RWANDA STOCK EXCHANGE

ANNUAL REPORT

2020

Wealth a way of life.

www.rse.rw

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

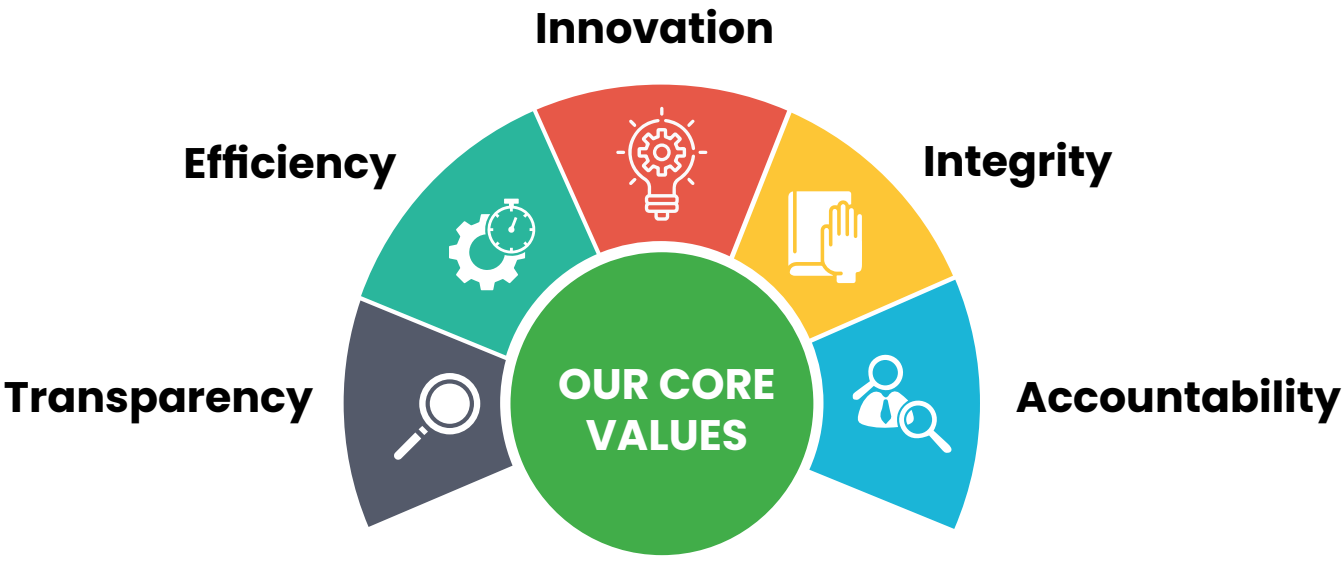
"Wealth a way of life"

Our Vision

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

Mission

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



LIST OF ACRONYMS AND ABBREVIATIONS

ALSI: All Share Index
ASEA: African Securities Exchanges Association
BNR: Banque Nationale du Rwanda
BRALIRWA: Brasseries et Limonaderies du Rwanda
BK : Bank of Kigali
CBE : College of Business and Economics
CDSC: Central Depository and Settlement Corporation
CEO: Chief Executive Officer
CSD: Central Securities Depository
CTL: Crystal Telecom Limited
DSE: Dar es Saalam Stock Exchange PLC
EASEA: East Africa Stock Exchange Association
EASRA: East African Securities and Regulatory Authorities
EGH: Equity Group Holdings
IFAC: International Federation of Accountants
IFC: International Finance Corporation.
INES: Institut d'Enseignement Superieur
IPB: Institut Polytechnique de Byumba
IPSAS: International Public Sector Accounting Standards
IOSCO: International Organization of Securities Commissions
FSDRP: Financial Sector Development Regionalization Project
KCB: Kenya Commercial Bank
MINECOFIN: Ministry of Finance and Economic Planning
MINICOM: The Ministry of Trade and Industry
MoU: Memorandum of Understanding
NSE: Nairobi Securities Exchange
OTC: Over The Counter
PSF: Private Sector Federation
RSE: Rwanda Stock Exchange
RSI: Rwanda Share Index
RSSB: Rwanda Social Security Board
SITI: Securities Industry Training Institute
SORAS: Sociète Rwandaise d'Assurance
UR: University of Rwanda
USE: Uganda Securities Exchange
US SEC: United States Securities and Exchanges Commission
UTAB: University of Technology and Arts of Byumba
WBG: World Bank Group
WFE: World Federation of Exchanges

PROFILE OF THE BOARD OF DIRECTORS

Mr. Bob KARINA
Chairman

Mr. Bob Karina is the Founder, Chairman of Faida Investment Bank, Corporate Finance Specialist, an accomplished Stockbroker and Research Analyst.

He is the Vice Chairman, Nairobi Securities Exchange (NSE), Chairman of the Rwanda Stock Exchange, Chairman of Norwich Union Properties Ltd., Director Kenya Industrial Estates and served as Director of Kenya Private Sector Alliance and Kenya National Chamber of Commerce and Industry,
among others.

Bob, holds an MSc in Corporate Finance from the University of Liverpool, UK, in addition to technical and professional qualifications from the Institute of Systems Science, National University of Singapore, International Statistical Programs Center, United States Bureau of the Census, USA, Hong Kong Polytechnic Industrial Center, Institute of Development Studies, University of Sussex, UK., E.A. Statistical Training Centre, University of Dar-es-Salaam, Tanzania and London Institute of Statisticians.
Bob is a Founder Member of the Institute of Certified Investment and Financial Analysts (ICIFA), serves as the Chairman of the Association of Kenya Stockbrokers Nominees Ltd. He is a Member of the Institute of Directors, Director of the Central Depository and Settlement Corporation (CDSC), the NSE Clear Ltd., Trustee of both NSE Investor Protection Fund and NSE Derivatives Settlement Guarantee Fund.

Bob played a critical role in the establishment of the CDSC, the NSE Automated Trading System, the Wide Area Network and the Broker Back Office at the NSE as the Chairman of the Implementation Committee that spearheaded developments in Kenya's Capital Markets.

For over two decades, Bob has acquired vast experience in Investment Banking and is passionate about supporting organizations improve their bottom line, list on the exchange, mergers and acquisitions, raise capital, grow and thrive. He is married to Jennifer Karina, has three children and several grandchildren, enjoys jogging, swimming and playing golf.

Ms. Amina RWAKUNDA
Chairperson

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

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

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

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

Ms. IZA Irame
Board Member

Ms. Iza Irame is the Chief Executive Officer of Crystal Telecom Ltd and Chief Corporate Officer at Crystal Ventures Ltd. 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 Otengo OWINY is a Member of the Board of the Rwanda Stock Exchange (RSE), where he serves as Chair of the Board Finance & Administration Committee.

Andrew is currently the Group Executive Director of MBEA Brokerage Services (Rwanda) Ltd.

He has spent most of his working life in the investment banking, corporate finance and stock broking industry in the USA (over 15 years), Europe (over 5 years) and in West, Southern & East Africa (over 30 years); in central banking (2 years); and, in academia (Tertiary Education Teaching) (2 years). He is a Founding Member of both the Uganda Securities Exchange and the Rwanda Stock Exchange.

Andrew has served on the Boards of a number of companies across the Africa Continent, including: currently with PostBank Uganda Limited as Chairperson; G4S Secure Solutions Uganda; the National Council of Sports Uganda; and, previously with the Uganda Securities Exchange; the National Social Security Fund Uganda; aBi (Agricultural Business Initiatives) Finance Uganda; Uganda Rugby Union as Chairman; and as an Alternate Member on the Boards of National Merchant Bank of Zimbabwe; & CAL Merchant Bank Ghana (now CalBank).

Andrew has been a speaker, moderator and facilitator at a multitude of Conferences, Seminars & Workshops Globally, including in the USA, UK, Uganda and Rwanda, amongst other jurisdictioins. In June 1997, at the invitation of the United States Congress/House of Representatives Subcommittee on Africa of the House Committee on International Relations, he provided written and oral testimony regarding "Africa's Emerging Capital Markets" in June 1997.

Andrew has been the recepient of different awards over the years, notable being the "Kikonyogo Capital Markets Award" (KCMA) 2003, in recognition of his exemplary contribution towards the development of the Ugandan Capital Markets. He was the first recipient of the "Kikonyogo Capital Markets Award" in 2003, and in 2007, he received the Runner-up KCMA Award.

Andrew was nominated one of the "2009 Distinguished Wharton Alumni (contributing to Africa)" by the Wharton African Students Association, of which he was the Founding President; and the Wharton Club of Africa, a congregation of Alumni of the Wharton School of the University of Pennsylvania, from across the African Continent.

Andrew is graduate of The Wharton School of the University of Pennsylvania, where he received his Master of Business Administration degree in Finance and Accounting. He also holds a Bachelor of Commerce Honors degree in Finance from Makerere University, Kampala, Uganda, where he served as a Tutorial/Teaching Assistant for 2 years after graduation.

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

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

He is also involved in different investment projects ranging from Real Estate, Poultry and Agro – processing to Energy. Mr. Rwabukumba started his career in financial services in New York City more than a decade ago after graduating from the University of Buffalo (UB), New York in the United States with A bachelor's Degree in Economics. He worked in different professional positions as a stock broker, in Compliance and Operations and Institutional Investors' Sales before he joined the Central Bank of Rwanda in 2004 to help start the Capital Market Development Project in Rwanda.

