US SEC: United States Securities and Exchanges Commission
CEO: Chief Executive Officer	UTAB: University of Technology and Arts of Byumba
CSD: Central Securities Depository	WBG: World Bank Group
CMI: Capital Market Infrastructure	WFE: World Federation of Exchanges
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 Supérieur	
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	

BOARD OF DIRECTORS PROFILE



Mr. Bob KARINA
Chairman

Mr. Bob Karina is the Founder and the Chairman of Faida Investment Bank. He is the Managing Director of Faida Securities Rwanda. He is the Chairman of the Rwanda Stock Exchange (RSE), the immediate former Vice Chairman at the Nairobi Securities Exchange (NSE), Chairman of Norwich Union Properties Ltd. (NUP), former Director at Kenya Industrial Estates (KIE) and served as Director; Kenya Private Sector Alliance (KEPSA), Kenya National Chamber of Commerce & Industry (KNCCI), Registration of Accountants Board at the National Treasury, among others. Bob is a Corporate Finance Specialist and an accomplished Stockbroker. He holds an MSc in Corporate Finance from the University of Liverpool, UK, in addition to technical and professional qualifications from the Institute of Systems Science at the National University of Singapore, International Statistical Programs Center sponsored by the United States Bureau of the Census, USA, Hong Kong Polytechnic Industrial Center, Institute of Development Studies at the University of Sussex, UK., East Africa Statistical Training

Centre at the 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) and was awarded Commendation and admitted as a Fellow of the Institute for exemplary service rendered since inception. Bob serves as the Chairman of the Association of Kenya Stockbrokers Nominees Ltd. He is a Member of the Institute of Directors and a Director of the Central Depository and Settlement Corporation (CDSC). Bob played a critical role in the establishment of the CDSC, the NSE Automated Trading System (ATS), the Wide Area Network (WAN) and the Broker Back Office system (BBO) 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. He enjoys gym, 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 Director & Head of Corporate Finance & Research with MBEA Brokerage Services (Rwanda) Ltd ('MBEA Rwanda') a Licensed Stockbroker 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 Board Chairman of Postbank Uganda Limited; a Director on the Board of ICEA LION Life Assurance Company Limited (Uganda); and, a Council/Board Member of the National Council of Sports of Uganda.

Other Boards on which Andrew has also served include Uganda Securities Exchange (USE); National Social Security Fund ('NSSF') of Uganda; aBi Finance Limited (Uganda); G4S Secure Solutions (Uganda) Limited, 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.



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 Ltd (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 Vice-President of the African Securities Exchanges Association (ASEA), Chairman of the East African Securities Exchanges Association (EASEA), and Chief Executive Officer of the Rwanda Stock Exchange Ltd. and serves as the President of the World Veterans Club Championship (VCWV) Business Club. He is the Co-founder and Chairman of Kigali Cement Company, a private company that produces and sells cement in Rwanda and neighboring countries, he is also serving on a number of other boards and advisory boards within the financial sector in Rwanda, hospitality, and manufacturing industries where he serves as a non – Executive Director. He is also involved in different investment projects ranging from Real Estate, Poultry and Agro-processing, and manufacturing to Energy production.

Mr. Rwabukumba started his career in financial services in New York City more than two decades 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 stockbroker, in Compliance

and Operations, Institutional Investors' Sales and Advisory 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 and the Economic Community of Central African States (ECAS). 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 and the EAC Regional Capital Markets Infrastructure (CMI) Steering Committee where he serves as Chair. Mr. Rwabukumba is an Alumni of a one-year international post-Graduate Advanced Management Program (AMP) for Executives run jointly by Strathmore Business School of Nairobi, the Lagos Business School, Pan- Atlantic University and IESE Business School, the University of Navara in Barcelona, Spain.

1. BRIEF DESCRIPTION OF RWANDA STOCK EXCHANGE

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.

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.	Rwanda Social Security Board	10
9.	Banque Rwandaise de Développement	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 U. 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 2022 was exceptionally a 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 secondary market levels.

The biggest highlight of the year was RSE hitting yet an important milestone to date as this year the Exchange registered the biggest volumes in transactions both in terms of money raised in the primary market and traded in the secondary market since inception. We also Launched the Investment Clinic project 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. These combined efforts to sensitize retail investor market niche, increasing efficiency levels and public outreach contributed to raising further the profile of the exchange.

The first batch of 3 companies have already reached the final stage of profile listing in December this year and this is giving us hope that the Investment Clinic product will gain more traction and recognition in future as we have already started the second cohort of companies.

In the year, we increased our visibility on the world stage by actively participating in different regional and international conferences and activities. The RSE actively participated in the 25th

ASEA Conference and Annual General meeting held in Abidjan, Ivory Coast by BRVM.

We have also started the implementation of the ESG guidelines as part of Kigali International Financial Center/Rwanda Sustainable finance roadmap.

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. Finally, the RSE early in the year signed a cooperation agreement with the Luxembourg Stock Exchange aimed at developing green finance products and services in our market.

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. Market Capitalization at the close of 2022 was at USD 3.35 billion, slightly lower from USD 3.65 billion at the end of 2021 mainly due to the dollar appreciation against the local currency.

About the fixed income securities, the government's monthly bond issuance program continued with a subscription rate ranging between 175% and 100%.

There was an increase in secondary trading activity in the fixed income securities to the tune of Rwf 52.65 billion or an increase of 49.98% compared to the previous year.

The recorded performance impacted the financial performance during the year. The RSE more than doubled its net income Frw 559 million from Frw 274 million recorded in 2021. We managed to stay the course even though we operated in a volatile year mainly due to the Covid – 19 pandemics.

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 the Small and Medium Enterprises Market Segment at the RSE and increased our presence mainly virtually for the public.

We believe through these initiatives 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 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 the 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 pandemics.



Mr. Bob Karina
Chairman

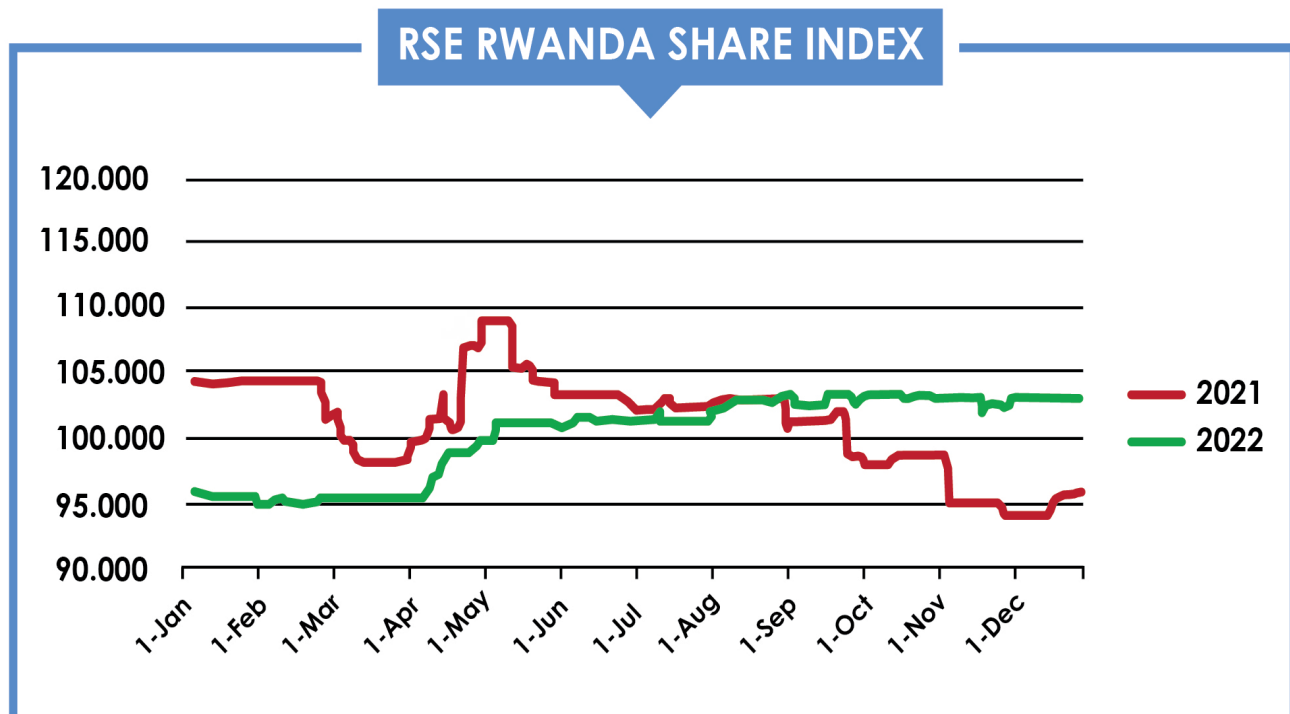
MANAGEMENT

The management and staff members of RSE during the year and to the date of this report were:

#	NAMES	POSITIONS
1.	Mr. Pierre Celestin RWABUKUMBA	Chief Executive Officer
2.	Ms. Alice IRIBAGIZA	Head of Finance & Administration
3.	Mr. Robert TWAGIRA	Head of Operations & Technology
4.	Ms. Grace TWAGIRA	Client Relations & Executive Assistant
5.	Mr. Lionel MUDANDI SIMBIZI	Financial Analyst
6.	Mr. David MITALI	Operations Officer
7.	Mrs. Liliane RUTERA UWASE	Accountant

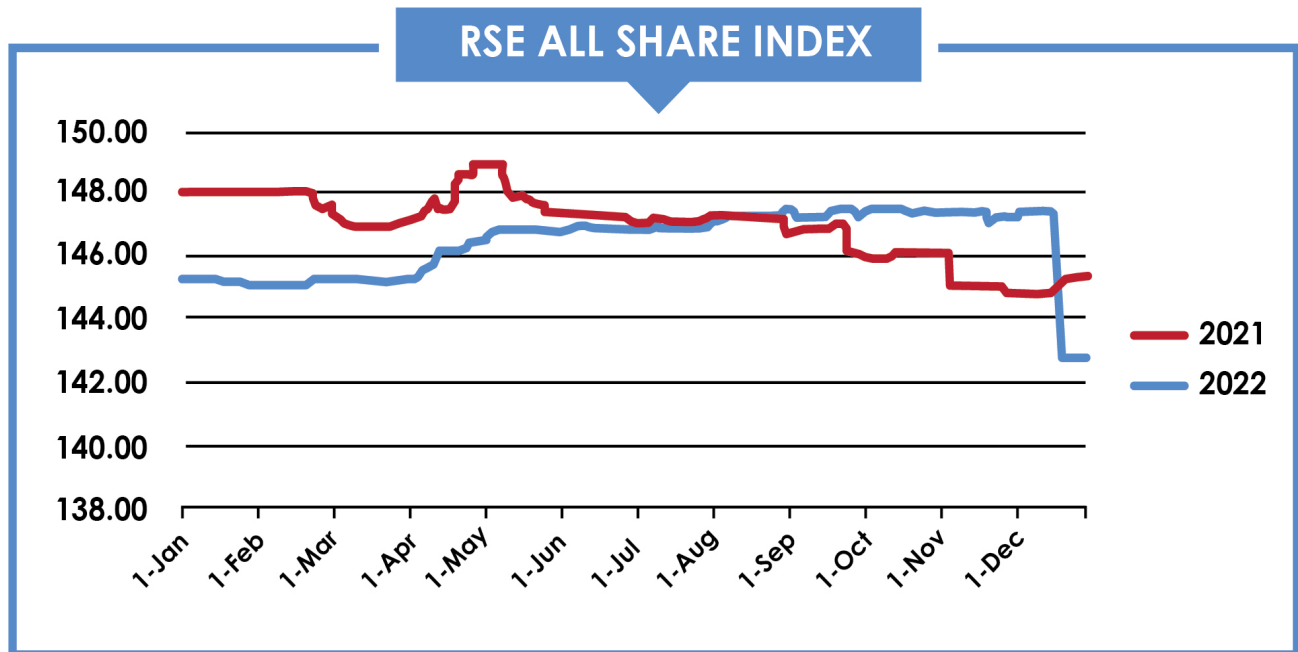
1. Market performance

A. Rwanda Share Index (RSI)

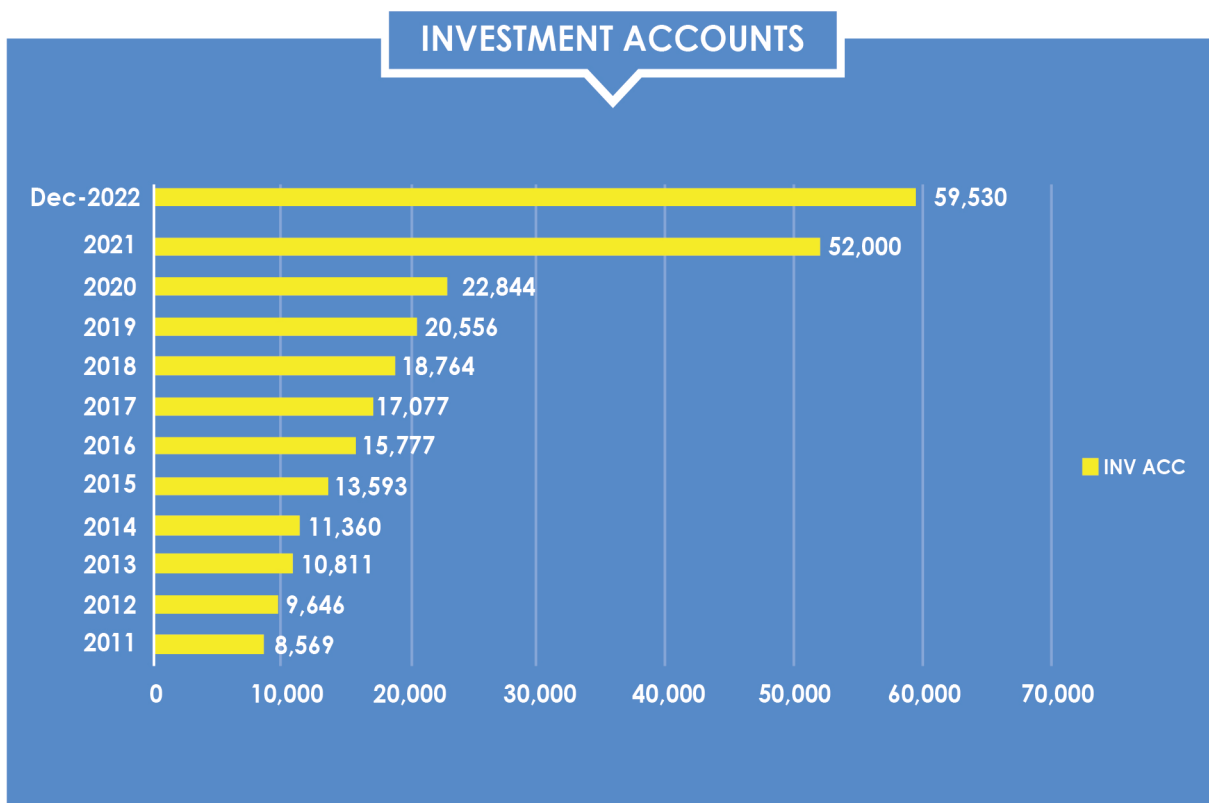


Source: RSE

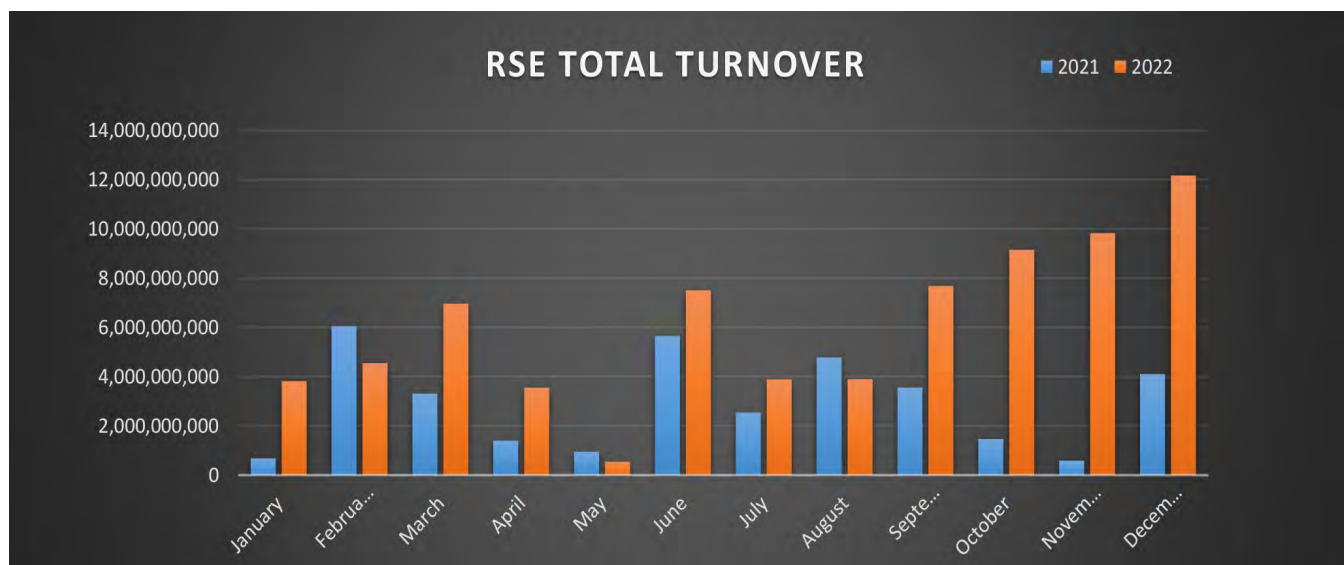
B. All Shares Index (ALSI)



C. Market participation by end of 2022



D. Total Turnover Comparison between 2022 vs 2021





ECONOMIC PERFORMANCE

1. ECONOMIC PERFORMANCE

1.1. Global Economic Outlook



Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic.

Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024. Monetary policy should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy. Structural reforms can further support the fight against inflation by improving productivity and easing supply constraints, while multilateral cooperation is necessary for fast-tracking the green energy transition and preventing fragmentation.

Source: IMF Report, October 2022

High uncertainty however surrounds global economic prospects, and risks to the outlook dominate, as outlined here below: - Policy mistakes due to either under tightening or over tightening of monetary policy; - Slowdown of China's economy due to worsening of the real estate; - Widespread debt distress in vulnerable emerging market and developing economies; - Fragmentation of the world economy disrupting trade and international cooperation; - Divergence in economic policies may continue to contribute to the US dollar strength; - Further shocks to energy and food prices may keep inflationary higher for longer, and - Halting of gas supplies to Europe in 2022 is likely to increase energy prices further.

The United Kingdom's economy was projected to grow by 3.6 percent in 2022 from 7.4 percent in 2021, and growth projections are revised up by 0.4 percentage points relative to July update. Growth for 2023 is projected to slow to 0.3 percent as higher inflation reduces purchasing power and tighter monetary policy takes a toll on consumer spending and business investment.

The Japan's economy is projected to grow by 1.7 percent in 2022 and 1.6 percent in 2023, as growth projections for 2022 remained unchanged relative

to July 2022 update. Growth projections for 2023 are revised down by 0.1 percentage points, reflecting mainly external factors, with a negative shift in the terms of trade from higher energy import prices as well as lower consumption as inflation outpaces wage growth.

Source: IMF Report, October 2022

World annual average inflation projected to increase to 8.8 percent in 2022, an upward revision of 0.5 percentage points relative to July update, from 4.7 percent in 2021, and later decelerate to 6.5 percent in 2023.

The upward inflation revision is especially large for advanced economies, reflecting higher energy and food prices.

In advanced economies, consumer price inflation is projected to increase to 7.2 percent in 2022 (0.6 percentage points higher than in July 2022 update), from 3.1 percent in 2021, driven by significant increases in headline inflation among major economies such as the United Kingdom

(9.1 percent), Euro area (8.3 percent), and United States (8.1 percent).

Source: IMF, WEO October 2022 projections

The Eurozone's economy was projected to grow by 3.1 percent in 2022 from 5.2 percent in 2021. This reflects a stronger-than-projected second quarter outturn in most Eurozone economies.

In Italy and Spain, a recovery in tourism-related services and industrial production in the first half of 2022 has contributed to the projected growth.

Weak 2023 growth across Europe reflects spillover effects from the war in Ukraine, with especially sharp downward revisions for economies most exposed to the Russian gas supply cuts and tighter financial conditions, with the European Central Bank having ended net asset purchases and rapidly rising policy rates three times in 2022.

Source: IMF Report, October 2022



1.2. Emerging Markets

Emerging market and developing economies projected to grow by 3.7 percent in 2022, after 6.6 percent in 2021. In China, growth is projected to moderate to 3.2 percent in 2022, from 8.1 percent in 2021.

The downgrade revision was largely due to Covid-19 outbreaks and lockdowns in multiple localities, as well as the worsening property market crisis, which have held back economic activity, although growth is expected at 4.4 percent in 2023.

India's economy projected to grow by 6.8 percent in 2022, from 8.7 percent in 2021, reflecting a weaker-than expected outturn in the second quarter and more subdued external demand.

Commodity prices continued to increase in 2022, at a slowing pace, but are projected to decline in 2023 due to the slowing global demand.

In 2022Q3 (y-o-y), global commodity prices increased, reflecting supply disruptions linked with Russia-Ukraine standoff. Energy prices increased by 64.7 percent compared to 92.1 percent in 2021Q3, attributed mainly to the rise in prices of crude oil and natural gas.

In 2022Q3, crude oil prices increased by 34.6 percent on average compared to an increase of 70.6 percent in 2021Q3, following supply disruptions due to the war in Ukraine. In October 2022, World Bank projects oil prices to increase by 42.0 percent in 2022, from USD 70.4/barrel in 2021 to USD 100.0/barrel in 2022, and later drop by 8.0 percent in 2023, amid slowing global growth and concerns about a possible global recession.

Natural gas prices surged by 182.5 percent in 2022Q3 compared to 231.8 percent in 2021Q3, following the outbreak of the war in Ukraine, which disrupted Russia's natural gas exports. World Bank projects natural gas prices to increase by 133.0 percent in 2022, from 284.6 percent in 2021, which reflects disruptions to energy supplies as a result of the war in Ukraine and related sanctions and policies.

Non-energy commodity prices slightly increased by 2.6 percent in 2022Q3, after 32.9 percent in 2021Q3, owing largely to low prices of agricultural commodities, declining metals & mineral prices,

offset by higher prices for fertilizers.

In 2022Q3, average prices for agricultural commodities increased by 8.5 percent after 25.2 percent in 2021Q3. This increase reflects trade and production disruptions for some agricultural prices as well as a surge in input costs, especially energy and fertilizers. Agricultural commodities prices are projected to increase by 13.3 percent in 2022 from 24.2 percent in 2021 and drop by 4.5 percent in 2023.

Food prices increased by 12.1 percent in 2022Q3 compared to 33.2 percent in 2021Q3, of which oils & meals (+5.1 percent), grains, (+19.2 percent), and other foods (+15.5 percent). Global food prices are projected to increase by 17.9 percent in 2022 from 30.8 percent in 2021, before dropping by 6.2 percent in 2023, reflecting expectations of improved yields, continuation of Ukraine's return to the global market, and weakening demand in response to the slowdown in the global economy.

Beverages prices increased by 12.2 percent in 2022Q3 after 15.7 percent in 2021Q3, mainly led by coffee prices due to weather-related production shortfalls in Brazil following a frost that affected the country's coffee production. Coffee prices are projected to increase by 30.8 percent in 2022 but drop by 6.8 percent in 2023.

Tea prices (Mombasa) increased by 15.5 percent in 2022Q3 after 5.0 percent in 2021Q3, as tea production reflects weather related production shortfalls in East Africa, especially in Kenya, the world's largest black tea exporter. Tea prices are projected to increase by 15.2 percent in 2022 before dropping by 9.7 percent in 2023.

Source: World Bank Commodity Prices, October 2022

1.3. Sub Saharan Africa & EAC

The Sub-Saharan African economy is projected to slow to 3.6 percent in 2022, compared to the growth of 4.7 percent in 2021. This weak outlook reflects lower trading partner growth, tighter financial and monetary conditions, as well as negative shift in the commodity terms of trade.

The economic performance in the East African Community (EAC-5) countries is projected to slow to 4.9 percent in 2022, from 6.7 percent recorded in 2021, following a projected slowdown for all member countries compared to the previous year, largely due to the global subdue and rising commodity prices.

Source: Rwanda Country bureau of statistics.

Kenya's real GDP decelerated to 5.2 percent in 2022Q2 from 6.8 percent in 2022Q1 and projected to slow to 5.3 percent in 2022 and 5.1 percent in 2023 from 7.5 percent recorded in 2021. The slowdown in Kenya's real GDP, which accounts for more than 40 percent of the total community's output (EAC-5), will negatively affect the growth of EAC in general.

Rwanda's economy grew by 7.5 percent in 2022Q2 after 7.9 percent in 2022Q1 and projected to moderate to 6.0 percent in 2022 and 6.7 percent in 2023 after 10.9 percent in 2021, following global economic slowdown, rising commodity prices and persistent supply chain disruptions.

Uganda's GDP growth slowed to 4.9 percent in 2022Q2 after 5.1 percent in 2022Q1 and projected to slow to 4.4 percent in 2022 and 5.9 percent in 2023 from 6.7 percent recorded in 2021.

Tanzania's economic growth is projected to slightly moderate to 4.5 percent in 2022 after 4.9 percent in 2021. In Burundi, the economy is projected to grow by 3.3 percent in 2022 and 4.1 percent in 2023 after 3.1 percent in 2021.

In Sub-Saharan Africa, annual headline inflation projected to rise to a double digit of 14.4 percent in 2022, from 11.1 percent in 2021, following the projected higher inflation rates in Zimbabwe (284.9 percent), Ethiopia (33.6 percent), Ghana (27.2 percent) and Angola (21.7percent). In some Sub-Saharan African countries, food prices have

increased significantly, amid local shortages and the rise in global food prices.

About price developments in the EAC-5 countries, annual average inflation projected to increase to 6.4 percent in 2022 and to 6.3 percent in 2023, from 4.4 percent in 2021, following projected increase across all EAC-5 countries. In Kenya, the annual headline inflation increased to 9.2 percent in September 2022 from 9.0 percent in August, the highest inflation rate since June 2017, amid a continued increase in food prices, fuel, and housing. The annual average inflation is projected to increase to 7.4 percent in 2022 from 6.1 percent in 2021, and ease to 6.6 percent in 2023.

