EQUITY BANK RWANDA PLC AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31ST DECEMBER, 2023

STATEMENT OF FINANCIAL POSITION	31st Dec 2023 Frw'000'	31st Dec 2022 Frw'000'
ASSETS		
cash, deposits, and balances due from financial institutions	216,911,890	151,655,078
Restricted cash with Central Bank of Rwanda	38,726,148	31,631,866
Investment securities at amortised cost	97,601,022	87,013,714
Investment securities at FVOCI	194,168,707	174,110,249
Due from related parties	962,166	161,225
Loans and advances to customers	430,460,456	381,591,841
Other assets and prepaid expenses	18,499,274	19,152,878
Non-Current assets held for Sale	3,981,484	-
Property and equipment	13,871,185	14,121,027
Intangible assets	495,569	1,549,148
Right of use assets	6,114,587	3,284,302
Deferred tax assets	6,823,574	3,549,152
TOTAL ASSETS	**1,028,616,062**	**867,820,479**
LIABILITIES		
Deposits from customers	742,562,135	611,345,385
Deposits from banks	38,369,053	56,351,280
Due to related parties	2,226,356	1,069,595
Borrowed funds	62,358,122	45,624,530
Other liabilities and deferred income	25,944,685	16,603,891
Lease liabilities	6,558,277	3,610,685
Current income tax	4,192,476	5,648,636
Dividend payable	10,000,000	16,979,580
TOTAL LIABILITIES	**892,211,104**	**757,233,582**
EQUITY		
Share capital	23,301,283	38,175,000
Share premium	18,359,844	3,486,127
FVOCI reserve	(8,301,907)	(7,714,395)
Regulatory reserve	2,374,504	3,008,558
Retained earnings	100,671,234	73,631,607
TOTAL EQUITY	**136,404,958**	**110,586,897**
TOTAL LIABILITIES AND EQUITY	**1,028,616,062**	**867,820,479**

The financial statements of Equity Bank Rwanda Plc were approved by the board of directors and signed on its behalf by:

Hannington Namara
Managing Director
27 March 2024

Camille Karamaga
Chair of Board Audit Commitee
27 March 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	31st Dec 2023 Frw'000	31st Dec 2022 Frw'000
Interest income	97,459,749	89,646,263
Interest expense	(19,640,687)	(20,342,271)
NET INTEREST INCOME	**77,819,062**	**69,303,992**
Credit impairment losses	(5,036,515)	(3,067,913)
NET INTEREST INCOME AFTER CREDIT IMPAIRMENT LOSSES	**72,782,548**	**66,236,079**
Fee and commission income	21,288,829	16,581,984
Fee and commission expense	(8,939,625)	(6,680,910)
NET FEE AND COMMISSION INCOME	**12,349,204**	**9,901,074**
Net foreign exchange income	7,937,025	4,321,036
Other operating income	1,426,598	1,005,788
NET OPERATING INCOME	**94,495,374**	**81,463,976**
Employee benefits	(21,144,684)	(17,425,590)
Depreciation and amortisation	(2,433,900)	(2,630,109)
Depreciation of right of use assets	(1,450,943)	(1,366,592)
Short term operating lease expenses	(157,130)	(205,282)
Other operating expenses	(17,298,358)	(11,812,472)
OPERATING EXPENSES	**(42,485,015)**	**(33,440,045)**
PROFIT BEFORE INCOME TAX	**52,010,359**	**48,023,931**
Income tax expense	(15,604,782)	(14,748,161)
PROFIT FOR THE YEAR	**36,405,577**	**33,275,770**
STATEMENT OF OTHER COMPREHENSIVE INCOME		
OTHER COMPREHENSIVE INCOME		
Items that will be reclassified to profit or loss:		
FVOCI investment securities		
Fair value gain (loss)	(832,205)	(13,114,006)
Deferred income tax	244,693	3,934,203
Total other comprehensive income for the year	**(587,512)**	**(9,179,803)**
Total profit after tax and other comprehensive income	**35,818,065**	**24,095,967**

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EQUITY BANK RWANDA PLC AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31ST DECEMBER, 2023

