

**bpr**

**BANK**



**FORWARD**

---

**ANNUAL  
REPORT**

---

**'25**

# About Us

Founded in **1975**, **BPR Bank Rwanda Plc**, a member of KCB Group Plc, is Rwanda's third-largest bank with assets worth **RWF 1.4 trillion**. Regulated by the National Bank of Rwanda, we serve customers across the country through a network of 73 branches, over **59 ATMs**, and **2,242 agents** and **1,187 merchants**, bringing banking services closer to people and businesses nationwide.

We offer a wide range of financial solutions for individuals and businesses, including retail, SME, corporate, mortgage, custody, diaspora, and agent banking services through BPR Hafi. Our digital banking solutions also support transfers, payments, mobile credit, and international money transfers through partners such as **Western Union, MoneyGram, Ria and Papss**.

Guided by our purpose, "**For People, For Better**," and driven by our values of being Closer, Connected, and Courageous, we remain committed to simplifying our customers' lives as we Transform Today Together.

Beyond banking, we are dedicated to creating a positive social impact. Through the BPR Foundation, we support initiatives in education, healthcare, youth entrepreneurship, environmental sustainability, and community welfare across Rwanda. Our flagship IGIRE youth empowerment program has upskilled over 800 young people and provided seed capital to more than 40 businesses to date. As we continue to grow, we remain committed to empowering progress, driving financial inclusion, and building a better future for our customers and Rwanda as a whole.

## For People . For Better

### About our Cover

#### Honoring Heritage, Embracing the Future

As BPR Bank Rwanda Plc marked 50 years of impact, this cover celebrates a legacy shaped alongside Rwanda's journey of growth, resilience, and transformation. Inspired by iconic Rwandan cultural artifacts, it blends heritage with progress, reflecting the values, trust, and strong foundations that have defined the bank over the decades. Just as these cultural elements are crafted with care and purpose, this report highlights the bank's commitment to empowering Rwandans, honoring where we come from while embracing future possibilities together.

# 2025

# Inside this Report

About Us	2	Managing Director's Statement	28
Inside this Report	3	Operating Environment	30
About this Report	4	Board of Directors' Profiles	34
Where we Operate	7	Executive Committee	38
Our Purpose & Values	8	Empowering our people	40
Our Business Structure	8	Supporting our Communities	42
Our Business Segments	9	Risk management	44
Key Highlights	12	Environment Report	53
2025 Recap	14	Complaint Resolution	68
Milestones in Digital Banking & Best		Financials	70
Performing product	16		
Our Capitals	19		
Our business Model	20		
Value for Stakeholders	22		
Chairman's Statement	26		

# About This Report



## Scope and Purpose

The BPR Bank Rwanda Plc Integrated Report and Financial Statements represent the Bank's primary reporting disclosure on its activities and performance for the year ended 31 December 2025.

The purpose of this report is to provide stakeholders with an integrated and comprehensive view of how the Bank creates value. It presents a balanced assessment of how BPR Bank Rwanda Plc leverages the six capitals at its disposal to execute its strategy, drive sustainable growth, and preserve value while minimising potential value erosion over the short, medium, and long term. For the purpose of this report, the short term is defined as less than one year, the medium term as between one and three years, and the long term as beyond three years.

This report covers the period from 1 January 2025 to 31 December 2025.



## Our Reporting Frameworks

This report has been prepared in accordance with international best practices, applicable reporting frameworks, and prudent accounting standards. It complies with the requirements of the Companies Act of Rwanda, regulations and guidelines, where applicable, and the prudential guidelines of the National Bank of Rwanda (BNR).

The report is guided by the principles of the International Integrated Reporting Council in the presentation of both financial and non-financial information, ensuring a holistic view of the Bank's performance, strategy, and value creation.

The financial statements of BPR Bank Rwanda Plc have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and interpretations issued by the IFRS Interpretations Committee (IFRS IC). They are prepared on a historical cost basis, except where otherwise stated.

The Bank remains committed to continuously enhancing its reporting practices by incorporating evolving frameworks, standards, and performance metrics. This ensures greater transparency and responsiveness to the diverse information needs of its stakeholders.

For any feedback or additional information regarding this report, stakeholders are encouraged to contact the Bank through its official communication channels.



## Process and Assurance

The Integrated Report and financial statements of BPR Bank Rwanda Plc are the result of a Bank-wide process involving contributions from various teams across all business units. This process is conducted under the oversight of the Board of Directors and the Executive Management.

The Board of Directors is responsible for ensuring the integrity and reliability of this report through the Bank's integrated reporting framework. A structured series of internal reviews and validation processes supports the accuracy and completeness of the disclosures contained herein.

The Board Risk and Audit Committee provides assurance to the Board regarding the effectiveness of internal controls, risk management, compliance, and governance processes. In addition, the Bank's internal audit function independently evaluates the adequacy and effectiveness of financial, operational, and risk management controls, reporting directly to the Board through the Committee.

The accompanying financial statements of BPR Bank Rwanda Plc have been audited by an independent external auditor, who has issued an unqualified opinion. The Independent Auditor's Report to the shareholders is presented on pages 77 to 82 of this report.



## Our Audience

This report is primarily addressed to our providers of capital, namely equity and debt investors. We have also included information relevant to our other stakeholders including employees, customers, regulators, and the wider community.



Investors



Employees



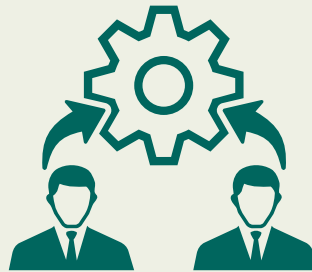
Customers



Government and Regulators



Society



## Our approach to Integrated Thinking

our integrated thinking approach to decision-making, management, and reporting enables the alignment of our purpose and values with our strategic objectives, guiding our overall value creation process.

In preparing this report, the Bank applied the principle of double materiality to determine the matters disclosed. Material matters are defined as those with the potential to significantly influence value creation, preservation, or erosion over the short, medium, and long term.

The identification of material matters was conducted through a Bank-wide process, incorporating input from across all business units and functions. This process enabled the Bank to identify key issues that may impact its ability to create and sustain value for stakeholders. These matters were subsequently prioritised based on their significance to the Bank's operations, aligned with the Bank's strategic objectives, and are subject to ongoing review to ensure continued relevance.

Disclosures on the Bank's key risk priorities and the management of principal risks are provided on pages 44 to 52 of this report.



## Forward-looking Statement

This report contains certain forward-looking statements relating to the financial position, performance, strategy, operations, and businesses of BPR Bank Rwanda Plc.

These statements involve inherent risks and uncertainties, as they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are based on current assumptions, expectations, and projections, which may prove to be inaccurate.

A number of factors, many of which are beyond the Bank's control, could cause actual results or outcomes to differ materially from those expressed or implied in these statements. As such, forward-looking statements should not be regarded as guarantees of future financial or operational performance.



## Our Reporting Suite

This report is complemented by a range of periodic publications and online disclosures designed to meet the diverse information needs of our stakeholders. These include:

### Financial Disclosures

- Periodic financial statements and regulatory disclosures.
- These disclosures provide regular updates on the Bank's financial performance and operational activities and are made available through official communication channels and the Bank's website.

### Shareholder Information

- Notice of the BPR Annual General Meeting (AGM) and proxy forms: These provide key information to enable shareholder participation in the Bank's AGM which will be held on the 16<sup>th</sup> May 2026.
- Outcomes of the AGM: Voting results and responses to shareholder questions are published following the conclusion of the meeting.
- Shareholding structure: Periodic disclosures provide an overview of the Bank's ownership structure and are made available through official channels.



## Approval By The Board

The Board of Directors of BPR Bank Rwanda Plc acknowledges its responsibility for ensuring the integrity and reliability of this report, as well as for upholding and embedding sound corporate governance practices across the Bank.

The Board is satisfied that this report adequately addresses the matters that are material to the Bank's ability to create and preserve value, while mitigating risks of value erosion over the short, medium, and long term. The Board further believes that this report provides a balanced and concise overview of the Bank's business model, operating environment, strategy, governance structures, risk management approach, and financial and non-financial performance for the year ended 31 December 2025.

The annual financial statements on which this report is based were approved by the Board of Directors of BPR Bank Rwanda Plc on 20 February 2026 and signed on its behalf by:

**George Rubagumya**  
Chairman

**Patience Mutesi**  
Managing Director

# Where We Operate

With the largest footprint in Rwanda, BPR Bank Rwanda Plc continues to open doors of opportunity for thousands of customers through its extensive branch network and digital channels. The Bank remains among the top-tier financial institutions in the country, with a strong presence across key segments and a commitment to driving inclusive growth and economic development.

## Our Footprint

**500K+**  
Customers



**933**  
Employees



**59**  
ATMs



**73**  
Branches



**3,700**  
Agents &  
Merchants



BPR Bank is one of Rwanda's leading financial institutions, with a strong and well-established presence across the country. Through its extensive branch network and growing digital platforms, the Bank delivers innovative and accessible financial solutions that enhance convenience, support sustainable development, and bring its purpose to life empowering customers and communities to thrive.

With a deep understanding of the local market, the Bank plays a meaningful role in Rwanda's financial sector by supporting individuals, small and medium-sized enterprises, corporates, and public institutions. Its diversified product offering and customer-centric approach enable it to meet the evolving needs of its stakeholders while contributing to national economic growth.

Serving millions of customers and supported by a dedicated workforce, the bank continues to be a catalyst for inclusive development. The Bank facilitates economic advancement by expanding access to finance, promoting entrepreneurship, and strengthening connections across communities, thereby opening doors of opportunity and driving long-term value creation in Rwanda.

# Our Purpose and Values

## For People. For Better.

### Our Values



#### Closer

To be closer is to get to know the people you work with and the customers you serve beyond being just a colleague or a customer. It's about valuing the human being.



#### Courageous

To be courageous is to challenge the way things are done today in a constructive way. It's about finding ways to do things differently and sharing ideas to make things better.



#### Connected

To be connected is to realize we are all part of one team, with one purpose. It's about breaking down silos and gaining inspiration about best-practice from other sectors.





**FORWARD**

**Made for  
Rwandans,  
always within  
reach.**

We work towards sustainably harnessing our capital to deliver superior returns for our shareholders and create shared value for our customers, employees, partners, and communities. Our BANK has several characteristics that set it apart, including:

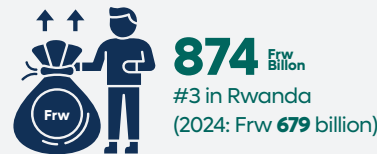
## Strong balance sheet

*Our strong balance sheet enables us to support millions of customers in the region and catalyze economic growth.*

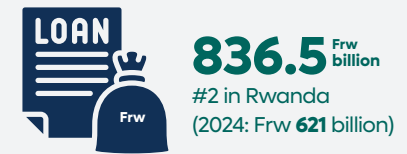
### Total assets



### Customer deposits



### Net loans and advances



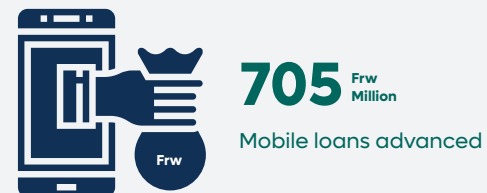
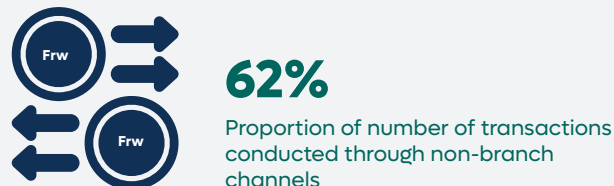
## Dominant and diversified business

*Our wide regional footprint enables us to facilitate seamless service, intra-regional trade, and investment flows for our stakeholders.*



## Leader in digital financial solutions

*Our innovative digital financial solutions and robust platforms facilitate the provision of exceptional service to customers with unmatched convenience while driving financial inclusion.*



## Superior shareholder returns

Track record in delivering superior returns to our shareholders and consistent dividend payout history supported by sustainable high profitability.



**21.09%**  
Return on equity  
(2024: 16.9%)



**58.2<sup>Frw</sup>** billion  
Profit before tax  
(2024: Frw. 43.08 Billion)

## Leader in sustainability and governance

We have embedded ESG practices in our strategy.



**We are committed to become Net Zero by 2050**



Industry leader in sustainable finance.  
Committed to increase the proportion of green loans in our loan book to **30% by 2025. (2024: 20.3%)**

## Leader in sustainability and governance

A diverse team of engaged and experienced employees working to deliver on our strategy. The Bank offers superior employee value proposition to attract and retain exceptional talent.



**933**  
Staff (2024: 1,004)



**47%**  
Proportion of female employees (2024: 48%)

## Strong brand and customer experience

**88**

**Net promoter score (2024: 35)**  
Renewed focus on customer obsession powered by our new brand purpose,  
**For People, For Better**

# Key Highlights

BPR achieved strong revenue growth in 2025 on the back of deepening of digital channels, innovative customer value propositions, new business lines and diligent execution of our strategy, sustaining our track record of consistent growth.

## Record profitability with net profit of Rwf 40.9 billion in 2025

Total Revenue (Rwf billion)		Net Profit (Rwf billion)	
2025	113.8	2025	40.9
2024	96.5	2024	29.7
2023	80.2	2023	25.9

## Solid balance sheet metrics

Net loans (Rwf billion)		Customer Deposits (Rwf billion)		Total Assets (Rwf billion)	
2025	836.5	2025	874.0	2025	1,405.2
2024	620.6	2024	574.4	2024	971.9
2023	572.7	2023	508.0	2023	852.0

## Leader in sustainability

Value of Green Loans Disbursed (Rwf billion)		Loans Screened Under ESDD (Rwf billion)	
2025	8.7	2025	234
2024	147	2024	51.5
2023	4.6	2023	74

Strong focus on customer obsession powered by our brand purpose.

## Strong brand and customer experience

Net Promoter Score		Customer Deposits (% Growth)	
2025	88	2025	52%
2024	35	2024	13%
2023	46	2023	15%



**Founded by  
families, building  
legacies.**

# 2025 Recap



## Through sustained innovation and transformative partnerships, we continued to deliver compelling value propositions and deepen customer obsession across every touchpoint

Founded over 50 years ago by the community to meet the financial needs of Rwandans, BPR Bank Rwanda Plc has evolved into a dynamic and resilient financial institution. The year 2025 represents a significant milestone, coming three years after the successful merger between Banque Populaire du Rwanda and KCB Rwanda Plc. The Bank continues to demonstrate the strength of this integration through improved financial performance and operational efficiency. As we look ahead to an exciting 2026, we reflect with pride on some of the key milestones we achieved together in 2025.

### January - February

BPR Bank kicked off its 50th anniversary with the unveiling of a commemorative logo and the launch of a platinum branch at its Kigali headquarters. The celebrations reinforced BPR's heritage, customer centricity, and future-focused strategy.

We launched the BPR Platinum Center at our Head Office, delivering a premium banking experience designed around privacy, convenience, and luxury.

In the same spirit, we revamped our MTN Center and Rusatira branches to reflect the new branch look and feel, setting the standard for our modernized customer experience. This refreshed design will be progressively rolled out across all BPR Bank branches.

BPR Bank Rwanda launched mobi loan, enabling customers to access instant loans through mobile phones, making credit more convenient and accessible for thousands of Rwandans.

Total disbursement stood at 705 Million RWF to a unique borrowing base of 49,170 customers in 2025.

### March

### April

BPR Bank Rwanda accelerated its digital transformation by scaling mobile lending and expanding alternative service channels. The launch of Mobiloan enabled personal banking customers to access up to RWF 1 million instantly via the Mobile Banking App and USSD \*150#, improving speed, convenience, and credit access.

At the same time, the expansion of the agency banking and merchant network significantly increased the Bank's nationwide reach, reduced reliance on branches, and supported greater adoption of digital and cash-lite transactions, reinforcing financial inclusion and operational efficiency.

BPR Bank Rwanda launched 'Ikamba', a comprehensive financial and business support solution tailored to the needs of women-led and women-owned Small and Medium Enterprises (WSMEs).

BPR Bank Rwanda reported a strong financial performance for the year ended 31 December 2024, recording a net profit of approximately Rwf29 billion. The Board proposed a cash dividend of Rwf4 billion, representing about 13.7% of profit, reflecting sustained profitability and the Bank's commitment to delivering value to shareholders.

### May

### June

BPR Bank Rwanda sponsored four drivers in the Rwanda Mountain Gorilla Rally, the third leg of the Africa Rally Championship.

BPR Bank Rwanda acted as Mandated Lead Arranger and Facility Agent, leading a consortium of lenders in the issuance of bonds and guarantees totaling over \$322 million to support the ongoing construction of the new Kigali International Airport in Bugesera District, Eastern Province. BPR Bank actively participated in Rwanda Convention 2025 that took place in Dalla Texas, USA, with senior leadership contributing to discussions on sustainable finance and economic transformation.

## August

We held a series of customer engagement events across all regions of the country as part of BPR Bank's strategy to expand its reach and deepen relationships with communities nationwide. These engagements took place in Kayonza, Nyagatare, Rusizi, Huye, Nyamagabe, Kigali, Rubavu, and Musanze, reflecting the Bank's strong presence across both urban and rural markets.

Through these interactions, BPR Bank strengthened trust with customers and stakeholders, reinforced its commitment to financial inclusion, and showcased its role in supporting local development and long-term community partnerships. As a result, the Bank was recognized for its sustained contribution to community empowerment and inclusive economic growth across Rwanda.

BPR Bank celebrated 50 years of service by honoring its roots and investing in community empowerment in Nkamba, Kayonza where the Bank started from. The Bank also launched its 50 Forward logo, depicting the next 50 years.

The milestone event brought together local leaders, long-standing clients, and community members, alongside the bank's leadership and board. It was a moment of reflection, gratitude, and renewed commitment to BPR's founding values.

As part of its 50-year celebrations event, BPR reaffirmed its strategic focus on digital transformation, staff development, and partnerships to expand retail and SME banking across Rwanda. We officially launched the 50 Forward logo, depicting our next 50 years.

BPR Bank actively participated in Rwanda Convention 2025 that took place in Dalla Texas, US, with senior leadership contributing to discussions on sustainable finance and economic transformation. The bank showcased its thought leadership on banking solutions that support national development goals. The participation reinforced BPR's role as a key stakeholder in Rwanda's financial ecosystem. It also enhanced brand visibility among policymakers, investors, and the Rwandan diaspora.

## July

## September

## October

BPR Bank sponsored and hosted the BPR-KCB East Africa Golf Tour, strengthening brand visibility, stakeholder engagement, and regional presence through sports sponsorship.

The BPR IGIRE Programme is driving youth empowerment and entrepreneurship, with strong results in 2025. It enrolled 100 beneficiaries, created 177 jobs, and graduated 96 participants, including women and persons with disabilities. The programme also expanded access to education through hundreds of scholarships and strengthened impact through a new strategic partnership. Overall, it reflects BPR Bank's commitment to inclusive growth, skills development, and economic opportunity.

During the November Umuganda, BPR Bank joined communities in Nyamirambo (Nyarugenge District) and Gikomero (Gasabo District) for a tree-planting initiative promoting environmental sustainability. Partnering with Rwanda Trading Company, BPR staff worked alongside local residents to support conservation efforts. 10,000 trees were planted on this day.

## December

BPR Bank was named "Bank of the Year Rwanda 2025" by The Banker Magazine for the second consecutive year, and received the Best Taxpayer Award 2025 from the Rwanda Revenue Authority (RRA).

BPR Bank Rwanda Plc finalized a financing facility for DelAgua Health Rwanda to support a major clean cooking initiative that distributed 200,000 improved cookstoves to rural households, benefiting over 800,000 people nationwide. The facility supported DelAgua's agreement with TotalEnergies Carbon Solutions for the purchase of Certified Carbon Units, with the project expected to avoid about 2.5 million tonnes of carbon emissions over the next ten years.