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

1. BRIEF DESCRIPTION OF RWANDA STOCK EXCHANGE

A Stock Exchange is an 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	RSSB	10
9	BRD	8
10	SONARWA General Insurances Company Ltd	1
11	Sanlam Insurance	1

1.1 RSE BOARD COMPOSITION & REPRESENTATION

The Rwanda Stock Exchange Board is comprised of 7 members distributed as follows:
- Agaciro Development Fund has one representative
- Members have three representatives
- Institutional investors have one representative
- Members of the public and/or professional bodies have one representative
- Listed companies have one representative

1.1.1 CORPORATE INFORMATION

Directors

No	Names	Role
1	Mr. Bob KARINA	Chairman
2	Ms. Amina RWAKUNDA	Vice Chairman
3	Ms. 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
ABC Consultants
Avenue de la Republique,
P.O. Box 1901, Kigali - Rwanda

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

STATEMENT OF THE CHAIRMAN

It is my pleasure to report that 2020 was an exceptionally good year for Rwanda Stock Exchange (RSE) despite the challenges associated with the pandemic Covid – 19. Which has been affecting economies around the globe.

The Exchange registered an increase in activity both in Fixed Income Securities and Equities at the primary and the secondary market. The biggest highlight of the year was RSE hitting yet an important milestone to date as this year the Exchange registered its 10th listed company thus made Rwanda qualify to make it into the Annual World Bank Doing Business Report list of those countries that have stock markets with at least 10 listed companies to qualify for the assessment on protection of minority shareholders.

These developments clearly make our role as a stock exchange becoming even more relevant. Given the fact that the RSE was established to facilitate implementation of the country's economic reforms and encourage wider ownership of public resources, collaboration and support from the Government and other key stakeholders continues to be key towards supporting the country's economic development.

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

During 2020, RSE started implementation of its new 5 year strategic plan where efforts and resources were directed towards starting the investment clinic project aimed at handholding Small and Medium Enterprises (SMEs) and other corporates.

This and combined efforts to sensitize retail investor market niche, increasing on efficiency levels and public outreach contributed to raising further the profile of the exchange.

In the course of the year we increased our visibility on world stage by actively participating in different regional and international conferences and activities.

The RSE actively participated in the 24th ASEA Conference and Annual General meeting held virtually on 24th November, 2020 and a few others jointly held with the AU and a few other supranational organizations.

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

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

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

During this period we continued our efforts towards the automation of the exchange. The Market Capitalization at the close of 2020 was at USD 3.56 billion slightly up from USD 3.31 billion at the end of 2019 mainly due to price fluctuation.

With regard to the fixed income securities, the government's monthly bond issuance program continued with a subscription rate ranging between 100% and 205.6%.

This increased secondary trading activity in the fixed income securities to the tune of Rwa 39.02 billion or 88.35% in bonds value traded compared to Frw 20.71 billion recorded in the same period of 2019.

The recorded performance positively impacted the financial performance during the year. The RSE registered a record net income of of Rwf 304 million, an increased of 756.8% from Rwf 35.5 million recorded in 2019. We managed to stay the course despite the fact that we operated in a volatile year mainly due to the Covid – 19 pendemic.

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) and the Private Sector Federation (PSF) for their support in developing the market.

During the year under review we intensified the Public awareness campaigns for Small and Medium Enterprises Market Segment at the RSE and increased our presence mainly virtually for the general public.

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

Again in a special way I acknowledge with appreciation the outstanding role played by all my colleagues (the Members of Board of Directors) for their continued contribution and commitment to the development of the Exchange.

The concerted efforts by the Management and the Board should push even further the development agenda of the RSE in years to come.

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

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

Mr. Bob Karina
Chairman

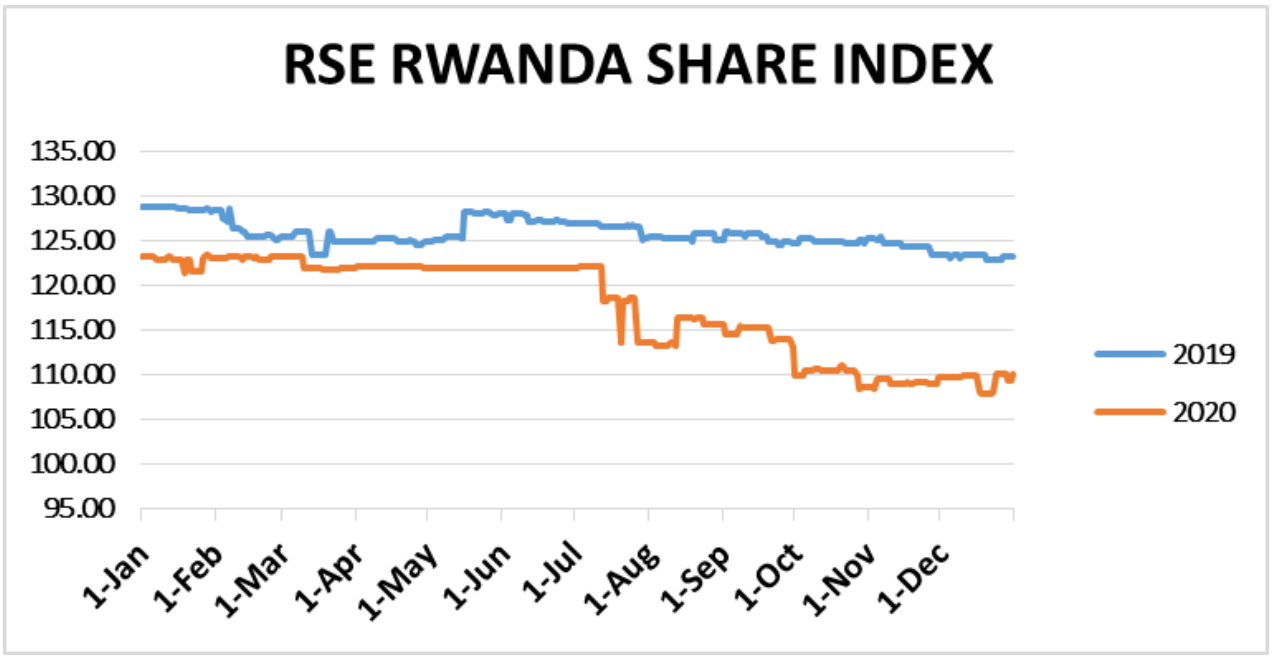
MANAGEMENT

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

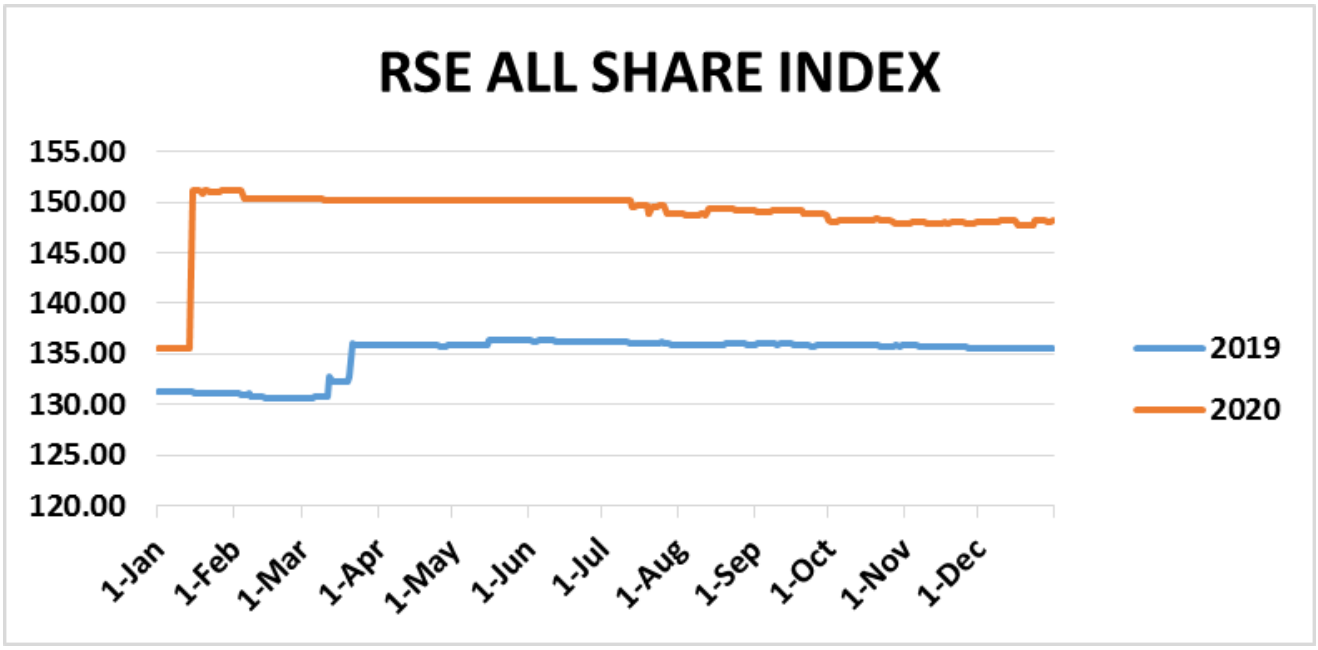
No	NAMES	POSITIONS
1	Mr. Pierre Celestin RWABUKUMBA	Chief Executive Officer
2	Ms. Alice IRIBAGIZA	Head of Finance and Administration
3	Mr. Robert TWAGIRA	Head of Operations and IT
4	Mr. David MITALI	Operations Officer
5	Ms. Liliane RUTERA UWASE	Accountant
6	Ms. Grace TWAGIRA	Client Relations & Executive Assistant