Rwanda's headline inflation increased to 17.6 percent in September from 15.9 percent in August 2022, the highest inflation rate since February 2009, amid rising prices of food & non-alcoholic beverages (33.2 percent), energy (20.3 percent), restaurants & hotels (18.8 percent), furnishing & household equipment (16.8 percent), and transport (14.5 percent).

Source: IMF, November 2022 world economic update report

1.4. The Rwandan Economic Performance

The Rwandan economy has recorded a strong economic recovery from the negative shock of COVID-19. The real GDP grew by 7.7 percent in the first half of 2022 following a growth of 10.9 percent in 2021 and a contraction of 3.4 percent in 2020. This momentum continued in 2022Q3, as evidenced by high frequency indicators that recorded high growth rate.

Rwanda's economy rebounded by 7.5 percent in 2022Q2, primarily driven by the strong performance of service and industrial sectors.

The service sector recovers strongly, facilitated by extensive easing of travel restrictions as well as a steady improvement of business activity in other economic sectors. Growth of services sector stood at 12.0 percent in 2022Q2 after 23.9 percent registered in 2021Q2 and it accounted for 74 percent of the real GDP growth.

This strong performance was mainly driven by trade (+16.9 percent), transport (+27.3 percent) and hotels and restaurants (+193.5 percent), that generated about 75 percent of the overall services growth.

The strong performance of transport services and hotels and restaurants reflected the strong recovery of the Rwandan tourism industry. In 2022Q2, MICE delegates increased to 10470 from 2439 in 2022Q1, of which CHOGM that recorded 4000 international delegates and USD 18.4 million of revenue. International tourist arrivals have been increasing also. UNWTO indicates that, by end of May.

2022, Rwanda recorded 80.6 thousand international tourist arrivals, that is 112.7 percent compared to the same period of 2021 and 37.8 percent compared to the end of 2021. However, when compared to their level of 2019, international tourist arrivals were still lower by 41.3 percent, which is in line with the lagging recovery of global tourism. The later was, in July 2022, 27.8 percent lower than the 2019 global level.

These developments supported transport services, particularly air transport that increased by 119.0 percent in 2022. IATA states that the airline industry rebound continues vigorously; supported

by the reopening of multiple major markets and the recovery to 2019 levels is expected in 2024, led by the US in 2023 while China and Africa are unlikely to reach that level until 2025.

The industrial sector registered modest growth (+6.0% from 29.9% year-on-year), driven mainly by meager construction, robust mining activity and by the base effects. Construction subsector recorded a lower growth of 0.1 percent following the slowing construction activities relative to the fast implementation of mass school construction projects, Integrated Development Program (IDP) model projects (such as KINIGI IDP model village), and roads construction which led to the 32.9 percent growth in 2021Q2. The mining subsector (+8.8 percent in 2022Q2 from 87.5 percent in 2021Q2) continued to be buoyed by high international mineral prices. In year-on-year terms, the later increased by 24.5 percent in 2022Q2 after 76.3 percent in 2021Q2.

Regarding the manufacturing industries, the 2022Q2 growth was generated primarily by food processing (8.1 percent from 10.5 percent), beverages (13.7 percent from 8.6 percent), textiles (18.3 percent from 37.6 percent) and cement production (47.6 percent from -14.1 percent) that accounted for 86 percent of the overall growth of 9.8 percent against 22.7 percent recorded in 2021Q2.

Poor food crop production (-1.2 percent in 2022 season A against 7.0 percent recorded in 2021 season A) has led to poor performance of agriculture sector (1.9 percent from 7.3 percent). Given its share of 64 percent of agriculture sector output, it outweighed the good performance of exports crops (16.6 percent from -2.2 percent) and livestock (10.1 percent from 8.6 percent).

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

2 . MARKET PERFORMANCE

On Rwanda Stock Exchange (RSE), trading activities went up compared to the same year of 2021 due to high levels of trading both on the bond and the equity markets.

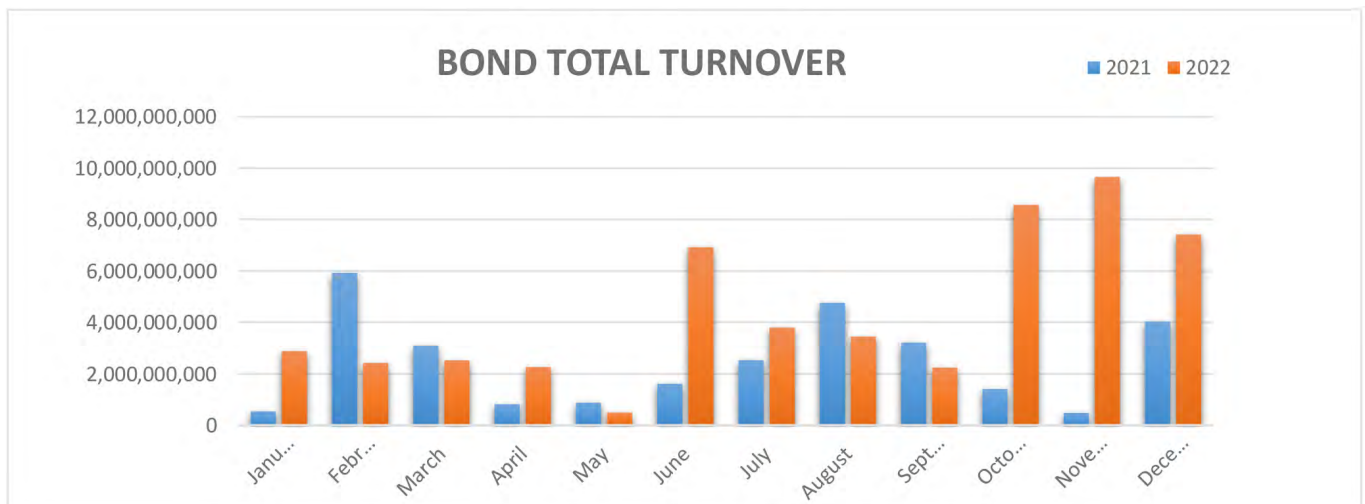
2.1. Primary Market

During the period under review, the Government of Rwanda issued **5 Treasury bonds** and reopened **10 bonds** with a total face value of **Frw 411.47 billion** compared to **Frw 318.50 billion** issued during the same period in 2021 or an increase of **29.24%**. The coupon rates for the issued bonds ranged between **10.85%** and **13.00%**. The highest subscription level was **175.23%** and the lowest was **100.00%** for the bonds.

2.2 Secondary Market

2.2.1 Bond market

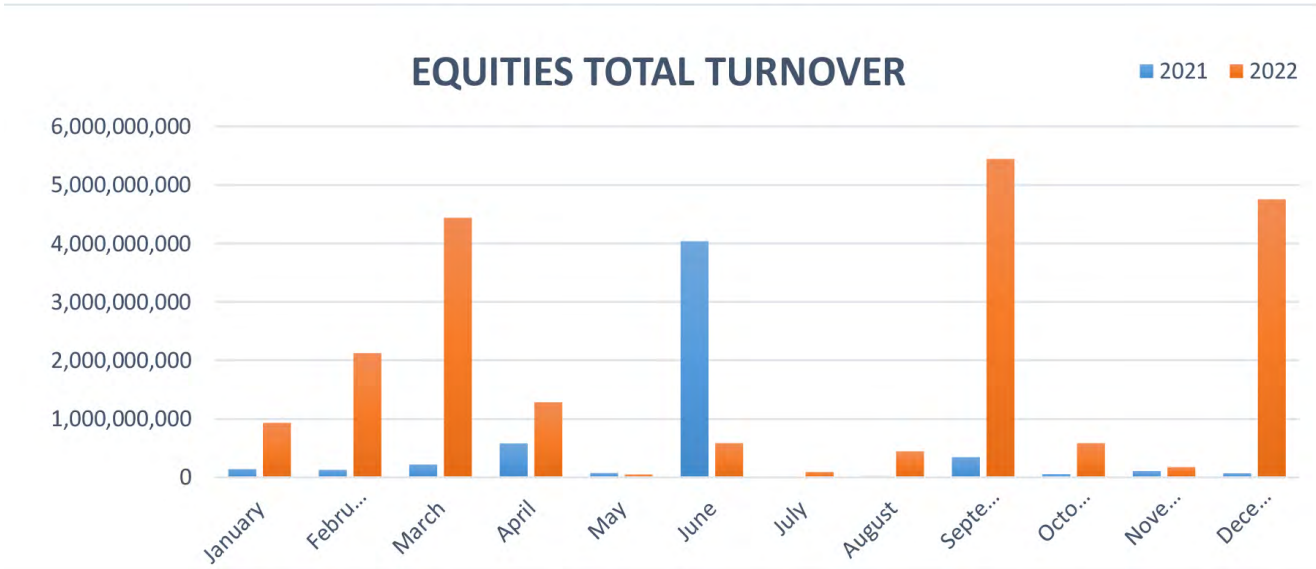
During this period, fifteen treasury bonds with a total face value of **Frw 411.47 billion** were listed on the RSE and the market recorded **Frw 52.66 billion** worth of bonds traded in **578** transactions. This translated into an increase of **79.55%** in bonds trading compared to last year's same period.