## November

# Milestones in Digital Banking & Best Performing product



**There has been significant deepening of digital channels, driven largely by customer demand for convenience, speed, and accessibility.**

## **In 2025, below are the key milestones in Digital Banking:**

- The launch of Mobiloan in March 2025, which allows customers to request and receive instant loans directly from their mobile phones, making credit more convenient and accessible for thousands of Rwandans. With a total disbursement of 5.3Bn RWF to a unique borrowing base of 49,170 customers and a total interest income of 421.78Mn RWF.
- Enhanced the internet and mobile banking platforms by migrating all billers to OCP, delivering a more secure, user-friendly, and efficient digital experience. Mobile Banking activity grew by 130% from 40,678 customers in 2024 to an activity of 93,681 customers generating a total revenue of 381Mn RWF and IB activity grew by 298% from 7,217 customers to 28,754 customers generating a total revenue of 664.5MN Rwf.
- Enhanced the web version for our agency banking, enabling a network of 2504 agents to serve customers faster and more seamlessly mobilizing a total deposit of 900Bn RWF.
- Through our host to host integrations, the Bank partnered with a fintech company, AMBITECH, to integrate its innovative digital wallet application, eNoti. The eNoti wallet was specifically designed to facilitate the disbursement of Value Added Tax (VAT) rewards under the Rwanda Revenue Authority (RRA) VAT Reward Program, TENGAMARA, thereby directly supporting RRA's VAT reward initiative and reinforcing our commitment to digital innovation.
- The solution was launched in November 2025, and during the first quarterly VAT reward payout, approximately RWF 871 million was disbursed to over 88,833 beneficiaries, who received their rewards directly into their eNoti wallets.
- The platform enables wallet holders to seamlessly transfer funds to commercial bank accounts, transfer to mobile money (MoMo) wallets, and make bill payments, significantly enhancing accessibility and convenience for taxpayers.
- We also strengthened our regional connectivity through our partnership with PAPSS, the Pan-African Payment and Settlement System, which facilitates quicker and more efficient cross-border payments across the continent.

## 1. 2025 marked the second year of the implementation of the Bank's three-year strategy. What were the key initiatives that your subsidiary implemented in the year in line with this strategy?

In 2025 BPR executed a focused growth and transformation strategy aimed at strengthening market relevance, deepening customer engagement, and supporting national development priorities. The Bank implemented branch categorization to improve service efficiency and rolled out the Mobi Loan product powered by a scoring engine to enhance retail credit access and turnaround time. It also deployed targeted Customer Value Propositions (CVPs) aligned to key corporate banking anchors, while revising its risk acceptance criteria to better participate in customers' value chains.

As a strategic partner to the Government of Rwanda, BPR supported priority national projects through financing and trade finance, notably the Bugesera International Airport development and methane gas extraction projects through GASMETH. The Bank further advanced its digital agenda by expanding its agents' network to increase financial inclusion and digital penetration, and by implementing host to host integrations with key partners to enable seamless, scalable transaction processing.

## 2. The operating environment remains volatile across the region with high interest rates, rising inflation, unstable currencies, and geopolitical risks. How did these macroeconomic indicators impact your business and how did you respond to them?

Currency volatility affected cross-border trade flows and increased foreign exchange risk for clients engaged in regional commerce. In particular, cross-border business slowed during the first half of the year as trade activity with the eastern Democratic Republic of Congo was disrupted by the ongoing security crisis, impacting transaction volumes, trade finance, and foreign currency flows.

In response, the Bank adopted a prudent and adaptive approach. Credit underwriting standards and risk acceptance criteria were reviewed to reflect the higher-risk environment, while greater focus was placed on value-chain financing and customers with resilient cash flows. The Bank strengthened monitoring of foreign currency exposures, and intensified engagement with affected clients to support continuity of operations. At the same time, BPR accelerated its digital and transactional banking initiatives, expanded alternative delivery channels, and deepened relationships with domestic corporate anchors to partially offset the slowdown in cross border activity.

This disciplined approach enabled the Bank to navigate a challenging macroeconomic landscape while preserving balance sheet resilience and positioning the business for recovery as regional conditions stabilize.

## 3. What other key take outs from 2025 would you like your stakeholders to remember? What will be the key focus areas and opportunities in 2026?

2025 marked a defining year of growth and transformation for the Bank, delivering performance that exceeded industry benchmarks in both asset growth and year on year profitability. Despite a challenging operating environment, the Bank demonstrated resilience and strategic focus, recording strong balance sheet expansion and improved earnings driven by disciplined risk management, revenue diversification, and operational efficiency.

The year was also characterized by a deliberate business revamp, anchored on innovation and customer centricity. The Bank successfully introduced IKAMBA, a product designed to respond to evolving customer needs for women led businesses, while re-launching the Mobi Loan, strengthening digital lending capabilities and expanding access to convenient, responsive financial solutions. These initiatives reinforced the Bank's commitment to relevance, agility, and inclusive growth.

In addition to strong financial and operational performance, 2025 was a milestone year as the Bank celebrated its 50th anniversary under the theme "50 Forward." This milestone was not only a reflection on five decades of trust and service, but also a forward-looking commitment to the future. Through the "50 Forward" agenda, the Bank reaffirmed its pledge to support customers with innovative products, seamless digital experiences, and consistently excellent service delivery.

Overall, 2025 stands out as a year in which the Bank strengthened its market position, modernized its offerings, and laid a solid foundation for sustainable growth firmly positioning itself to move forward with its customers into the next chapter.

In 2026, the Bank's strategic focus will center on deepening its role as a catalyst for inclusive economic growth, value creation, and sustainable development. Building on the momentum achieved in 2025, the Bank will prioritize targeted sector financing, ecosystem based banking, and digital innovation to drive asset quality, profitability, and long-term relevance.

To facilitate business continuity and economic growth, the Bank will significantly scale up trade finance solutions to support importers and exporters. This includes letters of credit, guarantees, and structured trade products that improve liquidity, reduce transaction risk, and enable clients to participate more effectively in regional and global trade

Digital transformation will be a cornerstone of the 2026 agenda, with a strong focus on digitizing MSME lending. The Bank will leverage digital platforms, alternative data, and automated credit processes to deliver faster, more accessible financing to MSMEs. This initiative will enhance efficiency, reduce turnaround times, improve risk management, and expand the Bank's reach to underserved enterprises.

Through these focus areas, the Bank aims to achieve balanced growth, strengthen asset quality, deepen customer engagement, and reinforce its role as a trusted partner in national and regional economic development in 2026.



**Rooted in Rwanda,  
invested in you.**

# Our Capitals



## Financial Capital

We maintain a well-optimised capital position to support our growth goals, drive investment opportunities, and meet regulatory needs. To power our operations and implement our strategy in 2025, we leveraged a well-balanced mix of shareholders' equity, customer deposits, and borrowings.

Our investors, both equity and debt, play a big part in the makeup of our financial capital and the operationalisation of our strategy. Additionally, our retained earnings form part of the financial capital used in the execution and growth of our strategic investments.



## Manufactured Capital

Our manufactured capital consists of cutting-edge digital systems, tools, and our operational philosophy, all of which help to speed the flow of knowledge and information. These capitals are in the form of leased or totally owned systems, whose value is earned through the delivery of products and services.

Our wide distribution network, which includes the region's largest branch network as well as robust digital platforms, is a key source of our competitive advantage. We remain a leading financial institution because of our continued investment in digitisation, innovative solutions, improving ease of access to banking services, and ensuring system reliability.



## Intellectual Capital

Intellectual capital refers to our collection of brand value, intellectual property, technical know-how, and innovation in delivery of products and deployment of technology. We place a high value on intellectual capital to gain a competitive advantage. For us to remain adaptable and sustainable, our products and services must be reflective of ever-evolving industry practices.

Through constant stakeholder engagement, regulatory compliance, and a strategic communications approach, the Bank ensures that its reputation credentials stay strong. In this regard, the Bank has continued to outperform the market on key intellectual capital metrics. Every year, the Bank's research arm conducts a brand health assessment, identifying top brand drivers and stress spots, as well as specific remedial steps.



## Human Capital

Human capital is a significant component of the Bank's strategy and a key differentiator. Talent attraction, retention, motivation, and development continue to drive our transformational strategy. The most significant ingredient in generating exceptional results from all other capitals remains our people, who carry out the Bank's mission.

Our reputation and track record of strong performance contribute to the Bank's capacity to attract exceptional talent across our markets. In addition, our employee compensation and benefit plans are continually benchmarked to ensure that we remain competitive in the market.



## Social and Relationship Capital

We believe that a business should exist not just for profit, but also to transform communities around it. As such, the Bank has adopted a shared value approach in its operations — integrating social programmes into business — in collaboration with other stakeholders, which is the baseline of our social and relationship capital.

Through our social investment arm, BPR Foundation, the Bank nurtures enterprises across Rwanda to enable them to scale and enhance their social impact through innovative and sustainable business models.



## Natural Capital

We are committed to creating long-term value for shared prosperity through the alignment of our strategy with sustainable practices. As we deepen our presence across the region, we continuously seek to embed best sustainability practices as we endeavour to build a future-proof business.

We are at the forefront, in this region, leading the transition to a net-zero society and a circular economy. This shift is not only good for the environment, but also presents opportunities for the Bank to channel financing towards projects aimed at addressing climate change, while contributing to our goal to be Net Zero by 2050.

# Our Business Model

We harness our strengths and capabilities to achieve our strategic objectives and create sustainable value for all stakeholders. Our Transforming Today Together strategy drives focused growth while ensuring that we put our customers first and deliver sustainable returns for our shareholders.

## 1. Leveraging Strengths and Capabilities



## 2. to fulfil our Purpose and bring our Values to Life...



## 3. Harnessing Our Capitals

**Financial Capital**

- Total shareholders' equity: **Rwf 212 billion.**
- Total capital: **Rwf 212 billion.**
- Borrowings: **Rwf 120.9 billion.**
- Customer deposits: **Rwf 874 billion**

**Manufactured Capital**

- 73 branches.
- 2,514 Agents and 1,187 Merchants
- Robust digital banking channels.
- 99.99% core banking system uptime.

**Intellectual Capital**

- Strong customer value proposition.
- Innovative digital products.
- Prudent risk management.
- Strong brand.

**Human Capital**

- Exceptional talent and skillset.
- Strong employee value proposition.
- 933 employees.
- 47% are women.
- 37% are under 40 years of age.
- 89.2% full-time employees.

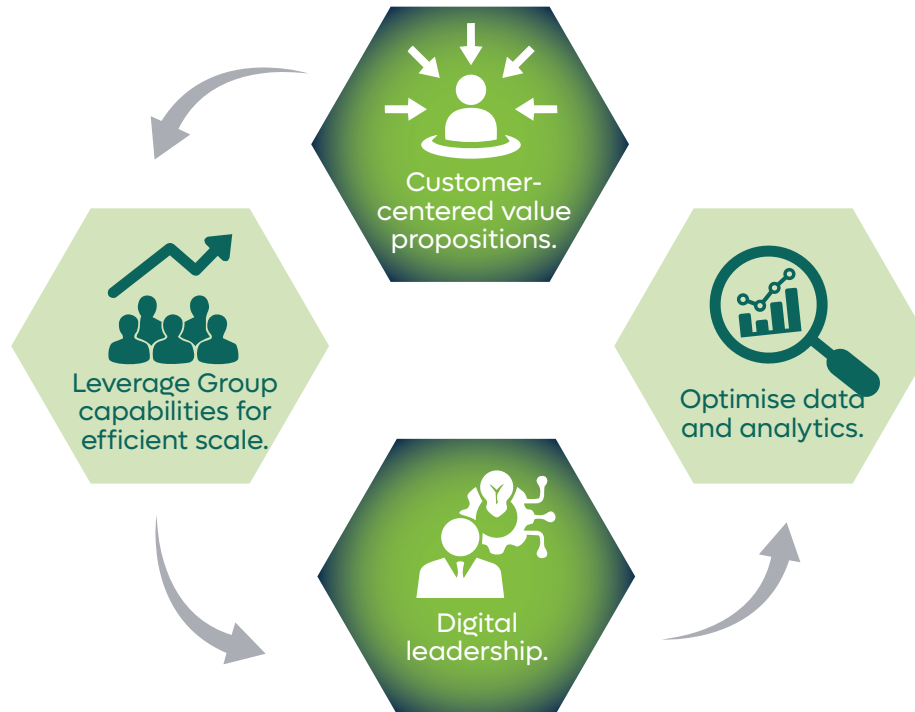
**Social Capital**

- **400,000** customers.
- Diverse pool of suppliers with focus on special interest groups of women, youth, and differently abled persons.
- Transformative partnerships.
- Impactful BPR Foundation programmes.

**Natural Capital**

- Industry leader in sustainability.
- Signatory to key alliances to champion sustainable practices.
- Alignment towards growing our green loans portfolio.

## 4. Delivering Our Strategy



## 5. Availing Market Leading Solutions



- A well-diversified business model that offers an extensive suite of tailor-made, market leading financial solutions to enable our customers to transact, save, and make payments.



- We extend secured and unsecured credit to our customers, based on their repayment ability and our risk appetite.



- We offer investment banking solutions and asset management services.

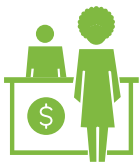


- We facilitate provision of protection against insurable risks.

# Value For Stakeholders

Engaging our stakeholders is essential to building long-term resilience and ensuring the sustainability of our Group, and it lies at the heart of how we implement our strategy. We actively consider the perspectives and needs of our diverse stakeholders, along with the long-term implications of every decision we make.

Stakeholder engagement takes place in a variety of ways and through various channels. We review stakeholder feedback and use this feedback when defining strategic objectives and making decisions. Our stakeholders include those individuals, entities, or groups who have an interest in our Company or can either affect or be affected by our operations. They include our customers, employees, investors, governments, regulators, and society.



## Customers

### Who they are

Over 400,000 customers across Rwanda. They include:

- Personal banking customers.
- Micro, small, and medium size entities.
- Medium and large corporates.
- Public sector including county governments, national government ministries, departments, and state-owned entities.
- Mortgage customers.

### How we engaged during the year

We engage and serve customers through multi-channel touchpoints. Our customers have access to 73 branches in Rwanda. Through these branches, we manage customer relationships, sell and cross sell products, onboard customers to digital touchpoints, and process customer transactions. Our non-branch channels encompass mobile banking, internet banking, agency banking outlets, and merchant points of sale. In addition, we have a 24/7 multichannel contact centre.

During the year, besides regular engagements undertaken by regional and branch managers, we also conducted a series of customer engagement events across the country. These sessions were led by our Customer Deposits grew by an exceptional 52.2% to Frw 874.0 billion, supported by value chain banking strategies and innovative digital solutions. They were primarily focused on understanding and addressing the specific needs of our clients.

### What they tell us matters to them

- Exceptional customer service.
- Accessible and reliable touchpoints.
- Affordable financial solutions.
- System stability and security on digital channels.
- Timely service and faster turnaround times.
- Credible brand.
- Responsible banking with transparent pricing.

### Key metrics that we track

- Net Promoter Score (NPS).
- Customer Effort Score (CES).
- System uptime.
- Proportion of transactions conducted through non-branch channels.
- Credit processing turnaround times.
- Brand health score.
- Product value propositions for priority customer segments.

### Value created, preserved or eroded in the year

- + BPR Net promoter score improved to **70 (2024: 55)**
- + Loans disbursed grew to **34.8%, reaching Rwf 836.5 billion**, reflecting the Bank's continued support to key sectors of the Rwandan economy.
- + Total Assets increased by 44.6%, rising from Rwf 971.9 billion in 2024 to Rwf 1.41 trillion in 2025.
- + Interest income rose by 19.5%, driven by strong growth in interest-earning assets.
- + Customer Deposits grew by an exceptional 52.2% to Frw 874.0 billion, supported by value chain banking strategies and innovative digital solutions.
- + Facilitated import of key commodities through our trade finance solutions. Trade finance book stood at **Rwf 263 billion** at the end of the year (**2024: Rwf 244 billion**)
- Customer Effort Score dropped to **14% (2024: 13%)**
- + Value created
- + Value preserved
- Value eroded

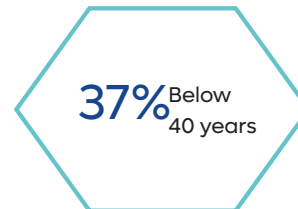
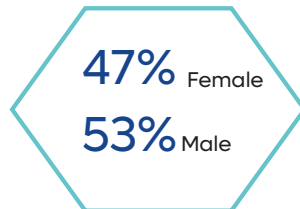


## Employees

### Who they are

The Bank has a diverse and exceptionally talented staff complement. The key highlights of our staff complement are:

### How we engaged during the year



We promote a culture of transparent and open communication across the bank. In 2025, BPR Bank held a wide range of staff engagements aimed at strengthening relationships, keeping teams informed, and ensuring every employee feels valued and connected to the bank. The year began with the Managing Director’s staff sessions and branch visits, followed by extensive retail cascade engagements across regions to align teams on the year-long strategy. Key moments included a Staff Party, Simba Awards, which celebrated and recognized staff contributions.

Throughout the year, various heads led “Adopt a Branch” engagements across the network, complemented by regular staff forums and engagements led by our Managing Director to listen, connect, and inspire. The Bank also marked important international days such as International Women’s Day, Men’s Day and Father’s Day, alongside wellness, learning, leadership, and culture-focused forums, reinforcing BPR’s commitment to an inclusive, supportive and high-performing workplace. The Human Resource Division is responsible for the overall employee experience and feedback gathering.

### What they tell us matters to them

- Competitive employee value proposition.
- Safe and ethical workplace.
- Career progression and training opportunities.
- Job security and strong leadership.

### Key metrics that we track

- Rwf Culture Survey Score
- Talent retention rate.
- Learning and development outcomes.
- Career progression and talent cover
- Skill development programmes outcomes.

### Value created, preserved or eroded in the year

- Trained over 300 inaugural cohort of leaders across the Bank under the KCB Leadership Academy.
- Achieve a 98% closure rate of identified culture improvement action points by the end of 2025.
- Sustained a diverse workforce, 47% of employees are female (2024: 45%)
- Value created
- Value preserved
- Value eroded

Read more on how we drive diversity and inclusion, build talent, enhance our employee value proposition, and empower employees to thrive within and outside the workplace on page 40 to 41.



## Government and Regulators

### Who they are

Government and regulatory entities in our markets include:

- National and local governments in Rwanda.
- Central Banks and tax authorities in the above countries.
- Capital market regulators in Rwanda.

### How we engaged during the year

We continuously build and maintain solid relationships with governments and regulators in the markets we operate in. Our engagement with these two key stakeholders is led by our Managing Director and members of senior management teams.

We are cognizant of the important role we play in catalysing economic activities in Rwanda. In 2025, we continued to deliver on this role via tailor-made products to channel financing to key segments and provided robust and affordable payment solutions for businesses.

In addition, the Bank continues to uphold regulatory requirements and ensure total adherence to guidelines and regulations. We also ensure that we pay the appropriate taxes and fees in the markets where we operate in.

### What they tell us matters to them

- Contribution to national development goals through financing, market creation, and direct and indirect employment creation.
- Responsible taxpayer.
- Compliance with regulatory requirements.

### Key metrics that we track

- Compliance with regulatory ratios.
- Timely reporting and filing of statutory and regulatory requirements.
- Direct and indirect taxes paid.
- Strong corporate governance.

### Value created, preserved or eroded in the year


 Income tax expense increased to Rwf 17.3 billion (2024: Rwf 13.4 billion) on improved profitability.

 Partnered with government to deliver key programmes.

 Compliance with regulatory core and total capital requirements.

 Maintained strong liquidity positions.

 Value created

 Value preserved

 Value eroded



## Society

### Who they are

- Communities
- Suppliers
- Media
- Natural environment

### How we engaged during the year

Media remains a critical stakeholder for the Bank. In 2025, we leveraged various media platforms (print, broadcast and social media) both locally and internationally to bolster our brand image, customer engagement, and overall business objectives.

Social media was also instrumental in driving BPR's strategic goals, strengthening the brand, and fostering a deeper connection with the community. Social media served as a platform for engagement and as a pivotal tool for managing reputation, promoting thought leadership, and amplifying BPR's positive impact across the country.

Our Foundation also maintained regular engagements with partners, county governments and beneficiaries. These enabled the building of strong relationships and nurtured a culture of collaboration.

The Bank worked closely with its partners in driving sustainability. These were undertaken through bilateral sessions, collaborations through working groups and participation in international sustainability programs

The Bank held a forum with suppliers during the year aimed at strengthening partnerships for sustainable growth. This provided a key platform to exchange ideas and receive feedback from our suppliers on how to strengthen our relationship.

### What they tell us matters to them

- Contribution towards addressing socioeconomic challenges.
- Responsible procurement.
- Enhanced brand value and solid reputation.
- Contribution towards attaining the Sustainable Development Goals (SDGs)

### Key metrics that we track

- Level of support to social initiatives through sponsorship and thought leadership.
- Procurement spend for special interest groups and local suppliers.
- Our impact on the environment.
- Contribution to SDGs.

### Value created, preserved or eroded in the year

- + Disbursed green loans worth Rwf 8.7 billion
- + Screened loans worth Rwf 233 billion through our environmental and social due diligence tool (2024: Rwf 51.5 billion)
- + Grew 10 thousand trees
- + Our Foundation supported 361 jobs through igire program.
- + Over 1,450 vulnerable residents accessed essential healthcare, reducing financial barriers to treatment and improving community health and stability.

