

ANNUAL REPORT 2023



Wealth a way of life.



The background features a blue-toned collage of financial information. On the left, there's a line chart showing price fluctuations. In the center, a table lists various stock tickers with their current prices and changes. On the right, a vertical list of countries is visible. At the bottom, another line chart and a summary table are present.

Ticker	Price	Change
USIEURO	182.492	-0.0039
NAZ	2.230	-0.0053
GT/56	0.592	-1.759
YEH	1.759	-0.00493
KTC	68.23	-0.0057
WF	456.56	-0.01126
WHLM	8.354	-0.3700
STJ	0.036	-1.50
BLEIRE	2.603	-0.0057
JOB	0.036	-0.01126
BLU	2.603	-0.3700

Current
British
Czech
Danish
European
Hungary
Norway
Polish
Russian
Swedish
Swiss

Today	84 WkSummary	20 Wk
High 5.27	High 5.8	High 9.37
Low 0.457	Low 2.3	Low 63.3
Volume 172374999	4/Y 36.682	T/N 5.1
Time 46:33	Return 23.54	Return 9.1
	MktCap 98.48E	MktVol. 2.1

“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



- » **INNOVATION**
- » **INTEGRITY**
- » **ACCOUNTABILITY**
- » **TRANSPARENCY**
- » **EFFICIENCY**



LIST OF ACRONYMS AND ABBREVIATIONS

ALSI: All Share Index	RSI: Rwanda Share Index
ASEA: African Securities Exchanges Association	RFL: Rwanda Finance Limited
AgDF: Agaciro Development Fund	RSSB: Rwanda Social Security Board
ATS: Automated Trading System	SITI: Securities Industry Training Institute
AU: African Union	SORAS: Société Rwandaise d'Assurance
BNR: Banque Nationale du Rwanda	SMEs: Small and Medium Enterprises
Bralirwa: Brasseries et Limonaderies du Rwanda	SSE: Sustainable Stock Exchanges
BRD: Development Bank of Rwanda	UR: University of Rwanda
BK: BK Group Plc	USE: Uganda Securities Exchange
CBE: College of Business and Economics	US SEC: United States Securities and Exchanges Commission
CDSC: Central Depository and Settlement Corporation	UTAB: University of Technology and Arts of Byumba
CDH: Continental Discount House	WBG: World Bank Group
CEO: Chief Executive Officer	WFE: World Federation of Exchanges
CSD: Central Securities Depository	
CMI: Capital Market Infrastructure	
CISI: Chartered Institute for Securities and Investment	
DSE: Dar es Saalam Stock Exchange PLC	
EASEA: East African Securities Exchanges Association	
EASRA: East African Securities and Regulatory Authorities	
EGH: Equity Group Holdings Plc	
FSDP: Financial Sector Development Plan	
FRW: Franc Rwandais	
GDP: Gross Domestic Product	
H1: Half 1	
H2: Half 2	
IFAC: International Federation of Accountants	
IFC: International Finance Corporation.	
INES: Institut d'Enseignement 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	
PSF: Private Sector Federation	
RSE: Rwanda Stock Exchange	

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 (KNCC&i), 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 UMULISA RWAKUNDA
Vice-Chairperson

Mrs. Amina Umulisa RWAKUNDA is a highly accomplished economist with over two decades of experience in the field. She has worked for the Government of Rwanda in various capacities, including as Senior Economist and Head of Macroeconomic Policy, and Chief Economist in the Ministry of Finance and Economic Planning. Her areas of expertise include advising on macroeconomic policies (fiscal policy, taxation, debt management etc.), economic recovery, and economic development and planning.

Mrs. RWAKUNDA has also played a crucial role in regional integration matters as the Deputy Chief Negotiator for Rwanda on the establishment of the East African Community Monetary Union. Her commitment to evidence-based decision-making is evident in her role as a board member of the National Institute of Statistics Rwanda.

Mrs. RWAKUNDA holds a master's degree in Globalization and Development Economics from Antwerp University.



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 2023 Rwanda Stock Exchange (RSE) registered positive results despite the continued challenges associated with the ongoing uncertainties and inflationary pressures that characterized the year and has been affecting economies around the globe. The Exchange registered a decrease in trading activity with bonds trading most, but the equities recorded a sharp decrease in turnovers. The biggest highlight of the year was the inaugural Frw 30 billion Sustainability linked bond (SLB) issued by the development bank of Rwanda (BRD). This first tranche is part of a Frw 150 billion 7-year note series the bank wants to raise over the period and setting yet another precedent as the first development bank to issue an SLB globally.

We also continued our push to onboard SMEs in the Investment Clinic project that we established in 2020 and it is showing positive signs as we are winding down the pilot project with the first two cohorts; at least

two more companies are undergoing their last steps to listing their securities on the market. 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.

RSE continued to implement the the 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. 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 26th ASEA Conference and Annual General meeting held in Nairobi, Kenya.

We have also started the implementation of the ESG guidelines through capacity building for the market players and we have also been involved in the project to establish taxonomy for Rwanda

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.

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 2023 was at **USD 2.9 billion**, slightly lower from **USD 3.3 billion** at the end of 2022 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 **100%** and **205.42%**. The financial performance during the year was also considerable as the company continued to grow its revenue and profit after tax.

The RSE grew its revenues to Frw **1.46 billion** from **Frw 1.33 billion** and posted a profit after tax of **Frw 599.5 million** from **Frw 559 million** recorded in 2022.

We managed to stay the course even though we operated in a volatile year mainly due to the uncertainties globally. 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.