2.2.2 Equities market

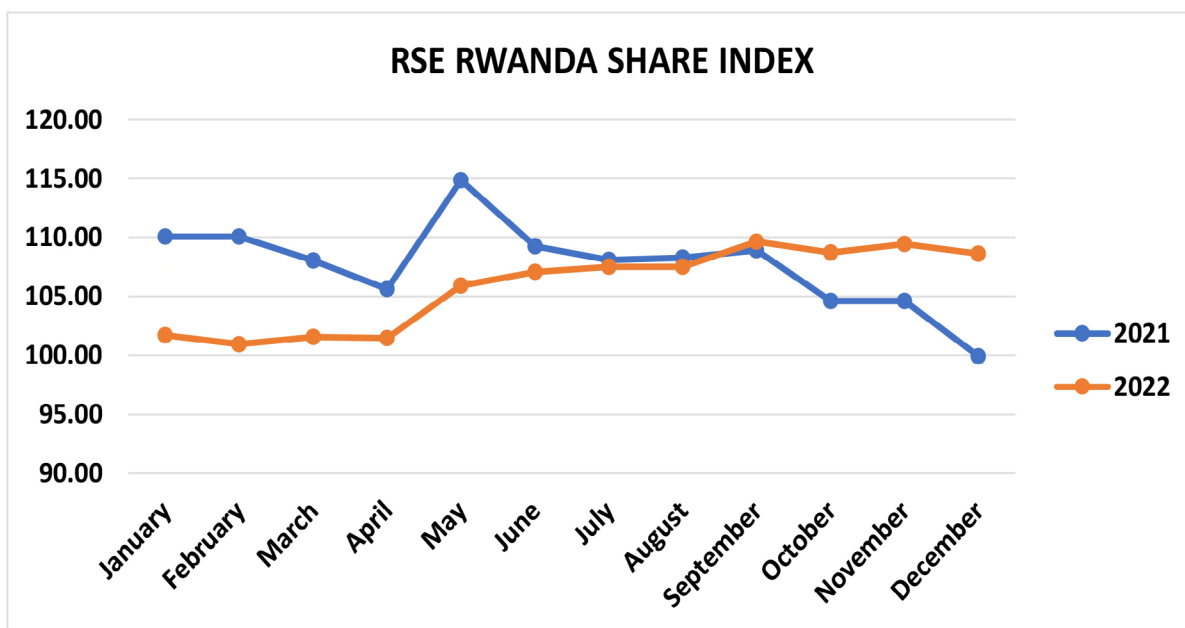
The equity market recorded a total turnover of **Frw 20.90 billion** from **132.32 million** shares traded in **611** deals translating into an increase of **261.46%** in turnover compared to **Frw 5.78 billion** recorded for the same period of 2021.

Comparison for market total turnover 2021 – 2022

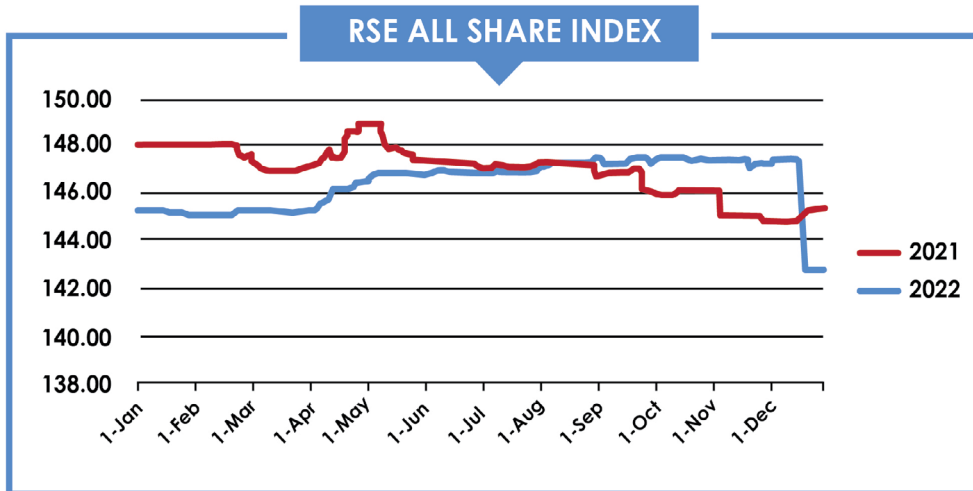


2.2.3 RSE indices

The Rwanda Share Index (**RSI**) and RSE All Share Index (**ALSI**) went up by **7.72** and **2.19** points respectively to close at **109.30** and **142.64** respectively.



RSE All Share Index (ALSI)



Source: RSE

2.2.4 Market Capitalization

By end of December 2022, the market capitalization stood at \$ 3.39 billion, 7.37% down from the \$3.67 billion at the end of December 2021.

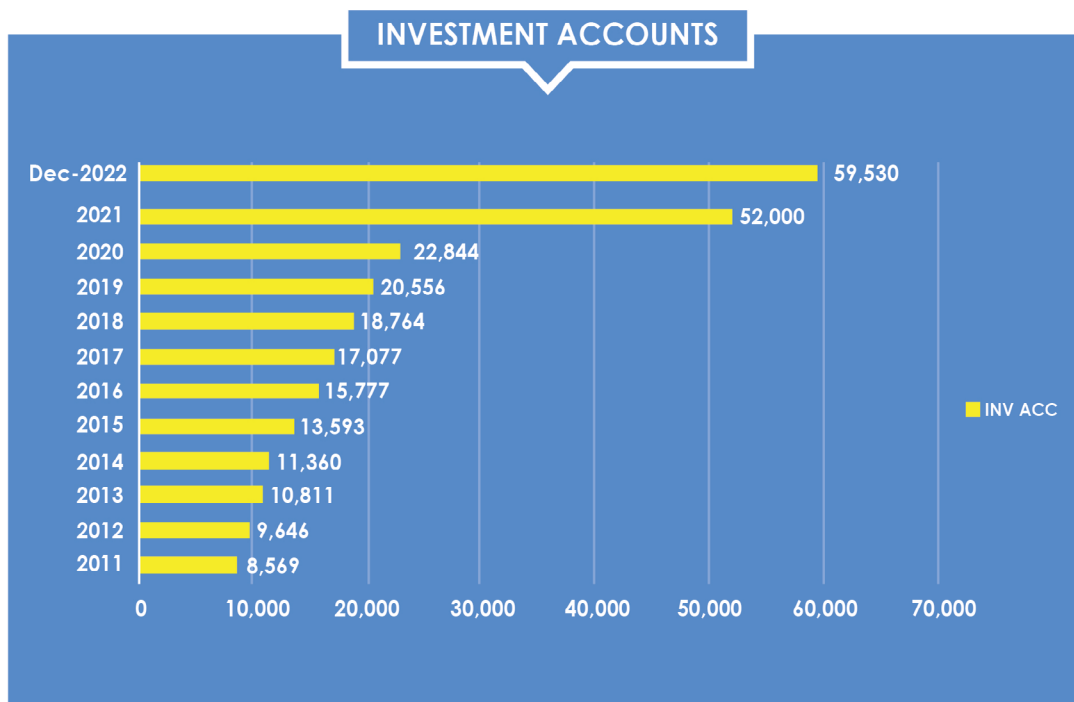
The current composition is as follows:

Domestic investors account for 93.92%; other East Africans are 5.07% and 1.01% are international.

2.2.4 Investors participation

As of December 2022, there were 59,530 active investors on record, an increment of 14.5% in new investors since January 2022.

Products such as Iterambere Fund of RNIT, Aguka Fund by BK Capital and Ejo Heza among others continue to drive the subscriptions to investment products.





