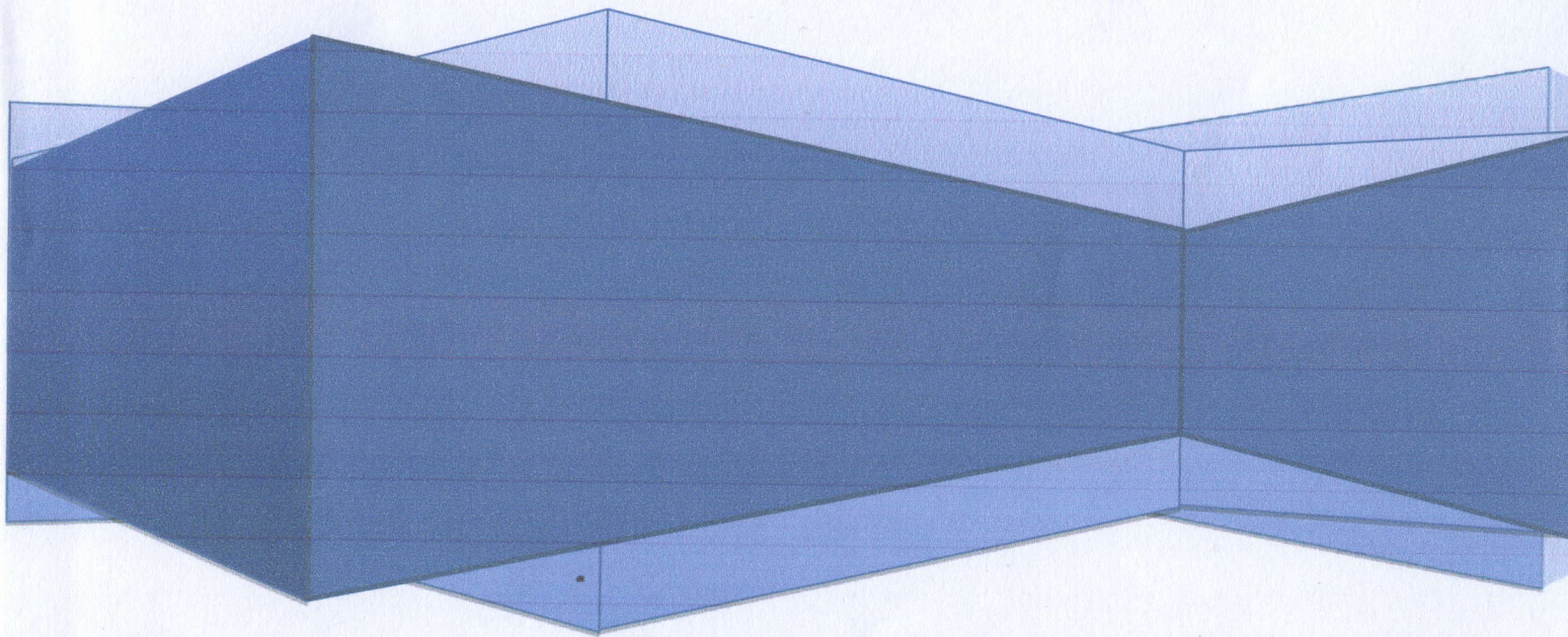




INKUNGA Finance PLC

FINANCIAL STATEMENTS AND AUDITORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024



I. REPORT ON ACCOUNTS

1.1. GENERAL PRESENTATION OF THE INSTITUTION

1.1.1 INSTITUTION AND ADDRESS

Name of the Institution: **INKUNGA FINANCE Plc**

Legal status: Plc

License date: RDB registration dated 8th July 2016.

LOCATION OF THE MAIN OFFICE

Province : WESTERN

District : KARONGI

P.O.BOX : 35 KIBUYE - RWANDA

Branches : Karongi, Rutsiro, Nyamasheke, Rubavu and Rusizi in Western province, one branch in Nyabugogo, Nyarugenge District, City of Kigali.