- + Value created
- Value preserved
- Value eroded

# Chairman's Statement



”

**Rwanda's economy remained resilient, supported by sustained investment, private sector expansion, and continued progress in financial inclusion. Within this context, BPR Bank demonstrated disciplined execution and strategic clarity, resulting in a significant expansion of our balance sheet to Frw 1.4 trillion nearly doubling since 2022.**

**George Rubagumya**  
BPR Bank Chairman

2025 was a year of strong momentum for BPR Bank Rwanda as we continued to build on the solid foundation established following the merger between Banque Populaire Du Rwanda and KCB Bank Rwanda Plc. The Bank delivered exceptional growth, reinforcing its position as a key driver of Rwanda's economic transformation.

Rwanda's economy remained resilient, supported by sustained investment, private sector expansion, and continued progress in financial inclusion. Within this context, BPR Bank demonstrated disciplined execution and strategic clarity, resulting in a significant expansion of our balance sheet to Frw 1.4 trillion nearly doubling since 2022.

The year was shaped by a complex global and regional economic environment. Ongoing geopolitical tensions and conflicts in different parts of the world continued to place pressure on global trade, supply chains, investor confidence, and commodity prices. Despite these challenges, Rwanda's economy and financial sector remained resilient, supported by prudent policy measures and strong regional cooperation.

Our financial performance reflects both resilience and sound governance. Profit before tax recorded strong growth, while our capital adequacy ratio remained well above regulatory requirements. At the same time, asset quality improved significantly, with a notable reduction in non-performing loans, underscoring the strength of our credit risk management practices.

The Board recommended a second dividend issuance during the year, reflecting continued confidence in the Bank's long-term growth trajectory and commitment to delivering sustainable value to shareholders. In parallel, the Bank continued to strengthen shareholder engagement and is enhancing its shareholder services approach to create broader long-term value beyond financial returns, particularly through deeper collaboration with shareholders and SME communities.

We continued to play a pivotal role in financing Rwanda's priority sectors. Our net loan book grew to Frw 837 billion, supporting agriculture, manufacturing, and women-led enterprises—key drivers of job creation and long-term economic sustainability. The Bank further reinforced its leadership in strategic infrastructure financing by supporting transformational projects that contribute to Rwanda's connectivity, competitiveness, and long-term

development agenda. Building on its previous participation in financing the New Kigali International Airport in Bugesera, the Bank acted as Lead Arranger in facilitating a guarantee for the project contractor, reaffirming its strategic role in enabling one of Rwanda's most significant infrastructure developments. The Bank participated in the syndication of a landmark regional energy infrastructure project, demonstrating its growing capacity to structure and support large-scale infrastructure financing initiatives across the region. Through strategic partnerships and innovative financing solutions, the Bank continues to unlock capital for high-impact development priorities while creating sustainable value for the economy.

Beyond financial performance, we remained firmly committed to inclusive growth through targeted community investment and empowerment initiatives. Through the BPR Bank Foundation, flagship programs such as IGIRE, and our women-focused proposition IKAMBA, we continued to support youth, women entrepreneurs, and underserved communities. These initiatives reflect our sustained commitment to expanding economic opportunities and ensuring that our impact extends well beyond banking.

Looking ahead, the Board remains confident in the Bank's strategic direction. With a strong capital base, an expanded footprint, and a clear focus on sustainability and innovation, BPR Bank is well-positioned to capture emerging opportunities and contribute meaningfully to Rwanda's Vision 2050.

On behalf of the Board, I extend my sincere appreciation to our customers, shareholders, regulators, and staff for their continued trust and partnership.

**George Rubagumya**

*BPR Bank Chairman*

# Managing Director's Statement



”

The year was particularly significant as we proudly marked 50 years of BPR Bank, a milestone celebration that highlighted our long-standing heritage, resilience, and enduring commitment to serving customers and contributing to Rwanda's socio-economic transformation.

**Patience Mutesi**  
BPR Bank Managing Director

BPR Bank Rwanda Plc delivered commendable financial and operational performance in 2025, reinforcing the strength of our strategy and growing impact on Rwanda's economy. The year was particularly significant as we proudly marked 50 years of BPR Bank, a milestone celebration that highlighted our long-standing heritage, resilience, and enduring commitment to serving customers and contributing to Rwanda's socio-economic transformation. This golden jubilee was a moment of reflection on our journey, recognition of the trust built over decades, and renewed determination to shape an even stronger future.

Following the merger between Banque Populaire du Rwanda and KCB Rwanda in 2022, the Bank continues to realize the benefits of scale and integration thereby unlocking value for our shareholders. Our balance sheet grew by 44.6%, from Frw 971.8 billion in 2024 to Frw1.4 trillion while profit before tax reached Frw 58.2 billion, reflecting a 38.7% year-on-year increase. Customer deposits rose by 70% to Frw 986 billion, and our net loan book expanded by 32.9% to Frw 837 billion, demonstrating strong customer confidence and the Bank's increased participation in financing key development sectors of the economy.

Supporting the private sector remained our key priority. We continued to finance critical sectors including infrastructure development, climate-smart agriculture, green energy, manufacturing, and women-owned businesses, contributing to economic growth, job creation, and entrepreneurship development across Rwanda.

Our nationwide footprint comprising 73 branches and over 3,700 agents and merchants—remains a cornerstone of our financial inclusion strategy. Through this extensive network, we are bringing banking services closer to communities and enabling small businesses to grow and thrive.

Digital transformation continues to be a key enabler of our strategy. We enhanced our omni-channel platforms to provide seamless, secure, and accessible banking services, ensuring that we meet the evolving needs of our customers.

We also maintained a strong focus on operational efficiency and risk management. The non-performing loan ratio improved to 2.74%, while the capital adequacy ratio stood at 20.61%, reflecting the Bank's resilience and prudent approach to growth.

This strong performance was further affirmed through prestigious external recognition, as BPR Bank was named "Bank of the Year Rwanda 2025" by The Banker Magazine for the second consecutive year, and received the Best Taxpayer Award 2025 from the Rwanda Revenue Authority (RRA). These accolades underscore our sustained commitment to operational excellence, strong governance, regulatory compliance, and long-term value creation for the economy and all stakeholders.

Alongside our broader community initiatives, we continued to invest in people and communities, reinforcing our commitment to inclusive and sustainable growth. Through our Foundation's youth empowerment program, we enrolled 950 young people in vocational training, leading to the creation of 705 direct jobs and 561 indirect jobs. In addition, under our women proposition, IKAMBA, we provided business development services to 215 women entrepreneurs and disbursed RWF 1.7 billion to support the growth of their businesses. The IKAMBA proposition has grown to serve a customer base of 3,200 women to date, further strengthening financial inclusion and women's economic empowerment.

Looking ahead, we remain focused on executing our strategy, strengthening partnerships, and delivering value to all stakeholders. We are confident in our ability to sustain this momentum and play a leading role in shaping Rwanda's financial future. As we move forward, we invite our customers, partners, and stakeholders to continue this journey with us—working together to unlock new opportunities and advance inclusive growth. I extend my sincere gratitude to our customers, shareholders, Board, and staff for their continued support.

## Patience Mutesi

*BPR Bank Managing Director*

## Rwanda

Our Performance	2025 Rwf million	2024 Rwf million
Total income	113,828	96,474
Opex	50,752	45,611
Net profit	40,891	29,675
<b>Total assets</b>	<b>1,405,173</b>	<b>971,878</b>

Our Footprint	
Branches	73
ATMs	59
Agents & Merchant outlets	3,700
Staff	933

## Operating environment

Rwanda's GDP growth accelerated to 9.4% in 2025, up from 7.3% in the preceding year.

This was supported by strong activities across agriculture, industry, and services. The services sector contributed 52% to GDP while industry and agriculture sectors contributed 22% and 20% respectively. Output in the agriculture sector improved by 7% driven by a 32% increase in production of export crops and a 60% uplift in coffee production.

The industrial sector expanded by 11% enabled by a 17% growth in mining and quarrying coupled with an 11% and 10% increase in construction and manufacturing activities respectively.

The country recorded an increase in inflation in 2025, driven by surge in food prices, but this eased towards end of the year closing at 5.2% in December 2025. Overall, inflation averaged 5.9% in 2025 compared to 1.8% in 2024.

During the year, inflation hit a high of 8.3% in June 2025, above the upper target of 8.0%. This necessitated monetary policy tightening to counter the inflationary pressures.

The Monetary Policy Committee (MPC) of the National Bank of Rwanda increased the Central Bank Rate (CBR) by 25 bps in August 2025 to 6.75%. During its November meeting, the MPC held the CBR at the same level.

The yield on the 91-day, 182-day and 364-day treasury bills averaged 7.52%, 7.56% and 8.45% respectively in December 2025 compared to 7.75%, 7.30% and 7.16% respectively a similar period in 2024. The current account deficit widened in the first half of 2025 due to strong consumer and capital goods imports, but foreign reserves remained adequate.

During the year, the Rwanda Franc depreciated 5.1% compared to 9.4% in 2024 driven by the persistent trade imbalance from a strong demand for consumer and capital goods imports as well as development projects.

The currency volatility affected cross-border trade flows and increased foreign exchange risk for clients engaged in regional commerce. In response, BPR Bank adopted a prudent and adaptive approach. Credit underwriting

standards and risk acceptance criteria were reviewed to reflect the higher-risk environment, while greater focus was placed on value-chain financing.

The Bank accelerated its digital and transactional banking initiatives, expanded alternative delivery channels, and deepened relationships with its customers.

The Bank executed a focused growth and transformation strategy aimed at strengthening market relevance, deepening customer engagement, and supporting national development priorities.

In addition, BPR continued the branch rationalization and revamp of processes to improve service efficiency and rolled out a mobile loan product powered by a scoring engine to enhance retail credit access and turnaround time.

It also deployed targeted Customer Value Propositions aligned to key corporate banking anchors, while revising its risk acceptance criteria to better participate in customers' value chains.



***Destinations  
unlocked, futures  
sustained.***

## Board of Directors



**George Rubagumya**  
*Board Chairman*



**Paul Russo, EBS**  
*Group Chief Executive Officer/  
Director*



**Alexis Nsengumuremyi**  
*Director*



**Agnes Lutukai**  
*Director*



**Vanessa Umutoni**  
*Director*



**Diana Haguma**  
*Director*



**Pascal Nyiringango**  
*Director*



**Jean Kalima Malic**  
*Director*



**Patience Mutesi**  
*Managing Director*



**Brice Manzi**  
*Company Secretary*

# Board of Directors' Profiles



**George Rubagumya**

**Designation: Board Chairman**  
**Date of Appointment to Board:**  
**January 2022**



**Paul Russo, EBS**

**Designation: Director & KCB Group**  
**Chief Executive Officer**  
**Date of Appointment to Board as**  
**Alternate: August 2021**



**Alexis Nsengumuremyi**

**Designation: Director**  
**Date of Appointment to Board:**  
**December 2022**

## Education and Professional Background:

Mr. George Rubagumya holds an LLM in International Development Law from the London School of Economics, a Bachelor of Arts in Economics and Finance from the University of Nebraska–Lincoln, a Juris Doctor of Laws from Creighton University School of Law, and an Advanced Diploma in International Law from The Hague Academy of International Law.

He has more than 30 years of international business experience and legal practice in the United States of America and Africa, advising government and private sector leaders on the design and execution of legal and economic policy reforms to drive private sector-led sustainable economic development. Extensive experience in building public-private partnerships to develop and implement integrated economic development programs; promotion and facilitation of international investments in infrastructure, natural resources, energy, oil and gas, utilities, financial services, capital markets, and Information Technology.

## Education and Professional Background:

Paul Russo, EBS holds a master's in business administration from Strathmore University Business School and a Bachelor of Business Management from Moi University. He also holds a senior executive program for Africa Certificate from Harvard Business School. He is a member of the Kenya Bankers Association Governing Council. Paul sits in the Boards of the National Investment Council and the National Steering Committee on Drought Response. He is also a member of Steering Committee for the World Rally Championship (WRC) Safari Rally Project. He also serves in the United Nations Environment Program Finance (UNEP-FI) Leadership Council.

Prior to his appointment as the Group Chief Executive Officer, he served as the Group Regional Business Director and the MD NBK. A HR practitioner, he has close to 25 years of work experience spanning executive and key roles including Group HR Director, KCB Group. He has served in other big corporates such as Barclays, PwC, K-Rep Bank, EABL, and Unga Holdings.

## Education and Professional Background:

Dr. Alexis holds a PHD of Sciences in Civil Engineering specializing in Dynamic of Structures from Washington International Universe, a Master of Sciences in Civil Engineering from Washington International University and a bachelor's degree in civil engineering sciences.

Alexis is a seasoned engineer and founder of E.G.C Ltd, a local private company specializing in construction works of buildings, water, and power supply.

He is currently the chairman of the Chamber of Industry at Rwanda Private Sector Federation (PSF) and chairman of board of directors of the Association of the Rwanda Contractors (AEBTP). He has also served on the boards of Work force Development Authority (WDA) and Rwanda Public Procurement Authority (RPPA).



**Agnes Lutukai**

**Designation: Director**  
**Date of Appointment to Board:**  
**January 2025**

**Education and Professional Background:**

Agnes Lutukai is a seasoned Chartered Accountant with over 35 years' experience at KPMG, 24 of which were at partner level. Her distinguished career spans various leadership roles at KPMG East Africa, South Africa and Nigeria. She also worked as a part time consulting Partner on audit quality initiatives within the Europe, Middle East & Africa region until February 2024.

Agnes has previously served as the chairman Central Bank Nigeria Technical Work Group of Regulators and External Auditors of Deposit Money Banks in Nigeria; a committee member, Financial Reporting Council of Nigeria; and a Committee Member, National Insurance Commission, Nigeria.

Agnes is a fellow member of the Institute of Certified Public Accountants of Kenya (ICPA-K), where she serves as member of the Professional Standards Committee. She is also member of the Institute of Certified Secretaries of Kenya (ICS-K), a member of the Association of National Accountants in Nigeria, a member of Women on Boards Network and an Alumni of Centre for Corporate Governance.



**Vanessa Umtoni**

**Designation: Director**  
**Date of Appointment to Board:**  
**January 2024**

**Education and Professional Background:**

Mrs. Vanessa holds a Master of Science in Information from Carnegie Mellon University Pittsburgh, U.S and a Bachelor of Information Technology and several professional certifications from notable institutions such as Insead and the London School of Economics (LSE).

Vanessa is a visionary Technology Leader with over 9 years of extensive experience in the financial technology industry working with FinTechs, banks, mobile network operators, and Central banks. She focuses on product management & development, strategy, and building strategic relationships. She possesses exemplary skills in managing engineering teams and streamlining operations and product development strategies.

In her current role At AfricaNenda, a leading financial services accelerator funded by the Bill & Melinda Gates Foundation, Vanessa leads the organization's initiatives in Rwanda. As a Technical Payments expert, Vanessa is dedicated to developing and promoting cost-effective retail instant payment solutions. Her expertise in product development, design, and digital strategy ensures continuous advocacy for efficiency and accessibility.

With a diverse background spanning private and non-profit organizations, Vanessa brings a wealth of experience to her field with her profound understanding of digital financial services, fintech, and payment solutions.



**Diana Haguma**

**Designation: Director**  
**Date of Appointment to Board as**  
**August 2021**

**Education and Professional Background:**

Ms. Diana Haguma hold an Msc in Finance from Stirling University (Scotland, UK), a Bachelor of Business Administration in Accounting from Makerere University Kampala, an Advanced Diploma in Accounting and Business by ACCA and a Certificate in Digital Money from Digital Frontiers Institute.

She has vast experience in Accounting/ Finance, taxation, and Human resources. Gained both from formal training and work experience from different organizations; twelve years of working with Rwanda Revenue Authority, six years working in telecommunication (Airtel Rwanda) as well as over one- year non-governmental organization experience where she occupied various positions in the finance, Human res



**Jean Kalima Malic**

**Designation: Director**  
**Date of Appointment to Board:**  
**January 2022**

**Education and Professional Background:**

Mr. Jean Malic KALIMA holds a Bachelor’s Degree in Management in addition to other professional trainings undertaken during the course of his professional career.

He is a Rwandan entrepreneur, businessman and investor, currently operating in various areas including the mining sector and the health sector among others.

Having previously worked in government, he has a wide experience in both public and private sectors. Jean Malic KALIMA worked in a number of private companies in the Democratic Republic of Congo (DRC) where he spent most of his youth years before returning to his motherland Rwanda. Upon his return in Rwanda, Jean Malic joined Rwanda’s Ministry of Foreign Affairs from 1994 up to 2004 where he served in various senior positions, including the following among others, Chief of Ceremonies and Visits Division and Chief of State Protocol.



**Pascal Nyiringango**

**Designation: Director**  
**Date of Appointment to Board:**  
**February 2023**

**Education and Professional Background:**

Mr. Pascal Nyiringango is a doctoral candidate whose research focuses on the impact of university-embedded hubs. He is certified in innovation management, holds a master’s degree in social entrepreneurship and innovation, and serves as a mentor for aspiring startups.

He oversees business development and commercialization at the African Center of Excellence for Sustainable Development in Energy. He is as well the founder and promoter of the Grid Innovation and Incubation Hub, in addition to this he is currently the coordinator of the UNIPOD project funded by UNDP at University of Rwanda.

Pascal has working experience at the commercial bank as a non-executive director at BPR Bank. He has over ten years of experience working in various capacities in the public sector.

Further, he is a researcher and lecturer in the field of entrepreneurship education at the Department of Human Resource and Marketing, College of Business and Economics (CBE), University of Rwanda.



**Patience Mutesi**

**Designation: Managing Director**  
**Date of Appointment to Board:**  
**December 2022**

**Education and Professional Background:**

Patience has an MBA in Finance from Maastrich School of Management, Netherlands and a BSc in Quantitative Economics, Makerere University, Uganda. She joined BPR Bank from TradeMark East Africa (TMEA) where she was serving as the Country Director.

She was responsible for maintaining strategic relationships with government, private sector, civil society and donor community, while overseeing strategic projects implementation in trade facilitation in Rwanda. She has diversified background in the financial sector including credit management, product development and fundraising, extensive experience in deal origination, negotiation, structuring, and execution as well as credible expertise in strategic risk management having previously served as Corporate Bank Head, Ecobank Rwanda and Cluster Head for EAC as well as Deputy Head of Corporate Banking and Senior Relationship Manager, BCR.



***She means  
business, we mean  
support.***

# Executive Committee

Our EXCO is a diverse and highly experienced leadership team comprising the Managing Director, the Chief Finance Officer, Executive Director Commercial Business, Chief Operations Officer and 6 other senior executives. The team is responsible for providing strategic direction and ensuring the bank remains well positioned to capitalise on growth opportunities.



**Patience Mutesi**  
*Managing Director*



**Vincent Ngirikiringo**  
*Chief Finance Officer*



**Xavier Mugisha Shema**  
*Executive Director, Commercial  
Businesses*



**Godfrey Kariuki Kamau**  
*Chief Operating Officer*



**Fauqiya Shareef**  
*Head of Human Resources*



**Brice Manzi**  
*Head of Legal & Company  
Secretary*



**Innocent Africa**  
*Head of Credit*



**Mbyayingabo Joel**  
*Head of Risk*



**Ndahiro Stephen**  
*Head of Compliance*



**Jean Baptiste Ndagijimana**  
*Ag. Head of Internal Audit*

## Empowering Our People

BPR Bank Rwanda PLC benefits from being part of the KCB Group, which provides access to a diverse and highly skilled talent pool across the region, strengthening our capacity to deliver the Bank's strategic objectives within the Rwandan market.

Our staff complement is composed of:



**933**

Employees



**47%**

Females



**53%**

male

- **37% below** the age of **40 years** and **88%** below the age of **50 years**
- **91% full-time** and **9% part-time employees**

During the year, BPR Bank Rwanda PLC's people agenda focused on the following key areas:

### i. Talent Management

Strengthening the Bank's talent pipeline by building a robust talent bench to ensure effective succession planning and readiness of internal talent for nextlevel roles.

### ii. Performance Management

Ensuring effective closure of the 2025 performance cycle and successful rollout of the 2026 performance cycle, alongside the implementation of performance management programmes aimed at driving productivity, effectiveness, and building critical skills and capabilities across the Bank.

### iii. Culture and Leadership

Embedding a strong performance-driven culture through continuous leadership development, enhanced leadership visibility, effective communication, and employee engagement initiatives across all levels of the Bank.

### iv. Change and Reward

Supporting career growth through internal promotions and mobility ("grow and retain" internal talent), offering a competitive Employee Value Proposition (EVP) that promotes health, mental well-being, and productivity, and implementing reviewed organizational structures to support strategic objectives.

### Culture Change Journey – BPR Bank Rwanda PLC

In 2025, BPR Bank Rwanda PLC continued to advance its culture transformation journey, aligned to the KCB Bank Brand Purpose "For People, For Better" and core values of Closer, Connected and Courageous, while tailoring implementation to the Rwandan operating and regulatory environment.