Mr. Bob Karina
Chairman

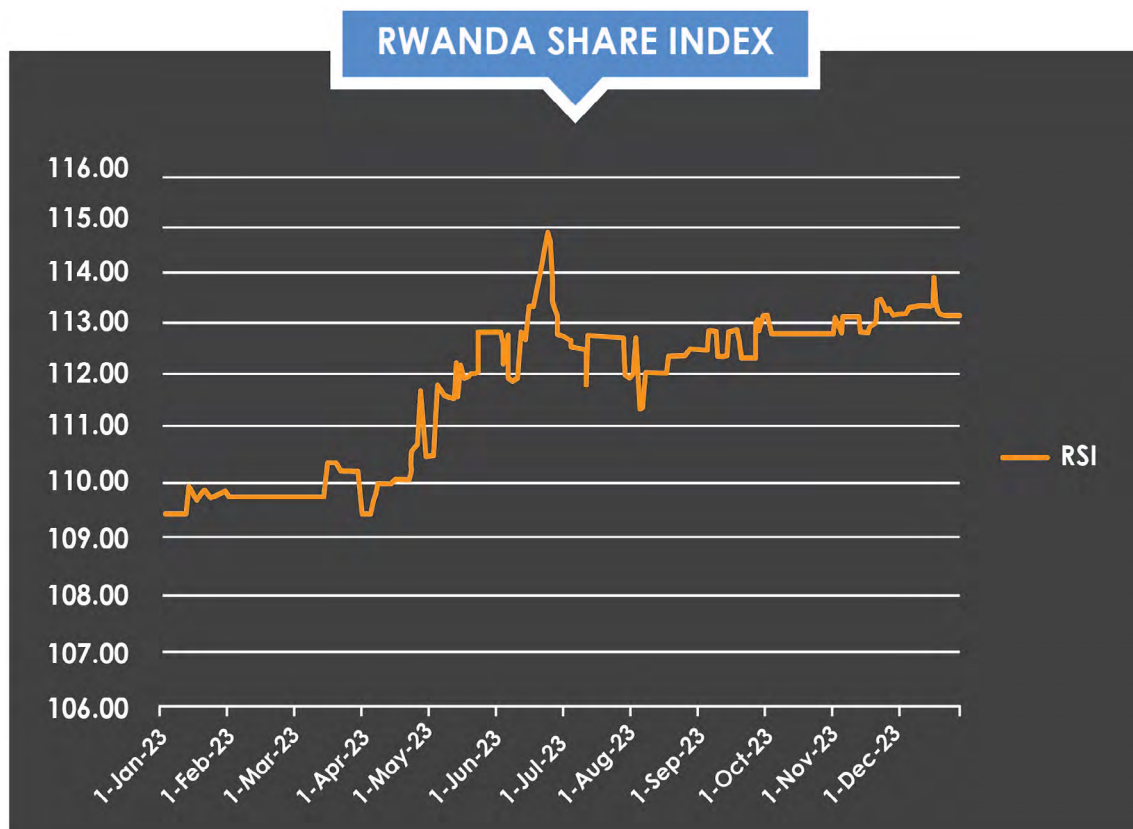
MANAGEMENT

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

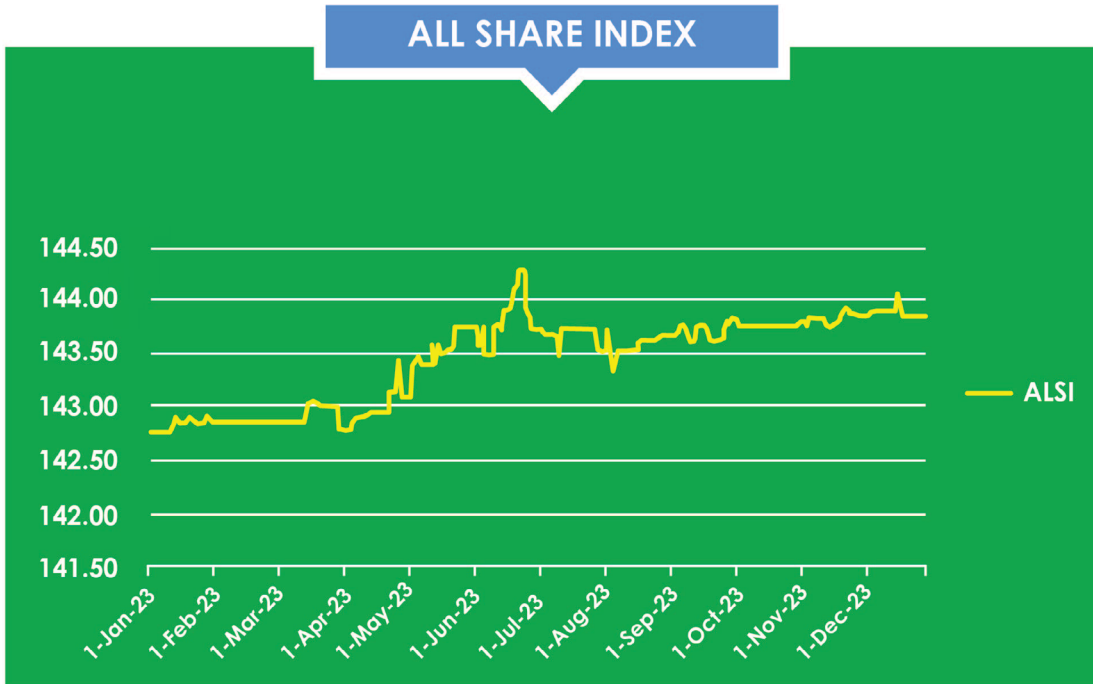
1. Market performance

A. Rwanda Share Index (RSI)



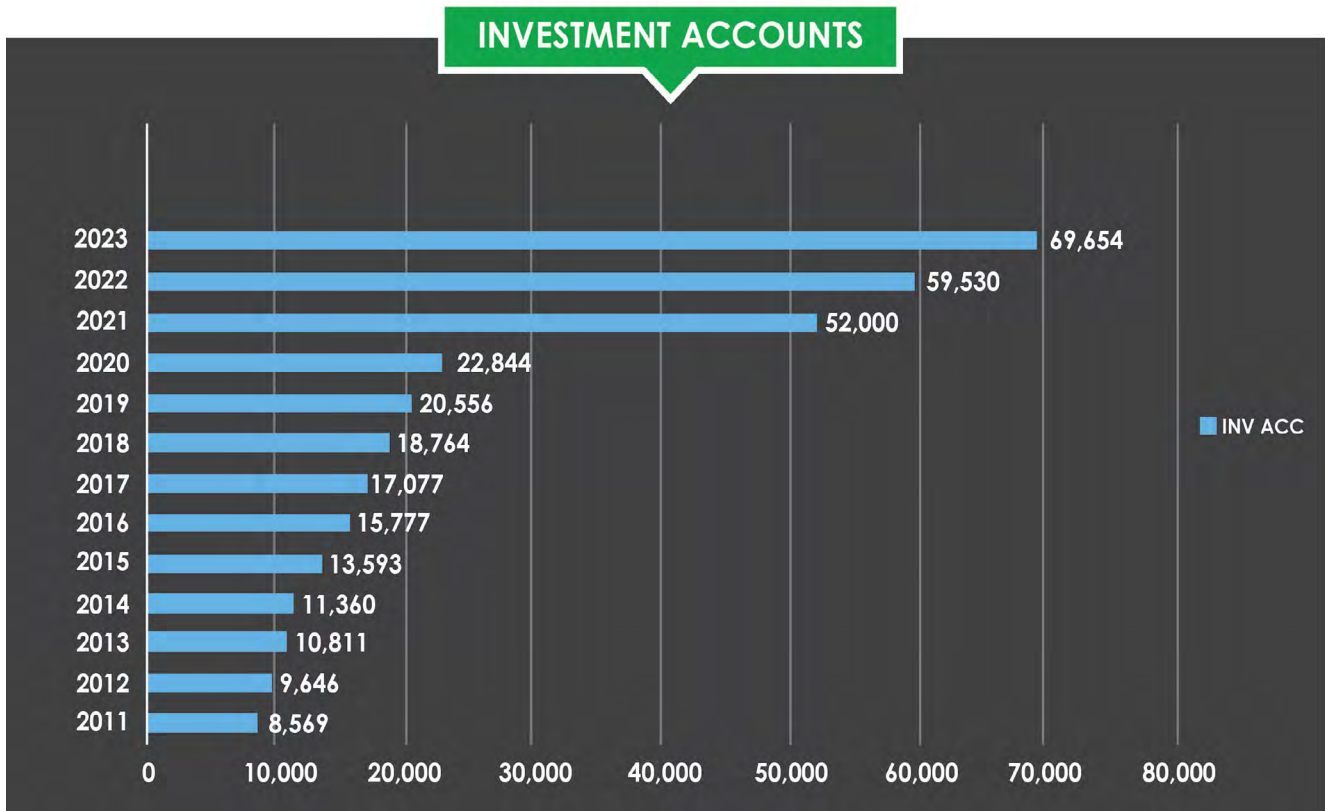
Source: RSE

B. All Shares Index (ALSI)

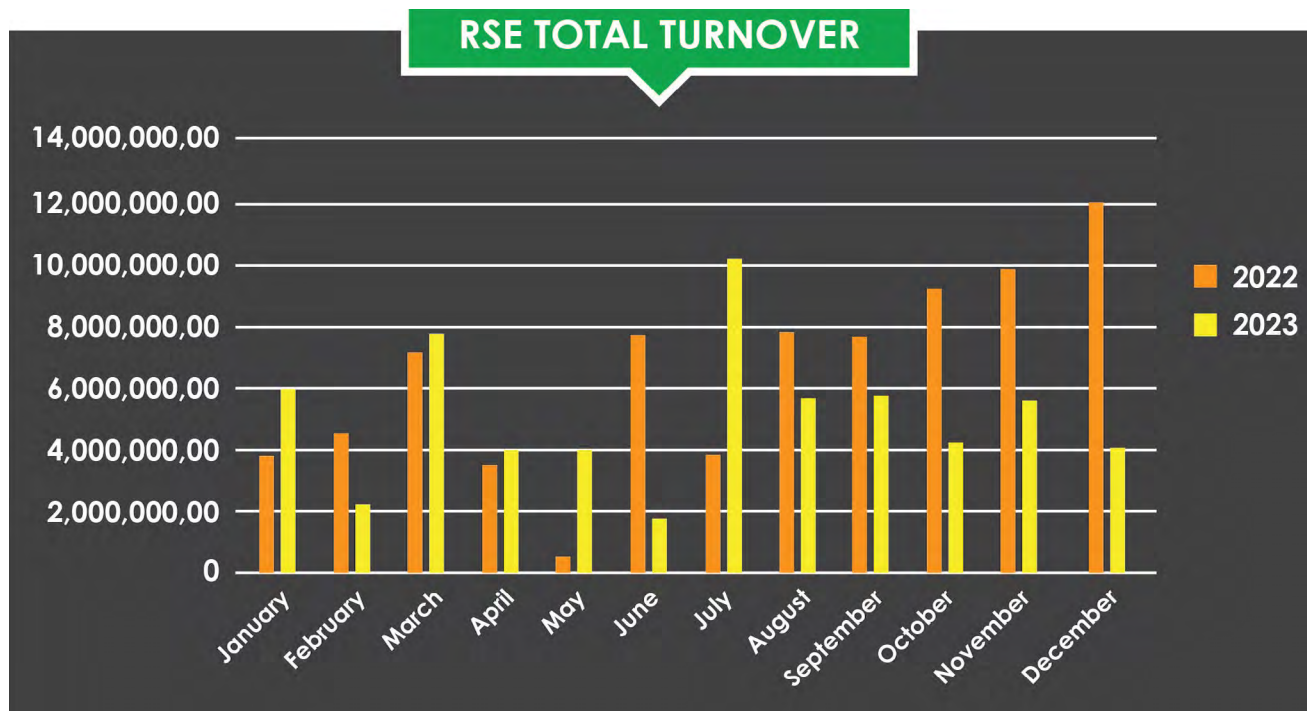


Source: RSE

C. Market participation by end of 2023



D. Total Turnover Comparison between 2023 vs 2022





ECONOMIC PERFORMANCE

1. ECONOMIC PERFORMANCE

1.1. Global Economic Outlook



The global recovery from the COVID-19 pandemic and Russia's invasion of Ukraine remained slow and uneven. Despite economic resilience earlier that year, with a reopening rebound and progress in reducing inflation from last year's peaks, it is too soon to take comfort.

Economic activity still falls short of its prepandemic path, especially in emerging market and developing economies, and there are widening divergences among regions.

Several forces are holding back the recovery. Some reflect the long-term consequences of the pandemic, the war in Ukraine, and increasing geoeconomic fragmentation. Others are more cyclical in nature, including the effects of monetary policy tightening necessary to reduce inflation, withdrawal of fiscal support amid high debt, and extreme weather events.

Global growth is forecast to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024. The projections remain below the historical (2000–19) average of 3.8 percent, and the forecast for 2024 is down by 0.1 percentage point from the July 2023 Update to the World Economic

Outlook. For advanced economies, the expected slowdown is from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024, amid stronger-than-expected US momentum but weaker-than-expected growth in the euro area. Emerging market and developing economies are projected to have growth modestly decline, from 4.1 percent in 2022 to 4.0 percent in both 2023 and 2024, with a downward revision of 0.1 percentage point in 2024, reflecting the property sector crisis in China.

Forecasts for global growth over the medium term, at 3.1 percent, are at their lowest in decades, and prospects for countries to catch up to higher living standards are weak. Global inflation is forecast to decline steadily, from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024. But the forecasts for 2023 and 2024 are revised up by 0.1 percentage point and 0.6 percentage point, respectively, and inflation is not expected to return to target until 2025 in most cases.

Risks to the outlook are more balanced than they were six months ago, on account of the resolution of US debt ceiling tensions and Swiss and US authorities' having acted decisively to contain financial turbulence. The likelihood of a hard landing has receded, but the balance of risks

to global growth remains tilted to the downside. China's property sector crisis could deepen, with global spillovers, particularly for commodity exporters.

Elsewhere, as Chapter 2 explains, near-term inflation expectations have risen and could contribute—along with tight labor markets—to core inflation pressures persisting and requiring higher policy rates than expected. More climate and geopolitical shocks could cause additional food and energy price spikes.

As Chapter 3 explains, intensifying geoeconomic fragmentation could constrain the flow of commodities across markets, causing additional price volatility and complicating the green transition.

Amid rising debt service costs, more than half of low-income developing countries are in or at high risk of debt distress. There is little margin for error on the policy front. Central banks need to restore price stability while using policy tools to relieve potential financial stress when needed.

As Chapter 2 explains, effective monetary policy frameworks and communication are vital for anchoring expectations and minimizing the output costs of disinflation. Fiscal policymakers