***ACTIVITIES
REPORT***



2. ACTIVITIES REPORT

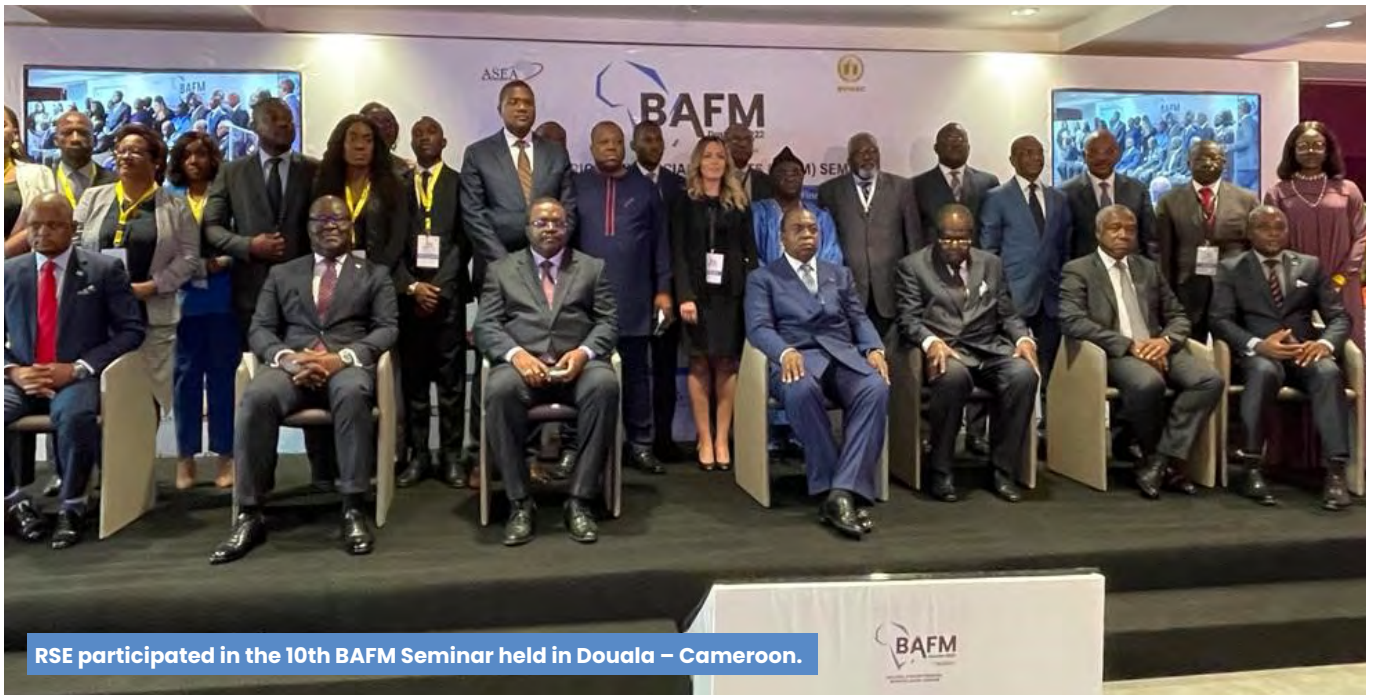
Rwanda Stock Exchange (RSE) conducted various activities as follows:

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

1. Conferences, Meetings and Workshops

- Rwanda's Sustainable Finance: RSE participated in the unveiling of the Rwanda Sustainable Finance Roadmap
- The Marrakesh Pledge: Rwanda Stock Exchange signed the Marrakech pledge in October 2022 for fostering green capital markets in Africa.
- Rwanda Stock Exchange, a member of the Sustainable Stock Exchange (SSE) Initiative, in partnership with IFC Rwanda and UN Women Rwanda joins 118 Securities Exchanges all over the world to celebrate International Women's Day 2022 and host the 8th Annual Ring the Bell Ceremony for Gender Equality with the theme "Gender equality today for a sustainable tomorrow".
- RSE participated in a workshop on how best to use the International Organization for Migration (IOM) Rwanda.
- RSE participated in business visits to Jersey and Qatar to exchange best practices on the legal and regulatory compliance aspects of the International Financial Centers.
- RSE has participated in different regional and international conferences and workshops, namely those of the EAC, ASEA Exco meetings to discharge regular business functions of those organization the Exchange belongs to.
- RSE participated in the 10th BAFM Seminar held in Douala – Cameroon.

- RSE participated in the Global Investment Forum and World Government Summit in Dubai –UAE.
- RSE participated in the 5th council of Ministers of the steering committee for the restructuring of regional economic communities in Central Africa. It was held in Yaoundé, Cameroon.



RSE participated in the 10th BAFM Seminar held in Douala – Cameroon.



Rwanda Stock Exchange has signed the Marrakech pledge in October 2022 for fostering green capital markets in Africa.



RSE participated in the unveiling of the Rwanda Sustainable Finance Roadmap



RSE Listings Forum

2. Public education awareness campaigns

- The Veterans Club World Championship (VCWC) – 2024: RSE was involved in the launch of the VCWC Football Legends National kick-off events that took place in Rwanda.
- RSE conducted the 2022 Listings forum under the theme “Accessing long-term and appropriate capital in challenging environment of post Covid-19: A capital market perspective”.
- RSE participated in public education for Rwandan diplomatic mission abroad aimed at showcasing capital market opportunities and different with institutions under their docket’s ministries including the Ministry of Finance and others.
- RSE hosted 292 students from different higher learning institutions in Rwanda and foreign universities such as Université Evangelique en Afrique (UEA) – Bukavu, DRC, and University of North Carolina.
- RSE hosted 31 members of the Rwanda Bankers association for a trainers & trainees site visit.
- RSE hosted 31 members of AIESEC during the Global Money Week closing ceremony.
- RSE participated on Twitter Spaces hosted by BNR and BK Capital on investing in bonds and equities.
- RSE participated in the Annual Capital Market University Challenge.
- Rwanda rank among the six top bourses in sub-Saharan Africa that have weathered economic storms to post positive returns to shareholders. A quarterly market report by analysts at African Financials Group.



The Veterans Club World Championship (VCWC) – 2024: Visiting Football Legends at RSE.



The Veterans Club World Championship (VCWC) – 2024: Visiting Football Legends at RSE.



Université Evangelique en Afrique (UEA) – Bukavu, DRC at RSE



Students from INES Ruhengeri at RSE for a study tour



Students from University of North Carolina at RSE



RSE actively participated in Rwanda Triathlon Tournament for market awareness campaign.



Rwanda Bankers Association at RSE for a study Tour



3. Capacity Building

- RSE participated in the 5th council of Ministers of the steering committee for the restructuring of regional economic communities in central Africa. It was held in Yaoundé, Cameroon.
- RSE & LuxSE MOU Implementation: Both teams at RSE and LuxSE continued the discussions on our roadmap specifically the collaboration with the LGX Academy for capacity building for our market.

The roadmap implementation starts with the coming year in Q1. There was a courtesy call on LuxSE Chief Executive and her team to further engage on the implementation of the MOU in its entirety. Discussions agreed on a few things to pursue together of which the development of the guidelines and listing rules framework for green products such as bonds and others. We also explored together on how to leverage on the LuxDev collaboration agreements with Rwanda government under the KIFC window for technical and financial support where possible.

- RSE has opened the second Cohort of Investment Clinic, the purpose of the clinic is to help companies in need of capital to be investment ready.
- RSE participated in a consultative meeting on the development of Fintech Regulatory Sandbox for Capital Markets in Rwanda.
- RSE Board and management participated in the training program conducted by Luxembourg stock exchange on Sustainable Finance, Capital Markets & the Role of Stock Exchanges.
- RSE staff attended a CPD-certified Climate Disclosure Training Programme.
- RSE staff attended a training on global forum standards and Anti-money Laundering and Counter-terrorism Financing.
- RSE Staff attended FSD Africa conference on sustainable capital markets that took place in Nairobi, Kenya. The staff also conducted a study tour at the Nairobi Securities Exchange and the Capital Markets Authority.



RSE & Luxembourg Stock Exchange ringing the bell to mark the signed MoU.



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.

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022**

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CORPORATE INFORMATION

DIRECTORS

The directors who served in the company during the year ended 31 December 2022 were;

Name	Designation
1. Mr. Bob Karina	Chairperson
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

SHAREHOLDERS

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.	Rwanda Social Security Board	10
9.	Banque Rwandaise de Développement	8
10.	SONARWA General Insurances Company Ltd	1
11.	Sanlam Insurance	1

KEY MANAGEMENT STAFF

1. Mr. Pierre Celestin RWABUKUMBA	Chief Executive Officer
2. Ms. Alice IRIBAGIZA	Head of Finance and Administration
3. Mr. Robert TWAGIRA	Head of IT and Operations

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Rwanda Stock Exchange Ltd, Kigali City Tower
KCT, 1st Floor, KN81 ST Avenue du Commerce,
P.O Box 5337 Kigali-Rwanda
Email: info@rse.rw
Web: 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 2022

REPORT OF DIRECTORS

The directors have the pleasure in submitting their report together with the audited financial statements for the year ended 31 December 2022 which disclose the state of affairs of Rwanda Stock Exchange Ltd.

PRINCIPAL ACTIVITIES

The principal activities of the company is carrying out financial securities. The main business activities of Rwanda Stock Exchange Ltd are:

- Financial Leasing
- Administration of financial markets
- Security and commodity contract brokerage
- Activities of insurance agents and brokers

INCORPORATION

The company was incorporated in Rwanda under the company's act as a private limited liability company and is domiciled in Rwanda.

RESULTS

	2022 Frw	2021 Frw
Profit before tax	671,595,448	414,692,723
Tax expense	<u>(112,485,898)</u>	<u>(140,193,649)</u>
Profit after tax	<u>559,109,549</u>	<u>274,499,073</u>
Other comprehensive Income	-	-
Total comprehensive Income	<u>559,109,549</u>	<u>274,499,073</u>

DIVIDENDS

The company declared and paid an interim dividend of Frw 57,500,000 (fifty-seven million, five hundred thousand Rwandan francs only) during the year ended 31st December 2022 (31st December 2021-Frw 86,250,000).

**RWANDA STOCK EXCHANGE LTD
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022**

DIRECTORS

The directors who served in the company during the year are shown on page 39.