The Bank focused on embedding a customercentric, highperformance culture by empowering employees, strengthening collaboration and innovation, promoting trust and wellbeing, and creating growth opportunities that enhance engagement and productivity. Leadership capability was a key enabler, with deliberate efforts to equip leaders at all levels to model desired behaviours and drive sustainable cultural change.

Targeted culture action plans were implemented across Head Office and branch operations, supported by focused training interventions and enhanced leadership visibility. These initiatives resulted in strong progress in closing identified culture improvement actions during the year, demonstrating increased accountability and ownership across the Bank.

## Leadership Visibility and Engagement

Leadership engagement remained a priority, with quarterly staff town halls led by the Managing Director and Executive Management providing transparent communication on strategy, performance, and transformation priorities. Additional employee engagement initiatives, including adoptabbranch engagements, structured learning journeys, wellness programmes, coaching and mentoring, and recognition activities have contributed to improved employee experience and alignment with the Bank's strategic objectives.

## Leadership Development

As part of strengthening succession readiness and leadership effectiveness, the Bank continued participation in the KCB Leadership Academy, a structured leadership development programme focusing on leading self, teams, and strategy. During the year, the programme prioritised senior managers and heads of departments, reinforcing leadership capability, performance discipline, and cultural alignment. The Bank will continue rolling out leadership development initiatives over the next two years to deepen the leadership pipeline.

## Outlook

In line with the Bankwide culture assessment conducted at the end of 2025, BPR Bank Rwanda PLC will review culture survey outcomes in 2026 to track progress and identify priority areas for further improvement. The Bank remains on a positive trajectory, with culture recognised as a critical enabler of sustainable performance.

By investing in its people and leadership, and maintaining a strong focus on People, Process and Technology, BPR Bank Rwanda PLC continues to strengthen its ability to execute strategy, enhance customer experience, and deliver longterm value for stakeholders in the Rwandan market.

## Talent Management

In 2025, BPR Bank Rwanda PLC continued to strengthen its talent management agenda, with a particular focus on succession planning, leadership readiness, and retention of critical skills required to deliver the Bank's strategic objectives within the Rwandan market.

During the year, the Bank reviewed and refreshed its talent and succession plans for leadership and critical roles. This exercise enhanced visibility of internal talent, strengthened succession depth, and supported deliberate development planning to ensure continuity and resilience. The succession agenda also enabled increased internal mobility and promotion, reinforcing the Bank's commitment to growing talent from within and improving long-term employee retention.

Going forward, BPR Bank Rwanda PLC will continue to invest in structured development initiatives for identified successors, with the objective of improving readiness levels, supporting future leadership needs, and strengthening the Bank's Employee Value Proposition (EVP).

## Enhancing Employees' Skills

Staff capability development remained a core pillar of the Bank's people strategy in 2025. To ensure training investments directly supported business performance and sustainability, learning and development initiatives were deliberately aligned to the Bank's strategic priorities, regulatory requirements, and evolving customer expectations.

As part of this approach, BPR Bank Rwanda PLC advanced the establishment and rollout of the BPR Center of Excellence, a structured learning framework designed to build capability across three key dimensions:

- Leadership development
- Frontline and customer-facing capability
- Digital and future-ready skill

The BPR Center of Excellence provides targeted, role-relevant learning pathways that equip employees with the competencies required to perform effectively in their current roles while preparing them for future responsibilities.

## BPR Center of Excellence

The BPR Center of Excellence was established as a flagship capabilitybuilding platform designed to develop a strong, valuesdriven leadership pipeline and futureready workforce for BPR Bank Rwanda PLC. Leveraging the depth of expertise, institutional knowledge, and specialist capabilities available across the KCB Group, the Center of Excellence enables the Bank to access regional best practice, proven leadership frameworks, and advanced learning resources, while tailoring implementation to the Rwandan operating environment.

Through this model, BPR Bank Rwanda PLC benefits from the scale and maturity of the KCB Group's people development investments, while maintaining local ownership, regulatory alignment, and market relevance. The BPR Center of Excellence plays a central role in strengthening succession readiness, leadership effectiveness, and strategic execution in support of the Bank's growth, transformation, and digitalisation agenda.

The BPR Center of Excellence plays a central role in strengthening succession readiness, leadership effectiveness, and execution discipline, while reinforcing the Bank's purposeled and performedriven culture. By combining Banklevel capability with strong local ownership, BPR Bank Rwanda PLC continues to build a highperforming, customercentric, and operationally resilient workforce aligned to its strategic growth ambitions.

## Diversity and Inclusion

BPR Bank Rwanda PLC's Diversity and Inclusion Policy guides the Bank in creating and sustaining an inclusive work environment

# Supporting our Communities

As a responsible corporate citizen, we play an active role in supporting the various communities we operate in. This is through both our targeted Foundation programmes and initiatives undertaken by our banking subsidiaries in the region.

## BPR Bank Rwanda

In 2025, BPR Foundation continued its commitment to creating meaningful social impact through targeted initiatives that empower communities, foster entrepreneurship, and promote wellbeing. The Foundation's support during the year focused on three key areas:

### 1. IGIRE Programme – Reducing Youth Unemployment

Launched in 2018, the IGIRE Programme aims to reduce youth unemployment by providing vocational training, business development support, and access to start-up capital. In 2025, the program achieved the following:

Completion of vocational training for 85 participants in plumbing, carpentry, construction, culinary arts, and electronic devices repair and maintenance.

Start-up capital rewards provided to 5 businesses to kickstart operations.

Enrollment of 100 new participants in vocational training across the country.

Business development services (BDS) offered to 86 vocational training participants, enhancing their entrepreneurial skills.

Enterprise development support extended to 20 businesses, ensuring growth and sustainability.

Through IGIRE, the Foundation helped create jobs, develop practical skills and foster local entrepreneurship, giving youth the tools and confidence to shape their own futures.

### 2. UBUMUNTU Initiative – Encouraging Corporate Volunteerism

The UBUMUNTU Initiative, launched in 2023, encourages BPR employees to engage in community service and contribute to societal wellbeing. Through employees' voluntary contributions, over 1,450 vulnerable residents of Kayonza District were provided with health insurance.

This initiative improved access to essential healthcare, enhanced community resilience, and inspired a culture of volunteerism among employees.

### 3. Other CSR Activities

355 scholarships awarded to female students and 595 scholarships awarded to male students cumulatively.

Donated a working space, 20 tailoring machines, and other tailoring kits to a women's association in Nkamba, Kayonza District, supporting female entrepreneurship.

Donated cows to the Bank's first customer.

Partnered with Your Well-Being Center to provide therapy sessions for descendants of BPR staff lost during the 1994 Genocide against the Tutsi.

These efforts promoted economic empowerment, mental wellbeing, and community cohesion, reflecting the Foundation's holistic approach to social responsibility.



**FORWARD**

***Destinations  
unlocked, futures  
sustained.***

## Risk Management

Risk is an inherent part of the BPR Bank's business, and its effective management is a fundamental enabler of our strategic plan.

At BPR, risks are managed as part of our business model and strategy, through alignment of risk appetite to changes in the operating environment, instilling a risk-aware culture throughout all levels of the organisation, proactively and continuously adapting, and improving our risk management capabilities. Our strategy for managing risk is aimed towards shareholder value preservation, customer protection and enabling sustained performance.

We maintain a robust and comprehensive Risk Management Framework to strengthen our capacity to recognise and address risks. Backed by an independent Risk Function, the Board oversees all facets of risk management. The bank's risk management approach is shaped by our business objectives and risk capacity, appetite, and tolerance statements. Policies, sound practices, and the minimum regulatory requirements per principal risk type inform risk management practices.

The economic environments in the countries that we operate in continued to face different levels of challenges, evolving regulations coupled with the rising prevalence of sophisticated fraud and cyber threats. Against this backdrop, we continued to enhance and mature our risk capabilities through independent validation of our risk management practices and aligning them with best practices, maintaining a proactive and integrated approach to risk identification, mitigation, and resilience.



# Our Approach to Risk Management

BPR has adopted an integrated risk management approach designed to ensure that the diverse range of risks and opportunities faced by the bank are proactively and effectively identified, quantified and managed within acceptable risk appetite limits. This is achieved through clear business ownership of risks supported by governance structures, policy and process frameworks, and board oversight. This is further expounded below:

## 1. Risk Governance Framework

The Board is ultimately accountable for risk management and setting of the Bank’s risk appetite. The board takes the lead in setting a strong risk management culture across the Bank and oversees the governance structures through which the Bank’s risk management strategy is implemented.

The Board maintains oversight by delegating authority down to the management hierarchy, with management committees supporting senior executives in making decisions where required.

This structure thrives on a shared commitment to openness, which allows the organisation to flag issues early and take corrective action immediately.

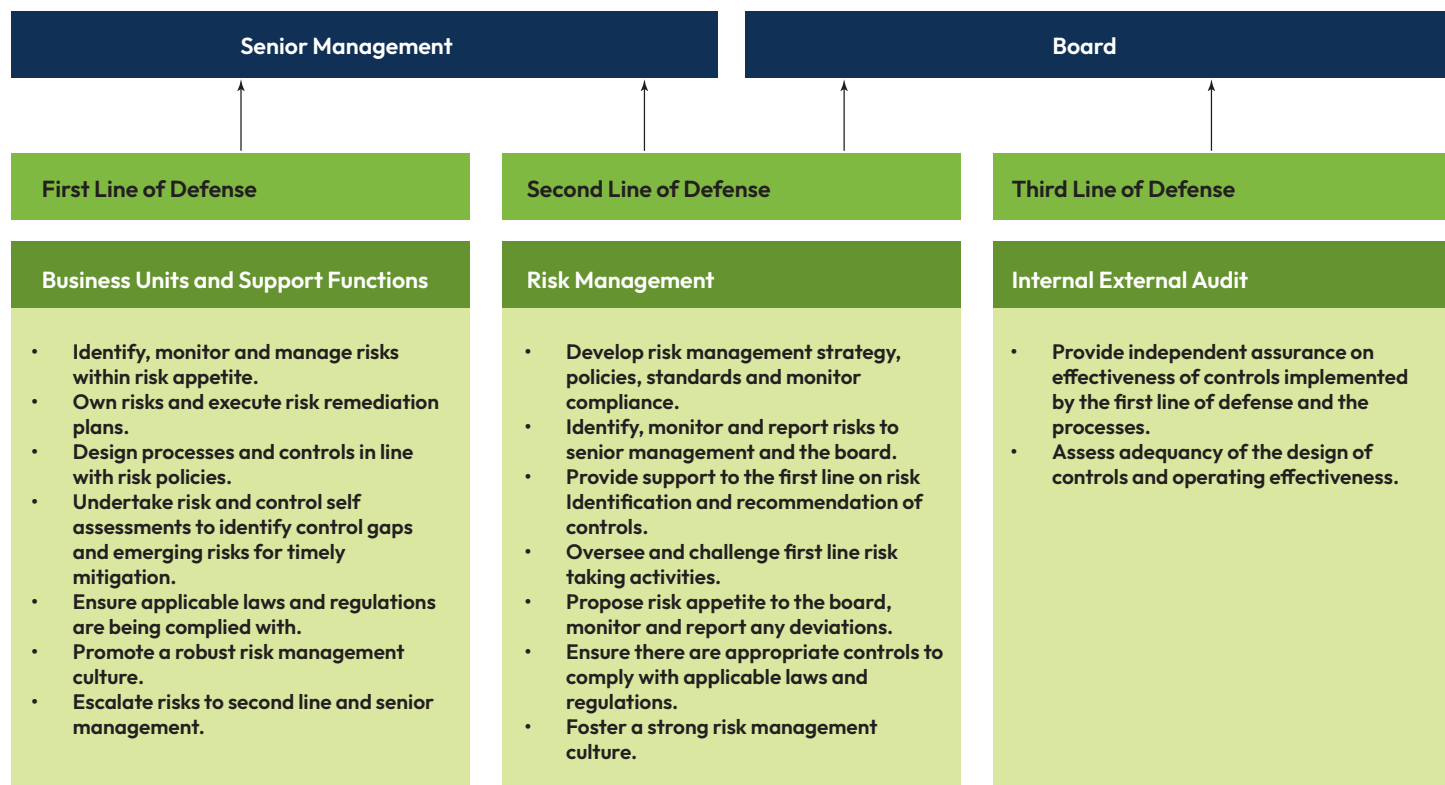
The Risk Division operates several management committees, chaired by the Bank’s Chief Executive Officer:

Bank Operation Risk and Compliance Committee (ORCCO) – responsible for reviewing risk and compliance issues to ensure all material risks inherent in the activities of the Bank are identified and managed within the risk appetite.

Bank Assets and Liabilities Committee (ALCO) – reviews pricing of assets and liabilities to ensure loan mix and yields are optimised, and funding costs minimised, while keeping the balance sheet structure consistent with the current asset-liability strategy of the bank.

BPR Business Continuity Management Committee – is a cross-functional team of key stakeholders which includes senior managers with key support roles and the appropriate Business owners of critical functions, who together have the responsibility for the overall management of the business continuity function on a day-to-day basis.

oversight function through ongoing monitoring and reporting to management and the board.



## 2. Risk Appetite

The board reviews and approves our risk appetite annually or whenever there is a significant change to our strategy, operating environment, or regulatory requirements. Any changes to the enterprise risk appetite statement, risk appetite, and/or risk tolerance limits are approved by the Board.

Our Enterprise Risk Management and Risk Appetite Frameworks articulate the risk appetite for various risk categories under which various business lines operate. It is expressed through quantitative measures and qualitative statements that provide direction to all business areas and set clear tolerances for activities that are both within and outside risk appetite.

Performance against appetite limits are monitored using a range of key indicators with the resultant risk profile reported to the board regularly. Where the desired risk appetite is breached, a predefined escalation governance matrix is applied so that these breaches are highlighted to senior management for remediation.

The Bank continuously reviews the operating environment and closely monitors significant risks that could impact business. Further, detailed and periodic reviews are conducted at various Board Committees on the portfolios and operations of the Bank.

## 3. Enterprise Risk Management Process

### I. Risk Identification, Assessment, and Management

Risk identification is forward-looking and seeks to identify material risks to which the Bank may become exposed to while conducting its day-to-day operations. Risk and Control assessments are undertaken for each key business function, processes or systems.

Risk quantification and measurement are performed to the extent possible based on appropriate, accepted methodologies and models. Where set limits are breached, clear mitigating actions are put in place including timelines to resolve the breaches to bring such risks within acceptable tolerance levels.

### II. Risk Monitoring and Reporting

The bank actively monitors the risk control measures by tracking the trends of the risks and their risk levels. Risk reporting provides Senior Management and the board with the information they need to respond to and manage risks.

## 4. Risk & Compliance Culture

Central to our risk management strategy is fostering a mature risk culture that embeds responsible risk taking and accountability across the Bank. By reinforcing ethical behaviours, promoting accountability and cultivating a proactive risk management culture, we ensure that BPR remains resilient and trusted as an industry leader.

We endeavour to maintain a risk management culture that aids awareness of risk, appropriate behaviour, and judgment in connection with risk taking. This starts with the Board setting the tone from the top of the organisation to influence the risk consciousness of all employees while the Managing Director works with the Executive Management to embed a strong risk culture within the bank. Every employee is considered a risk manager and therefore expected to participate in risk management activities on an ongoing basis.

To measure our risk maturity, we undertake annual enterprise risk management surveys across all our entities and address any opportunities for improvement identified through this process.

## 5. Stress Testing

BPR bank undertakes regular internal stress testing to assess the resilience of its balance sheet, capital adequacy, and liquidity position under adverse but plausible conditions. Stress testing provides forward-looking insights into how key portfolios and earnings may perform during periods of economic and financial stress and supports prudent risk-taking in line with the bank's strategy.

Scenario analysis is conducted using a forward-looking approach that considers the Bank's balance sheet, business plans, prevailing economic conditions, and medium-term outlook. The results are used to inform management actions, including adjustments to risk appetite, capital planning, and funding strategies, where necessary.

Stress testing forms an integral part of the Bank's Internal Capital Adequacy Assessment Process (ICAAP) and recovery planning framework. It supports the bank's ability to anticipate potential vulnerabilities, maintain adequate capital and liquidity buffers, and enhance overall financial resilience in a changing operating environment.

### Management of Principal Risks

This section describes how we manage our principal risk areas. The Risk Committee of the Board and management bodies regularly receive reports



## I. Credit Risk.

The credit portfolio is a major component of the asset portfolio of the bank; therefore, deterioration in the stability of the various borrowers may have a significant adverse effect on the Bank's asset value and profitability.

### Our Mitigations:

- Having in place the Credit Policy, Credit Risk Appetite, and related governing guidelines. The goal of credit risk management is to ensure the Bank operates within the risk appetite defined in accordance with the policies and strategic objectives in the area of credit, from a single transaction to credit portfolio level.
- The Bank's credit risk management framework and policy are based on diversification of the credit portfolio and controlled management of risks. Risk diversification is reflected by the distribution of the Bank's credit portfolio across different sectors of the economy, many borrowers, different linkage segments, and different geographical regions. For this purpose, the Bank conducts industry-level economic feasibility studies to evaluate the risk and business potential related to activity in the various economic sectors.
- The identification of credit risk in existing products is based on risk management, measurement, and control processes at the various lines of defense, on the other hand, the identification of risk in new credit products is guided by the new products and initiatives risk assessment policy which specifies the processes to be followed for each new product at the Bank to identify all risks inherent in the product, assess the extent and materiality of such risk, and provide solutions for the measurement, control, and hedging of the risk.



## II. Capital

Maintaining adequate capital is fundamental to the bank's ability to pursue its strategic objectives, absorb losses, and operate effectively under both normal and stressed conditions. Capital management supports financial resilience, protects depositors, and underpins sustainable value creation.

### Our Mitigations:

- BPR Banky prepares an Internal Capital Adequacy Assessment Process (ICAAP) report annually to provide the Board with a comprehensive and forward-looking assessment of the adequacy of the bank's capital relative to its risk profile, strategic objectives, and operating environment. The ICAAP integrates risk identification, capital planning, and stress testing and is aligned with regulatory expectations on capital adequacy and planning.
- Capital management is embedded within the bank's strategic and financial planning processes. Capital plans are aligned to approved business plans and regulatory directives and are translated into projected risk-weighted assets and movements across the various tiers of capital, while maintaining prudent safety margins. Sensitivity and scenario analyses are applied to assess the robustness of capital ratios under different operating conditions, supporting proactive and disciplined capital management.



### III. Technology and Cybersecurity Risks

Technology risks arise from inadequate technology/systems, inadequate ICT policy and strategy, or inadequate use of the Bank's information and communication technology.

The growing threat of cyber-attacks coupled with the increasing digitisation of banking products and services could expose the Bank to security risks. Further, the Bank also leverages partnerships with third parties, which could also be a source of information security risks.

#### Our Mitigations:

- BPR maintains an Information Risk Policy which governs the protection of BPR's information assets from all threats, whether internal or external, deliberate, or accidental, to ensure business continuity, minimise business damage, and maximise return on investments and business opportunities. The policy also provides a consistent risk management framework in which information and technology risks are identified, considered, and addressed.
- Employing multilayered approach to cyber controls and regular security system assessments such as Red Team assessments.
- Monitoring, detection, and analysis of potential cybersecurity intrusions using Security Information and Event Management (SIEM) tools and Security Operations Centre (SOC) supported by proactive threat analysis.
- A Cybersecurity Incident Response Plan ensures the Bank is prepared to manage cyber incidents effectively and efficiently.
- Providing situational awareness and reporting on cybersecurity status, incidents, and trends in adversary behaviour.
- Implementation of a Data Protection and Privacy policy, including a data management programme focusing on strengthening our Data Management Framework across the Bank.
- We also collaborate with a range of government, community, and industry bodies to strengthen system-level resilience and to reduce the possibility of cyber-attacks and the impact of fraud and scams on the community.
- Provision of regular training to all staff, including rolling out mandatory cybersecurity training courses, and awareness initiatives to customers.



### IV. Data Protection

Data protection forms an essential part of bank's risk resilience and plays a critical role in ensuring the delivery of innovation with embedded regulatory compliance. BPR bank reaffirms its dedication to responsibly handling personal data and ensuring the rights of data subjects are upheld across all its operations.

There has been a notable increase in the data protection regulatory landscape, with heightened scrutiny from the relevant authorities on the Bank's processes. In Rwanda, oversight by the data protection regulator, established under national data protection legislation, has introduced more rigorous compliance expectations for the Bank.

As part of their mandate, regulators are not only conducting audits but are also actively addressing customer complaints and issuing determinations, thereby setting important precedents. This evolving regulatory environment requires BPR to continuously strengthen its data governance frameworks, enhance internal controls, and ensure full compliance with applicable data protection laws.

Additionally, the General Data Protection Regulations from the European Union also form a compliance guide due to the extra-jurisdictional application of the law.