should rebuild budgetary room for maneuver and withdraw untargeted measures while protecting the vulnerable.

Reforms to reduce structural impediments to growth by, among other things, encouraging labor market participation—would smooth the decline of inflation to target and facilitate debt reduction. Faster and more efficient multilateral coordination is needed on debt resolution to avoid debt distress.

Cooperation is needed as well to mitigate the effects of climate change and speed the green transition, including (as Chapter 3 explains) by ensuring steady cross-border flows of the necessary minerals.

Source: World Economic Report Washington, October 4, 2023



1.2. Emerging Markets

Emerging market economies have held up better than their developed economy peers. For example, with a reading of 52.7, the emerging market composite purchasing managers' index remained firmly in expansionary territory in August, while the developed market composite PMI slipped below the critical threshold of 50 (figure 1).¹ Earlier this year, numerous emerging market economies benefitted from strong demand in the rest of the world and the relatively high commodity prices that accompanied that demand.

A handful of countries have also benefitted from changes in global supply chains, as many businesses look to shift some manufacturing away from China. As economic growth potentially slows down in the developed world, emerging market economies may need to rely on domestic demand to fuel growth.



Fortunately, after recessionary periods, domestic demand appears to be turning the corner in parts of Latin America and Eastern Europe. Those regions have also seen some of the most dramatic declines in inflation, which is beginning to usher in more accommodative monetary policy. This should support domestic demand growth. Monetary policy in other regions is unlikely to be as accommodative either because inflation was more benign to begin with or because inflation continues to run hot.

Changing supply chains creates opportunity.

Prior to the pandemic, the United States placed sizable tariffs on a wide array of goods imported from China. Since then, additional restrictions

have been placed on trade between the two countries.³ The share of US imports from China fell 7.2 percentage points between 2017 and 2023 year to date.⁴ That is equivalent to roughly US\$225 billion, a sizable sum for most emerging market economies.

So far, the countries that have proven to be best positioned to replace China have been Mexico, Vietnam, Taiwan, and India, which have collectively added 5.1 percentage points to their share of US goods imports (figure 2).⁵ Although such changes certainly present an opportunity for these countries, the total benefit is likely smaller than the exported values would indicate.

Source: <https://www.imf.org/en/Publications/WEO/Issues/2023/10/10/world-economic-outlook-october-2023>

1.3. Sub Saharan Africa & EAC

Sub-Saharan Africa's economic outlook remained bleak amid an elusive growth recovery. According to the latest World Bank Africa's Pulse report, rising instability, weak growth in the region's largest economies, and lingering uncertainty in the global economy are dragging down growth prospects in the region.

Economic growth in Sub-Saharan Africa is forecast to decelerate to 2.5% in 2023, from 3.6% in 2022. South Africa's GDP is expected to only grow by 0.5% in 2023 as energy and transportation bottlenecks continue to bite. Nigeria and Angola are projected to grow at 2.9% and 1.3% respectively, due to lower international prices and currency pressures affecting oil and non-oil activity.

Increased conflict and violence in the region weigh on economic activity, and this rising fragility may be exacerbated by climatic shocks. In Sudan, economic activity is expected to contract by 12% because of the internal conflict, which is halting production, destroying human capital, and crippling state capacity.