EQUITY

STATEMENT OF CASH FLOWS	31st Dec 2023 Frw'000'	31st Dec 2022 Restated Frw'000'
OPERATING ACTIVITIES		
Profit before income tax	52,010,359	48,023,932
Adjustments for:		
Depreciation on property and equipment	2,081,533	2,282,464
Depreciation on right of use assets	1,450,943	1,366,592
Fair value Gain/Loss	769,633	320,213
Impairment on other assets/ operation loss	1,118,639	317,881
Amortisation of intangible	352,367	347,645
Interest expense on lease liability	530,059	360,570
Net Loss / (gain) on disposal	1,345,174	11,505
Impairment on loans and advances	13,415,799	8,086,481
Provision for litigation	1,027,948	144,779
Interest expense on term borrowings	2,116,482	2,725,654
Net foreign exchange gain on cash and cash equivalents	(7,937,025)	(4,321,036)
OPERATING PROFIT BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES	**68,281,911**	**59,666,679**
Movement in operating assets and operating liabilities:		
Loans and Advances	(63,054,045)	2,358,733
Other assets	(228,031)	(2,094,488)
Deposits and balances from customers and banks and other Financial Institutions	113,234,523	103,877,801
Balances with related parties	355,820	204,449
Other liabilities	582,457	(290,745)
Cash Reserve Requirement	(7,221,055)	(7,058,110)
CASH GENERATED FROM OPERATIONS	**111,951,580**	**156,664,319**
Income taxes paid	(19,410,879)	(10,201,268)
Interest paid on borrowed funds	(1,967,943)	(3,136,219)
NET CASH FROM OPERATING ACTIVITIES	**90,572,758**	**143,326,832**
INVESTING ACTIVITIES		
Purchase of property and equipment	(1,935,072)	(1,740,910)
Purchase of intangible assets	(537,407)	(617,697)
Net of Purchase/Sale of investment securities	(30,645,767)	(101,850,564)
NET CASH USED IN INVESTING ACTIVITIES	**(33,118,246)**	**(104,209,171)**
FINANCING ACTIVITIES		
Dividend Paid	(16,979,580)	-
Borrowings	19,123,826	(10,728,513)
Lease payment	(1,862,509)	(1,715,716)
NET CASH USED IN FINANCING ACTIVITIES	**281,737**	**(12,444,229)**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**57,736,249**	**26,673,432**
MOVEMENT IN CASH AND CASH EQUIVALENTS		
At start of year	151,655,078	120,805,629
Net foreign exchange gain on cash and cash equivalents	7,937,025	4,321,036
AT END OF YEAR	**217,328,352**	**151,800,097**

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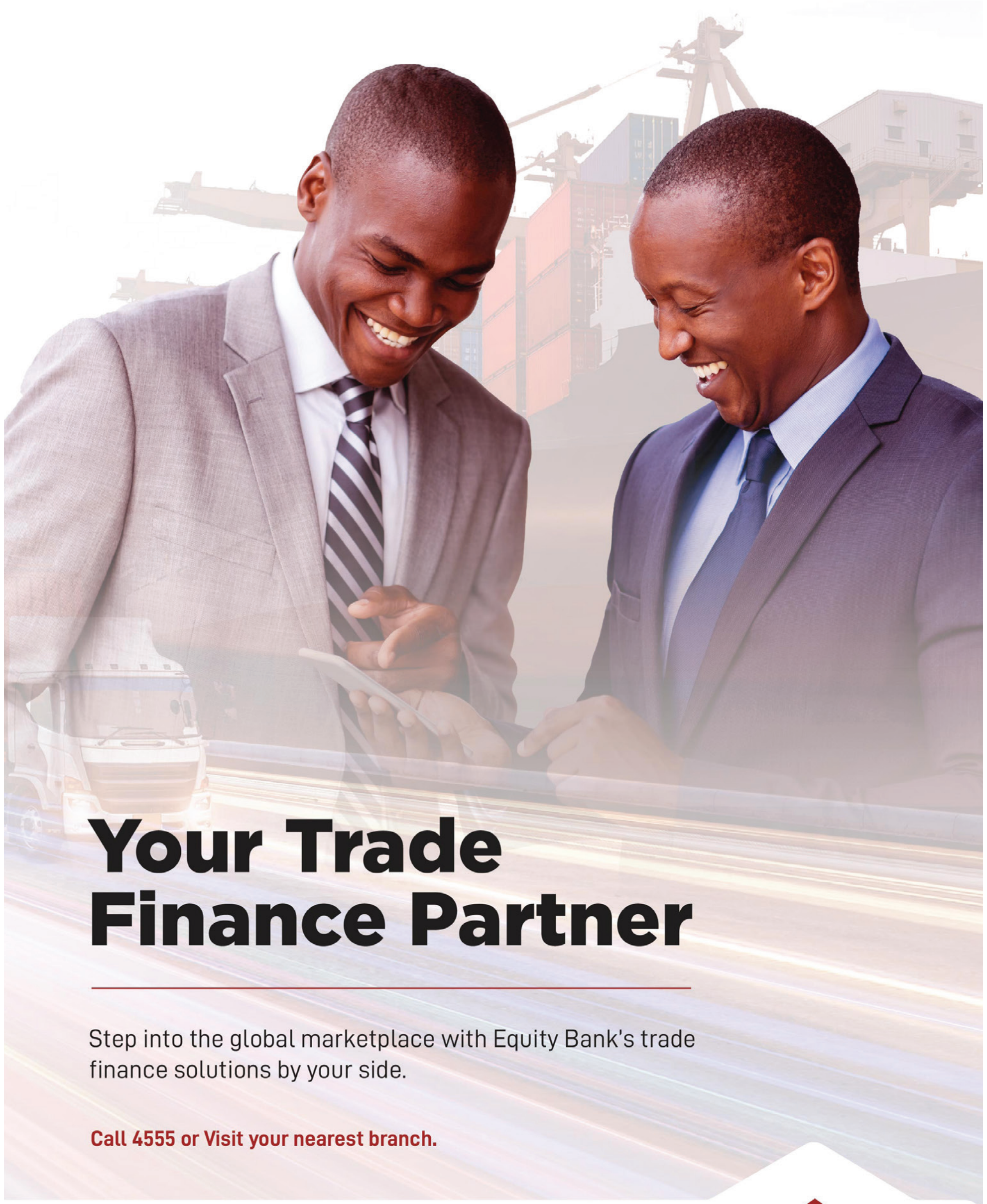
Hannington Namara
Managing Director