#### Our Mitigations:

- We have in place a Data Protection department to ensure continuous compliance with the prevailing laws across the countries of operation.
- Enhanced capacity of our data protection department with the refinement of operations to ensure technological and operational compliance.
- Mandatory data protection training for all current and new employees to ensure understanding of the bpr data protection policies.
- Comprehensive role-based training for the upskilling of BPR Bank's internal and external stakeholders on data protection.
- BPR Bank shall endeavor to continuously enhance its risk frameworks to ensure compliance in line with the BPR Bank Data Protection & Privacy Policy, which is a key guide in ensuring compliance standards throughout the bank.



## V. Market Risk

Market Risk is the risk of loss arising from potential adverse changes in the value of the Bank's assets and liabilities due to fluctuations in market risk factors such as interest (IRR) and foreign exchange rates (FX risk).

Liquidity Risk is the risk that the Bank is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor, and composition of funding and liquidity to support its assets.

### Our Mitigations:

- Market Risk exposures arising from the trading book are managed by the Treasury department whilst those arising from the non-trading activities are managed through Asset and Liability Management (ALM) and ICAAP processes. Oversight of market and liquidity risk is provided by the Asset Liability Committee (ALCO).
- Market and Liquidity Risk measurement, limit setting, reporting, and oversight are conducted by the Market Risk Department under the Head of Risk.
- The Market Risk Framework defines the policies that govern BPR's strategy and objectives for Market, Liquidity, and Country Risk management and the approach and processes by which BPR achieves those objectives. It establishes Risk Management Processes that result in the identification, assessment, measurement, monitoring, and control / mitigation of market, liquidity, and country risks in a consistent manner across BPR Bank. It also outlines the risk governance structure and relevant roles and responsibilities, with the ALCO providing key oversight at the management level.
- BPR expresses its acceptable level of market, liquidity and country risk through risk appetite statements and setting the respective risk limits. The Bank monitors risk through various limits including, but not limited to exposure, risk (PV01) and stop loss limits. The Bank has a limit approval matrix that allows the Business units to take risk in a controlled manner. The respective limits are monitored on a daily /weekly / monthly / quarterly basis, keeping a record for all breaches as well as the breach authorization. Any limit breaches are required to be reported in a timely manner to limit approvers to determine the suitable course of action required to return the applicable positions to compliance.
- Liquidity risk is monitored through the Liquidity and Loan-to-Deposit Ratio limits as well as the review of the funding analysis looking at interbank borrowing and deposit concentration. The bank maintains a Contingency Funding Plan and a Capital and Liquidity recovery plan which details the actions that can be taken to recover from a liquidity stress event.



## VI. Operational Risk

This is the risk of an adverse outcome resulting from inadequate or failed internal processes, people, and systems or external events, or legal risk.

### Our Mitigations:

- Operational risks are proactively identified, assessed, measured, monitored and reported as guided by the Operational Risk Management Policy. All business areas are required to identify and assess their operational risks and evaluate the effectiveness of controls to mitigate those risks through the Risk and Control assessment process. This process allows management to demonstrate that all significant risks are identified, assessed, owned and appropriately managed through the application of controls.
- All new products, processes, and changes undergo thorough risk assessments to ensure appropriate measures have been put in place to mitigate the identified risks prior to product rollout.
- Outsourcing arrangements are scrutinized and approved by the sourcing committees, with input from the Risk team. The Bank has in place a framework and policy on managing third-party risks which serves to ensure that there is an alignment of the third-party arrangements with the Bank's business objectives, potential risks are addressed, responsibilities are clearly understood, and regulatory requirements complied with.
- The Business Continuity framework is rigorously tested for critical internal processes, enabling readiness for diverse contingency scenarios. Further, a crisis simulation exercise is conducted annually to ensure that the Bank maintains a robust resilience posture. Learnings from these exercises are used to refine the framework.



## VII. Fraud Risk

Fraud includes all those activities involving dishonesty and deception that can drain value from the business, directly or indirectly, whether or not there is personal benefit.

### Our Mitigations:

- BPR Bank's Fraud Risk Policy and framework addresses both internal and external frauds and aims to reinforce the BPR values of honesty, integrity and ethics. In this regard, BPR has a "zero tolerance" approach to fraud and corruption, as articulated in the Bank Code of Ethical Conduct. BPR is committed to ensuring that a fraud-free environment exists, and high ethical standards are upheld in the organization. The strategy employed in the management of fraud entails detection, prevention, response and pursuing recoveries.
- BPR continues employing a broad fraud risk management strategy, with the key purpose being minimization of exposure from fraud losses whose main drivers in the year 2025 were system challenges and resultant fraudulent funds transfers, staff complicity as well as social engineering. This is achieved inter alia through use of the Fraud Management System to facilitate automated detection of fraud across banking systems in terms of identification of unusual behaviour and increasing operational efficiency by augmenting fraud investigation efforts.
- The bank undertakes fraud awareness training sessions underpinned by the zero tolerance to fraud culture, as well as fraud risk assessments on key products or processes being rolled out, to identify opportunities for fraud, and take timely remedial measures, including strengthening controls.
- At BPR, it is everybody's responsibility to prevent and report fraud and other inappropriate conduct within their knowledge. To further facilitate receipt of information on suspected fraud and misconduct, the bank has in place a whistleblowing platform available to both internal and external stakeholders for reporting such issues with protection mechanisms to enable whistle blowers to make reports to the Bank without fear of victimisation or reprisals. There is also a management-level Disciplinary Committee that reviews fraud cases and applies the consequence management framework. Additionally, fraud cases are escalated to various law enforcement agencies, for investigations and appropriate prosecutorial action against the perpetrators.



## VIII. Compliance Risk

This includes policies, procedures, processes, monitoring, and testing programs, regarding compliance with all applicable laws and regulations.

### Our Mitigations:

- The bank holds that Compliance is not just the responsibility of specialist compliance staff, but it is a part of the culture of the bank and an integral element of the bank's entire scope of activities. It is therefore the responsibility of every business and support function, and every member of staff to conduct business in compliance with all applicable requirements.
- The bank is committed to transparent management that emphasizes accountability, disclosure, and compliance with all relevant laws, regulations, and standards of practice, including the industry charters. BPR recognizes and affirms that Compliance starts at the top, and that it concerns everyone within the Bank. We hold that Compliance is an integral part of the bank's entire scope of activities, and it is therefore the responsibility of every member of staff to conduct their business in compliance with all applicable requirements.
- In line with its commitment to compliance, the bank takes proactive steps to ensure compliance with the ever-changing regulatory environment and applicable standards and supports its business growth by adequately monitoring and addressing compliance risks.
- The Compliance Function identifies, assesses, advises on, monitors, and reports on the Bank's compliance risk, that is, the risk of legal or regulatory sanctions, financial loss, or loss of reputation that the Bank may suffer as a result of its failure to comply with all applicable laws, regulations, codes of conduct and standards of good practice applicable in all the jurisdictions it operates in, as well as failure to conform to internal compliance policies and standards of operation, and with the highest ethical standards.
- BPR Bank minimizes compliance uncertainty by ensuring that the activities of the bank and its staff are conducted in accordance with all laws, regulations, codes of conduct, and standards of good practice applicable in all the jurisdictions it operates in, as well as conforming to internal policies and standards of operation, and with the highest ethical standard. This is achieved through a compliance and ethics framework that supports a robust compliance culture that is based on the highest standards of ethical business practice.
- The Compliance Function reports to the Managing Director, the function is led by the Head of Compliance, who maintains oversight of Compliance across all Subsidiaries. The Compliance Office provides BP Shared Services support on policies and fit-for-purpose functional maintenance of the systems used.



## IX. AML/CFT/CPF Compliance

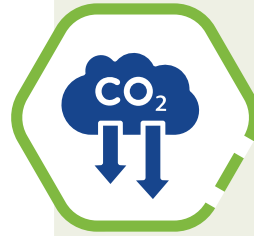
Potential exposures from noncompliance with international rules and standards on Anti-Money Laundering (AML), Countering Financing of Terrorism (CFT) and Combating Proliferation Financing (CPF)

There has been a continued supervisory and regulatory focus on Anti-Money Laundering, Combating Financing of Terrorism, and Countering Proliferation Financing (AML/CFT/CPF) and scrutiny from international financial partners, as well as on overall compliance in the industry within the Region. With three KCB countries of operation in the region currently on the Financial Action Task Force (FATF) grey list (Kenya, South Sudan, Democratic Republic of the Congo), and Kenya further placed on the European Union grey list in June 2025, the Bank continues to uphold and enhance its AML/CFT/CPF Risk Assessments and control actions.

### Our Mitigations:

The Bank remains committed to strictly upholding and complying with international rules and standards on Anti-Money Laundering (AML), Countering the Financing of Terrorism (CFT), and the new focus area of Combating Proliferation Financing (CPF). The Bank, through its AML, KYC, and Sanctions policies has implemented a robust AML/CFT/CPF compliance program aligned to international best-practice. The program is deployed across all branches and subsidiaries. Each Subsidiary maintains an independent Money Laundering Reporting Officer (MLRO). A common standards approach is upheld through Bank AML Policies and in the deployed AML/CFT system, which is supported by the Compliance Bank Shared Service Centre in alignment to requirements in all jurisdictions.

- The Bank has incorporated monitoring of the new focus area of Combating Proliferation Financing.
- The Bank's AML/CFT/CPF Program is benchmarked with best international practices while maintaining compliance with the Regulatory requirements in countries of operation.
- We closely monitor regulatory developments to ensure new regulatory requirements, laws, or regulations are embedded in our policies and implemented promptly.
- We scan our local, regional, and global environment to keep abreast of emerging regulatory issues and ensure appropriate response.
- We continue to invest significant resources to improve our compliance systems, and control and enhance capabilities to continually comply with new requirements.
- We continuously assess and promote compliance and desired behaviours through ongoing monitoring and assessments.
- We undertake periodic Anti Bribery and Corruption Risk Assessment
- Regular compliance programs with remedial actions applied where any gaps are noted.
- We continue to ensure that regulatory ratios and limits are adhered to.
- We continuously embed a strong compliance culture through continuous training and awareness (through both physical engagements and e-learning platforms) to both internal and external service stakeholders as appropriate.



## X. Climate Risk

Climate risk represents the potential for adverse financial and non-financial impacts arising from climate change and the transition to a low-carbon economy. The Bank recognises climate risk as a transversal risk that can affect credit, market, liquidity, operational, and reputational risk profiles.

### Our Mitigations:

- The Bank is committed to supporting the global transition to a low-carbon economy and is a signatory to the Net Zero Banking Alliance (NZBA). In this regard, the Bank is working towards aligning its lending and investment portfolios with net-zero greenhouse gas emissions by 2050, while progressively reducing its contribution to and exposure from climate-related risks.
- KCB has embedded climate risk considerations within its risk management and due diligence processes to support the identification, assessment, and mitigation of exposure to both transition and physical risks across its lending and investment portfolios. This is complemented by the Bank's comprehensive Environmental and Social Risk Management System, which guides the identification, avoidance, and management of environmental and social risks arising from its financing activities, in support of sustainable finance objectives.



## XI. Strategic Risk

Strategic risk refers to the current and prospective impact on earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes.

### Our Mitigations:

- The Bank's strategic plan covers three years. It is approved by the Board of Directors and reviewed annually to reflect changes in the business environment, competitive landscape, and the Bank's goals.
- Developing the plan involves reviewing the Bank's business, identifying key risks, and carrying out a full planning process.
  - The plan is influenced by both internal and external factors, which can either support or hinder progress. Risk assessments are conducted to evaluate these factors and provide Senior Management and the Board with guidance for decisions or adjustments.
  - Goals and metrics are set for each process and business result, turning the strategy into measurable steps for different units and helping identify the Bank's level of strategic risk.
  - As the strategy is developed, the Risk team reviews potential risks before and after approval to support decision-making and allow course corrections when needed.
  - The Strategy team and senior management regularly monitor external developments and update strategic plans to address new issues in key risk areas.



## XII. Conduct Risk

Conduct risk is the risk of creating harm to a customer, counterparty, or market arising from inappropriate behaviour by KCB or its partners in the execution of business activities.

### Our Mitigations:

- The Bank has maintained and regularly updates the Bank Code of Ethical Conduct that sets out its commitment to a zero-tolerance position to all forms of corruption, bribery and unethical business practices.
- Guided by the Code of Ethical Conduct, the Bank manages Conduct risk through:
- Maintaining an ethical culture that promotes good business practices and reinforces appropriate behaviours aligned with the Bank's values.
- Policies and procedures in place to ensure appropriate controls and processes that deliver fair customer outcomes, and support market integrity and competition requirements.
- Customer needs are considered through customer plans, with integral risk assessments for all new products and initiatives before rollout.
- Enhanced product governance framework to ensure products continue to offer customers fair value and consistently meet their needs throughout their product life cycle.
- Effective complaints management and escalation mechanisms when required.
- Ongoing engagement with third parties involved in serving the Bank's customers to ensure consistent delivery.
- Ensuring that communications with customers are clear, fair, and not misleading.
- Risk Assessment of high-risk areas for bribery and corruption and enhancement of controls.



## XIII. Reputational Risk

This is the possibility that our reputation will be harmed, which can negatively impact on our financial performance.

### Our Mitigations:

- The Bank values its good reputation and protects its Brand through monitoring Reputational risks and their drivers, as well as through continuous media monitoring. All staff and other parties working for or on behalf of the Bank are called upon to uphold ethical business conduct in all their business dealings.
- In addition, annual ethics training is provided to all staff, and employees are encouraged to freely raise any ethical concerns through established channels, either internally, or anonymously through external channels.

## Looking Ahead

As we move into the 2026 financial year, risk management remains a key strategic enabler, guiding decision-making and ensuring accountability at every level.

Agentic and Generative AI are transforming decision making, transaction processing, risk management and customer engagement presenting with it both opportunities and challenges of safe and practical use of AI tools. BPR has put in place and continues to enhance appropriate governance frameworks and procedures to ensure adequate management of the associated risks.

The Bank proactively performs horizon scanning to identify emerging risks and implement appropriate control strategies to adapt, adequately mitigate potential exposures, and ensure compliance with new regulatory actions. With the expectation that data continues to play a transformative role, BPR aims to enhance its risk management capabilities, improve operational efficiency and unlock insights by harnessing data analytics.



ANNUAL  
**ENVIRONMENTAL**  
REPORT

2025

## 1. About BPR Bank Rwanda Plc

BPR Bank Rwanda Plc is one of leading commercial bank in Rwanda, providing a wide range of financial services to individuals, small and medium enterprises (SMEs), corporates, and institutions. The Bank plays a key role in supporting national economic development by promoting financial inclusion, entrepreneurship, and access to credit across both urban and rural communities through its extensive branch and agency network.

The Bank offers diversified services including retail banking, SME banking, corporate banking, and digital financial solutions tailored to meet the evolving needs of its customers. Through these services, BPR Bank supports priority sectors such as agriculture, housing, trade, and business development, contributing to Rwanda's socio-economic transformation.

Guided by its mission to provide innovative and inclusive financial solutions, and its vision to be a trusted and leading financial institution, BPR Bank operates with strong core values centered on integrity, customer focus, accountability, and excellence. These principles underpin the Bank's commitment to delivering sustainable value to its stakeholders.

As part of its sustainability agenda, BPR Bank integrates environmental and social (E&S) considerations into its operations and lending activities. The Bank has established an Environmental and Social Management System (ESMS) to systematically identify, assess, and manage environmental and social risks associated with its portfolio. This ensures compliance with national environmental regulations and alignment with international best practices.

Furthermore, the Bank is committed to responsible financing and continuous improvement of its environmental performance. By strengthening ESG integration, enhancing stakeholder engagement, and promoting climate risk management, BPR Bank contributes to sustainable development while maintaining sound governance and risk management practices.

## 2. Approach to environmental management

### 2.1. Environmental and Social Management System

BPR Bank has established an Environmental and Social Management System (ESMS) as a core tool to manage environmental and social risks associated with its operations and lending activities. The ESMS is aligned with national regulatory requirements and international standards, including those of development finance institutions such as the World Bank and IFC.

The ESMS is designed to:

- Integrate environmental and social considerations into credit appraisal and decision-making
- Ensure systematic screening and risk categorization of all financed projects
- Apply proportionate environmental and social due diligence based on risk level
- Monitor environmental and social performance of financed activities post-disbursement

- Promote mitigation of adverse impacts and enhancement of positive outcomes

The system adopts a risk-based approach, ensuring that all projects are assessed according to their potential environmental and social impacts (low, medium, or high risk). It also incorporates climate risk assessment at the earliest stage of the credit lifecycle, ensuring resilience and alignment with emerging climate-related financial regulations.

### Additionally, the ESMS ensures:

Compliance with Rwanda environmental laws and REMA requirements

- Alignment with international E&S safeguards and best practices
- Integration of stakeholder engagement and grievance redress mechanisms
- Continuous improvement through monitoring, audits, and periodic reviews

Through this system, BPR ensures that environmental management is not treated as a standalone function, but as an integral part of its governance, risk management, and operational processes.

## 2.2. ESMS Structure and Processes

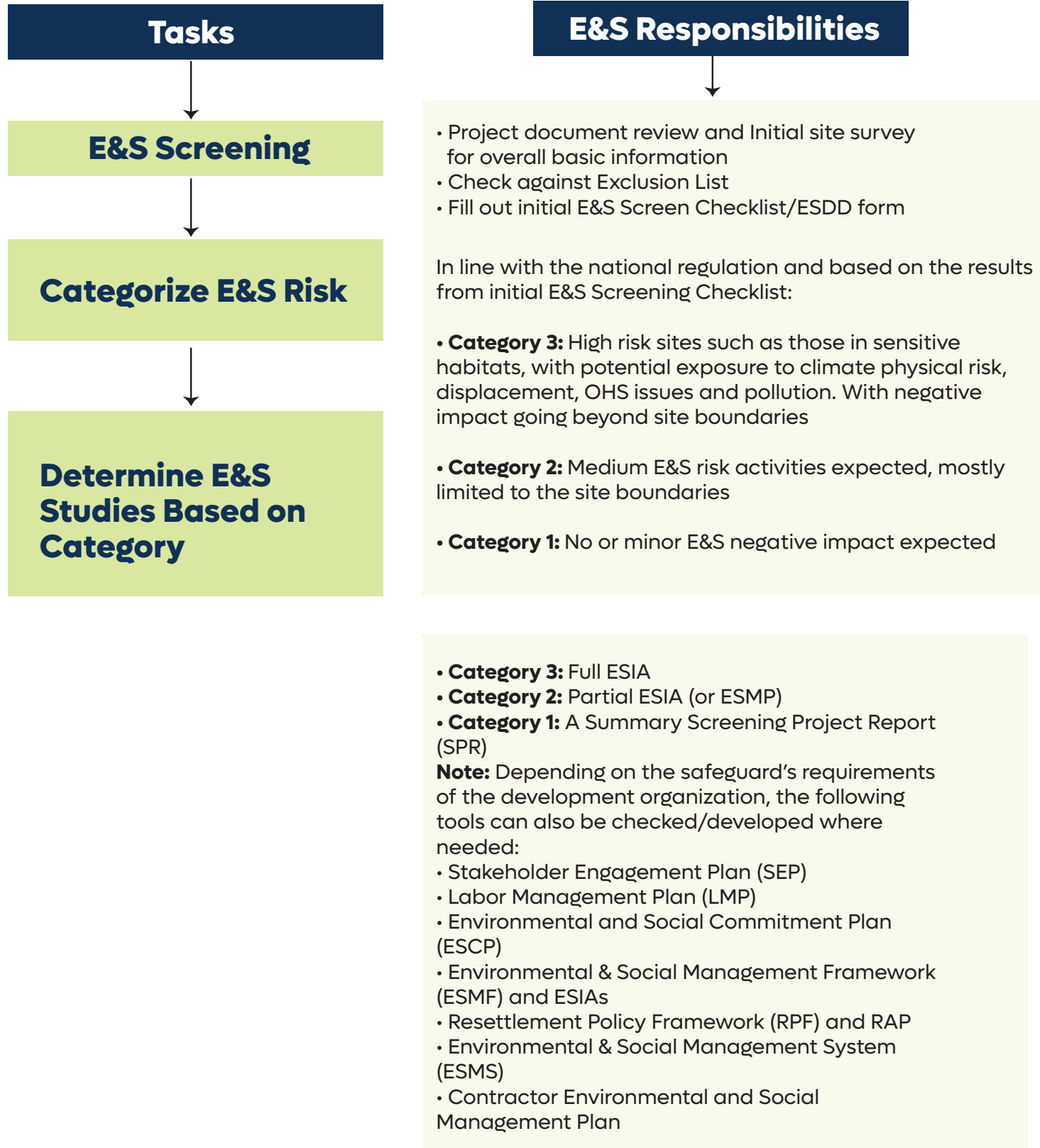
### 2.2.1. Organizational Structure and Governance

The implementation of the ESMS follows a multi-level governance structure:

- Board of Directors & EXCO: Provide oversight and approve E&S policies and risk appetite
- Risk Department (Second Line of Defense): Oversees ESMS implementation, risk monitoring, and compliance
- Business Department (First Line): Conducts initial E&S screening and client engagement
- Credit Department: Validates risk assessments and integrates E&S conditions into loan approvals
- Sustainability Function: Coordinates ESMS implementation, monitoring, and reporting

This structure ensures that environmental and social risk management is embedded across the entire credit lifecycle and decision-making process.