East Africa (EA) recorded a decline in real GDP growth from 4.7% in 2021 to 4.4% in 2022, but this was higher than Africa's average of 3.8% and only lagged Central Africa's growth of 5.0%. The growth slowdown was due to several factors, including the global growth slowdown, higher consumer prices, adverse weather conditions and mounting public debt. Ethiopia, Kenya, Rwanda, Seychelles,

1.3. Sub Saharan Africa & EAC (Continued)

Tanzania, and Uganda had the highest growth, while Burundi, Comoros, Djibouti, Eritrea, and Somalia, posted lower growth rates, with South Sudan and Sudan remaining in recession. Seychelles' estimated GDP growth was the highest, driven by tourism, fisheries, and financial services. East Africa's real GDP was driven largely by the services sector, contributing almost half of the economic growth in 2022.

The sector contributed 2.0 percentage points to GDP growth, which was, however, lower than 2.5 percentage points on average for the period 2015–2021. The region's natural and cultural attractions draw tourists from around the world, creating a demand for services like accommodation, food, and entertainment.

With more people moving to urban areas, there is a greater demand for services like transportation, communication, and retail. The emergence of a middle class in the region also contributes to increased demand for services like banking, insurance, and healthcare. The services sector has greater potential for expansion and innovation than agriculture and mining, which are the traditional sources of income in East Africa.

Despite facing multiple challenges in 2022, East Africa's macroeconomic fundamentals remained relatively stable. Inflation decreased from 40.7% in 2021 to 28.9% in 2022, driven by tighter monetary policy stance in most countries of the region. The region's fiscal deficit decreased from 5.3% in 2021 to 4.3% of GDP in 2022 due to fiscal consolidation efforts and improved revenue performance, except in Kenya, Rwanda, and Uganda, where fiscal deficits were higher than the regional average because of large public infrastructure projects and debt service obligations.

External sector problems still plague the region. Eight out of 13 EA countries recorded a deterioration in their current account balances due to high import bills, a weak recovery of exports, and a surge in external debt service.

The region's medium term economic growth is expected to outpace that of Africa and all other regions of the continent. Economic growth in EA will accelerate to 5.1% in 2023 and 5.8% in 2024, largely

driven by growth in Rwanda, Uganda, Ethiopia, Kenya, Djibouti, and Tanzania in that order. The current conflict between Sudan's military and the country's main paramilitary force is a threat to regional stability and is likely to lower these projected growth rates.

East Africa faces several external and domestic downside risks that could affect the positive economic outlook. The external risks include a global economic slowdown, rising commodity prices, persistence of Russia's invasion of Ukraine*, international trade policies, tightening of global financial conditions, exchange rate depreciation, and a resurgence of COVID-19.

The domestic risks include gaps in infrastructure, domestic conflicts and political instability, macroeconomic imbalances, and adverse impacts of climate change.

New policy initiatives by EA governments and stakeholders in the short, medium, and long terms could help build resilience and sustain the positive outlook.

Source: World Bank report October 2023 Edition

1.4. The Rwandan Economic Performance

Rwanda's economy grew at 7.6% in the first three quarters of 2023 despite a challenging global environment and the recent floods that destroyed agricultural produce and infrastructure in April-May 2023.

This is according to the 22nd edition of the Rwanda Economic Update (REU): Mobilizing Domestic Savings to Boost the Private Sector in Rwanda. The report adds that the services sector, sustained domestic demand, and the rebound of the industrial sector, contributed to the robust growth and the positive economic trajectory.

Rwanda successfully balanced inflation control, managed external deficits, and ensured fiscal prudence, showcasing a resilient financial sector, notes the REU.

Despite widening external deficits and the depreciation of the Rwandan franc, fiscal responsibility was maintained, with prudent fiscal management strategies in place. The banking sector remained stable and profitable, contributing to economic resilience.

According to the REU, GDP growth is expected to regain momentum in 2024–26, with a projected average growth of 7.2%. Optimism stems from the anticipated recovery in global tourism, new construction projects, and increased manufacturing activities. Fiscal consolidation will continue, focusing on reducing subsidies, overseeing state-owned enterprises, and introducing tax policy measures to broaden the revenue base.

This outlook is, however, subject to significant risks including disruptions to the global economy, trade, and lower availability of concessional resources.

On the domestic front, frequent weather-related shocks could result in a decrease in food production, and higher food prices, negatively impacting poor households.

The report, whose special focus is on the private sector, underscores the critical link between private sector investment growth and domestic savings capacity, which is presently limited.

Despite notable achievements in savings mobilization, Rwanda's savings rates lag other East African countries, impacting financial resources for businesses, especially small and medium-sized enterprises.

The REU suggests strategies to boost domestic savings, including the implementation of subsidies and incentives, educational programs promoting the benefits of saving, and a comprehensive policy approach.

Encouraging customer-centric product development, leveraging digital financial literacy programs, and engaging the Rwandan diaspora are key interventions for effective savings mobilization.

Source: Rwanda's Economic Performance Strengthened in 2023 Despite Continued Challenges

<https://www.worldbank.org/en/news/press-release/2024/02/28/rwanda-afe-economic-performance-strengthened-in-2023-despite-continued-challenges>.

2. MARKET PERFORMANCE

On Rwanda Stock Exchange (RSE), trading activities went down compared to the same period in 2022.

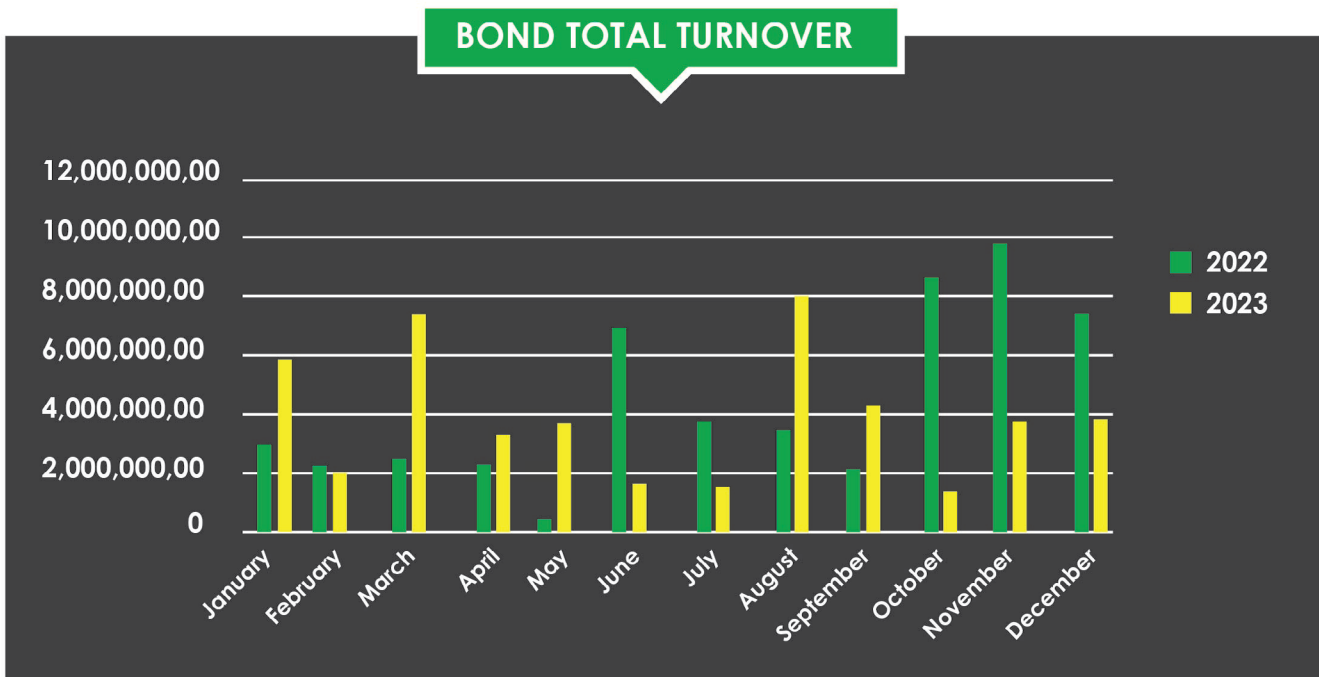
2.1. Primary Market

During the period under review, the Government of Rwanda issued **six treasury bonds**, reopened seven bonds and a sustainability linked bond with a total face value of Frw 308billion compared to **Frw 363 billion** issued during the same period in 2022 or a decrease of **17.85%**. The coupon rates for the issued bonds ranged between **11.75%** and **13.15%**. The highest subscription level was **205.42%** and the lowest was **100.00%** for the bonds.