27 March 2024

Camille Karamaga
Chair of Board Audit Commitee

27 March 2024



EQUITY

STATEMENT OF CHANGES IN EQUITY	Share capital Frw '000'	Share premium Frw '000'	Retained earnings Frw '000'	FVOCI reserve Frw '000'	Statutory reserve Frw '000'	Total equity Frw '000'
AT 1 JANUARY 2022	**25,160,000**	**3,486,127**	**73,358,974**	**1,465,408**	**-**	**103,470,509**
Profit for the year	-	-	33,275,770	-	-	**33,275,770**
Fair value gains on FVOCI investments	-	-	-	(13,114,006)	-	**(13,114,006)**
Deferred tax on fair value gain on FVOCI	-	-	-	3,934,203	-	**3,934,203**
Dividend declared	-	-	(16,979,580)	-	-	**(16,979,580)**
Share bonus issuing	13,015,000	-	(13,015,000)	-	-	**-**
Transfer of excess provision to statutory reserve	-	-	(3,008,558)	-	3,008,558	-
AT 31 DECEMBER 2022	**38,175,000**	**3,486,127**	**73,631,606**	**(7,714,395)**	**3,008,558**	**110,586,896**
YEAR ENDED 31 DECEMBER 2023						
AT 1 JANUARY 2023	**38,175,000**	**3,486,127**	**73,631,606**	**(7,714,395)**	**3,008,558**	**110,586,896**
Transfer to share premium	(14,873,717)	14,873,717	-	-	-	-
Profit for the year	-	-	36,405,577	-	-	36,405,577
Fair value gains on FVOCI investments	-	-	-	(832,205)	-	(832,205)
Deferred tax on fair value gain on FVOCI	-	-	-	244,693	-	244,693
Dividend declared	-	-	(10,000,000)	-	-	(10,000,000)
Transfer of 2022 excess provision to Retained earnings	-	-	3,008,558	-	(3,008,558)	-
Transfer of excess provision to statutory reserve	-	-	(2,374,504)	-	2,374,504	-
AT 31 DECEMBER 2023	**23,301,283**	**18,359,844**	**100,671,234**	**(8,301,907)**	**2,374,504**	**136,404,958**