1. Market performance

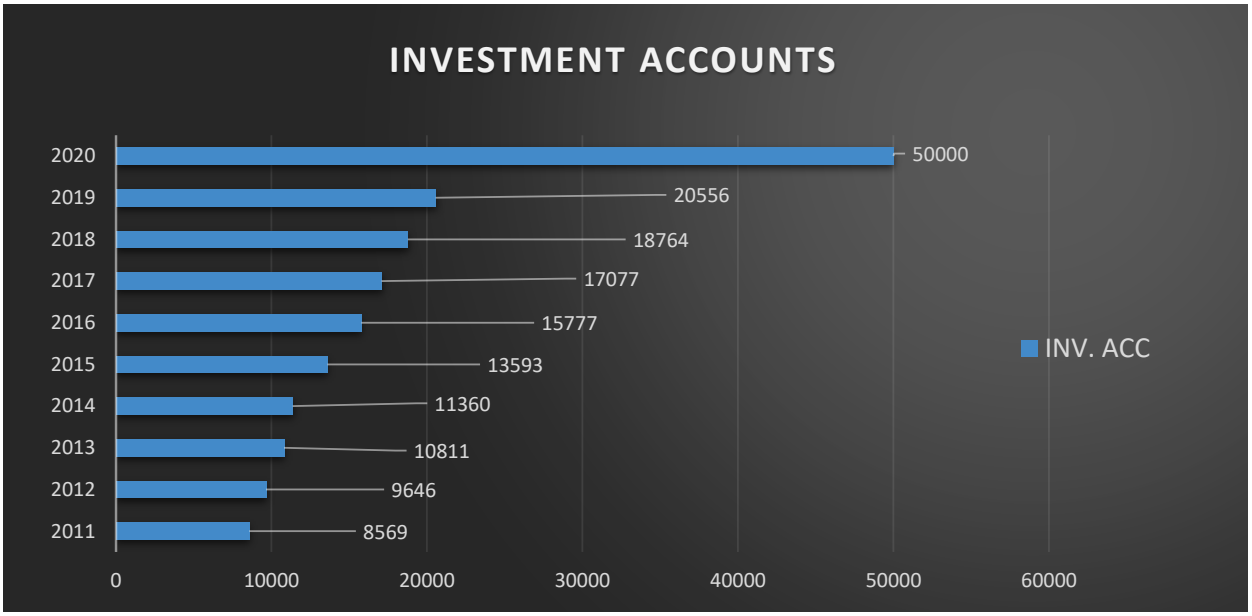
A. Rwanda Shares Index (RSI)



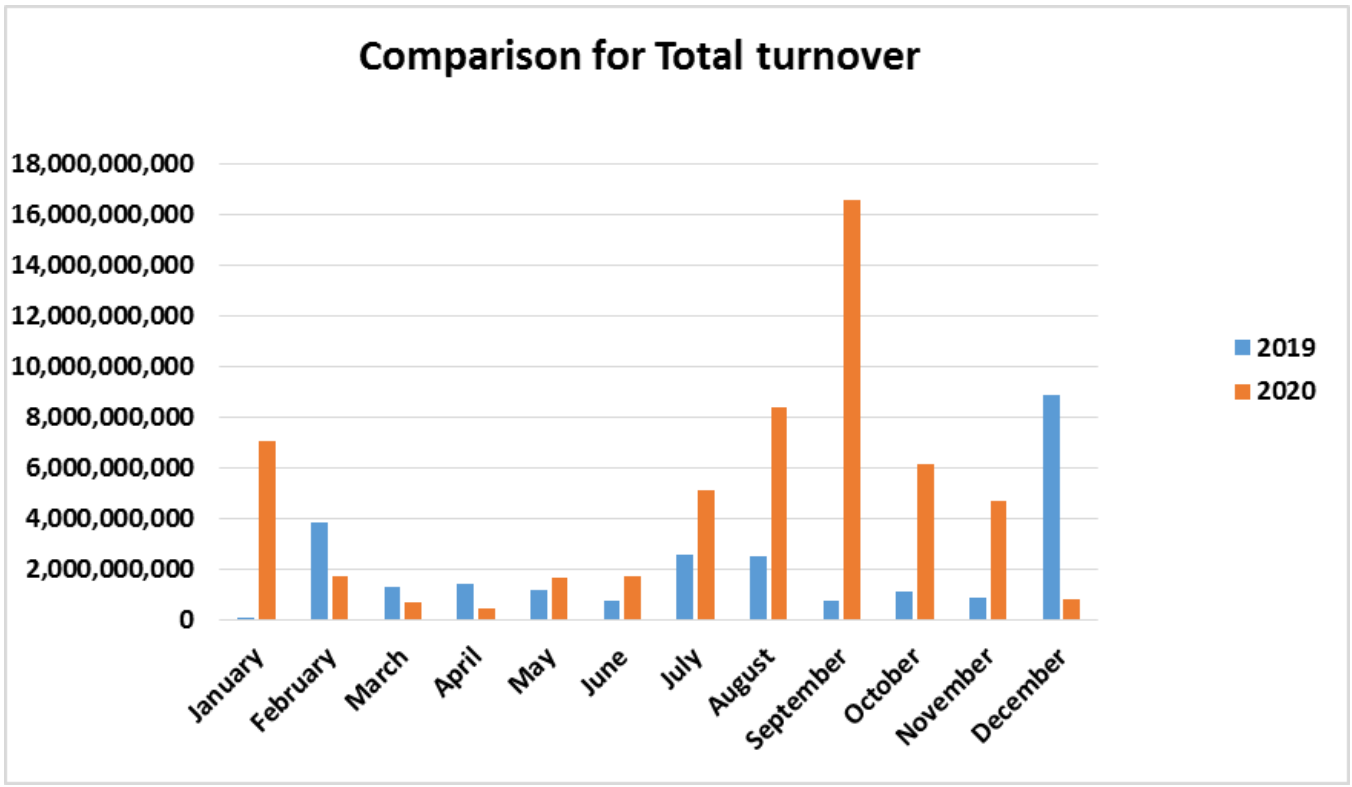
B. All Shares Index (ALSI)



C. Market participation by end of 2020



D. Comparison turnover between 2019-2020



ECONOMIC PERFORMANCE

1. ECONOMIC PERFORMANCE

1.1. Global Economic Outlook

According to the International Monetary Fund's (IMF) World Economic Outlook (WEO), the world economic growth is estimated at -3.5 percent in 2020 from 2.8 percent recorded in 2019, the worst contraction since the global financial crisis, owing to the COVID-19 pandemic outbreak. This economic contraction in 2020 was 0.9 percentage points less relative to October 2020 projections, generally reflecting a stronger than expected recovery in the second half of 2020.

In 2021, the global economy is projected to recover growing by 5.5 percent, a 0.3 percentage point increase relative to the October 2020 projections, reflecting additional policy support in a few large economies and expectations of a vaccine-powered strengthening of activity later in 2021, outweighing the effect of rising infections.

However, the magnitude of the recovery is projected to vary significantly across countries. That will depend on the access to medical interventions, the effectiveness of policy support, exposure to foreign spillovers, and structural characteristics of the economy.
Source: IMF, January 2021

In advanced economies, growth is estimated at -4.9 percent in 2020 from 1.6 percent recorded in 2019, mostly reflecting contraction in all major economies. These economies include the United States (-3.4 percent), Eurozone (-7.2 percent), United Kingdom (-9.9 percent), Japan (-5.1 percent), Germany (-5.4 percent), France (-9.0 percent), Italy (-9.2 percent) and Spain (-11.1 percent).In 2021, economic growth in advanced economies is projected to recover to 4.3 percent, following the expected revamp in all major economies.

The sizable fiscal support announced for 2021 in some countries, including most recently in the US and Japan, together with the unlocking of Next Generation EU funds, will help lift economic activity in this group with favorable spillovers to trading partners. Projections for most countries point to a decline of fiscal deficit in 2021, as revenues rise and expenditures decline during the recovery period.

Source: IMF, January 2021 & October 2020

1.2. Emerging Markets

Emerging market and developing economies are estimated to contract by 2.4 percent in 2020, from 3.6 percent growth recorded in 2019, but projected to grow by 6.3 percent in 2021. Oil exporters and tourism-based economies within the group face particular difficult prospects considering the expected slow normalization of cross-border travel and the subdued outlook for oil prices.

In China, GDP growth is estimated at 2.3 percent in 2020, from 6.0 percent recorded in 2019. Compared to the projected growth of 1.9 percent in October 2020, the estimated growth for 2020 reflects the effective containment measures, a significant public investment response, and central bank liquidity support. In 2021, the Chinese economic growth is projected to recover to 8.1 percent.

According to the IMF estimates, India's economy contracted by 8.0 percent in 2020, from a growth of 4.2 percent recorded in 2019, and is expected to grow by 11.5 percent in 2021. The projections for 2021 have been revised up by 2.7 percentage points, reflecting carryover from a stronger than expected recovery after the ease of lockdowns.

Source: IMF, Regional Economic Outlook October 2020 *Rwanda-IMF country report October 2020

1.3. Sub Saharan Africa & EAC

On aggregate, the economy for Sub-Saharan Africa contracted by 2.6 percent in 2020 compared to 3.2 percent growth recorded in 2019, the first recession in the region in the last 25 years.

The severe contraction in 2020 reflects macroeconomic risks arising from the sharp decline in output growth among the region's key trading partners, including the euro area; the fall in commodity prices; reduced tourism activity in several countries; as well as the effects of measures taken to contain the COVID-19 global pandemic.