### 2.3. Climate Scenario Analysis and Materiality Assessment



**2.3. Climate Scenario Analysis and Materiality Assessment**

In 2025, BPR Bank Rwanda Plc strengthened its climate risk management by integrating climate considerations into its governance, risk frameworks, and lending processes. The Bank recognizes both physical risks (e.g., floods, droughts) and transition risks (e.g., regulatory and market changes) as key factors affecting portfolio performance.

**2.3.1. Climate Scenario Analysis**

As part of its climate risk framework, BPR conducted forward-looking scenario analysis to 2040, assessing the potential financial and environmental impacts of different climate pathways on its portfolio.

The assessment covered three key scenarios:

**2.3.2. Net Zero Scenario (SSP1-2.6)**

This scenario assumes an orderly and accelerated transition toward a low-carbon economy, supported by strong policy action and technological advancement.

**Key Characteristics:**

- Low physical risk exposure
- Higher short-term transition pressure
- Early policy enforcement and decarbonization

**Materiality Thresholds Applied to all scenarios:**

- 0.0% – 0.5%: Low risk (limited financial impact)
- 0.5% – 1.5%: Moderate risk (requires monitoring)
- >1.5%: Significant risk (strategic attention required)

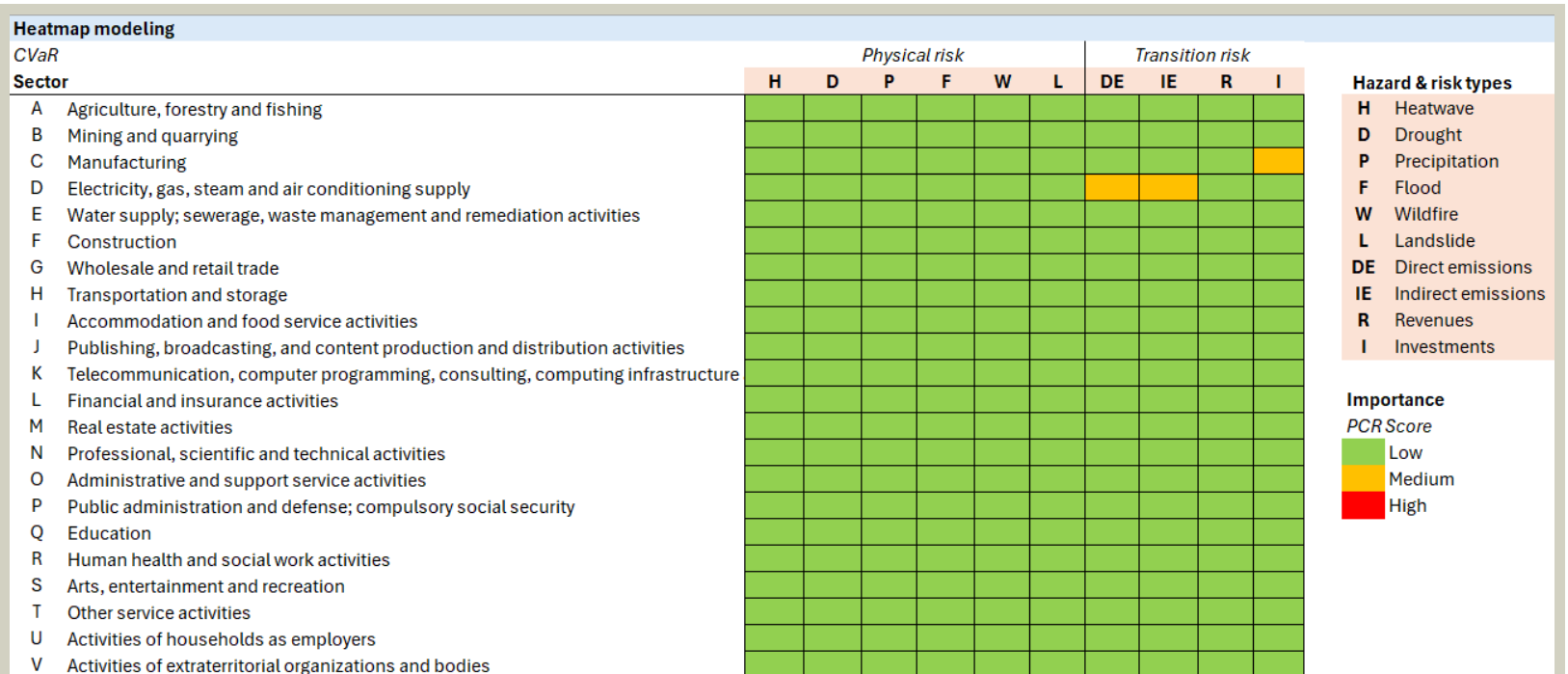


Figure 1: Heatmap vs Transition Risk (Net Zero Scenario)]

Transition climate risk per sector	2040, Net Zero					potential losses as per total outstanding			
	Outstanding	Direct emissions	Indirect emissions	Revenues	Investments	Direct emissions	Indirect emissions	Revenues	Investments
A. Agriculture, forestry and fishing	12,512,953,044	287,039,385	254,810,251	-	-	0.03%	0.03%	0.00%	0.00%
B. Mining and quarrying	100,797,029	37,319	22,546	5,129,796	-	0.00%	0.00%	0.00%	0.00%
C. Manufacturing	161,753,815,016	829,622,279	888,666,982	-	10,140,258,634	0.09%	0.10%	0.00%	1.12%
D. Electricity, gas, steam and air conditioning supply	49,588,044,832	7,076,905,316	8,707,668,728	-	3,254,216,284	0.78%	0.96%	0.00%	0.36%
E. Water supply; sewerage, waste management and remediation activities	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%
F. Construction	136,839,893,470	167,450,999	290,225,674	90,772,855	810,815,981	0.02%	0.03%	0.01%	0.09%
G. Wholesale and retail trade	180,578,132,056	341,137,277	539,534,705	-	-	0.04%	0.06%	0.00%	0.00%
H. Transportation and storage	28,395,649,269	1,237,440,413	1,674,818,389	-	-	0.14%	0.19%	0.00%	0.00%
I. Accommodation and food service activities	9,498,349,658	22,685,499	29,949,421	-	-	0.00%	0.00%	0.00%	0.00%
J. Publishing, broadcasting, and content production and distribution activities	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%
K. Telecommunication, computer programming, consulting, computing infrastructure	35,809,911,256	1,140,174	1,311,926	-	-	0.00%	0.00%	0.00%	0.00%
L. Financial and insurance activities	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%
M. Real estate activities	125,508,639,659	1,649,980	1,177,467	-	-	0.00%	0.00%	0.00%	0.00%
N. Professional, scientific and technical activities	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%
O. Administrative and support service activities	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%
P. Public administration and defence; compulsory social security	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%
Q. Education	37,209,021,844	17,806,004	10,357,126	-	-	0.00%	0.00%	0.00%	0.00%
R. Human health and social work activities	27,341,906,046	29,366,748	30,228,309	-	-	0.00%	0.00%	0.00%	0.00%
S. Arts, entertainment and recreation	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%
T. Other service activities	6,098,037,392	1,747,987	2,050,024	-	-	0.00%	0.00%	0.00%	0.00%
U. Activities of households as employers	91,420,187,700	-	-	-	-	0.00%	0.00%	0.00%	0.00%
V. Activities of extraterritorial organizations and bodies	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%
<b>TOTAL</b>	<b>902,655,338,271</b>	<b>10,014,029,380</b>	<b>12,430,821,548</b>	<b>95,902,651</b>	<b>14,205,290,899</b>				
in %		1.11%	1.38%	0.01%	1.57%				
in EUR	527,560,104	5,852,735	7,265,238	56,051	8,302,332				

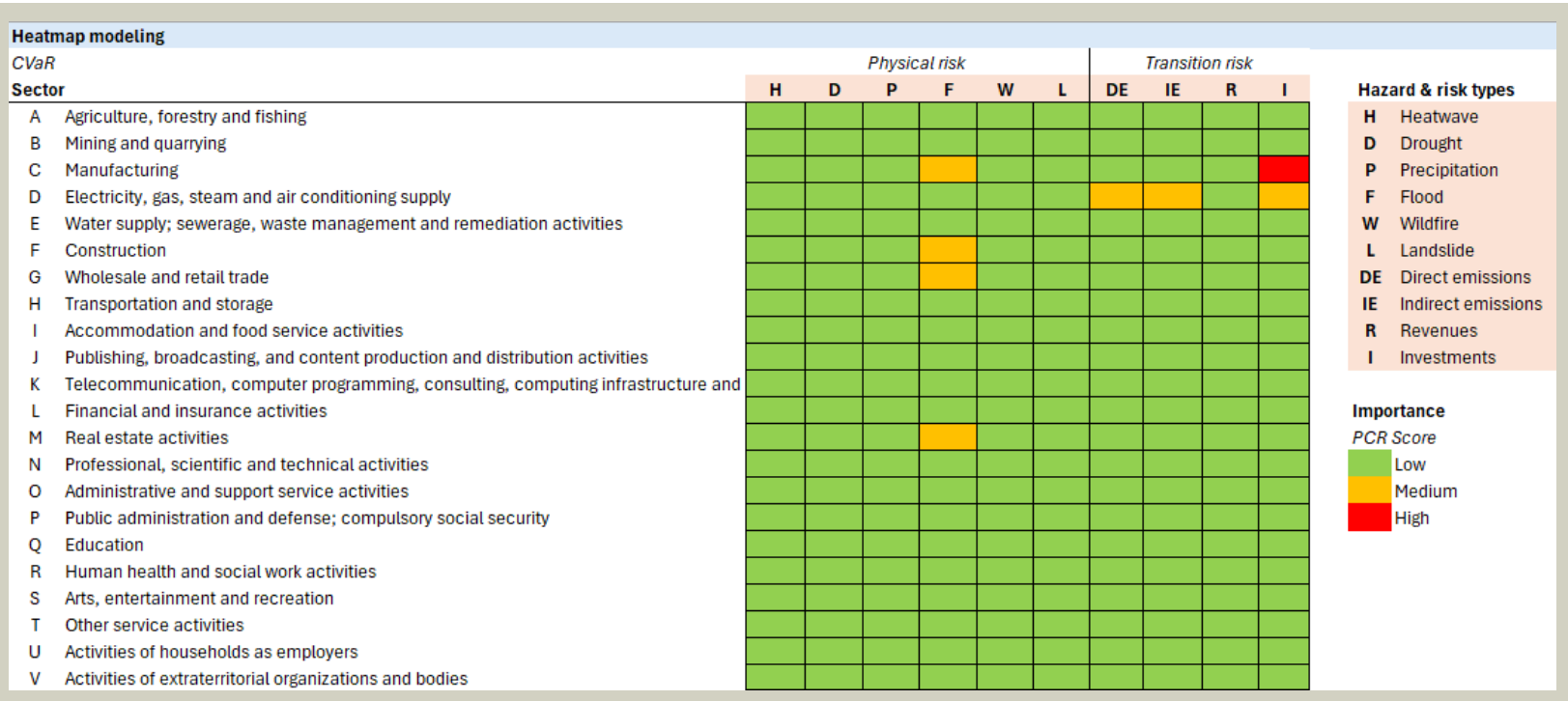
Figure 1: Heatmap vs Transition Risk (Net Zero Scenario)]

**2.3.3. Delayed Transition Scenario (SSP2-4.5)**

This scenario reflects a moderate pathway where climate policies are delayed, leading to more abrupt adjustments later.

**Key Characteristics:**

- Moderate physical risks
- Increasing transition risks over time
- Potential for sudden regulatory changes



Sector (2.1)	2040, Delayed transition					potential losses as per total outstanding			
	Outstanding	Direct emissions	Indirect emissions	Revenues	Investments	Direct emissions	Indirect emissions	Revenues	Investments
A	12,512,953,044	323,863,877	287,500,044	-	-	0.04%	0.03%	0.00%	0.00%
B	100,797,029	42,107	25,438	15,144,993	57,764,080	0.00%	0.00%	0.00%	0.01%
C	161,753,815,016	936,055,126	1,002,674,717	-	24,508,931,882	0.10%	0.11%	0.00%	2.72%
D	49,588,044,832	7,984,806,657	9,824,781,896	-	10,778,792,219	0.88%	1.09%	0.00%	1.19%
E	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%
F	136,839,893,470	188,933,410	327,458,937	2,682,190,181	3,521,860,183	0.02%	0.04%	0.30%	0.39%
G	180,578,132,056	384,902,027	608,752,005	-	-	0.04%	0.07%	0.00%	0.00%
H	28,395,649,269	1,396,192,545	1,889,682,061	71,767,411	-	0.15%	0.21%	0.01%	0.00%
I	9,498,349,658	25,595,838	33,791,654	-	-	0.00%	0.00%	0.00%	0.00%
J	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%
K	35,809,911,256	1,286,448	1,480,234	-	-	0.00%	0.00%	0.00%	0.00%
L	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%
M	125,508,639,659	1,861,657	1,328,525	-	-	0.00%	0.00%	0.00%	0.00%
N	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%
O	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%
P	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%
Q	37,209,021,844	20,090,349	11,685,849	-	-	0.00%	0.00%	0.00%	0.00%
R	27,341,906,046	33,134,229	34,106,320	-	-	0.00%	0.00%	0.00%	0.00%
S	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%
T	6,098,037,392	1,972,238	2,313,023	-	-	0.00%	0.00%	0.00%	0.00%
U	91,420,187,700	-	-	-	-	0.00%	0.00%	0.00%	0.00%
V	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%
<b>TOTAL</b>	<b>902,655,338,271</b>	<b>11,298,736,507</b>	<b>14,025,580,704</b>	<b>2,769,102,585</b>	<b>38,867,348,365</b>				
in %		1.25%	1.55%	0.31%	4.31%				
in EUR	527,560,104	6,603,587	8,197,300	1,618,412	22,716,159				

Districts	Outstanding	Hot days	Drought	Xprec	Flood	Wildfire	Landslide	Total loss	Potential location risks as per total outstanding	Hot days	Drought	Xprec	Flood	Wildfire	Landslide
Burera	266,556,311	39,212	1,503,585	1,342,358	7,668,157	97,231	25,181	10,675,724	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gakenke	278,021,403	49,411	2,056,655	1,466,868	8,412,979	111,293	27,946	12,125,152	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gicumbi	396,716,312	2,616	2,578,028	1,704,367	4,443,003	12,001,138	79,697	20,808,849	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Musanze	258,844,188	19,996	1,296,534	949,547	6,967,569	587,356	52,853	9,873,856	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Rulindo	329,243,765	12,388	1,761,345	1,398,506	13,870,496	-	93,581	17,136,315	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gisagara	169,452,460	1,017	919,945	665,975	1,787,220	4,769,171	30,740	8,174,067	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Huye	379,173,699	2,284	2,069,893	1,549,634	4,169,050	10,691,786	71,343	18,553,990	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Kamonyi	240,227,161	1,459	1,350,920	999,479	2,633,455	6,886,913	46,360	11,918,587	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Muhanga	228,938,645	17,450	1,115,150	835,058	6,089,272	513,884	46,653	8,617,467	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nyamagabe	254,609,866	-	1,176,923	2,750,566	1,317,067	21,070	1,898,038	7,163,664	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nyanza	196,117,655	791	888,435	1,715,076	644,933	17,739	674,628	3,941,603	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nyaruguru	195,571,082	7,236	1,020,759	811,029	8,009,220	-	54,343	9,902,588	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ruhango	211,298,037	7,818	1,122,273	919,161	8,975,204	-	61,608	11,086,063	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Bugesera	202,580,534	31,555	1,224,820	1,015,786	5,865,202	75,156	19,122	8,231,641	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gatsibo	257,359,449	1,631	1,607,124	1,124,167	2,878,545	7,740,191	52,592	13,404,250	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Kayanza	173,009,615	2,934	1,005,767	586,980	2,765,487	3,557,506	28,238	7,946,912	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Kirehe	188,514,434	14,139	921,467	691,005	4,964,369	427,923	38,608	7,057,511	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ngoma	246,655,372	29,157	1,384,297	779,045	7,039,339	178,936	48,678	9,459,451	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nyagatare	229,811,810	-	1,440,505	2,755,761	1,259,282	21,526	1,950,490	7,427,564	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Rwamagana	232,591,837	9,744	1,548,464	1,080,888	10,164,162	-	73,935	12,877,192	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Karongi	347,437,841	2,085	1,903,640	1,398,836	3,731,085	9,839,021	64,585	16,939,252	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ngororero	220,665,623	-	1,020,183	2,356,840	2,531,589	-	656,281	6,564,893	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nyabihu	200,218,063	-	1,121,659	2,254,327	1,059,277	17,784	1,579,615	6,032,662	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nyamashuke	354,858,427	1,454	1,677,522	3,159,410	1,168,897	32,736	1,249,958	7,289,977	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Rubavu	230,968,158	8,798	1,285,594	1,019,578	9,935,081	-	68,542	12,317,594	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Rusizi	302,786,062	11,203	1,613,419	1,325,862	12,916,715	-	88,894	15,956,093	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Rutsiro	229,363,040	8,509	1,193,730	953,177	9,461,601	-	63,793	11,680,811	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gasabo	894,698,168,314	318,075,438	8,886,741,101	8,393,827,490	42,853,335,481	497,396,957	171,858,155	61,121,234,621	6.8%	0.04%	0.98%	0.93%	4.75%	0.06%	0.02%
Kicukiro	509,947,499	8,780	2,880,991	1,725,046	8,303,084	10,238,739	83,040	23,239,681	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nyarugenge	373,982,238	14,852	2,162,774	1,675,460	16,226,373	-	113,915	20,193,375	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Grand Total</b>	<b>902,403,688,900</b>	<b>318,381,958</b>	<b>8,929,593,499</b>	<b>8,434,837,282</b>	<b>43,028,593,193</b>	<b>565,224,057</b>	<b>181,201,412</b>	<b>61,457,831,402</b>	<b>6.8%</b>						
N/A	-	-	-	-	-	-	-	-	-						
Incl N/A	902,403,688,900	318,381,958	8,929,593,499	8,434,837,282	43,028,593,193	565,224,057									
difference	251,649,371	0	0	0	0	0	0	0	0						

\* Field coloring is from excel conditional formatting tool

2.3.4. High Emissions / NDC Scenario (SSP5-8.5)

This scenario assumes limited global mitigation efforts, resulting in higher emissions and increased exposure to climate hazards.