AUDITOR

The auditors, RUMA have expressed their willingness to continue in office and are eligible for reappointment as per the Law Governing Companies' N° 007/2021 of 05 February 2021.

By order of the Board



Mr. Bob Karina

**Chairman of the Board of Directors
Rwanda Stock Exchange Ltd**

Date **31/12/2022**



Mr. Pierre Celestin RWABUKUMBA

**Chief Executive Officer
Rwanda Stock Exchange Ltd**

Date **31/12/2022**

RWANDA STOCK EXCHANGE LTD STATEMENT OF MANAGEMENT RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2022

Law no N° 007/2021 of 05/02/2021 governing companies in Rwanda requires the directors to prepare financial statements for each financial year, that 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 operating results for that year. It also requires the directors to ensure the company keeps proper accounting records which disclose, with reasonable accuracy, the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of the Law N° 007/2021 of 05/02/2021 governing companies in Rwanda. 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 operating results in accordance with International Financial Reporting Standards. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

Having made an assessment of the company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Company's ability to continue as a going concern.

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 **31/12/2022**



Mr. Pierre Celestin RWABUKUMBA
Chief Executive Officer
Rwanda Stock Exchange Ltd
Date **31/12/2022**



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www.rumacpa.com

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 2022 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 2022 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.

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



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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.

- 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



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- 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.
- 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

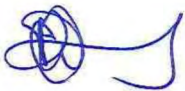


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during the audit and our recommendations for improvement.

vi) In our opinion and considering the information and explanations given to us through accounting and other company documents, the annual accounts give a true and fair view of the state of affairs of the company as at 31 December 2022.

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



Obed Rugara,
Partner

Date **31/12/2022**

RWANDA STOCK EXCHANGE LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 Frw	2021 Frw
Revenues	5	1,144,837,307	924,624,770
Other income	6	<u>190,877,805</u>	<u>96,457,299</u>
		<u>1,335,715,112</u>	<u>1,021,082,069</u>
Administrative expenses	7	(273,026,638)	(230,834,454)
Staff Costs	8	(345,076,118)	(343,286,804)
Marketing and advertising expenses	9	(26,081,913)	(25,862,535)
Finance costs	10	(1,091,020)	(1,224,737)
Depreciation & amortization	11	<u>(18,843,975)</u>	<u>(5,180,817)</u>
Profit for the year		<u>671,595,448</u>	<u>414,692,723</u>
Tax expense	12(a)	<u>(112,485,898)</u>	<u>(140,193,649)</u>
Profit after tax		<u>559,109,549</u>	<u>274,499,073</u>
Other comprehensive Income		<u>-</u>	<u>-</u>
Total comprehensive income		<u>559,109,549</u>	<u>274,499,073</u>

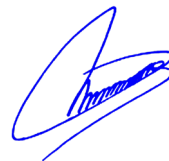
RWANDA STOCK EXCHANGE LTD
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

ASSETS	Note	2022	2021
		Frw	Frw
Non-Current Assets			
Property and equipment	13	<u>31,000,375</u>	<u>41,454,350</u>
Current Assets			
Short term Investments	14	1,133,611,500	605,651,500
Tax Assets	15	25,173,427	-
Trade and other receivables	16	320,393,058	395,796,342
Cash and bank balances	17	<u>87,035,435</u>	96,767,141
Total current assets		<u>1,566,213,419</u>	<u>1,098,214,983</u>
TOTAL ASSETS		<u>1,597,213,795</u>	<u>1,139,669,334</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	18	100,000,000	100,000,000
Retained earnings	19	1,045,585,733	543,976,130
Total Equity		<u>1,145,585,733</u>	<u>643,976,130</u>
Long term Liabilities			
Grant for Equipment and software	20	<u>244,302,868</u>	<u>244,302,868</u>
Current Liabilities			
Grant for Equipment and software	12(b)	-	3,251,846
Trade and other payables	21	<u>207,325,194</u>	<u>248,138,489</u>
		<u>207,325,194</u>	<u>251,390,336</u>
TOTAL EQUITY AND LIABILITIES		<u>1,597,213,795</u>	<u>1,139,669,334</u>

The financial statements from pages 8 to 25 were authorized for issue by the board of directors on 31/12/2022 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 2022

	Share capital Frw	Retained earnings Frw	Total Frw
Year ended 31 December 2022			
At start of the year	100,000,000	543,976,130	643,976,130
Prior year adjustment	-	53	53
Profit for the year	-	559,109,549	559,109,549
Dividends paid	-	(57,500,000)	(86,250,000)
As at 31 December 2022	100,000,000	1,045,585,733	1,145,585,733
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

RWANDA STOCK EXCHANGE LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 Frw	2021 Frw
Operating activities			
Net profit before tax		671,595,448	414,692,722
Adjustments for non-cash income and expenses:			
Depreciation of Property and Equipment	13	18,843,975	5,180,817
Adjustment on the opening balances		53	
Changes in working capital			
Tax expense for the year	12(a)	(112,485,898)	(140,193,649)
(Increase)/Decrease in trade and other receivables	16	75,403,284	(19,265,678)
Increase/(Decrease) in payables	12(b)&21	(44,065,142)	(126,494,546)
Increase/(Decrease) in tax asset	15	(25,173,427)	-
Cash generated from operations		<u>584,118,294</u>	<u>133,919,666</u>
Investment activities			
Increase in investments	14	(527,960,000)	(44,500,000)
Transfer of assets purchased on progress		-	23,374,000
Purchase of fixed assets	13	(8,390,000)	(25,356,400)
Net cash used in investing activities		<u>536,350,000</u>	<u>(46,482,400)</u>
Cash flows used on financing activities			
Dividends		(57,500,000)	(86,250,000)
Net Cash flows used on financing activities		<u>(57,500,000)</u>	<u>(86,250,000)</u>
Cash & Cash equivalents			
Net increase or decrease in cash and cash equivalent		(9,731,706)	1,187,266
Cash and Cash equivalents as at start of the year		96,767,141	95,579,875
Cash and Cash equivalent as at end of the year	16	<u>87,035,435</u>	<u>96,767,141</u>

RWANDA STOCK EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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) Adoption of New and revised International Financial Reporting Standards (IFRS)

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:

Five amendments to the standards became effective for the first time in the financial year beginning 1st January 2022 as listed below;

- 1) Reference to the Conceptual Framework (Amendments to IFRS 3)
- 2) COVID-19 – Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)
- 3) Property, Plant and Equipment: Proceeds Before Intended Use (Amendments to IAS 16)
- 4) Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- 5) Annual Improvements (2018-2020 Cycle):
 - a. Subsidiary as a First-time Adopter (Amendments to IFRS 1)
 - b. Fees in the '10 per cent' Test for Derecognition of Liabilities (Amendments to IFRS 9)
 - c. Lease Incentives (Amendments to IFRS 16)
 - d. Taxation in Fair Value Measurements (Amendments to IAS 41)

None of the amendments have had an impact on the company's financial statements.

The company has also not early adopted any Standards, amendments and Interpretations to existing Standards that are not yet effective.

RWANDA STOCK EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

c) Revenue from contracts with customers

Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when they have the ability to direct the use of and obtain the benefits from the good or service. To determine whether to recognise revenue, the Company follows a 5-step process:

- 1) Identifying the contract with a customer
- 2) Identifying the performance obligations
- 3) Determining the transaction price

RWANDA STOCK EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

- 4) Allocating the transaction price to the performance obligations, and then
- 5) Recognising revenue when/as performance obligation(s) are satisfied.

Revenue Streams

The company has several revenue streams which stem primarily from fees charged by the exchange to listed entities, brokers and custodians, traded equity instruments such as government treasury bonds and corporate bonds. The company recognizes revenue at the point the fees are charged.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including payment terms, and the related revenue recognition policies.

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) Impairment

The company recognises loss allowances for ECL in relation to loans and advances to customers. ECLs are measured through a loss allowance at an amount equal to:

RWANDA STOCK EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

- 12-month ECL, i.e., lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Full lifetime ECL, i.e., lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk. The company considers the following as constituting an event of default; the debtor is past due more than 90 days on any material credit obligation to the company or the debtor is unlikely to pay its obligations to the company in full.

This definition of default is used by the company for accounting purposes as well as for internal credit risk management purposes and is broadly aligned to the regulatory definition of default. The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

The company monitors all financial assets and commitments that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the company will measure the loss allowance based on lifetime rather than 12-month ECL. The company's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the company monitors all financial assets and commitments that are subject to impairment for significant increase in credit risk. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the company's historical experience and expert credit assessment including forward-looking information.

e) 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.

RWANDA STOCK EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

f) Intangible assets

Intangible assets with finite useful life that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful lives and the method are reviewed at the end of each reporting periods, with the effect of any changes being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

g) 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

RWANDA STOCK EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

- 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.

h) 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.

i) Financial instruments

Initial Recognition

Financial instruments are recognized when, and only when, the company becomes party to the contractual provisions of the instrument. All financial assets are recognized initially using the trade date accounting which is the date the Company commits itself to the purchase or sale.