In the Sub-Saharan region, the pandemic shock has mostly hit the region's three largest economies; notably Nigeria, South Africa, and Angola, in a context of already weak growth and declining commodity prices. However, economic growth for the region is projected to recover to 3.2 percent in 2021, reflecting economic recovery mainly in Nigeria (1.5 percent) and South Africa (2.8 percent).
The economic performance in the East African Community (EAC) countries is projected at 1.0 percent in 2020 from 6.2 percent recorded in 2019, following a projected slowdown in all member countries compared to the previous year, with expected recessions in Uganda and Burundi.

The projected deceleration in growth is mainly due to the weak external demand and disruptions to supply chains and domestic production. Activity in tourist dependent countries is expected to contract sharply in response to severe disruptions in travel and tourism activities.

Source: IMF, October 2020 & Official numbers from countries **Annual average estimates for all EAC countries *BNR staff projections.

1.4. The Rwandan Economic Performance

This section presents the developments in the national economy, focusing on the drivers of economic growth in 2020 and the outlook for 2021. According to available estimates, the Rwandan economy has been severely affected by the COVID-19 pandemic.

Economic performance was mixed in 2020, with the economy contracting in the first half and gradually recovering in the second half as a result of the government fiscal stimulus and the NBR accommodative monetary policy amid easing COVID-19 containment measures.

In 2021, Rwanda's economy is expected to recover from the 2020 recession, as the ongoing partial lockdown may not last for long. In addition to economic measures put in place by the Government of Rwanda, the expected roll-out of the COVID-19 vaccine in the country will help to limit the infection rate of the pandemic and therefore curb its negative impact.

The COVID-19 pandemic has adversely affected the Rwandan economic performance through induced demand and supply shocks. Real GDP contracted by 4.1 percent in the first three quarters of 2020 compared to a growth of 9.8 percent registered in the same period of 2019. The 2020 economic downturn was broad-based across all economic sectors.

The services sector, representing 49 percent of GDP, recorded a decrease of 6.0 percent during the first three quarters of 2020, from an increase of 8.5 percent in the corresponding period of 2019.

The pandemic containment measures across the world caused significant contractions in tourism-related services such as transport (-24.5 percent from +12.4 percent) and hotels and restaurants (-38.0 percent from +8.8 percent).

It also caused underperformance in wholesale and retail trade services (-3.5 percent from +16.6 percent) and financial services (-5.3 percent from +7.0 percent). Exceptionally, the information and communication sub-sector benefited from these economic conditions following increased demand for these services to facilitate remote work and, telecommuting.

Thus, the sub-sector recorded high growth of 36.6 percent from 3.4 percent in the corresponding period of 2019.

Source: MINECOFIN & NISR (2019)

On average, in the three quarters of 2020, the industry sector fell by 6.1 percent, from a growth of 17.4 percent in the same period of 2019, owing to the weak performance of: construction (-6.7 percent from +32.9 percent), manufacturing (-0.2 percent from +11.9 percent), mining & quarrying (-34.5 percent from +5.8 percent), and electricity (-0.1 percent from +7.6 percent).

The performance of the agriculture sector decelerated from a growth of 5.2 percent in the first three quarters of 2019 to 0.0 percent in the same period.

Source: NBR, Monetary Policy and Research Department

2 . MARKET PERFORMANCE

On Rwanda Stock Exchange (RSE), Market performance in 2020 went up compared to 2019 due to trading activities across the board.

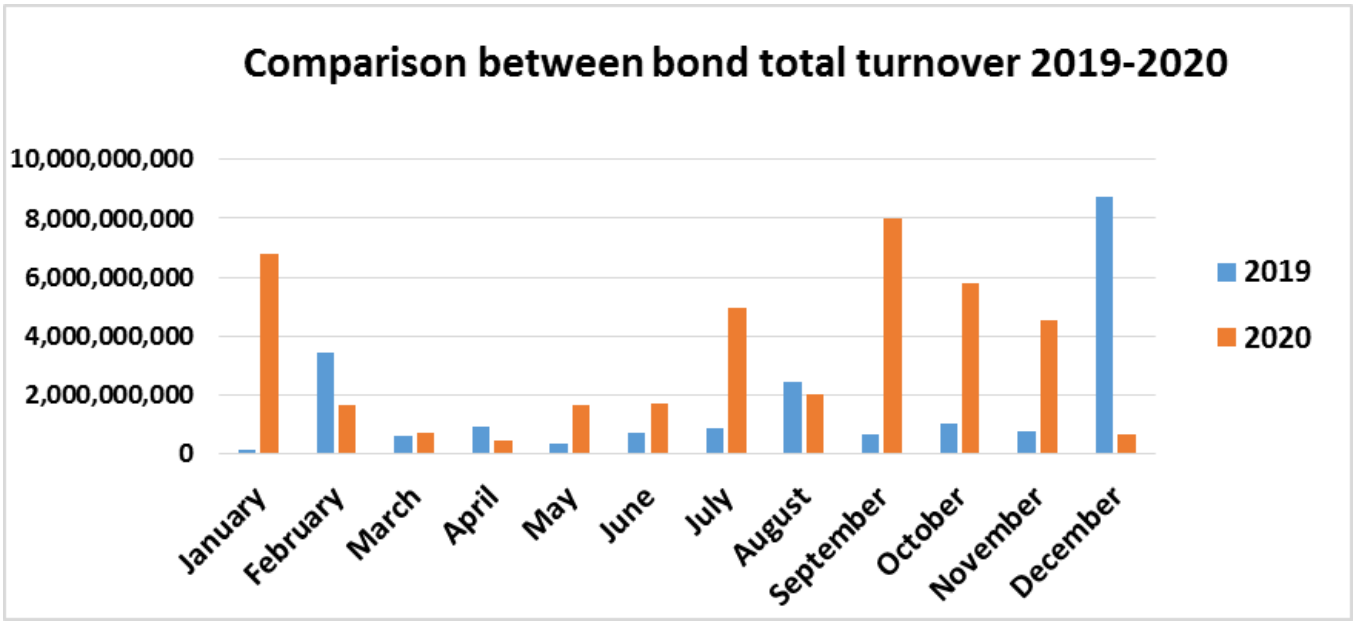
2.1. Primary Market

During the period under review, the government of Rwanda issued 7 Treasury bonds and re-opened 8 bonds with a total face value of Frw 305 billion with a highest subscription level of 205.69% and a lowest of 100%; and a coupon rate ranged between 13.15% and 10.65% .On equity primary market, there was no IPO recorded.

2.2. Secondary Market

2.2.1 Bond market

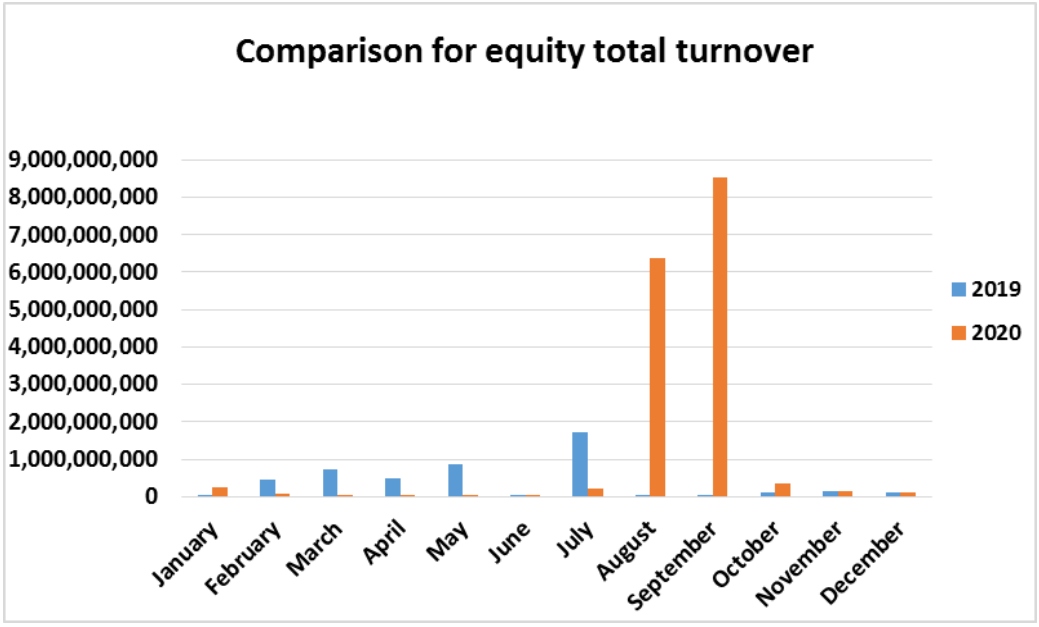
During this period, thirteen treasury bonds with a face value of Frw 305 billion were listed at RSE at coupon rates between 10.65% and 13.15%.The bond market recorded Frw 39.02 billion worth of bonds traded in 308 transactions. This translated into an increase of 88.35% in bonds traded compared to the same period of 2019 which traded Frw 20.71 billion. During the period under review 7 Treasury Bonds with a face value of Frw 163.55 billion listed and the other 8 reopened with a maturity value of Frw 141.47 billion.