E-mail : **info@inkungafinance.com**

Phone: (+250) : **788 389 968**

1.1.2. BOARD OF DIRECTORS

As of 31st December 2024, INKUNGA FINANCE Plc was governed by the Board Committee composed of following members:

Names	Position in BoD	Date of 1st appointment	Date of 2nd appointment
NSANZINEZA Ernest	Member	13/06/2017	28/04/2023
NKUKWISHAKA Elyse	Secretary	14/03/2019	28/04/2023
FRANS BAKX Willem Mathias Marie	Member	17/03/2019	28/04/2023
UWIMANA Marie Josee	Member	17/03/2019	28/04/2023
UKWISHAKA Fidele	V/ Chairperson	28/04/2023	
NIYIKIZA Gaston	Chairperson	28/04/2023	
KAYITESI Marie Claudine	Member	22/03/3024	
MANIRAKIZA Claude	Member	22/03/2024	
NTAKIRUTIMANA Francois Xavier	Member	22/03/3024	
KAGABO Eldad	Member	22/03/3024	

The BOARD committees in place are:



INKUNGA FINANCE Plc**Audited Financial Statements of INKUNGA FINANCE Plc for the period ended 31st December 2024****a. CREDIT COMMITTEE****NAME**

NKUKWISHAKA Elyse
NTAKIRUTIMANA Francois Xavier
KAYITESI Marie Claudine

POSITION

Chair
Secretary
Member

b. AUDIT COMMITTEE**NAME**

KAGABO Eldad
UWIMANA Marie Josee
NSANZINEZA Ernest

Function

Chairperson
Secretary
Member

c. RISK MANAGEMENT COMMITTEE**NAME**

UKWISHAKA Fidele
MANIRAKIZA Claude
FRANK BAXX

Function

Chair
Secretary
member

1.1.3. MANAGEMENT COMMITTEE

NAME	Location	Position	Appointment date
MUHAWENIMANA Abed Cherif	HQ	Managing Director	18/01/2024
NGIRABAKUNZI Vincent	HQ	Director of Operations	01/03/2013
VUGAYABAGABO Donat	HQ	Director of Administration and Finance	01/10/2011
DUSABIMANA Evode	RUTSIRO	Branch Manager	01/10/2011
NIYIBIGIRA Emmanuel	BWISHYURA	Branch Manager	01/06/2012
NDAGIIMANA Tharcisse	MAHOKO	Branch Manager	01/03/2016
MUKAWERA Chantal Saidath	Rubengera	Branch Manager	01/10/2011
NSHIMYIMANA Jean Paul	Nyabugogo	Branch Manager	01/03/2016
HATEGEKIMANA Theoneste	NYAMASHEKE	Branch Manager	01/08/2016
INGABIRE Theoneste	RUSIZI Branch	Branch Manager	01/03/2016

1.1.4. BANKERS

BANK OF KIGALI/BK
GT BANK
BANQUE POPULAIRE DU RWANDA
COGEBANQUE
ECOBANK



NR

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1.1.5.EXTERNALAUDITOR

RSK Associate

Certified Public Accountants

KIGALI

P.O.Box:6556 Kigali



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1.2. REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED ON 31st December 2024.

The Board of Directors have the pleasure to submit the report with the audited financial statements for the financial year ended on 31st December 2024.

1.2.1 INTRODUCTION

INKUNGA FINANCE Plc is a Deposit Taking Microfinance Company located in KIBIRIZI Cell, RUBENGERA Sector, KARONGI District, and Western Province. It was registered with RDB on 8th July 2016 and is known as Public Limited Company (Plc).

1.2.2 FINANCIAL STATEMENTS

The financial statements are presented on pages 8 to 11 of this report.

1.2.3 DIVIDENDS

INKUNGA FINANCE Plc distributed dividend to its shareholders only once since its creation.

1.2.4 DIRECTORS

A list of Directors who served during the financial year 2024 is presented on page 3 above

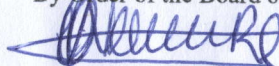
1.2.5 EXTERNAL AUDITORS

RKS Associate was appointed as External Auditor in 2024 for a three years' term. He is BNR licensed external auditor for MFIs.

1.2.6 APPROVAL OF THE FINANCIAL STATEMENTS

The audited financial statements were approved during the General Assembly meeting held on 21st March 2025

By Order of the Board of Directors



NIYIKIZA Gaston
Chairman of BoD



Date: 21/3/2025



1.3. INDEPENDENT AUDITOR'S REPORT

To the Shareholders of INKUNGA FINANCE Plc

Opinion;

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of INKUNGA FINANCE Plc as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with (GAAP).