RWANDA STOCK EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Classification

The Company classifies its financial instruments into the following categories:

a) Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at amortised cost;

b) Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at fair value through profit or loss;

c) All other financial assets are classified and measured at fair value through profit or loss;

d) Notwithstanding the above, the Company may:

- On initial recognition of an equity investment that is not held for trading, irrevocably elect to classify and measure it at fair value through other comprehensive income
- On initial recognition of a debt instrument, irrevocably designate it as classified and measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency
- Financial liabilities that are held for trading (including derivatives), financial guarantee contracts, or commitments to provide a loan at a below-market interest rate are classified and measured at fair value through profit or loss.

The Company may also, on initial recognition, irrevocably designate a financial liability as at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

- All other financial liabilities are classified and measured at amortised cost.

j) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability. unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available thereby allowing for

RWANDA STOCK EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

situations in which there is little if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability.

k) 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.

l) 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.

m) Contingencies and commitments

At the end of the year, the company was not party to legal proceedings that would have a substantial effect on the financial statements. The company had no commitments as at year end.

n) Dividends

Dividends on ordinary shares are recognized as a liability in the Company's financial statements in the period in which they are declared by the Company. In the case of interim dividends, these are considered to be declared when they are paid. The Company evaluates the financial position to determine ability to pay dividends to its shareholders in any particular year.

RWANDA STOCK EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Revenue	2022	2021
	Frw	Frw
Listing fees	1,062,337,160	896,109,620
Transaction levy	79,620,147	24,995,150
Membership fees	<u>2,880,000</u>	<u>3,520,000</u>
	<u>1,144,837,307</u>	<u>924,624,770</u>
6 Other income	2022	2021
	Frw	Frw
Interest Received	190,877,305	96,457,298
Discount Received	500	-
	<u>190,877,805</u>	<u>96,457,299</u>
7 Administrative expenses	2022	2021
	Frw	Frw
Board Expenses	68,396,292	51,067,450
Capacity Building	15,798,212	16,645,819
Consultancy Services	11,048,946	11,100,000
General Expenses	8,939,896	7,827,340
Health Insurance	7,616,763	6,447,595
IT Equipment Expenses	1,498,320	390,000
Miscellaneous/Contingency	6,156,300	6,837,022
Office Rent	49,405,640	49,400,640
Reception & Entertainment	4,000,000	4,000,000
Travel, Research & Development	47,691,457	43,641,153
CSR Activities	4,350,000	3,300,000
Staff Health & Sports Activities	3,600,000	-
Utilities	29,163,336	29,696,132
Investment Clinic Expenses	15,360,840	-
Loss on Exchange	717	481,361
Write off	(80)	(58)
	<u>273,026,638</u>	<u>230,834,454</u>
8 Staff Costs	2022	2021
	Frw	Frw
Staff Emoluments	<u>345,076,118</u>	<u>343,286,804</u>
9 Marketing and advertising expenses		
Marketing and advertising costs	<u>26,081,913</u>	<u>25,862,535</u>
10 Finance costs	2022	2021
	Frw	Frw
Bank Charges	<u>1,091,020</u>	<u>1,224,737</u>

RWANDA STOCK EXCHANGE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

11 Depreciation & amortization	2022	2021
	Frw	Frw
Depreciation of property and equipment	<u>18,843,975</u>	<u>5,180,817</u>
12 (a) Income tax	2022	2021
	Frw	Frw
Tax expense /charge		
Current income tax	112,485,898	140,193,649
Accounting profit/ (loss)	<u>671,595,448</u>	<u>414,692,723</u>
Adjusted accounting profit	671,595,448	414,692,723
Tax calculated at the statutory rate of 30%	-	124,407,817
Tax calculated at the statutory rate of 15%	100,739,317	-
Tax effect of:		
Expenses not deductible for tax purposes	13,910,740	19,269,828
Allowable deductions	<u>(2,164,159)</u>	<u>(3,483,995)</u>
Income tax expense/ (Credit)	<u>112,485,898</u>	<u>140,193,649</u>
12(b) Corporation tax payable	2022	2021
	Frw	Frw
At 1 January	-	-
Income tax charge for the year	112,485,898	140,193,649
Income tax prepayments	(137,659,325)	(136,941,803)
Transfer to tax asset (Note 15)	<u>25,173,427</u>	-
As at 31 December	<u>-</u>	<u>3,251,846</u>

RWANDA STOCK EXCHANGE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13. Property and equipment

Year Ended 31 December 2022

Cost	Communication Equipment	Computers	Office Furniture	Purchase in Progress	Total
01/01/2022	1,226,000	54,589,500	33,545,216	15,000,000	104,360,716
Additions		8,090,000	300,000	-	8,390,000
Disposal					=
Transfer			15,000,000	(15,000,000)	-
31/12/2022	1,226,000	62,679,500	48,845,216	-	112,750,716
Depreciation					
01/01/2022	1,226,000	37,147,950	24,532,416	-	62,950,928
Annual depreciation	-	12,765,775	6,078,200	-	18,843,975
31/12/2022	1,226,000	49,913,725	30,610,616	=	81,750,341
Carrying amount					
31.12.2022	-	12,765,776	18,234,600	=	31,000,375

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	-	13,390,000	9,566,400	-	22,956,400
Transfer		-		(20,974,000)	(20,974,000)
31/12/2021	1,226,000	52,189,500	33,545,216	17,400,000	104,360,716
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	-	15,041,550	9,012,800	15,000,000	41,454,350

RWANDA STOCK EXCHANGE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14 Short-term Investments	2022	2021
	Frw	Frw
Maturity Less than 12 Months		
Treasury Bond	<u>1,133,611,500</u>	<u>605,651,500</u>
Total Short-term investments	<u>1,133,611,500</u>	<u>605,651,500</u>
Total Investments	<u>1,133,611,500</u>	<u>605,651,500</u>
15 Tax asset	2022	2021
	Frw	Frw
Opening balance	-	-
Charge for the year/credit (from note 12)	<u>25,173,427</u>	<u>-</u>
	<u>25,173,427</u>	<u>-</u>
16 Trade and other receivables	2022	2021
	Frw	Frw
Trade receivables	66,575,098	127,469,828
Other receivables		
Prepayments	253,816,960	268,325,514
STI Accrued interest	<u>1,000</u>	<u>1,000</u>
	<u>253,817,960</u>	<u>268,326,514</u>
	<u>320,393,058</u>	<u>395,796,342</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.

17 Cash and bank balance	2022	2021
	Frw	Frw
Cash at hand	102,100	10,600
Bank balance	<u>86,933,335</u>	<u>96,756,541</u>
	<u>87,035,435</u>	<u>96,767,141</u>
18 Share capital	2022	2021
	Frw	Frw
Ordinary and paid-up share capital of 1,000,000 shares of Frw 100 each	<u>100,000,000</u>	<u>100,000,000</u>

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

19 Retained earnings	2022	2021
	Frw	Frw
Opening balance	543,976,130	355,727,057
Prior year adjustments	53	-
Profit/loss for the year	559,109,549	274,499,073

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Dividends	(57,500,000)	(86,250,000)
Closing balance	<u>1,045,585,733</u>	<u>543,976,130</u>

20	Grant for Equipment and software	2022 Frw	2021 Frw
	Balance at the Start of the year	244,302,868	244,302,868
	Additions during the Year	-	-
	Balance as at 31 December 2022**	<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.

21	Trade and other payables	2022 Frw	2021 Frw
	BNR/CDSC	41,451,569	11,063,940
	Compensation fund	133,331,015	103,900,419
	Payable control	13,822,800	114,149,486
	Pay as you earn (PAYE) payable	14,853,987	15,137,497
	RSSB payable	3,865,823	3,887,147
		<u>207,325,194</u>	<u>248,138,489</u>

22. 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
- Amounts due to and from related parties

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

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o 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 is as shown below and the associated assets that can be utilised to pay off the liabilities.

Liquidity risk management	within one year	1-2 years	2-3 years	Total
	Frw	Frw	Frw	Frw
Current assets				
Short-term Investments	1,133,611,500	-	-	1,133,611,500
Tax asset	25,173,427	-	-	53,805,022
Trade and other receivables	76,090,190	-	244,302,868	320,393,058
Cash & bank balances	<u>87,035,435</u>	-	-	<u>87,035,435</u>
	<u>1,321,910,552</u>	-	<u>244,302,868</u>	<u>1,594,845,015</u>
Current Liabilities				
Income tax payable	-	-	-	-
Trade and other payables	<u>207,325,194</u>	-	-	<u>207,325,194</u>
	<u>207,325,194</u>	-	-	<u>207,325,194</u>
Excess (Deficit) Liquidity	<u>1,114,585,358</u>	-	<u>244,302,868</u>	<u>1,387,519,821</u>

o Interest rate risk management

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of the changes in the market interest rates. The company's exposure to the risk of changes in market interest rates is minimal since it has no debt obligations with floating interest rates.

o 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 taking into account 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.

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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 this purpose, default 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.

o 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.



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