



# Financial Safety Company PLC

## FINANCIAL STATEMENTS AS AT 31<sup>st</sup> December,2023

The following are the FINANCIAL SAFETY COMPANY PLC's Audited Financial Statement as at 31<sup>st</sup> December,2023 which was prepared in accordance with the International Financial Reporting Standard.

1. **STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED ON 31 DECEMBER 2023**

Description	December,2023 (Frw)	December,2022 (Frw)
<b>ASSETS</b>		
Cash in Vaults and banks	471,639,076	290,340,914
Loans and advances to customers	1,055,276,635	1,005,158,759
Provision for loan losses	-43,762,091	-14,039,434
Financial instruments	61,833,431	61,833,431
Other Assets	71,682,803	62,866,320
Net Property and equipment	10,585,383	11,106,670
Intangible Assets	4,809,620	5,494,021
<b>Total Assets</b>	<b>1,632,064,857</b>	<b>1,422,760,681</b>
<b>LIABILITIES</b>		
Customer deposits	849,924,680	632,656,948
Borrowings	-	-
Other liabilities	27,978,018	57,533,227
<b>Total liabilities</b>	<b>877,902,698</b>	<b>690,190,175</b>
<b>EQUITY</b>		
Share capital	429,263,649	427,248,649
Other reserves	2,269,218	947,984
Retained earnings	270,189,003	213,762,320
Profit/loss for the year	52,440,289	90,611,553
<b>Total equity</b>	<b>754,162,159</b>	<b>732,570,506</b>
<b>Total Liabilities and equity</b>	<b>1,632,064,857</b>	<b>1,422,760,681</b>

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## 2. STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED ON 31 DECEMBER 2023

Description	December,2023 (Frw)	December,2022 (Frw)
Interest Income	323,023,534	312,066,716
Interest expense	-23,721,817	-23,971,199
<b>NET INTEREST INCOME</b>	<b>299,301,717</b>	<b>288,095,517</b>
Provision for loan losses (PPL)	-95,485,732	-71,558,940
Provision on loans written off	-7,718,215	-8,704,657
Recovery on loans	79,133,174	94,933,827
Other operating revenue	-	-
Operating expenses	-200,442,924	-173,097,593
<b>OPERATING INCOME</b>	<b>74,788,020</b>	<b>129,668,154</b>
Operating profit	74,788,020	129,668,154
Grant Income	-	-
Non-operating income	407,440	541,617
Non-operating expenses	-	-764,695
<b>PROFIT BEFORE TAXATION</b>	<b>75,195,460</b>	<b>129,445,076</b>
TAXATION CHARGE	-22,755,171	-38,833,523
<b>PROFIT AFTER TAXATION</b>	<b>52,440,289</b>	<b>90,611,553</b>

## 3. STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED ON 31 DECEMBER 2023

Description	Share Capital (Frw)	Retained earnings (Frw)	Other reserves (Frw)	Total (Frw)
<b>At 01 January 2022</b>	<b>425,932,149</b>	<b>172,789,326</b>	<b>413,226</b>	<b>599,134,701</b>
Issue of shares	1,316,500			1316500
Affectation of the profit of the last year		81,482,015		81,482,015
Paid dividends (40% of Profit)		-32,360,817		-32,360,817
Bonus to Board members (10% of Profit)		-8,148,204		-8,148,204
Changes in Other reserves			534,758	534,758
Comprehensive income for the year		90,611,553		90,611,553
<b>At 31 DECEMBER 2022</b>	<b>427,248,649</b>	<b>304,373,873</b>	<b>947,984</b>	<b>732,570,506</b>
<b>At 1st January 2023</b>	<b>427,248,649</b>	<b>304,373,873</b>	<b>947,984</b>	<b>732,570,506</b>
Issue of shares	2,015,000			2,015,000
Affectation of the profit of the last year				0
Paid dividendes (40% of Profit)		-29,916,240		-29,916,240
Bonus to Board members (10% of Profit)				0
Adjustment loan provision 2022/IFRS9		-4,268,630		-4,268,630
Changes in Other reserves			1,321,234	1,321,234
Comprehensive income for the year		52,440,289		52,440,289
<b>At 31 DECEMBER 2023</b>	<b>429,263,649</b>	<b>322,629,292</b>	<b>2,269,218</b>	<b>754,162,159</b>