Key Characteristics:

- High physical risks (floods, droughts, climate variability)
- Lower immediate transition pressure
- Long-term systemic environmental impacts

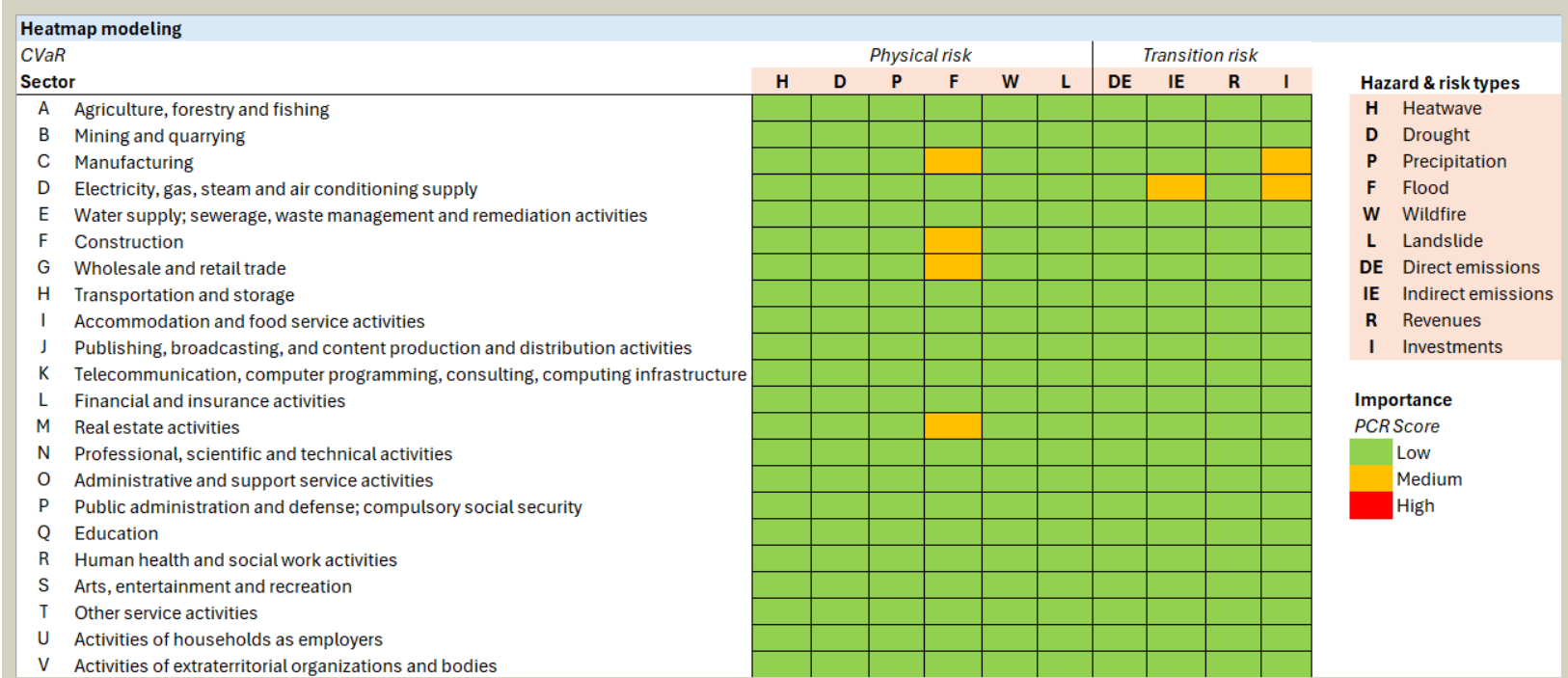


Figure 1: Heatmap vs Transition Risk (Net Zero Scenario)]

Transition climate risk per sector		2040, NDC					potential losses as per total outstanding				
Sector (2.1)		Outstanding	Direct emissions	Indirect emissions	Revenues	Investments	Direct emissions	Indirect emissions	Revenues	Investments	
A	A. Agriculture, forestry and fishing	12,512,953,044	163,981,214	145,569,202	-	-	0.02%	0.02%	0.00%	0.00%	
B	B. Mining and quarrying	100,797,029	21,320	12,880	9,835,648	2,853,774	0.00%	0.00%	0.00%	0.00%	
C	C. Manufacturing	161,753,815,016	473,950,527	507,681,864	-	13,054,081,272	0.05%	0.06%	0.00%	1.45%	
D	D. Electricity, gas, steam and air conditioning supply	49,588,044,832	4,042,927,839	4,974,558,050	-	4,588,626,024	0.45%	0.55%	0.00%	0.51%	
E	E. Water supply; sewerage, waste management and remediation activities	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	
F	F. Construction	136,839,893,470	95,662,197	165,801,491	531,733,788	1,009,305,777	0.01%	0.02%	0.06%	0.11%	
G	G. Wholesale and retail trade	180,578,132,056	194,886,512	308,227,930	-	-	0.02%	0.03%	0.00%	0.00%	
H	H. Transportation and storage	28,395,649,269	706,930,794	956,798,147	767,039,802	-	0.08%	0.11%	0.00%	0.00%	
I	I. Accommodation and food service activities	9,498,349,658	12,959,879	17,109,646	-	-	0.00%	0.00%	0.00%	0.00%	
J	J. Publishing, broadcasting, and content production and distribution activities	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	
K	K. Telecommunication, computer programming, consulting, computing infrastructure	35,809,911,256	651,364	749,484	-	-	0.00%	0.00%	0.00%	0.00%	
L	L. Financial and insurance activities	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	
M	M. Real estate activities	125,508,639,659	942,608	672,669	-	-	0.00%	0.00%	0.00%	0.00%	
N	N. Professional, scientific and technical activities	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	
O	O. Administrative and support service activities	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	
P	P. Public administration and defence; compulsory social security	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	
Q	Q. Education	37,209,021,844	10,172,298	5,916,868	-	-	0.00%	0.00%	0.00%	0.00%	
R	R. Human health and social work activities	27,341,906,046	16,776,774	17,268,971	-	-	0.00%	0.00%	0.00%	0.00%	
S	S. Arts, entertainment and recreation	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	
T	T. Other service activities	6,098,037,392	998,598	1,171,148	-	-	0.00%	0.00%	0.00%	0.00%	
U	U. Activities of households as employers	91,420,187,700	-	-	-	-	0.00%	0.00%	0.00%	0.00%	
V	V. Activities of extraterritorial organizations and bodies	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	
<b>TOTAL</b>		<b>902,655,338,271</b>	<b>5,720,861,923</b>	<b>7,101,538,348</b>	<b>1,308,609,238</b>	<b>18,654,866,847</b>					
		in %	0.63%	0.79%	0.14%	2.07%					
		in EUR	527,560,104	3,343,578	4,150,519	764,821	10,902,903				

Districts	Outstanding	Hot days	Drought	Xprec	Flood	Wildfire	Landslide	Total loss	Potential location risks as per total outstanding	Hot days	Drought	Xprec	Flood	Wildfire	Landslide
Burera	266,556,311	58,953	1,838,197	1,652,087	8,119,075	97,231	25,181	11,790,724	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Gakenke	278,021,403	74,287	2,514,348	1,805,326	8,907,695	111,293	27,946	13,440,896	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Gicumbi	396,716,312	7,847	2,846,483	550,682	4,716,144	12,001,138	75,644	20,197,939	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Musanze	258,844,188	32,261	1,598,047	1,526,195	7,330,208	587,356	50,376	11,124,443	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Rulindo	329,243,765	19,753	2,107,889	919,997	14,939,270	-	91,524	18,078,434	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Gisagara	169,452,460	3,050	1,015,740	215,177	1,897,092	4,769,171	29,177	7,929,407	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Huye	379,173,699	6,853	2,285,435	500,688	4,425,348	10,691,786	67,715	17,977,826	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Kamonyi	240,227,161	4,377	1,491,593	322,933	2,795,351	6,886,913	44,003	11,545,170	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Muhanga	228,938,645	28,153	1,374,481	1,342,179	6,406,199	513,884	44,466	9,709,362	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Nyamagabe	254,609,866	-	1,307,049	2,232,577	1,268,959	21,070	1,909,404	6,739,059	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Nyanza	196,117,655	593	1,008,074	2,857,395	681,529	17,739	699,193	5,264,523	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Nyaruguru	195,571,082	11,539	1,221,593	533,530	8,626,361	-	53,149	10,446,171	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Ruhango	211,298,037	12,467	1,343,079	604,664	9,666,777	-	60,254	11,687,240	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Bugesera	202,580,534	47,441	1,497,395	1,250,164	6,210,098	75,156	19,122	9,099,376	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Gatsibo	257,359,449	4,892	1,774,476	363,219	3,055,508	7,740,191	49,918	12,988,205	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Kayanza	173,009,615	6,602	1,166,816	200,098	2,906,386	3,557,506	26,509	7,863,917	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Kirehe	188,514,434	22,810	1,135,757	1,110,644	5,222,749	427,923	36,799	7,956,681	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Ngoma	246,655,372	42,595	1,684,320	975,868	7,527,945	178,936	47,027	10,456,692	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Nyagatare	229,811,810	-	1,599,775	2,236,794	1,213,284	21,526	1,962,170	7,033,549	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Rwamagana	232,591,837	15,538	1,853,124	711,054	10,947,349	-	72,310	13,599,375	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Karongi	347,437,841	6,254	2,101,869	451,965	3,960,459	9,839,021	61,301	16,420,870	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Ngororero	220,665,623	-	1,214,104	1,371,143	2,246,553	-	647,205	5,479,004	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Nyabihu	200,218,063	-	1,245,676	1,829,791	1,020,585	17,784	1,589,073	5,702,908	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Nyamasheke	354,858,427	1,091	1,903,421	5,263,720	1,235,225	32,736	1,295,471	9,731,664	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Rubavu	230,968,158	14,030	1,538,534	670,722	10,700,617	-	67,036	12,990,939	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Rusizi	302,786,062	17,864	1,930,859	872,209	13,911,997	-	86,940	16,819,869	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Rutsiro	229,363,040	13,569	1,428,596	627,041	10,190,653	-	62,391	12,322,251	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Gasabo	894,698,168,314	478,209,969	10,864,421,319	10,330,578,652	45,373,279,286	497,396,957	171,858,155	67,715,744,336	7.5%	0.05%	1.20%	1.14%	5.03%	0.06%	
Kicukiro	509,947,499	19,756	3,342,311	588,059	8,726,119	10,238,739	77,956	22,992,939	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
Nyarugenge	373,982,238	23,683	2,588,299	1,102,190	17,476,677	-	111,411	21,302,261	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	
<b>Grand Total</b>	<b>902,403,688,900</b>	<b>478,706,227</b>	<b>10,914,378,661</b>	<b>10,365,266,765</b>	<b>45,559,611,497</b>	<b>565,224,057</b>	<b>181,248,827</b>	<b>68,064,436,034</b>	<b>7.5%</b>						
N/A															

\* Field coloring is from excel conditional formatting tool

**2.4. Sector-Level Climate Risk Analysis**

The materiality assessment enabled the Bank to identify sector-specific exposure to both physical and transition risks across its lending portfolio.

**Key observations include:**

Certain sectors show high vulnerability to physical risks, particularly those dependent on climate-sensitive resources, other sectors are more exposed to transition risks, especially where regulatory or technological shifts are expected, Risk levels vary significantly across scenarios, highlighting the importance of forward-looking analysis

The climate risk analysis conducted in 2025 has generated important strategic insights for the Bank. It enabled the identification of high-risk sectors requiring enhanced due diligence, improved the understanding of how risks evolve under different climate scenarios, and established a baseline for climate risk quantification and ongoing monitoring. In addition, the process significantly strengthened internal capacity for scenario-based decision-making.

As one of the Bank’s first structured climate risk assessments, the analysis also highlighted the critical importance of enhanced data collection. While current results provide a solid foundation, continued improvements in data quality and availability will further increase the robustness and reliability of future assessments.

Climate risk considerations are being progressively integrated into the Bank’s overall risk management framework. This includes incorporation into the Environmental and Social Management System (ESMS), integration into credit appraisal processes and Environmental & Social Due Diligence (ESDD), and alignment with enterprise risk management practices. The Bank is also advancing efforts to embed climate risk into portfolio monitoring and reporting, risk appetite frameworks, as well as strategic and capital planning.

Despite this progress, several challenges remain. These include limited availability of granular client-level data, the need for more sector-specific climate metrics, and the ongoing evolution of methodologies and regulatory frameworks. Nevertheless, significant advancements have been made in data collection, scenario analysis, and internal capacity building, positioning the Bank on a strong trajectory toward more advanced climate risk management.

Looking ahead, BPR Bank Rwanda Plc will continue to enhance its approach through the implementation of climate stress testing, improved financed emissions data collection, and expanded scenario analysis coverage. The Bank will also further integrate

climate considerations into lending and investment decisions, while aligning with IFRS S2 and international best practices.

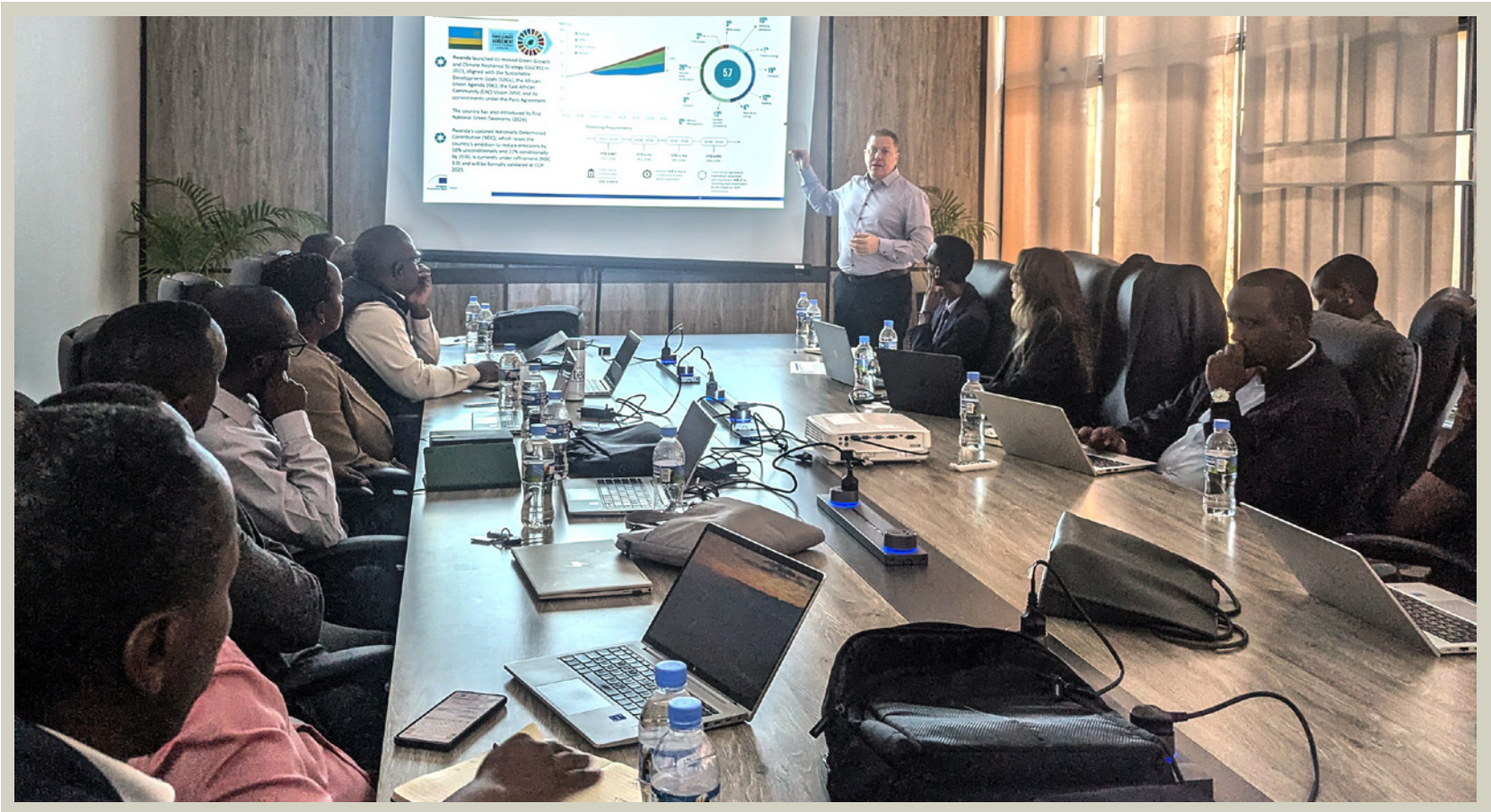
The 2025 climate risk management exercise represents a significant milestone for BPR Bank Rwanda Plc. Through the introduction of scenario analysis and materiality assessments, the Bank has established a strong foundation for identifying, measuring, and managing climate-related risks.

While methodologies and data will continue to evolve, the Bank has demonstrated clear commitment and progress, positioning itself to effectively navigate climate risks while supporting a sustainable and resilient financial system.

**2.5. Capacity Building**

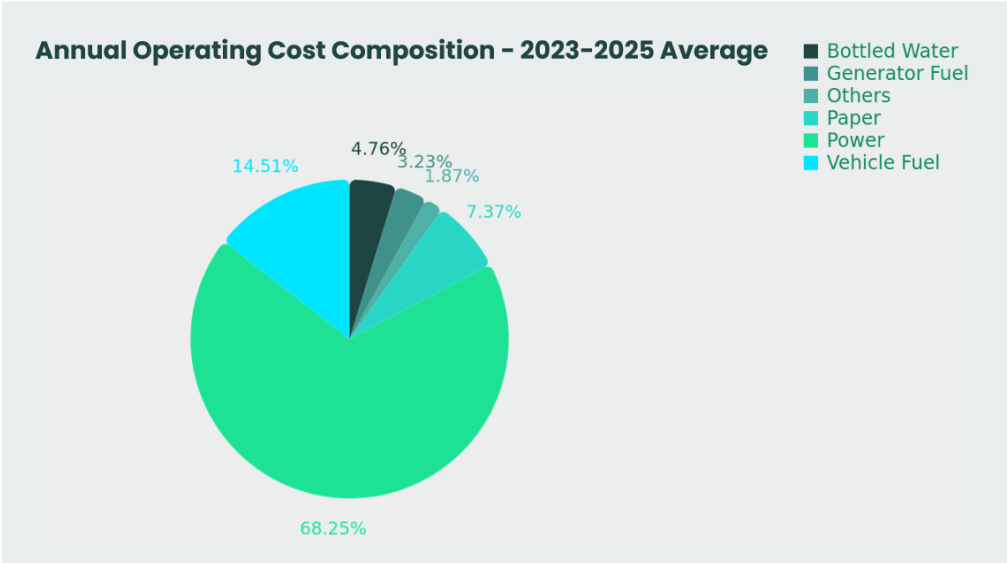
Climate risk capacity building Through the internal e learning platform, 499 staff members completed Climate Risk Management training, including staff from Business, Credit, Risk and Compliance functions.

As well as Training of Trainers (ToT) workshops was organized to build institutional capacity on Green and Sustainable Finance and prepare staffs to serve as In-House Trainers (IHTs). The training aimed to strengthen participants’ understanding of climate change, green finance frameworks, green loan products, and strategic implementation of green finance within the Bank.



### 3.2. Cost trends and Key insights

Bank operating expenditure analysis reveals total annual costs of 698.78M RWF (2023), 798.03M RWF (2024), and 740.64M RWF (2025). Power dominates at ~68% of total spending across all three years, while combined fuel expenses account for ~18%. Vehicle fuel shows significant 24% cost reduction from 2023–2024, indicating operational efficiency improvements, though partially offset by power cost increases of 20% year-over-year.



### Cost Metrics

01 **Power Share**  
**68.1%**

Dominant cost category across all years, averaging 68.1% of total operating expenditure

02 **Fuel Costs**  
**17.8%**

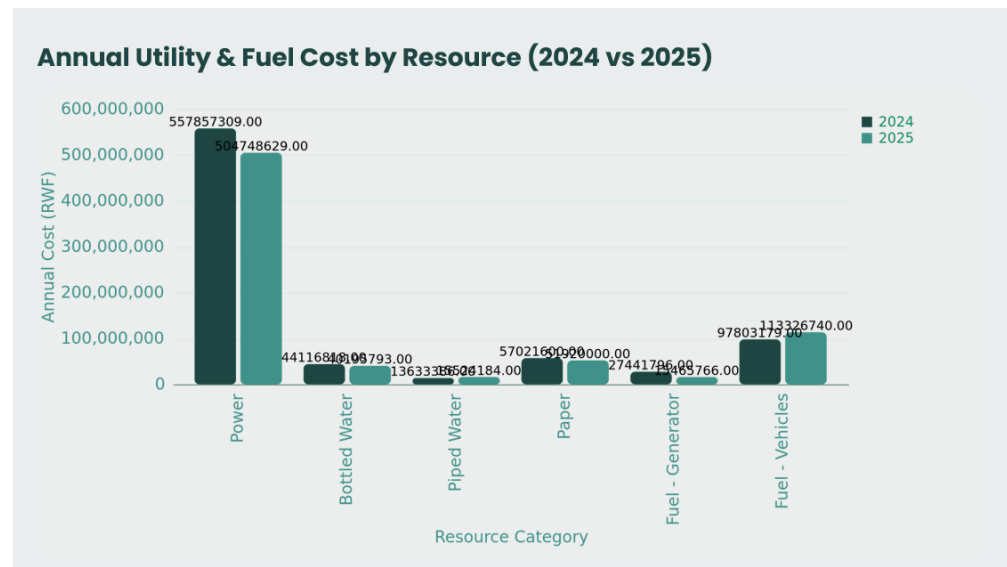
Combined vehicle and generator fuel expenses represent 17.8% of total costs on average

03 **2024 Peak Cost**  
**798.03M**

Highest annual expenditure recorded in 2024, representing 14.2% increase from 2023

### 3.3. Total Cost Change

Total utility and fuel costs decreased from 798.0M RWF in 2024 to 740.6M RWF in 2025, representing a 7% cost reduction. Power remains the dominant cost driver at 68.1% of total spend in 2025, though its share declined slightly from 69.9%. Vehicle fuel emerged as the only major cost category to increase, rising from 12.3% to 15.3% of total expenditure, offsetting gains in other areas.