2.2 Secondary Market

2.2.1 Bond market

Trading activity went down compared to the same period in the previous year with bonds trading the most and equities recording a sharp decrease of **57.32%**.

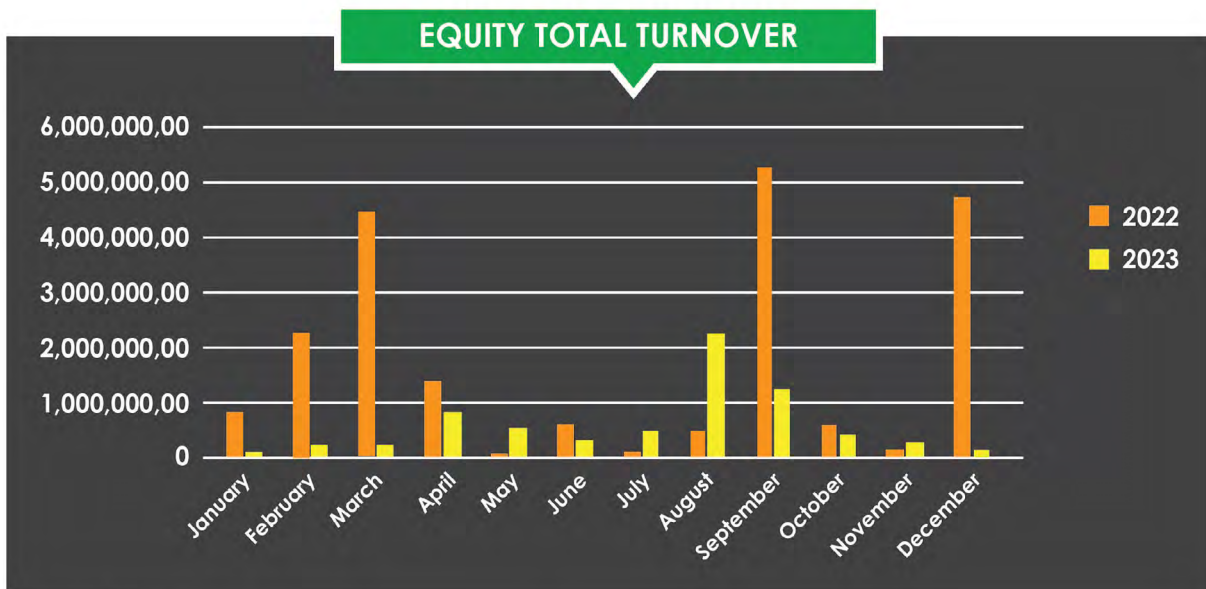


Source: RSE

2.2.2 Equities market

The equity market recorded a total turnover of **Frw 6.89 billion** from **33 million** shares traded in **566 deals** translating into a decrease of 57.32% in turnover compared to Frw **16.15 billion** recorded for the same period of 2022.

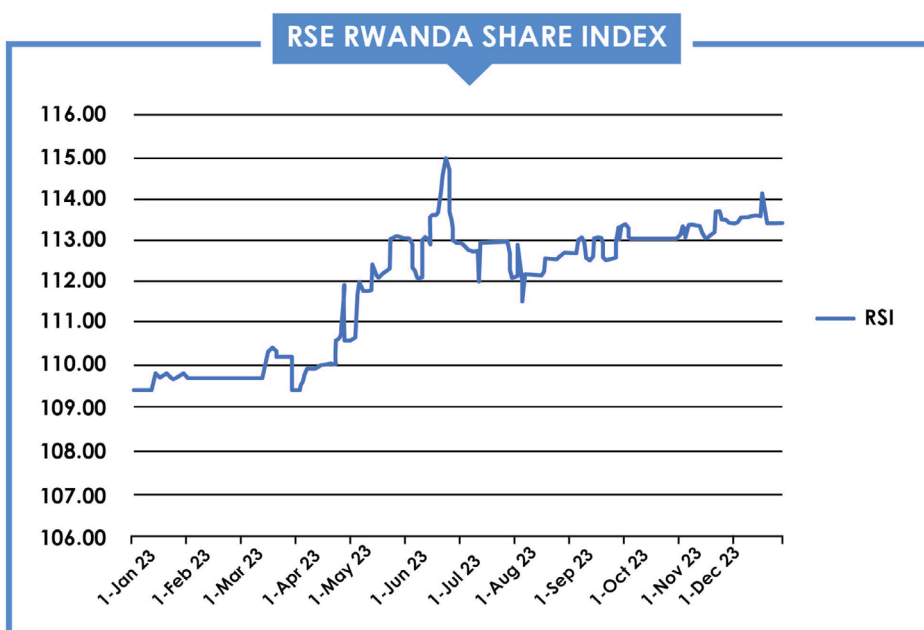
Comparison for market total turnover 2023 - 2022



Source: RSE

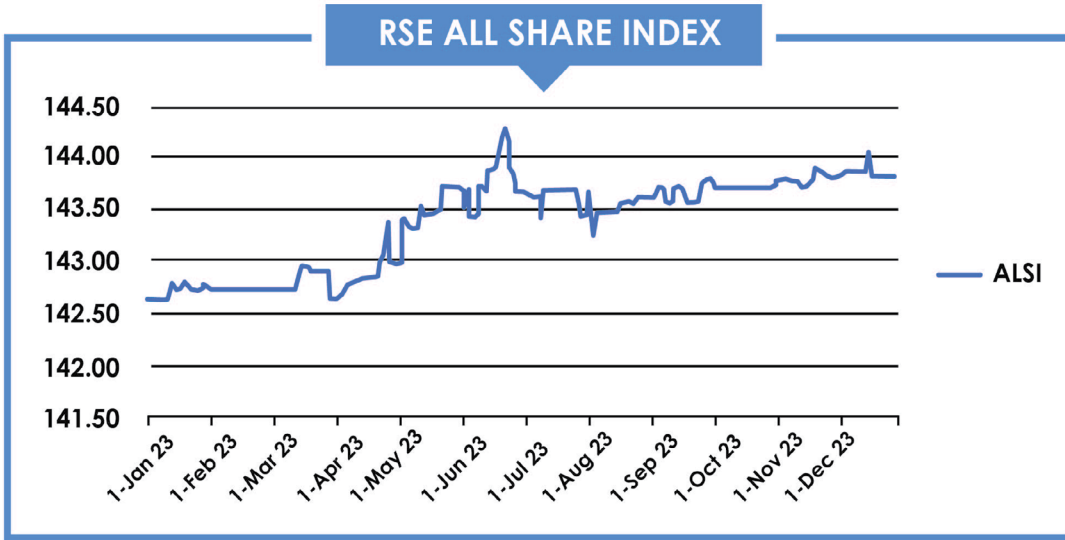
2.2.3 RSE indices

The Rwanda Share Index (**RSI**) and RSE All Share Index (**ALSI**) rose by **3.35%** and **0.73%** respectively to close at **113.30** and **143.78** respectively.