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## 4. STATEMENT OF CASH FLOW FOR THE YEAR ENDED ON 31 DECEMBER 2023

Description	December,2023 (Frw)	December,2022 (Frw)
<b>Cash flows from operating activities</b>		
Profit for the year before income tax	75,195,460	129,445,076
<b>Adjustment for:</b>		
Depreciation of property and equipment(+)	30,474,415	10,679,852
Prior year adjustment	-315,596	134,758
<b>Operating profit before changes in operating assets and liabilities</b>	<b>105,354,279</b>	<b>140,259,686</b>
<b>Changes in operating assets and liabilities</b>	<b>105,354,279</b>	<b>140,259,686</b>
Decrease/(increase) in loans and advances	20,395,219	97,913,902
Increase/(decrease) in other assets	8,816,483	-4,856,780
Decrease/(increase) in customers deposits	217,267,732	-9,674,329
Increase/(decrease) in and other payables	-29,555,209	19,910,873
<b>Cash generated from operations</b>	<b>263,855,100</b>	<b>57,439,108</b>
Income tax paid (-)	-22,755,171	-38,833,523
<b>Net cash generated from operating activities</b>	<b>241,099,929</b>	<b>18,605,585</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment(-)	28,953,131	5,080,000
Proceeds from disposal of property and equipment(+)		-
<b>Net cash used in investing activities</b>	<b>28,953,131</b>	<b>5,080,000</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares(+)	2,015,000	1,316,500
Increase in subsidies	1,321,234	-
Proceeds from long and short term borrowings(+)	-	-
Adjustment of Retained earnings (-)	-34,184,870	-40,509,021
Repayment of borrowings		-
<b>Net cash generated from financing activities</b>	<b>-30,848,636</b>	<b>-39,192,521</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b><u>181,298,162</u></b>	<b><u>-25,666,936</u></b>
Cash and cash equivalents at the beginning of the year	290,340,914	316,007,850
<b>Cash and cash equivalents at the end of the year</b>	<b><u>471,639,076</u></b>	<b><u>290,340,914</u></b>

### **NOTES FOR THE CHANGES IN FINANCIAL POSITION**

Based on the law and regulation governing the Deposit and Taking Microfinance institutions in Rwanda FINANCIAL SAFETY COMPANY PLC had to comply with International Financial Reporting Standard (IFRS9) in computation of the provision impairment from the accounting period of 2022. During the review of the financial statement for the period ended at 31 December 2023, the institutions Net Profit was reduced from **70,843,775 Frw** to **52,440,289 Frw** due to the provision using IFRS 9

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## OTHER QUANTITATIVE DISCLOSURES

Item	Amount (Frw)/Ratio/Number
<b>I. CAPITAL STRENGTH</b>	
1. Core capital (Tier 1)	754,162,159
2. Supplementary Capital (Tier 2)	0
3. Total Capital	754,162,159
4. Total Risk Weighted Assets	
5. Core Capital/Total risk weighed assets ratio( Tier 1 ratio)	69
6. Total Capital /Total risk weighted assets ratio	69
7. Total Equity to Total assets	53
<b>II. CREDIT RISK</b>	
1. Sector distribution of exposures, broken down by major types of credit exposures and aggregated in the following areas:	
	157,177,441
a) Agriculture, Forestry and Fishing	296,826,074
b) Wholesale and Retail Trade (Commerce)	324,236,854
c) Construction	149,526,372
e) Accommodation and Food Service Activities	0
f) Manufacturing	0
g) Financial and Insurance Activities	0
h) Others	188,402,498
2. Off-balance sheet items	60,367,496
3. Non performing loans indicators	
a) Non Performing Loans ( NPL)	42,749,464
b) NPL ratio	3.80%
4. Related parties	
a) Loans to Directors, shareholders and subsidiaries	294,763,369
b) Loan to employees	41,542,079
<b>III. LIQUIDITY RISK</b>	
Liquidity ratio	44%
<b>IV. OPERATIONAL RISK</b>	
Number and types of fraud and their corresponding amount	Type/Number/Amount
	0
<b>V. MANAGEMENT AND BOARD OF DIRECTORS</b>	
1. Number of Board members	9
2. Number of Independent Directors	2
3. Number of non-Independent Directors	7
4. Number of Female Directors	1
5. Number of Male Directors	8
6. Number of Senior Managers	5
7. Number of Females senior Managers	0
8. Number of Males senior managers	5

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