EQUITY BANK RWANDA PLC AUDITED FINANCIAL STATEMENTS AND OTHER DISCLOSURES FOR THE YEAR ENDED 31ST DECEMBER, 2023

EQUITY

APPENDIX: OTHER INFORMATION	31st Dec 2023 Frw 000 Amount/ Ratio/Number
I. CAPITAL STRENGTH	
1.Core Capital (Tier 1)	129,085,815
2.Supplementary Capital (Tier 2)	9,420,936
3.Total Capital	138,506,751
4.Total Risk Weighted Assets	753,674,910
5.Core Capital/ Total Risk Weighted Assets Ratio (Tier 1 Ratio)	17.245%
6.Tier 2 Ratio	1.25%
7.Total Capital/Total Risk Weighted Assets Ratio	18.495%
8.Leverage Ratio	13.00%
II.CREDIT RISK	
1.Total gross credit risk exposures: after accounting offsets and without taking into account credit risk mitigation;	465,688,268
2. Average gross credit exposures, broken down by major types of credit exposure:	
a) Loans, commitments and other non-derivative off-balance sheet exposures;	
• Agriculture	13,080,975
• Building and construction	37,164,585
• Education	10,827,516
• Energy and water	11,463,624
• Financial intermediation	385,487
• Information and communication	10,673,528
• Manufacturing	14,904,652
• Mining & quarrying	463,460
• Other service activities	19,161,940
• Personal/household	99,006,146
• Real estate	59,347,612
• Tourism, rest & hotels	44,363,440
• Trade	116,266,526
• Transport and communication	28,578,777
b) Debt securities;	291,769,730
c) OTC derivatives;	-
3. Regional or geographic distribution of gross exposures, broken down in significant areas by major types of credit exposure:	
a) Kigali	394,881,068
b) Southern	23,362,028
c) Western	18,773,189
d) Northern	12,073,087
e) Eastern	16,598,897
4.Sector distribution of exposures, broken down by major types of credit exposure and aggregated in the following areas:	
a) Government	27,135,064
b) Financial	414,179
c) Manufacturing	16,539,246
d) Infrastructure and construction	83,949,532
e) Services and commerce	228,150,839
f) Others	109,499,407
5. OFF- BALANCE SHEET ITEMS	
a) Guarantees issued outward	126,706,862
b) Outward letter of credit contra	18,158,179
6. NON-PERFORMING LOANS INDICATORS	
a) Non-performing loans (NPL)	21,610,957
b) NPL ratio	4.64%
7. RELATED PARTIES	
a) Loans to directors, shareholders, and subsidiaries	102,102
b) Loan to employees	11,771,085

APPENDIX: OTHER INFORMATION	31st Dec 2023 Frw 000 Amount/ Ratio/Number
8. RESTRUCTURED LOANS	
a. No. of borrowers	566
b. Amount outstanding	43,660,530
c. Regulatory Provision thereon	4,873,786
d. Restructured loans as % of gross loans	9.38%
III. LIQUIDITY RISK	
1) Liquidity Coverage Ratio (LCR)	209%
2) Net Stable Funding Ratio (NSFR)	161%
IV. OPERATIONAL RISK	
Number and types of frauds and their corresponding amount	

Type	Number	Amount (000)
-	-	-

V. MARKET RISK	
1. Interest rate risk	129,629,560
2. Equity position risk	-
3. Foreign exchange risk % of Core Capital (NOP)	3.09%
VI. COUNTRY RISK	
1. Credit exposures abroad	-
2. Other assets held abroad	152,932,049
3. Liabilities to abroad	3,741,795
VII. MANAGEMENT AND BOARD COMPOSITION	
1. Number of Board members	11
2. Number of independent directors	9
3. Number of non-independent directors	2
4. Number of female directors	4
5. Number of male directors	7
6. Number of Senior Managers	14
7. Number of females senior managers	5
8. Number of males senior managers	9

EXPLANATORY NOTES TO THE FINANCIALS

1. **Interest Income increased by 9%**
   The increase is mainly attributed to growth in loan and advances, investments in government securities and Placements during the year.
2. **Interest expense decreased by 3%**
   Interest expenses dropped by 3% in line with the deliberate efforts that management had in place to management of cost of funding by shifting the deposit portfolio.
3. **Net fees and commissions income increased by 25%**
   The increase is mainly attributed to more customers transactions backed by growth in customer numbers and convenient access to banking through digital platforms.
4. **Foreign exchange income increased by 84%**
   The increase was mainly supported by both foreign exchange margins and sale of foreign currency mainly USD.
5. **Net loans and advances increased by 13%**
   The increase was supported by new deals booked during the year in line with market opportunities.
6. **Investment securities increased by 12%**
   The increase was attributed by additional investments during the year mainly on Government Treasury Bonds and Bills.
7. **Deposits increased by 17%**
   The increase is mainly attributed to new clients acquired during the year as well growth of deposit balances on existing clients.
8. **Borrowed funds increased by 37%**
   These include short-term borrowings necessary to support local currency liquidity for investments in loans and securities.
9. In December 2023 the National Bank of Rwanda approved the amalgamation of Equity Bank Rwanda Plc and Compagnie Générale de Banque (Cogebanque) Plc. into Equity Bank Rwanda Plc The amalgamation was effective 31 December 2023.
10. The financial statements contained in this publication are consolidated and the comparative information was restated retrospectively to reflect the amalgamated financial performance at the earliest presented comparative period.

These financial statements and other disclosures can be accessed on the institutions website **www.equitygroupholdings.com/rw.** They may also be accessed at the institution's head office located at **Grand Pension Plaza, 3rd Floor, Kigali, Rwanda,**
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