Source: RSE

RSE All Share Index (ALSI)



2.2.4 Market Capitalization

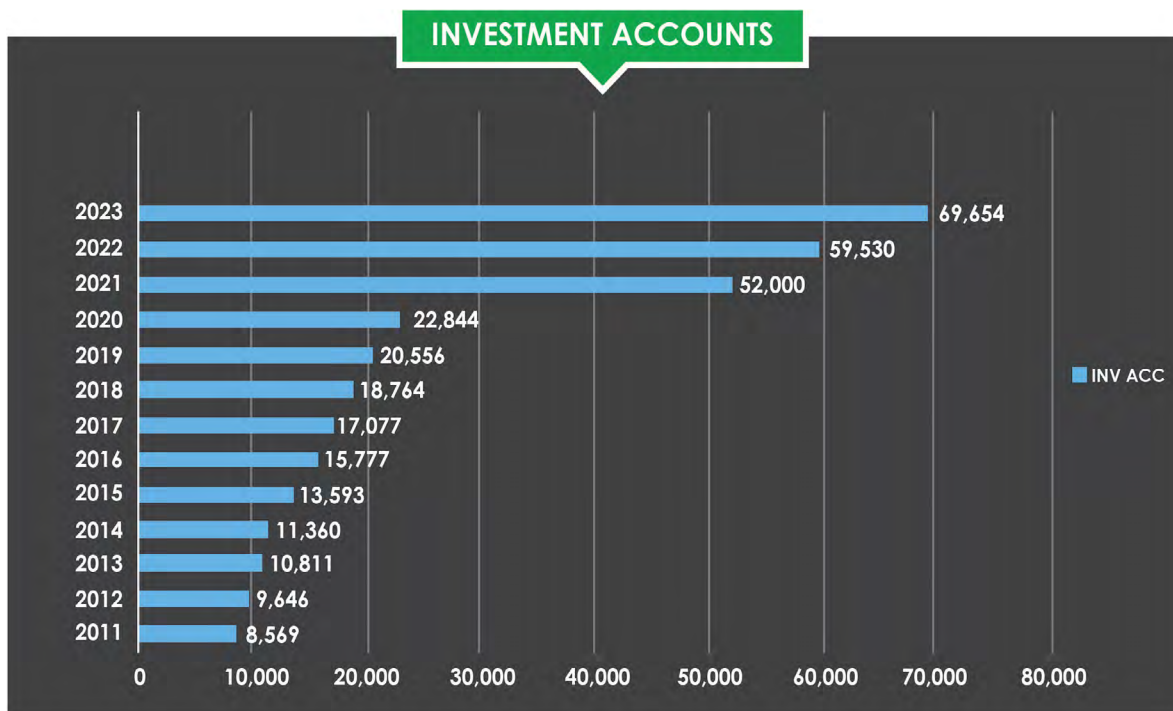
By end of November 2023, the market capitalization stood at \$ 2.96 billion, 11.88% down from the \$3.36 billion at the end of January 2023.

Africans are 4.39% and 1.35% are international. 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.

2.2.4 Investors participation

As of November 2023, there were 69,654 active investors on record, an increment of 17.01% in new investor numbers since November 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

- RSE moderated discussions on the role of local sovereign wealth funds in supporting the economy during the African Sovereign Investors Forum that took place in Kigali. The theme for this year's conference was "Strategic Partnerships: Driving Africa's Resilience and Sustainable Development".
- RSE hosted son Excellence Ambassadeur Officier de l'ordre National Mr. Silas Adje METCH, The new Envoy of Ivory Coast to Rwanda.
- RSE attended the ASEA Presidency Official handover that took place at the ASEA Headquarters in Nairobi, Kenya.
- RSE attended the World Federation of Exchanges general assembly & annual meeting that took place in September 2023 in Bermudas.
- RSE hosted the 32nd East African Securities Exchanges Association (EASEA) Consultative Meeting; where discussions towards diverse initiatives to progressively develop the securities exchanges in the region have been held.
- In celebration of International Women's Day (8th March 2023), Rwanda Stock Exchange together with other stock exchanges around the world joined the UN Global Compact, Sustainable Stock Exchanges initiative, UN Women, the International Finance Corporation, World Federation of Exchanges, and Women in ETFs in raising awareness about the importance of gender equality and women's empowerment in the workplace, marketplace, and community and the benefits of doing so.



The NSE Chief Executive, the Head of African Securities Exchange Association Secretariat (ASEA) Agnes Nafula Mr. Thapelo Tsheole, President of the ASEA & CEO and Mr. Pierre Rwabukumba Vice President ASEA CEO Rwanda Stock Exchange



The Official Handover of the ASEA Presidency



Hosted son Excellence Ambassadeur Officier de l'ordre National Mr. Silas Adje METCH, The new Envoy of Ivory Coast to Rwanda



RSE hosted the 32nd East African Securities Exchanges Association (EASEA) Consultative Meeting.



African Securities Exchanges conclude the 11th Building African Financial Markets Seminar.



RSE Attended the ASEA Annual conference.



RSE hosted a validation workshop on "RSE ESG Reporting Guidelines"



RSE and stakeholders ring the Market Opening Bell To mark the critical role that markets and businesses can and must play in advancing Gender Equality

2. Public education awareness campaigns

- GRI Standards: Rwanda Stock Exchange held a 2-day validation workshop on ESG Reporting Guidelines for listed companies and other corporates operating in Rwanda. This workshop concluded a 2-month period where RSE engaged various stakeholders in the ecosystem for their inputs on the proposed guidelines. The adoption of GRI standards by the market will support in the implementation of Rwanda's sustainable finance roadmap.
- RSE in partnership with CMA and Ministry of Foreign Affairs conducted public education sessions on saving and investment opportunities available in the Rwanda's capital market by engaging the staff at the Ministry of Agriculture and animal resources, Rwanda Agriculture & Animal Resources Development Board and the National Agricultural Export Development Board (NAEB). We also conducted similar programs with Rwanda ICT and its affiliated agencies RISA Rwanda, Iposita Rwanda, Nida Rwanda.
- RSE in partnership with CMA and Ministry of Foreign Affairs conducted public education sessions on saving and investment opportunities available in the Rwanda's capital market by engaging Rwandan diaspora community living in Israel, UAE, Saudi Arabia & Bahrain.
- RSE hosted 23 students from different local high schools including ES Kanombe EFOTEC.
- RSE hosted 28 members of the Rwanda Bankers Association for a trainers & trainees site visit.
- RSE hosted a delegation from the George Washington University Center for international business education and research (GW-CIBER) for a learning experience on African financial markets.
- RSE hosted a delegation from the Zimbabwe Ministry of Finance & Economic Development and other financial market stakeholders for a benchmarking study tour at the exchange.
- RSE hosted a delegation of 18 from I&M Bank for a study tour



RSE hosted the launch of the 11th edition of the #GlobalMoneyWeek2023 focusing on sustainability and raising awareness on the implications of individual financial behavior not only on one's financial future but also on the environment and the society!



RSE hosted the delegation of faculties and administrators from George Washington University, Center for international business education and research (GW-CIBER) for a study tour.



Students from Ines Ruhengeri at RSE for a study tour .



RSE received Honorable Ambassador of the Republic of Zimbabwe at the RSE .



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



RSE hosted a delegation from Rwanda National Investment Trust and Rayon Sports at RSE Trading Floor!



RSE moderated discussions on the role of local sovereign wealth funds in supporting the economy during the African Sovereign Investors Forum that took place in Kigali.



RSE hosted a delegation from the Republic of Zimbabwe’s Ministry of Finance & Economic Development and other financial markets stakeholders for a benchmarking study tour.



RSE Listed the BRD Sustainability Bond for trading.



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.