2.2.2 Equities market

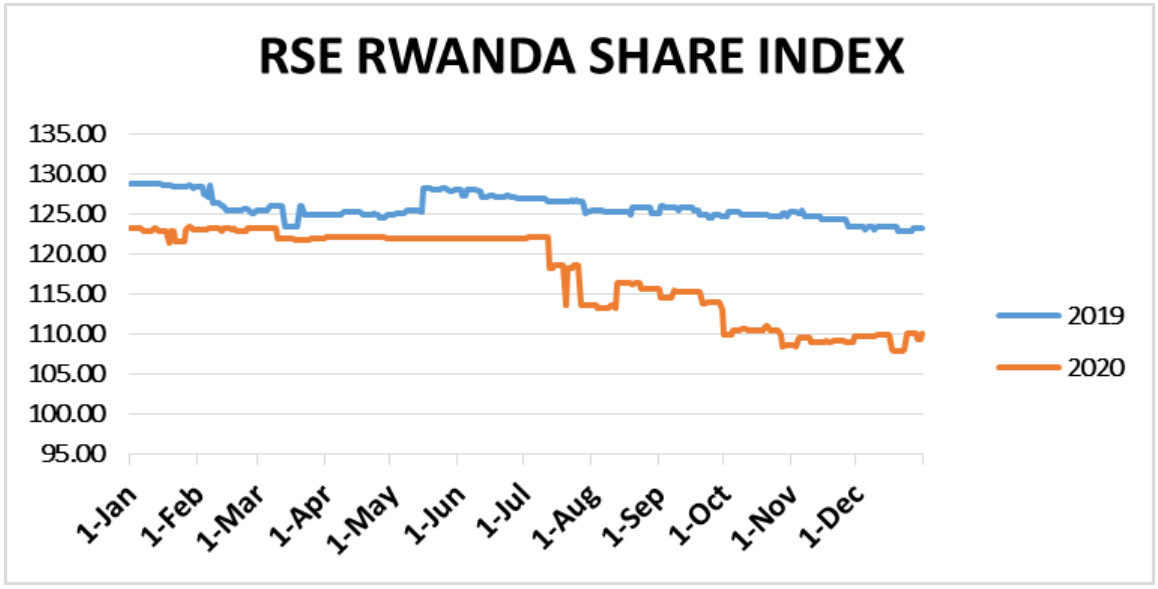
The equity market recorded a total turnover of Frw 16.16 billion from 135.55 million shares traded in 413 deals translating into an increase of 241.76% in turnover compared to Frw 4.72 billion recorded in the same period of 2019.

Comparison for market total turnover 2019-2020

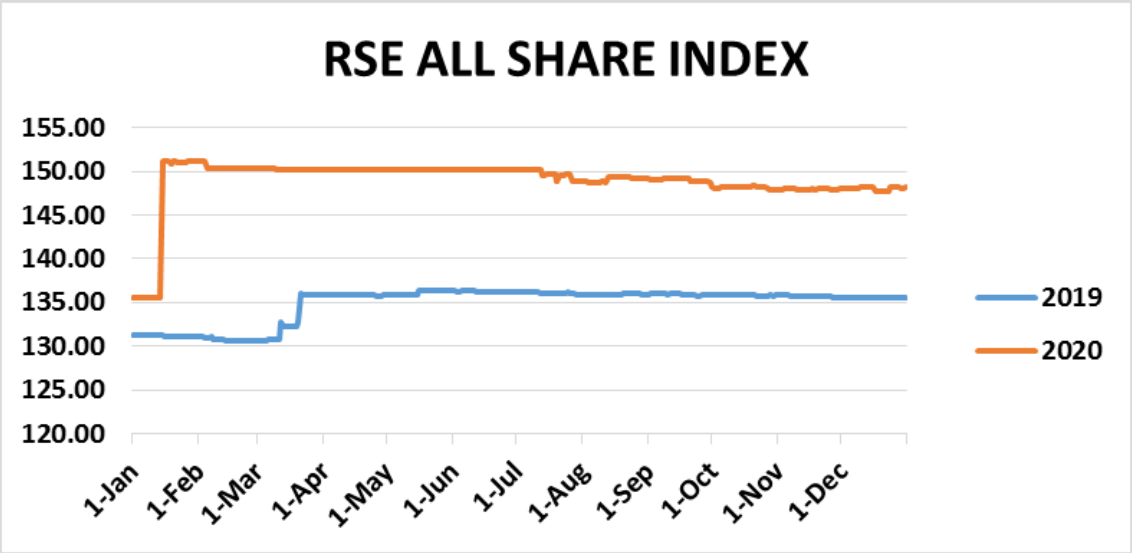


2.2.3 RSE indices

From January to December, 2020 the All Share Index (ALSI) went up 9.29% to close at 148.15 points and Rwanda Share Index (RSI) went down 10.71% to close at 110.05 points.
RSE Rwanda Share Index (RSI)



RSE All Share Index (ALSI)

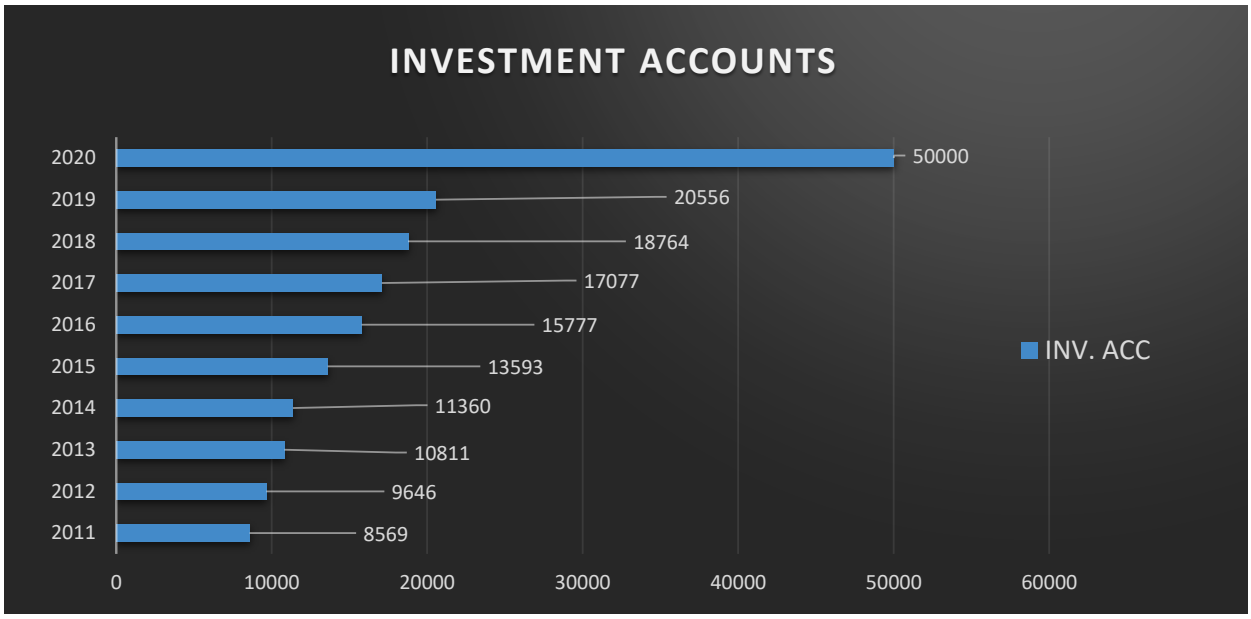


2.2.4 Market Capitalization

By end of December, the market capitalization stood at US$ 3.56 billion and slightly increased by 7.20% compared to the same period of December, 2019 where it was at US$ 3.30 billion.

2.2.4 Investors participation

As of December, 2020 there were 50,000 active investors recorded and domestic investors were 85.1%; other East Africans 12.5% and 2.4% were international. This translated into an increase of 143% in terms of new investment accounts opened from December, 2019. As of December, 2020 there were 50,000 active investors recorded and domestic investors were 86.1%; other East Africans 11.2% and 2.7% were international.



ACTIVITIES REPORT

2. ACTIVITIES REPORT

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

a) Conferences, meetings and workshop
b) Public education and investement awareness campaigns
c) Capacity building
d) Corporate social responsibility (CSR)

1. Conferences, Meetings and Workshops

- RSE participated in different meetings organized by the EAC Secretariat.

- RSE hosted the Ringing the bell on Gender Equality 2020 ceremony at Kigali Serena Hotel on 9th March, 2020 under the UN-Sustainable Stock Exchanges Initiative (SSE) in partnership with UN Women, IFC, WFE and UN-Global Compact.

- RSE conducted two workshops on investment clinic project. The purpose of the clinic is to process the companies in need of capital to be investment ready.

- RSE Officially launched the Investment Clinic Project and the first cohort applications

- RSE Initiated and hosted 3 main equity transactions:

1. CIMERWA PLC Listing
2. RH BOPHELO Cross-Listing
3. I&M Bank Rwanda PLC Rights Issue

RSE hosted the Ringing the bell on Gender Equality 2020 ceremony at Kigali Serena Hotel on 9th March, 2020 under the UN-Sustainable Stock Exchanges Initiative (SSE) in partnership with UN Women, IFC, WFE and UN-Global Compact.