We have audited the financial statements of the INKUNGA FINANCE Plc, which comprise the statement of financial position as at December 31, 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 in this report. We are independent of INKUNGA FINANCE Plc within the meaning of the code of ethics for professional Accountants as prescribed by the International Ethics Standards Board for Accountants (IESBA code) and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going Concern

The financial statements of INKUNGA FINANCE Plc have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the COMPANY or to cease operations, or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the INKUNGA FINANCE Plc's financial statements is appropriate.

Management has not identified a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit of the financial statements, we also have not identified such a material uncertainty. However, neither management nor the auditor can guarantee the COMPANY's ability to continue as a going concern.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with GAAP, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors are responsible for overseeing INKUNGA FINANCE Plc's financial reporting process.



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Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit 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 skepticism 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 entity's internal control system.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 are required to 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.

We are also required to provide Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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Report on Other Legal and Regulatory Requirements

The Companies Act of Rwanda which was promulgated on 27 April 2009 requires that in carrying out our audit, we consider and report to you the following matters. We confirm that:

- i. We have no relationship, interests and debts in INKUNGA FINANCE Plc,
- ii. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- iii. In our opinion, proper books of account have been kept by INKUNGA FINANCE Plc , so far as appears from our examination of those books;
- iv. We have communicated to you through the management letter, internal control weaknesses identified in the course of our audit including our recommendations with regard to those matters.

Signed on Behalf of RSK ASSOCIATES LTD by

Kigali, on March 31 / 2 / 2025



RSK ASSOCIATES LTD

B.P. 6556 - Kigali

Kigali, Rwanda

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INKUNGA FINANCE Plc**Audited Financial Statements of INKUNGA FINANCE Plc for the period ended 31st December 2024****1.4. FINANCIAL STATEMENTS****a. STATEMENT OF COMPREHENSIVE INCOME FOR THE ENDED ON 31 DECEMBER 2024**

	Notes	31-DEC-2024	31-DEC-2023
		Frw	Frw

a. STATEMENT OF COMPREHENSIVE INCOME FOR THE ENDED-ON 31 DECEMBER 2024

	Notes	31-DEC-2024	31-DEC-2023
		Frw	Frw
Interest Income	2	1,470,455,559	1,134,952,544
Interest expense	3	(328,558,263)	(283,157,163)
NET INTEREST INCOME		1,141,897,296	851,795,381
Provision for loan losses (PPL)	4	(1,346,211,412)	(505,254,296)
Provision on loans written off	4	(28,155,905)	(9,428,656)
Recovery on loans	5	1,210,928,761	468,921,191
Other operating revenue	6	220,134	13,102,003
Operating expenses	7	(1,002,748,320)	(848,943,611)
OPERATING INCOME		(24,069,446)	-29,807,988
Operating profit		(24,069,446)	-29,807,988
Net Non-Operating Income/Expense		9,353,268	8,051,158
Non operating income	8	10,217,968	10,300,531
Non operating expenses	9	(864,700)	(2,249,373)
Net Income (Before Taxes & Donations)		(14,716,178)	-21,756,830
TAXATION CHARGE	10	(3,037,231)	0
Net Income (After Taxes & Before Donations)		(17,753,409)	(21,756,830)
Donation (financing operating expenses)	11	127,544,385	20,136,385
NET PROFIT AFTER TAX AND DONATION		109,790,976	(1,620,445)

The financial statements on pages 10 to 13 were approved by the General Assembly on 21st March 2025 and were signed on its behalf by:

Kigali, on 21/ 03/2025

NIYIKIZA Gaston
Chairman of BoD



MUHAWENIMANA Abed Cherif
Managing Director

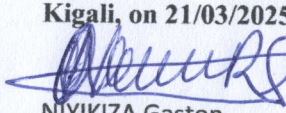


INKUNGA FINANCE Plc**Audited Financial Statements of INKUNGA FINANCE Plc for the period ended 31st December 2024****d. STATEMENT OF THE FINANCIAL POSITION**