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 2023**



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CORPORATE INFORMATION

DIRECTORS

The directors who served in the company during the year ended 31 December 2023 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

Rwanda Stock Exchange (Company code: 102719676) was incorporated on October 28th 2005 after registration with the Office of the Registrar General of the Rwanda Development Board as a company limited by shares. The company was officially launched on 31st January, 2011 and the registration was last updated on January 3rd 2019. The company's current share capital is Frw 100,000,000. The shareholders are as listed in the table below;

No	Shareholders Name	Sharegroup	Number of shares	Share Capital
1.	Agaciro Development Fund	Ordinary Share	20	20,000,000
2.	Faida Securities Rwanda Ltd	Ordinary Share	10	10,000,000
3.	African Alliance Rwanda Ltd	Ordinary Share	10	10,000,000
4.	CDH Capital Ltd	Ordinary Share	10	10,000,000
5.	Baraka Capital Ltd	Ordinary Share	10	10,000,000
6.	MBEA Brokerage Services Rwanda Ltd	Ordinary Share	10	10,000,000
7.	Dyer & Blair Rwanda Ltd.	Ordinary Share	10	10,000,000
8.	Rwanda Social Security Board	Ordinary Share	10	10,000,000
9.	Banque Rwandaise de Développement	Ordinary Share	8	8,000,000
10.	SONARWA General Insurances Company Ltd	Ordinary Share	1	1,000,000
11.	Sanlam Insurance	Ordinary Share	1	1,000,000
	TOTAL			100,000,000

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

**RWANDA STOCK EXCHANGE LTD
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2023**

REPORT OF DIRECTORS

The directors have the pleasure in submitting their report together with the audited financial statements for the year ended 31 December 2023 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

	2023 Frw	2022 Frw
Profit before tax	708,051,569	671,595,448
Tax expense	(108,984,955)	(112,485,898)
Profit after tax	599,066,614	559,109,549
Dividends paid	(50,000,000)	(57,500,000)
Total comprehensive Income	549,066,614	501,609,549

DIVIDENDS

The company declared and paid an interim dividend of Frw 50,000,000 (Fifty million Rwandan francs only) during the year ended 31st December 2023 (31st December 2022-Frw 57,500,000).

**RWANDA STOCK EXCHANGE LTD
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2023**

DIRECTORS

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

AUDITOR

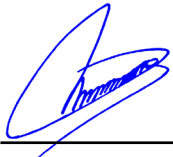
The auditors, RUMA CPA were appointed in accordance with Law Governing Companies' N° 007/2021 of 05 February 2021 as amended to date.

By order of the Board



Date 01/04/2024

Mr. Bob Karina
Chairman of the Board of Directors
Rwanda Stock Exchange Ltd



Date 01/04/2024

Mr. Pierre Celestin RWABUKUMBA
Chief Executive Officer
Rwanda Stock Exchange Ltd

RWANDA STOCK EXCHANGE LTD STATEMENT OF MANAGEMENT RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2023

Law no N° 007/2021 of 05/02/2021 governing companies in Rwanda as amended to date 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 fairview 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 **01/04/2024**



Mr. Pierre Celestin RWABUKUMBA
Chief Executive Officer
Rwanda Stock Exchange Ltd
Date **01/04/2024**



RUMA Certified Public Accountants
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 Office : +250 252573781
 Email: info@rumacpa.com
 www.rumacpa.com

Independent Auditor's to the shareholders of Rwanda Stock Exchange Ltd

We have audited the financial statements of Rwanda Stock Exchange Ltd, set out on pages 9 to 24, which comprise the Statement of Financial Position as at 31 December 2023, 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 material accounting policy information.

Our Opinion

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 2023 and its financial performance and its cash flows for the year then ended in accordance with 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report 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 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 as amended to date, and for such internal control as directors determine is necessary to enable the preparation of financial statements



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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
- 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.



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• 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.

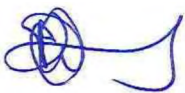
Report on other legal and regulatory requirements

Law governing companies Law N° 007/2021 of 05/02/2021 as amended to date 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 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 2023.

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



Obed Rugara,
Partner

Date **01/04/2023**

RWANDA STOCK EXCHANGE LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 Frw	2022 Frw
Revenue	5	1,175,272,723	1,144,837,307
Other income	6	<u>294,188,365</u>	<u>190,877,805</u>
		<u>1,469,461,08</u>	<u>1,335,715,112</u>
Administrative expenses	7	(320,995,142)	(273,026,638)
Staff Costs	8	(389,419,800)	(345,076,118)
Marketing and advertising expenses	9	(35,610,468)	(26,081,913)
Finance costs	10	(1,115,399)	(1,091,020)
Depreciation & amortization	11	<u>(14,268,710)</u>	<u>(18,843,975)</u>
Profit for the year		<u>708,051,569</u>	<u>671,595,448</u>
Tax expense	12(a)	<u>(108,984,955)</u>	<u>(112,485,898)</u>
Profit after tax		<u>599,066,614</u>	<u>559,109,549</u>
Interim dividends paid		<u>(50,000,000)</u>	<u>(57,500,000)</u>
Total comprehensive income		<u>549,066,614</u>	<u>501,609,549</u>

RWANDA STOCK EXCHANGE LTD
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

ASSETS	Note	2023 Frw	2022 Frw
Non-Current Assets			
Property and equipment	13	<u>57,945,070</u>	<u>31,000,375</u>
Current Assets			
Trade and other receivables	14	335,053,854	320,393,058
Short-term Investments	15	1,533,611,500	1,133,611,500
Tax asset	16	16,782,802	25,173,427
Cash and bank balance	17	<u>61,667,818</u>	<u>87,035,435</u>
		1,947,115,974	1,566,213,419
TOTAL ASSETS		<u>2,005,061,043</u>	<u>1,597,213,795</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	18	100,000,000	100,000,000
Retained earnings	19	<u>1,477,239,482</u>	<u>1,045,585,733</u>
Total equity		<u>1,577,239,482</u>	<u>1,145,585,733</u>
Long term liabilities			
Grant for Equipment and software	20	<u>244,302,868</u>	<u>244,302,868</u>
Current Liabilities			
Trade and other payables	21	<u>183,518,693</u>	<u>207,325,194</u>
		<u>183,518,693</u>	<u>207,325,194</u>
TOTAL EQUITY AND LIABILITIES		<u>2,005,061,043</u>	<u>1,597,213,795</u>

The financial statements were approved by the Board of Directors on **01/04/2024** and signed on its behalf by:



Chairperson of the Board of Directors



Chief Executive Officer

RWANDA STOCK EXCHANGE LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

Year Ended 31 December 2023	Share capital Frw	Retained earnings Frw	Total Frw
At start of the year	100,000,000	1,045,585,733	1,145,585,733
Profit for the year	-	549,066,614	549,066,614
Dividends paid	-	(117,412,865)	(117,412,865)
As at 31 December 2023	100,000,000	1,477,239,482	1,577,239,482
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	-	501,609,549	501,609,549
As at 31 December 2022	100,000,000	1,045,585,733	1,145,585,733

RWANDA STOCK EXCHANGE LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

Operating activities		2023	2022
		Frw	Frw
Profit before tax		708,051,569	671,595,448
Adjustments for non-cash income and expenses:			
Depreciation of Property and Equipment			
Adjustment on the opening balances	13	14,268,710	18,843,975
Changes in working capital			53
Tax expense for the year	12(a)	(108,984,955)	(112,485,898)
(Increase)/Decrease in trade and other receivables	14	(14,660,796)	75,403,284
Increase/(Decrease) in payables	21	(23,806,501)	(44,065,142)
Increase/(Decrease) in tax asset	16	8,390,625	(25,173,427)
Cash generated from operations		<u>583,258,652</u>	<u>584,118,294</u>
-			
Investment activities			
Increase in Investments	15	(400,000,000)	(527,960,000)
Purchase of fixed assets	13	(41,213,404)	(8,390,000)
Net cash used in investing activities		<u>(441,213,404)</u>	<u>(536,350,000)</u>
Cash flows from financing activities			
Dividends		<u>(167,412,865)</u>	<u>(57,500,000)</u>
Net Cash flows from financing activities		<u>(167,412,865)</u>	<u>(57,500,000)</u>
Cash & Cash equivalents			
Net increase or decrease in cash and cash equivalent		(25,367,617)	(9,731,706)
Cash and Cash equivalents as at start of the year		87,035,435	96,767,141
Cash and Cash equivalent as at end of the year	17	<u>61,667,818</u>	<u>87,035,435</u>

RWANDA STOCK EXCHANGE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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.

The company is engaged in the business of carrying out financial securities.