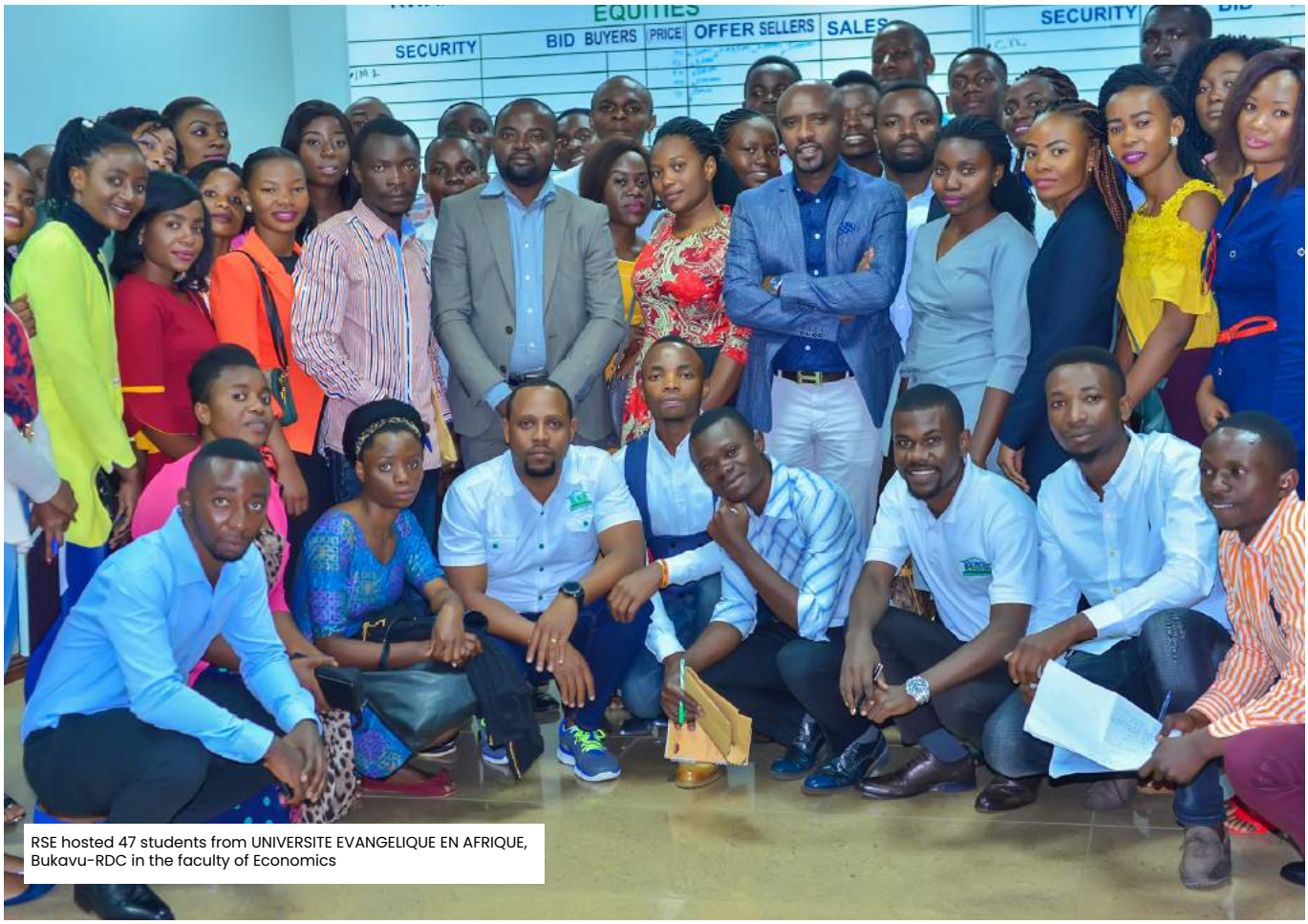
RH BOPHELO Cross-Listing

CIMERWA PLC Listing

RSE Officially launched the Investment Clinic Project and the first cohort applications.

I&M Bank Rwanda PLC Rights Issue

RSE conducted two workshops on investment clinic project. Whose purpose is to process the companies in need of capital to be investment ready.



RSE hosted 47 students from UNIVERSITE EVANGELIQUE EN AFRIQUE, Bukavu-RDC in the faculty of Economics

RSE hosted 31 members of Rwanda Bankers Association

RSE Hosted students from ULK Musanze

2. Public education awareness campaigns

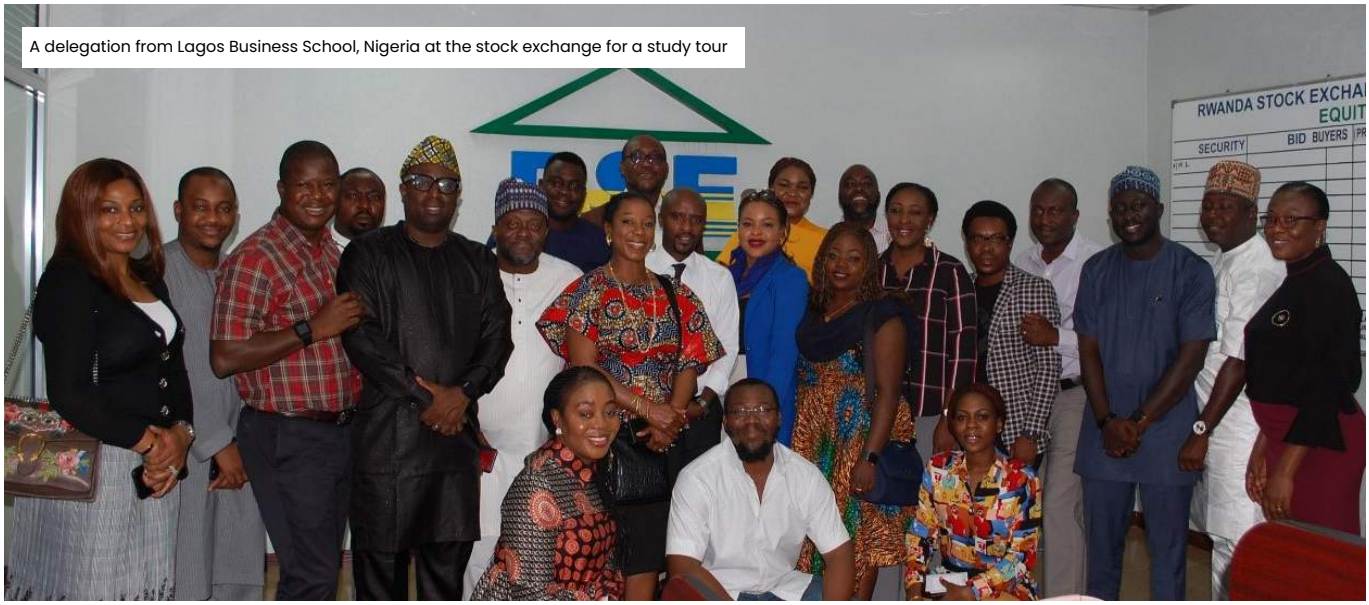
- RSE hosted 47 students from UNIVERSITE EVANGELIQUE EN AFRIQUE, Bukavu-RDC in the faculty of Economics.
- RSE in collaboration with other sponsors sponsored the Rwanda tennis federation genocide memorial tournament.
- RSE participated in different radio talks and TV shows on CNBC and RBA.
- RSE launched the University Challenge 2020 in collaboration with CMA.
- RSE hosted 7 academic interns from the local Schools.
- RSE hosted 31 members of Rwanda Bankers Association

RSE hosted 7 academic interns from the local Schools

RSE Hosted Students from Lycee de Ruhango Ikirezi

RSE in collaboration with other sponsors,sponsored the Genocide memorial tournament

Students from Riviera High School at the Exchange



A delegation from Lagos Business School, Nigeria at the stock exchange for a study tour

RSE in Collaboration with CMA hosted a consultative session with Licenced Stock Brokers to tackle public education as a whole

3. Capacity Building

- RSE one staff and one board member participated in a market study tour at The Nigerian Stock Exchange (NSE) from 2nd to 6th March, 2020

- RSE attended the KIFC development initiative in Luxembourg.
- RSE staff went through CMI training
- RSE staff got CISI training on Rwanda Regulation & Market Practice

4. Corporate Social Responsibility (CSR)

Corporate social responsibility is the continued commitment by businesses to behave ethically and contribute to the economic development while improving the quality of lives of workforce and their families as well as of the local community and society in general.

RWANDA STOCK EXCHANGE LTD

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the Year Ended December 31st, 2020

Rwanda Stock Exchange Ltd
Annual Report and Audited Financial Statements
For the Year Ended December 31st, 2020

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Rwanda Stock Exchange Ltd
Annual Report and Audited Financial Statements
For the Year Ended December 31st, 2020

1. COMPANY INFORMATION

1.1 The Board of Directors

The present members of the board of Rwanda Stock Exchange Ltd who served from the start of the year are:

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

1.2 Registered Office

Rwanda Stock Exchange,
Kigali City Tower
Avenue du Commerce,
P.O Box 5337
Kigali
Rwanda

1.3 Principal Bankers

Bank of Kigali
P.O Box 1863
Kigali
Rwanda

1.4 Independent Auditor

ABC CONSULTANTS LTD,
3rd Floor, NOBISCUM House –Remera Gisementi,
P O Box 1901,
Kigali, Rwanda.

Rwanda Stock Exchange Ltd
Annual Report and Audited Financial Statements
For the Year Ended December 31st, 2020

2. Report of the Directors of Rwanda Stock Exchange

For the Year ended 31st December 2020

The Directors of Rwanda Stock Exchange submit their report and the audited financial statements for the year ended 31st December 2020, which disclose the state of affairs of the company.

2.1 Principle Activities

The principle activities of the company are responsible for carrying out financial securities.

Results

	2020 RWF	2019 RWF
Profit Before Tax	**453,423,407**	**70,670,051**
Income Tax Expenses	(148,744,864)	(35,112,218)
Profit of the Year	**304,678,543**	**35,557,833**

2.2 Dividends

The directors recommended the declaration of a dividend of Rwf 57,500,000 (fifty seven million, five hundred thousand Rwandan francs only) tax inclusive for the year ended 31st December 2020.