ASSETS	Notes	31-Dec-24	31-Dec-23
		Frw	Frw
Cash in Vaults, banks and Other Financial Institutions	12.1 &12.2	1,090,094,957	997,051,432
Loans and advances to customers	13.1	6,889,154,752	5,684,749,926
Provision for loan losses	13.2	-217,560,881	-62,703,479
Financial instruments	14	15,002,600	15,002,600
Receivables and Other Assets	15	81,933,446	73,017,427
Net Property and equipment	16	147,424,441	161,466,182
Intangible Assets	17	6,113,332	2,169,978
Total Assets		8,012,162,647	6,870,754,066
LIABILITIES			
Borrowings	18	1,269,877,880	1,578,404,358
Customer deposits	19	5,443,025,066	4,113,507,889
Other liabilities	20	129,790,926	268,895,560
Total liabilities		6,842,693,872	5,960,807,807
EQUITY			
Share capital	21	967,623,000	813,293,000
Subsides	22	61,276,876	56,865,438
Legal reserves	23	0	0
Retained earnings	24	30,777,923	41,408,266
Profit/loss for the year		109,790,976	-1,620,445
Total equity		1,169,468,775	909,946,259
Total Liabilities and equity		8,012,162,647	6,870,754,066

The financial statements on pages 10 to 13 were approved by the General Assembly on 21st March 2025 and were signed on its behalf by:

Kigali, on 21/03/2025


NIYIKIZA Gaston
 Chairman of BoD




MUHAWENIMANA Abed Cherif
 Managing Director

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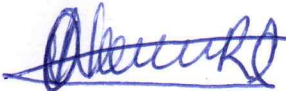
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c. STATEMENT OF CHANGE IN EQUITY

Description	Share capital Frw	Retained earnings Frw	Subsides Frw	Total Frw
At 1st January 2023	813,293,000	60,135,160	57,889,570	931,317,730
Issue of shares	0			0
Prior year adjustment		-18,726,894		-18,726,894
amortization of subsides			-1,024,132	-1,024,132
Comprehensive income for the year		-1,620,445		-1,620,445
At 31 DECEMBER 2023	813,293,000	39,787,821	56,865,438	909,946,259
At 31 DECEMBER 2024	813,293,000	39,787,821	56,865,438	909,946,259
At 01 January 2024	813,293,000	39,787,821	56,865,438	909,946,259
Issue of shares	154,330,000			154,330,000
Prior year adjustment		-9,009,898		-9,009,898
New subsides			5,929,712	5,929,712
Amortizations of subsides			-1,518,274	-1,518,274
Comprehensive income for the year		109,790,976		109,790,976
At 31 DECEMBER 2024	967,623,000	140,568,899	61,276,876	1,169,468,775

The financial statements on pages 10 to 13 were approved by the Board of Directors on 20/03/2025 and were signed on its behalf by:

Kigali, on 20/03...../...../2025


NIYIKIZA Gaston
 Chairman of BoD




MUHAWENIMANA Abed Cherif
 Managing Director



d. STATEMENT OF CASH FLOWS FOR YEAR ENDED 31 DECEMBER 2024

	2024
	Rwf
Cash flows from operating activities	
Profit for the year after subvention/Donation	109,790,976
Adjustment for:	
Depreciation of property and equipment (+)	70,445,779
Prior year adjustment	
Operating profit before changes in operating assets and liabilities	180,236,755
Changes in operating assets and liabilities	
Decrease/(increase) in loans and advances	(1,049,547,424)
Increase/(decrease) in other assets	(8,916,019)
Decrease/(increase) in customers deposits	1,329,517,177
Increase/(decrease) in and other payables	(139,104,634)
Cash generated from operations	312,185,855
Net cash generated from operating activities	312,185,855
Cash flows from investing activities	
Purchase of property and equipment (-)	(60,347,379)
Adjustment of fixed assets & their depreciation	(13)
Proceeds from disposal of property and equipment (+)	
Net cash used in investing activities	(60,347,392)
Cash flows from financing activities	
Proceeds from issue of shares (+)	154,330,000
Proceeds from borrowings	(308,526,478)
Received new subsidies	4,411,438
Increase in legal reserves	-
Increase in other reserves	-
Adjustment of Retained earnings (-)	-9,009,898
Net cash generated from financing activities	(158,794,938)
Net increase/(decrease) in cash and cash equivalents	93,043,525
Cash and cash equivalents at the beginning of the year	997,051,432
Cash and cash equivalents at the end of the year	1,090,094,957



The financial statements on pages 10 to 13 were approved by the Board of Directors on 20/03/2025 and were signed on its behalf by:

Kigali, on/...../2025

NIYIKIZA Gaston
Chairman of BoD



MUHAWENIMANA Abed Cherif
Managing Director