2. BASIS OF PREPARATION

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

Basis of measurement

The measurement basis used is the 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 amended to date, governing companies in Rwanda.

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

Several new standards and amendments to standards and interpretations are effective for the financial year beginning 1st January 2023. The company has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The management has evaluated the other new standards and amendments to standards and interpretations and determined that they have no effect in the entity's operations and reporting. 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 2023

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

RWANDA STOCK EXCHANGE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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.

No	Product	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
1	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.
2	Bonds Listing	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.	Revenue related to transactions is recognized at the point in time when the transaction takes place.
3	Brokerage	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.
4	Membership	The exchange charges annual membership fees to members.	Revenue from this service is recognized over time as the services are provided.
5	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.

RWANDA STOCK EXCHANGE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

d) Impairment

The company recognises loss allowances for ECL in relation to debts with customers. ECLs are measured through a loss allowance at an amount equal to the lifetime ECL that result from all possible default events over the life of the financial instrument. Critical to the determination of ECL is the definition of default. 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.

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.

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.

RWANDA STOCK EXCHANGE LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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
- 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.

RWANDA STOCK EXCHANGE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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.

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.

RWANDA STOCK EXCHANGE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

- 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 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 2023

5	Revenue	2023	2022
		Frw	Frw
	Listing fees	1,134,693,800	1,062,337,160
	Transaction levy	37,698,923	79,620,147
	Membership fees	<u>2,880,000</u>	<u>2,880,000</u>
		<u>1,175,272,723</u>	<u>1,144,837,307</u>
6	Other income	2023	2022
		Frw	Frw
	Interest Received	255,625,000	190,877,305
	Discount Received	<u>38,563,365</u>	<u>500</u>
		<u>294,188,365</u>	<u>190,877,805</u>
7	Administrative expenses	2023	2022
		Frw	Frw
	Board Expenses	106,850,921	68,396,292
	Capacity Building	12,258,442	15,798,212
	Consultancy Services	12,048,727	11,048,946
	General Expenses	7,658,759	8,939,896
	Health Insurance	8,431,800	7,616,763
	IT Equipment Expenses	829,980	1,498,320
	Miscellaneous/Contingency	1,557,200	6,156,300
	Office Rent	49,400,640	49,405,640
	Reception & Entertainment	7,958,500	4,000,000
	Travel, Research & Development	66,111,053	47,691,457
	CSR Activities	7,450,000	4,350,000
	Staff Health & Sports Activities	3,600,000	3,600,000
	Utilities	22,344,100	29,163,336
	Telephone and Internet Expense	7,605,000	-
	Investment Clinic Expenses	6,890,000	15,360,840
	Loss on Exchange	-	717
	Write off	<u>21</u>	<u>(80)</u>
		<u>320,995,142</u>	<u>273,026,638</u>
8	Staff Costs	2023	2022
		Frw	Frw
	Staff Emoluments	<u>389,419,800</u>	<u>345,076,118</u>
9	Marketing and advertising expenses	2023	2022
		Frw	Frw
	Marketing and advertising costs	<u>35,610,468</u>	<u>26,081,913</u>
10	Finance costs	2023	2022
		Frw	Frw
	Bank Charges	<u>1,115,399</u>	<u>1,091,020</u>
11	Depreciation & amortization	2023	2022
		Frw	Frw
	Depreciation of property and equipment	<u>14,268,270</u>	<u>18,843,975</u>

RWANDA STOCK EXCHANGE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

12 (a) Income tax	2023	2022
	Frw	Frw
Tax expense /charge		
Current income tax	108,984,955	112,485,898
Accounting profit/ (loss)	708,051,569	671,595,448
Adjusted accounting profit	708,051,569	671,595,448
Tax calculated at the statutory rate of 15%	106,207,735	100,739,317
Tax effect of:		
Expenses not deductible for tax purposes	4,087,231	13,910,740
Allowable deductions	(1,310,012)	(2,164,159)
Income tax expense/ (Credit)	108,984,955	112,485,898
12(b) Corporation tax payable	2023	2022
	Frw	Frw
At 1 January	-	-
Income tax charge for the year	108,984,955	112,485,898
Income tax prepayments	(100,594,330)	(137,659,325)
Transfer to tax asset (Note 15)	-	25,173,427
As at 31 December	8,390,625	-

RWANDA STOCK EXCHANGE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

13. Property and equipment

Year Ended 31 December 2023

Cost	Communication Equipment	Computers	Office Furniture	Purchase in Progress	Total
01/01/2023	1,226,000	62,679,500	48,845,216	-	112,750,716
Additions		4,601,844	4,105,000	32,506,560	41,213,404
Transfer			15,000,000	(15,000,000)	-
31/12/2023	1,226,000	67,281,344	52,950,216	32,506,560	153,964,120
Depreciation					
01/01/2023	1,226,000	49,913,725	30,610,616	-	81,795,268
Annual depreciation	-	8,683,810	5,584,900	-	14,268,710
31/12/2023	1,226,000	58,597,534	36,195,516	-	96,019,050
Carrying amount					
31.12.2023	-	8,683,810	16,754,700	32,506,560	57,945,070
31.12.2022	-	12,765,776	18,234,600	-	31,000,375

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
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

RWANDA STOCK EXCHANGE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

14	Trade and other receivables	2023	2022
		Frw	Frw
	Trade receivables	66,591,105	66,575,098
	Other receivables		
	Prepayments	268,401,749	253,816,960
	Other receivable (staff cost)	60,000	-
	STI Accrued interest	1,000	1,000
		<u>268,462,749</u>	<u>253,817,960</u>
		<u>335,053,854</u>	<u>320,393,058</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 current financial year.

15	Short-term Investments	2023	2022
		Frw	Frw
	Maturity Less than 12 Months		
	Treasury Bond	1,533,611,500	1,133,611,500
	Total Investments	<u>1,533,611,500</u>	<u>1,133,611,500</u>
16	Tax asset	2023	2022
		Frw	Frw
	Opening balance	25,173,427	-
	Charge for the year/credit (from note 12)	<u>(8,390,625)</u>	<u>25,173,427</u>
		<u>16,782,802</u>	<u>25,173,427</u>
17	Cash and bank balance	2023	2022
		Frw	Frw
	Cash at hand	4,700	102,100
	Bank balance	61,663,118	86,933,335
		<u>61,667,818</u>	<u>87,035,435</u>
18	Share capital	2023	2022
		Frw	Frw
	Ordinary share capital	<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).

RWANDA STOCK EXCHANGE LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

19	Retained earnings	2023	2022
		Frw	Frw
	Opening balance	1,045,585,733	543,976,130
	Prior year adjustments	-	53
	Profit/loss for the year	549,066,614	501,609,549
	Dividends	<u>(117,412,865)</u>	<u>-</u>
	Closing balance	<u>1,477,239,482</u>	<u>1,045,585,733</u>
20	Grant for Equipment and software	2023	2022
		Frw	Frw
	Balance at the Start of the year	244,302,868	244,302,868
	Additions during the Year	-	-
	Balance as at 31 December **	<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	2023	2022
		Frw	Frw
	BNR/CDSC	57,372,917	11,063,940
	Compensation fund	22,714,028	103,900,419
	Payable control	84,932,903	114,149,486
	Pay as you earn (PAYE) payable	14,665,051	15,137,497
	RSSB payable	<u>3,833,794</u>	<u>3,887,147</u>
		<u>183,518,693</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
Current assets	Frw	Frw	Frw	Frw
Trade and other receivables	90,750,986	-	244,302,868	335,053,854
Short-term Investments	1,533,611,500	-	-	1,533,611,500
Tax asset	16,782,802	-	-	16,782,802
Cash & bank balances	61,667,818	-	-	61,667,818
	1,702,813,106	-	244,302,868	1,947,115,974
Current Liabilities				
Trade and other payables	183,518,693	-	-	183,518,693
	183,518,693	-	-	183,518,693
Excess (Deficit) Liquidity	1,519,294,413	-	244,302,868	1,763,597,281

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.

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

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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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