2.3 Directors

The directors who held office during the year and to the date of this report are shown on page 1. The Chairman **Mr. Ndahiro James'** term of office came to an end in June 2020. **Mr. Bob Karina** was elected Chairman and **Mrs. Amina Umulisa Rwakunda** was elected Vice Chairperson of the Board of Directors.

2.4 Auditors

The auditor, ABC CONSULTANTS LTD, was appointed in accordance with the law 007/2021 of the 05th February 2021governing companies.

BY ORDER OF THE BOARD

CHAIRMAN

Rwanda Stock Exchange Ltd
Annual Report and Audited Financial Statements
For the Year Ended December 31st, 2020

3. Statement of Director's Responsibilities

For the Year Ended December 31st, 2020

The law 007/2021 of the 05th February 2021 governing Companies requires 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 profit or loss for that year. It also requires directors to ensure that the company keeps proper accounting records that 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 estimates, in conformity with the International Financial Reporting Standards and the requirements of the law No. 007/2021 of the 05th February 2021 governing companies. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company as 31st December 2020 and its operating results for the year then ended. The directors further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

The company realized a net profit of Frw 304,678,543 during the year ended 31st December 2020 [2019: RWF 35,557,833 (profit)]; and the company's total assets exceed total Liabilities by RWF 700,029,928 (2019: RWF 452,851,385). We expect the company to remain a going concern for at least twelve months from the date of this statement. It is on this basis that we have prepared the financial statements on a going concern basis.

Approval of Financial Statements

The accompanying financial statements were approved for issue by the board of directors and signed on its behalf by:

CHAIRMAN

Rwanda Stock Exchange Ltd
Annual Report and Audited Financial Statements
For the Year Ended December 31st, 2020

4. Report of the Independent Auditor to the Members RSE Ltd

For the Year Ended December 31st, 2020

Our Opinion

In our Opinion, financial statements of Rwanda Stock Exchange Ltd (the "Company") give a true and fair view of the financial position of the company as at 31st December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and with the requirements of the Law No. 007/2021 of the 05th February 2021 Governing Companies.

Audited Financial Statements

The Financial Statements of Rwanda Stock Exchange Limited set out in pages 7 to 18 comprise:

- The Statement of financial Position as at 31st December 2020
- The statement of Comprehensive Income for the year ended 31st December 2020
- The statement of changes in Equity for the year ended 31st December 2020
- The statement of Cash flows for the year ended 31st December 2020
- The Notes to the financial statements, which include a summary of significant accounting policies

Basis of Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of Law No. 007/2021 of the 05th February 2021 governing Companies and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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. Misstatement can arise from fraud or error and are considered material if individually, or in 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 skepticism throughout the audit. We also:

- Identify and assess the risk 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 arising from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 the 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 conclusion are based on the audit evidence obtained up to the date 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.

We communicate with those charged with governance 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 the Other Legal and Regulatory Requirements

Law No. 007/2021 of the 05th February 2021 governing companies requires that in carrying out our audit, we consider and report to you on the following matters. We confirm that:

i) We have no relationship, interests or debts in the company
ii) 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;
iii) In our opinion proper books of account have been kept by the company, so far as appears from our examination of those books, and
iv) We have communicated to the company's board of Directors, through a separate report, internal control matters identified in the course of our audit including our recommendations in relation to those matters.

Yours faithfully,

ABC CONSULTANTS
Audit & Advisory
P.O. Box 1901
Kigali, Rwanda

Rwanda Stock Exchange Ltd
Annual Report and Audited Financial Statements
For the Year Ended December 31st, 2020

5. Comprehensive Income Statement

For the year ended 31st December 2020

	Notes	2020 FRW	2019 FRW
Revenue	2	765,558,589	488,099,418
Other Income	3	116,962,351	71,711,451
Administrative Expenses	4	(424,424,263)	(482,814,651)
Depreciation		(4,673,270)	(6,326,167)
Operating Profit/Loss		**453,423,407**	**70,670,051**
Corporate Income Tax	5	(148,744,864)	(35,112,218)
Profit for the year		**304,678,543**	**35,557,833**

Rwanda Stock Exchange Ltd
Annual Report and Audited Financial Statements
For the Year Ended December 31st, 2020

6. Statement of Financial Position

As at 31st December 2020

	Notes	2020 FRW	31-Dec-19 FRW
CAPITAL EMPLOYED			
Share Capital	6	100,000,000	100,000,000
Retained Earnings		355,727,059	108,548,517
Shareholders' funds		**455,727,059**	**208,548,517**
Grant	7	**244,302,868**	244,302,868
		700,029,927	**452,851,385**
REPRESENTED BY			
Non-Current Assets			
Property and Equipment	8	44,652,767	8,504,537
Investments Bonds	10	-	5,500,000
		44,652,767	**14,004,537**
Current Assets			
Cash and Cash Equivalents	9	95,579,875	77,553,122
Short Term Investments	10	561,151,502	200,000,000
Trade and other receivables	11	376,530,664	321,898,619
		1,033,262,042	**599,451,741**
Current Liabilities			
Trade and other payables	12	377,884,881	160,604,894
		377,884,881	**160,604,894**
Net current Assets		**655,377,159**	**438,846,848**
		700,029,927	**452,851,385**

Chief Executive Officer

Rwanda Stock Exchange Ltd
Annual Report and Audited Financial Statements
For the Year Ended December 31st, 2020

7. Statement of Changes in Equity

As at December 31st, 2020

	Share Capital RWF	Retained Earnings RWF	Total RWF
Year ended 31st December 2020			
At Start of Year	100,000,000	108,548,517	208,548,517
Adjustment to Opening	-	-	-
Profit of the year	-	304,678,543	304,678,543
Dividend		(57,500,000)	(57,500,000)
Balance as at 31 December 2020	**100,000,000**	**355,727,059**	**455,727,059**
Year ended 31st December 2019			
At Start of Year	100,000,000	72,990,684	172,990,684
Adjustment to Opening	-	-	-
Amortization of Grant	-	-	-
Profit of the year	-	35,557,833	35,557,833
Balance as at 31 December 2019	**100,000,000**	**108,548,517**	**208,548,517**

Rwanda Stock Exchange Ltd
Annual Report and Audited Financial Statements
For the Year Ended December 31st, 2020

8. Cash Flow Statement

For the year ended December 31st, 2020

	Notes	2020 FRW	2019 FRW
Surplus for the Year		453,423,407	**70,670,051**
Adjustments for non-cash expenses			
Depreciation	**8**	4,673,270	6,326,167
Tax	**5**	(148,744,864)	(35,112,218)
		309,351,813	**41,884,000**
Changes in working capital			
Increase in trade and other receivables	**11**	(54,632,045)	(20,208,409)
Increase in trade and other payables	**12**	217,279,987	(39,139,420)
Cash flow from operating activities		**471,999,755**	**(17,463,829)**
Investing Activities			
Acquisition of non-current assets	**8**	(40,821,500)	(5,843,300)
Changes in Investments	**10**	(355,651,500)	25,000,000
Dividend payable			
Cash flow from Investing activities		**(396,473,000)**	**19,156,700**
Financing Activities			
Dividend		(57,500,000)	-
Cash flow from Investing Activities		**(57,500,000)**	**-**
Net Cash flows		18,026,753	1,692,871
Cash at the beginning of the year	**9**	77,553,122	75,860,251
Cash at End of the Year		**95,579,875**	**77,553,122**

9. Notes to Financial Statements

For the year ended December 31st, 2020

Note 1. Significant Accounting Policies

(i) Basis of Preparation

The financial statements have been prepared on a historical cost basis and presented in the functional currency of Rwandan Franc (RWF).

(ii) Statement of Compliance

The financial statements of the Company have been prepared on accrual basis in compliance with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

(iii) Comparability

The principle of consistency with accounting standards and policies applied, the current financial statements are comparable to the previous period.

(iv) Revenues Recognition

Rwanda Stock Exchange Ltd recognizes revenue when the amount of the revenue can be reliably measured, it is probably that future economic benefits will flow to the entity and when the specific criteria have been met. The amount of revenue is not considered to be reliable measured until all contingencies relating to the revenues have been resolved. The company bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specifics of each arrangement.

(v) Property, Plant, Equipment and depreciation

Property, Plant and Equipment are stated at cost or valuation, excluding the costs of day to day servicing, less accumulated depreciation or accumulated impairment in value. The initial cost of an asset comprises its purchase price, and any costs directly attributable to bringing the asset into operation. Depreciation estimated according to articles 28 & 29 of the law nº 016/2018 of 13/04/2018 establishing taxes on income. The assets have been grouped into communication equipment, computer Equipment, and furniture and fittings. The annual depreciation rates applied are given in the table below:

Non-Current Assets	Depreciation Basis	Rate
Communication Equipment	Net Book Value	50%
Computer Equipment	Net Book Value	50%
Furniture and fittings	Net Book Value	25%

(vi) Trade and Other Receivables

Trade and other receivables are recognized at cost or net realizable amounts in accordance with IAS 39, and IAS 21 an objective assessment of financial assets is made at the end of the year to determine possible impairment and gains. Impairment losses or gains are recognized as an expense or income in the statement of comprehensive income.

9. Notes to the Financial Statements for Year Ended December 31st, 2020 (Continued)

(vii) Trade and other Payables

Trade and other payables are non-interest-bearing liabilities and are carried at amortized cost, which is measured at the fair or contractual value of the consideration to be paid in future in respect of goods and services supplied by the suppliers, whether billed to the Organization or not, less any payments made to the suppliers.

(viii) Cash and Cash equivalents

Cash and cash equivalents comprise bank, and cash at hand

(ix) Foreign Currencies

Foreign currency transactions during the year are accounted for at the average exchange rates prevailing at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into Rwandan Francs at the rates of exchange ruling at the end of the financial year. Gains and losses resulting from the settlement of foreign currency transactions or from the translation of monetary assets and liabilities denominated in foreign currencies, whether realized or not, are recognized in the profit and loss account.

According to IFRS, at the end of reporting period, foreign currency monetary items are translated using the closing rate and non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(x) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no 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.

Choice of functional currency

Judgement is required in determining the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Company has therefore concluded that the currency that most reflects the economic effects of the underlying operating activities is the RWF.

(xi) Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company will be able to realize its assets and discharge its liabilities in the normal course of business as they come due into the foreseeable future.

9. Notes to the Financial Statements for Year Ended December 31st, 2020 (Continued)

(xii) Government Grants

Government grants are recognized when there is a reasonable assurance that the grants will be received and all attaching conditions will be complied with. When the grants relate to an expense item, it is recognised as an income over the period necessary to match the grant on a systematic basis to the cost that is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is amortised over the expected useful life of the asset.

(xiii) Taxation

(a) Current tax

Current tax is provided on the result for the year, adjusted in accordance with tax regulations

(b) Deferred tax

Deferred tax is provided using the liability method for all temporary timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised.

(xiv) Financial assets

The company financial assets which includes cash and cash equivalents and trade and other receivables fall into the following category

- **Receivables:** financial assets with fixed or determinable payments that are not quoted in an active market such assets are classified as current assets where maturities are within 12 months of the balance sheet date. All assets with maturities greater than 12 months after the balance sheet date are classified as non-current assets. Such assets are carried at amortised cost using the effective rate method change in the carrying amount are recognised in the income statement.

Purchase and sales of financial assets are recognised on trade date i.e. date on which the company commit to purchase or sell assets. Financial assets are derecognised when the rights to receive cash flows from investments have expired or the company has substantially transferred all risks and rewards of ownership.

A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. The amount of impairment loss for assets carried at amortised cost is calculated as the difference between the assets carrying amount and the present value of expected future cash flows, discounted at the financial instrument's effective interest rate. Impairment loss are taken into account for determining operating.

(xv) Financial liabilities

Financial liabilities are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method.

Trade and other payables are classified as financial liabilities.

(xvi) Share capital

Ordinary shares are classified as equity.

Rwanda Stock Exchange Ltd
Annual Report and Audited Financial Statements
For the Year Ended December 31st, 2020

9. Notes to the Financial Statements for Year Ended December 31st, 2020 (Continued)

2. Revenue

	2020 FRW	2019 FRW
Transaction levies	55,367,239	19,459,985
Membership fees	3,520,000	3,795,000
Listing fees	706,671,350	464,844,433
Total	**765,558,589**	**488,099,418**

3. Other Income

	2020 FRW	2019 FRW
Interest received	45,658,705	17,616,445
EACMD registration fees	5,526,249	
ASAE registration fees		26,500
Gain on exchange	2,838,306	-
Other income	62,939,091	54,068,506
Total	**116,962,351**	**71,711,451**

4. Administrative Expenses

	2020 FRW	2019 FRW
Bank Charges	1,164,900	1,221,538
Board members allowances	36,832,807	42,634,586
Capacity Building	1,275,625	13,426,462
Consultancy Services	3,500,000	3,500,000
General Expenses	5,674,910	8,164,462
Health Insurance	6,085,562	6,729,331
IT Equipment Expenses	45,000	600,000
Miscellaneous/ Contingency	-	3,000,000
Office Rent	45,283,920	49,430,640
Marketing	21,081,910	30,422,763
Reception& Entertainment	4,000,000	4,000,000
Staff Emoluments	245,118,551	232,225,301
Travel, Research& Development	18,727,054	38,944,631
CSR Activities	3,007,200	2,000,000
Staff Health& Sports Activities	3,500,000	3,500,000
Utilities	21,496,762	19,588,780
Event Hosting Expenses	-	23,426,157
Bad debts provision	62	-
Legal services	7,080,000	
PR Communication	550,000	
Total	**424,424,263**	**482,814,651**

Rwanda Stock Exchange Ltd
Annual Report and Audited Financial Statements
For the Year Ended December 31st, 2020

9. Notes to the Financial Statements for Year Ended December 31st, 2020 (Continued)

5. Corporate Income Tax

	2020 FRW	2019 FRW
Profit(Loss) before income tax	453,423,407	70,670,051
	-	-
Nondeductible Expenses	42,392,807	46,370,675
Basis of Tax	**495,816,214**	**117,040,726**
CIT	**148,744,864**	**35,112,218**
Prepayments		
CIT prepayment b/f	-	-
CIT prepayments	(44,544,475)	(17,117,069)
Net CIT payable	**104,200,389**	**17,995,149**

6. Share Capital

	Number of Shares	Ordinary Shares RWF
Balance as at 1st January 2019 to 31st December 2019 and 1st January 2020 to 31st December 2020	1,000,000	100,000,000

7. Grant for Equipment and software

	31-Dec-20 FRW	31-Dec-19 FRW
Balance at the Start of the year	244,302,868	244,302,868
Additions during the Year	-	-
Amortization	-	-
Balance as at 31st Dec	**244,302,868**	**244,302,868**

9. Notes to the Financial Statements for Year Ended December 31st, 2020 (Continued)

8. Property Plant and Equipment

	Communication RWF	Computers RWF	Office furniture RWF	Purchase in progress RWF	Total RWF
Year Ended 31 Dec 2020					
Cost as at 01.01.2020	1,226,000	36,352,000	23,978,816	-	61,556,816
Additions		**2,447,500**		**38,374,000**	40,821,500
Disposals					-
As at 31 Dec 2020	**1,226,000**	**38,799,500**	**23,978,816**	**38,374,000**	**102,378,316**
Depreciation					
As at 1 Jan 2020	1,197,719	31,143,299	20,711,261	-	53,052,279
Depreciation of Year	28,281	3,828,101	816,889		4,673,270
As at 31 Dec 2020	**1,226,000**	**34,971,400**	**21,528,150**	**-**	**57,725,549**
Net Book Value	**0**	**3,828,101**	**2,450,666**	**38,374,000**	**44,652,767**
Year Ended 31 Dec 2019					
Cost as at 01.01.2019	1,226,000	28,508,700	23,978,816	2,000,000	55,713,516
Additions	**-**	**7,843,300**	**-**	**(2,000,000)**	5,843,300
As at 31 Dec 2019	**1,226,000**	**36,352,000**	**23,978,816**	**-**	**61,556,816**
Depreciation					
As at 1 Jan 2019	1,169,438	25,934,598	19,622,076	-	46,726,111
Depreciation of Year	28,281	5,208,701	1,089,185	-	6,326,167
As at 31 Dec 2019	**1,197,719**	**31,143,299**	**20,711,261**	**-**	53,052,279
Net Book Value	**28,281**	**5,208,701**	**3,267,555**	**-**	**8,504,537**

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9. Notes to the Financial Statements for Year Ended December 31st, 2020 (Continued)

9. Cash and Bank

	31 Dec FR	31 De R
BK Rwf 0465317-41	76,479,127	51,845,594
BK USD 00040-0699804-18	7,823,069	11,516,531
BPR Rwf 400416419810291	10,976,210	11,012,210
I&M Bank Account(USD)	101,469	3,086,487
Petty cash	200,000	92,300
Total	**95,579,875**	**77,553,122**

10. Investments

(a) Maturity over 12 months		
IFC Long term Bond	-	-
Treasury Bond	-	5,500,000
	-	**5,500,000**
(b) Maturity Less than 12 Months		
IFC Long term Bond		-
Treasury Bond	5,500,000	-
Term deposit	104,392,000	
Term deposit	51,259,500	50,000,000
Term deposit		150,000,000
Term deposit		
Share transfer	400,000,000	
	561,151,500	**200,000,000**
Total Investments	**561,151,500**	**205,500,000**

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9. Notes to the Financial Statements for Year Ended December 31st, 2020 (Continued)

11. Trade and Other Receivables

	31-Dec-20 FRW	31-Dec-19 FRW
Faida	157,596	-
African Alliance	26,946	12,407
CDH	3,618,807	4,950,029
Baraka Capital	445,523	1,344
Mbea	12,589	12,589
Dyer & Blair	-	111,403
SBG	9	121,969
MO Capital	405,131	337,626
Renaissance Capital-Kenya	640,000	320,000
BK Securities	318,217	7,154,310
BNR	54,250,000	29,250,000
NMG	309,178	309,178
Fixed deposit accrued Interest	-	9,435,932
Equity Bank Group	20,000,000	-
BDF	1,280,000	960,000
RNIT	1,000,000	1,000,000
Core Securities	1,219,035	899,037
Prepayments	253,768,775	253,742,197
Rent Prepayment	13,280,598	13,280,598
STI Accrued interest	25,798,260	
Total	**376,530,664**	**321,898,619**

12. Trade and other Payables

	31-Dec-20 FRW	31-Dec-19 FRW
BNR/CDSC	51,099,811	28,868,109
Compensation fund	89,853,711	69,896,650
Other Payables	116,865,550	29,124,487
RSE Staff Fund	2,110,360	650,000
RSSB	2,813,567	2,461,084
Corporate Income Tax	104,200,389	17,995,149
PAYE Tax	10,941,493	10,004,157
Agaciro Development Fund	-	1,063,480
Faida	-	541,778
	377,884,881	**160,604,894**

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