### Key Metrics

01 **Total Cost**  
**-7%**

2025 total utility and fuel costs reduced by 57.4M RWF compared to 2024

02 **Power Share**  
**68.1%**

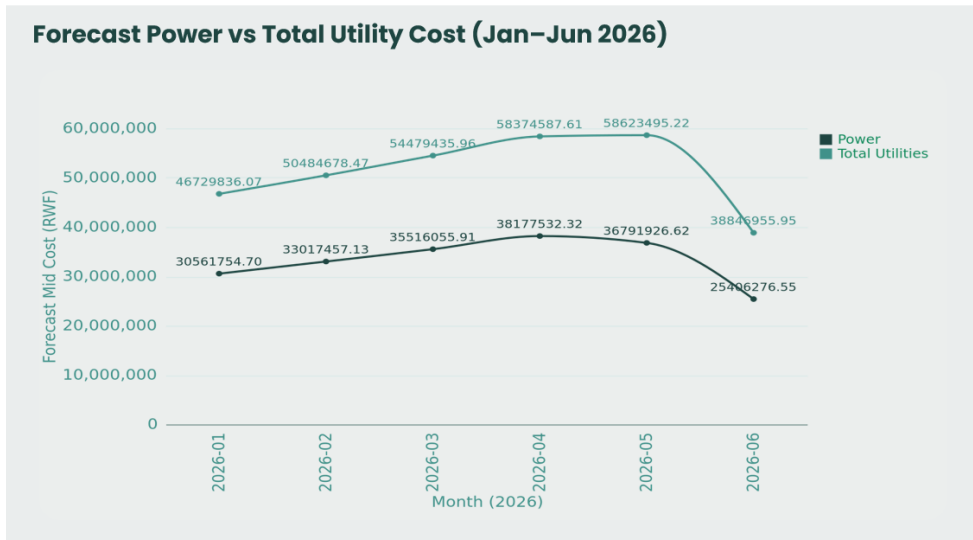
Power remains dominant cost driver, down from 69.9% in 2024

03 **Vehicle Fuel**  
**+15.5M**

Vehicle fuel costs increased by 15.5M RWF, the only major category to rise

### 3.4. Efficiency Gains & Operational Shifts

Power consumption declined 9.5% and generator fuel usage dropped dramatically by 45.1%, indicating improved grid reliability and better energy management. Paper and bottled water usage also decreased by 9.0% and 4.1% respectively, supporting sustainability goals. However, piped water consumption increased 13.9%, suggesting a positive shift from bottled to piped water sourcing. Vehicle fuel volume rose 12.5%, the most concerning trend, reflecting increased travel or less efficient route management that requires immediate operational attention.



01

#### Generator Fuel

**-45.1%**

Dramatic reduction in generator fuel consumption suggests improved grid reliability

02

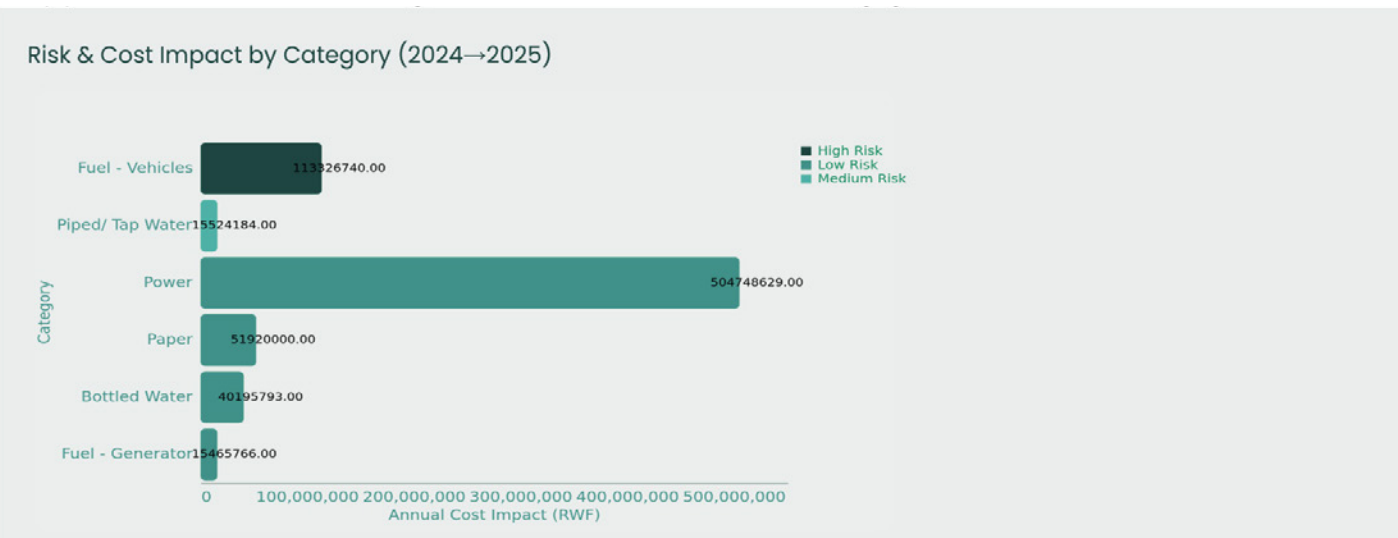
#### Vehicle Fuel

**+12.5%**

Vehicle fuel volume increased, indicating rising travel demand or route inefficiency

### 3.5. Priority Actions by Category

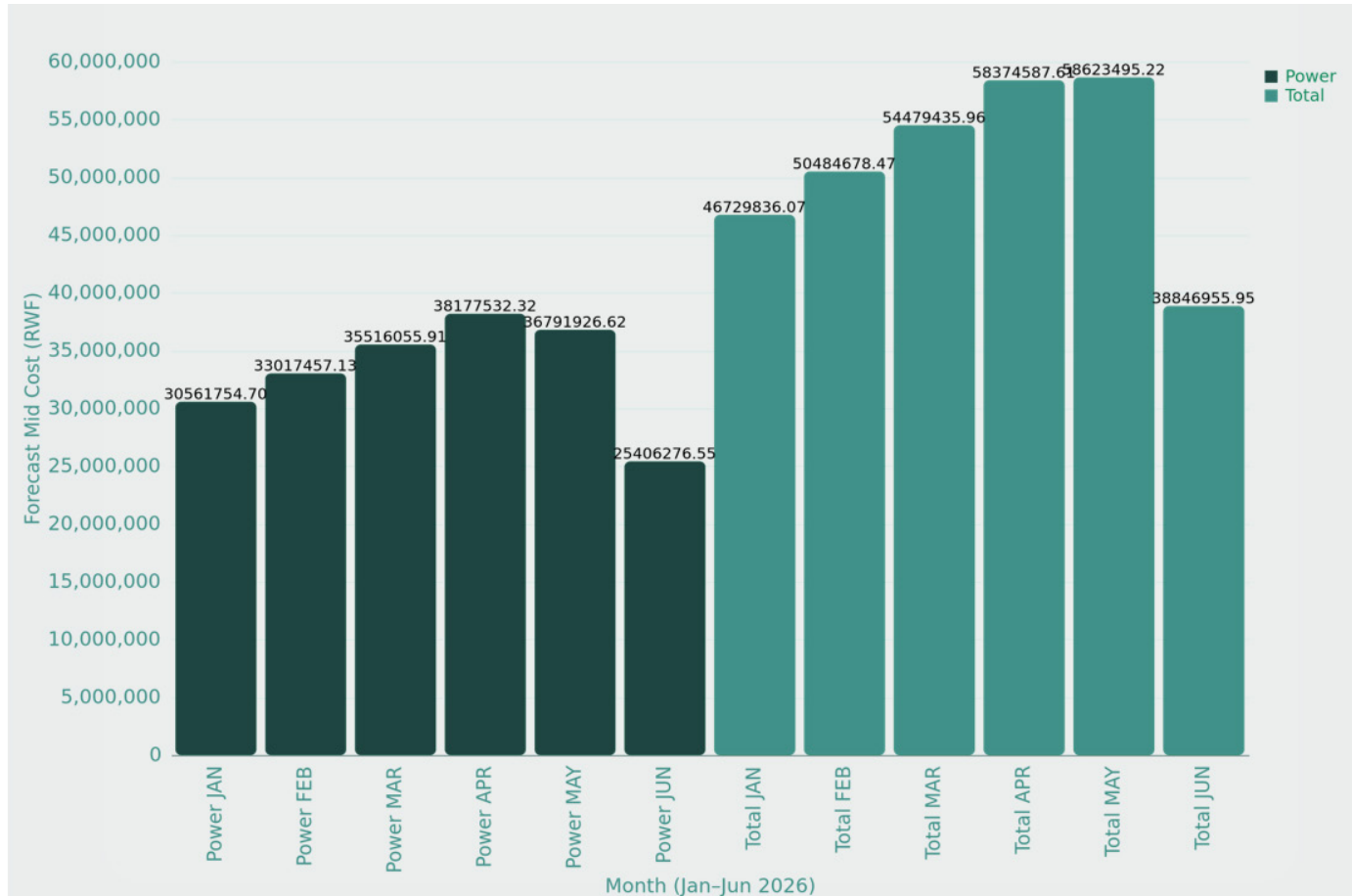
Vehicle fuel is the highest priority risk, combining large cost impact (113.3M RWF annually) with upward growth trajectory (+12.5% volume, +2.5% unit cost). Immediate actions include trip consolidation, travel policy enforcement, and fuel efficiency monitoring by vehicle. Power, while representing 68% of costs, shows positive momentum with stable pricing and declining volumes—focus on locking in efficiency gains through formalized energy management procedures. Generator fuel achieved excellent results (45% reduction) and requires protection through strict usage protocols. Water sourcing shows positive substitution from bottled to piped; accelerate this trend through infrastructure investment and staff engagement.



### 3.6. Expected Cost Trajectory

Total monthly utility costs for January–June 2026 are forecast in the 38.8M–58.7M RWF range, with Power remaining the core driver at 30.6M–38.2M RWF per month. Power growth is projected at approximately -9.5% versus trailing history, indicating no strong acceleration in electricity costs if current patterns hold. However, piped water and vehicle fuel show growth rates of approximately 13.9% and 15.9% respectively, emerging as rising risk areas requiring proactive management. The forecast underscores the need for immediate intervention on vehicle fuel through route optimization, travel policy enforcement, and fleet efficiency improvements to prevent cost escalation in 2026.

#### 3.6.1. Forecast Utility Cost by Category (Jan–Jun 2026, Mid Scenario)



Overall, BPR Bank continues to improve resource efficiency through targeted measures in energy management, digitalization, and sustainable resource use, while prioritizing corrective actions in high-impact areas such as fuel consumption and water management.

## 4. Climate Action and GHG

### 4.1. Tree planting

BPR Bank Rwanda Plc continues to strengthen its contribution to climate change mitigation through practical environmental initiatives, with a particular focus on ecosystem restoration and carbon sequestration. One of the Bank’s flagship climate actions is its annual tree planting program, implemented across different regions of Rwanda. This initiative is aligned with national environmental priorities and supports long-term climate resilience.



Assuming a conservative survival rate of 70%, approximately 7,000 trees for 2025 planting are expected to reach maturity. Once fully grown, these trees are estimated to sequester between 140 and 175 tonnes of CO<sub>2</sub> annually, contributing to carbon removal, biodiversity enhancement, and soil conservation.

**Beyond carbon sequestration, the initiative also supports:**

- Restoration of degraded ecosystems
- Improved soil stability and water retention
- Community engagement in environmental conservation

The Bank plans to further expand this initiative in the coming years as part of its broader sustainability and climate strategy.

**4.2. Greenhouse Gas (GHG) Emissions**

BPR Bank Rwanda Plc monitors and manages its greenhouse gas emissions in line with international best practices, including the Partnership for Carbon Accounting Financials (PCAF) framework for financed emissions.

The Bank's emissions are categorized into:

- **Scope 1:** Direct emissions from owned or controlled sources
- **Scope 2:** Indirect emissions from purchased electricity
- **Scope 3:** Other indirect emissions, including financed emissions and operational activities

#### 4.2.1. Financed Emissions (Scope 3 – Portfolio Emissions)

Financed emissions represent the largest share of the Bank's carbon footprint, reflecting emissions associated with lending and investment activities.

Year	Financed Emissions (tCO <sub>2</sub> e)	Portfolio Size (Million EUR)
2024	246,373 tCO <sub>2</sub> e	344
2025	271,056 tCO <sub>2</sub> e	508

#### Statement by Sector 2025

Sector	Outstanding (EUR)	Vol (%)	Carbon emissions (tCO <sub>2</sub> e)	Carbon emissions (%)	Economic intensity tCO <sub>2</sub> e/mEUR	Carbon emissions Scope 1 (tCO <sub>2</sub> e)	Carbon emissions Scope 2 (tCO <sub>2</sub> e)	Carbon emissions Scope 3 (tCO <sub>2</sub> e)
A. Agriculture, forestry and fishing	7.07	1.39%	10,035	3.70%	1,419.35	6,200.17	564.26	3,270.94
B. Mining and quarrying	0.01	0.00%	26	0.01%	1,986.19	16.23	2.11	8.13
C. Manufacturing	94.54	18.61%	99,419	36.68%	1,051.63	37,395.76	2,603.41	59,419.62
D. Electricity, gas, steam and air conditioning supply	28.98	5.71%	73,008	26.93%	2,519.09	52,957.48	6,630.65	13,419.75
E. Water supply; sewerage, waste management and remediation activities	-	0.00%	-	0.00%	-	-	-	-
F. Construction	79.98	15.75%	29,758	10.98%	372.09	1,194.93	286.30	28,277.15
G. Wholesale and retail trade	104.64	20.60%	30,020	11.08%	286.90	4,191.83	1,621.19	24,206.71
H. Transportation and storage	16.59	3.27%	3,774	1.39%	227.45	1,837.77	203.00	1,733.34
I. Accommodation and food service activities	5.55	1.09%	534	0.20%	96.20	32.71	21.83	479.10
J. Publishing, broadcasting, and content production and distribution activities	-	0.00%	-	0.00%	-	-	-	-
K. Telecommunication, computer programming, consulting, computing infrastructure	20.93	4.12%	3,592	1.33%	171.62	218.75	463.94	2,909.23
L. Financial and insurance activities	-	0.00%	-	0.00%	-	-	-	-
M. Real estate activities	72.77	14.33%	3,035	1.12%	41.71	384.52	271.61	2,379.32
N. Professional, scientific and technical activities	-	0.00%	-	0.00%	-	-	-	-
O. Administrative and support service activities	-	0.00%	-	0.00%	-	-	-	-
P. Public administration and defence; compulsory social security	-	0.00%	-	0.00%	-	-	-	-
Q. Education	21.74	4.28%	1,292	0.48%	59.44	154.84	145.27	992.38
R. Human health and social work activities	15.98	3.15%	3,630	1.34%	227.13	290.70	202.74	3,136.11
S. Arts, entertainment and recreation	-	0.00%	-	0.00%	-	-	-	-
T. Other service activities	3.56	0.70%	1,069	0.39%	300.22	112.44	53.35	903.39
U. Activities of households as employers	35.58	7.01%	11,863	4.38%	333.42	1,161.14	3,607.27	7,094.96
V. Activities of extraterritorial organizations and bodies	-	0.00%	-	0.00%	-	-	-	-
0	-	0.00%	-	0.00%	-	-	-	-
<b>TOTAL</b>	<b>507.92</b>		<b>271,056</b>		<b>533.65</b>	<b>106,149.29</b>	<b>16,676.94</b>	<b>148,230.11</b>

The Bank applies PCAF emission factors to estimate financed emissions, ensuring consistency, transparency, and alignment with global standards.

While absolute emissions increased, this reflects portfolio expansion rather than a deterioration in environmental performance. The Bank recognizes the importance of moving beyond absolute emissions and plans to progressively introduce emissions intensity metrics (e.g., emissions per unit of financing) to better assess climate performance over time.

#### Furthermore, the Bank continues to strengthen:

- Client data collection mechanisms
- Sector-level emissions analysis
- Integration of climate considerations into lending decisions

These efforts will support improved tracking, reporting, and management of financed emissions going forward.

#### 4.2.2. Operational Emissions

Scope 1 emissions arise primarily from fuel consumption, particularly diesel used in generators.

Year	Emissions (tCO <sub>2</sub> e)	
2024	42	This represents a significant reduction of approximately 45%, driven mainly by decreased reliance on diesel generators. The reduction reflects improved electricity supply reliability and enhanced internal energy management practices.
2025	23	

#### 4.2.3. Scope 2: Indirect Emissions (Purchased Electricity)

Scope 2 emissions are associated with electricity consumption across the Bank's operations.

Year	Emissions (tCO <sub>2</sub> e)	
2024	1,473 tCO <sub>2</sub> e	The observed reduction is consistent with the 9.5% decrease in electricity consumption recorded during the year. This improvement is attributed to ongoing internal awareness campaigns, energy efficiency measures, and behavioral change initiatives among staff.
2025	1,318 tCO <sub>2</sub> e	

#### 4.2.4. Other Operational Emissions (Paper Usage)

Scope 3 operational emissions include emissions related to paper consumption.

Year	Emissions (tCO <sub>2</sub> e)	
2024	37	The Bank recorded a 9% reduction in paper usage, reflecting increased digitization and improved resource efficiency practices. This contributes to lowering indirect emissions and supports the Bank's transition toward more sustainable operations.
2025	34	

#### 4.3. Emissions Performance Overview

Overall, BPR Bank Rwanda Plc demonstrates a positive trajectory in managing operational emissions, with clear reductions observed across Scope 1 and Scope 2 categories. These improvements reflect the effectiveness of internal energy efficiency measures and enhanced operational practices.

At the same time, the increase in financed emissions highlights the growing importance of integrating climate considerations into lending activities. This increase is also partly influenced by enhanced data collection efforts and improved methodologies, as the Bank continues to strengthen the accuracy and completeness of its emissions measurement.

Notably, 2025 marks the Bank's first comprehensive reporting cycle on financed emissions aligned with recognized frameworks such as PCAF. While data gaps remain, significant progress has been made in establishing a reliable baseline, and the Bank is confident that it is on the right track toward more robust and transparent climate reporting.

As the Bank continues to expand its portfolio, it remains committed to aligning growth with sustainability objectives through:

- Expansion of green finance
- Adoption of climate risk assessment tools
- Implementation of climate scenario analysis and stress testing

## 5. Green Investment

### 5.1. Green Loan Portfolio Performance

In 2024, the Bank maintained a relatively strong position in green financing under internally defined criteria. The total corporate green loan portfolio amounted to RWF 116,582,750,071, while the combined corporate and retail green portfolio reached RWF 147,114,539,794 out of a total loan book of RWF 680,419,861,000. This represented approximately 20% of the total loan portfolio, demonstrating a significant commitment to financing environmentally sustainable activities. However, in 2025, the introduction of the Rwanda Green Taxonomy brought enhanced rigor and standardization in defining what qualifies as "green." Following an initial assessment aligned with these new criteria, the proportion of loans classified as green significantly decreased.

Preliminary findings indicate that only approximately 2% of the total loan portfolio qualifies as green under the Rwanda Green Taxonomy. This reduction does not reflect a decline in sustainable financing efforts, but rather the transition to a more stringent and internationally aligned classification framework.

The Bank has initiated a comprehensive portfolio review, which is ongoing and expected to be completed by the end of 2025. This process aims to:

- Reclassify existing exposures in line with taxonomy requirements
- Identify eligible but previously unclassified green assets
- Strengthen data quality and ESG screening processes

## 5.2. Green Investments

- The Bank has demonstrated its commitment to sustainable finance beyond lending activities through strategic investments.
- Bank invested a total of RWF 5,9 billion in Sustainability-Linked Bonds issued by the Development Bank of Rwanda (BRD). This investment supports environmentally and socially impactful projects while aligning the Bank's treasury activities with sustainability objectives.

This initiative reflects:

- Strong alignment with national sustainability priorities
- Active participation in Rwanda's green finance ecosystem
- Commitment to responsible investment practices

## 5.3. Strategic Outlook and Pipeline

To strengthen its green finance position and increase taxonomy-aligned assets, the Bank has defined key strategic initiatives for 2026 focused on both product development and portfolio optimization.

The Bank plans to launch two dedicated green financing products: an E-mobility Financing Product, aimed at supporting electric vehicles and clean transportation solutions, and a Green Agriculture Financing Product, designed to promote climate-smart agriculture and sustainable farming practices. These products are expected to expand access to green financing, target high-impact sectors, and contribute to overall portfolio diversification.

In parallel, the Bank will continue screening its existing loan portfolio to identify additional green-eligible assets, while strengthening ESG and climate risk integration within lending processes. Efforts will also be made to enhance data collection and reporting systems to ensure accurate classification and monitoring of green assets.

Together, these initiatives are expected to progressively increase the share of taxonomy-aligned green assets in the Bank's portfolio over time.

## 6. Conclusion

The 2025 Annual Environmental Performance Report marks an important milestone for BPR Bank Rwanda Plc in strengthening the integration of environmental and climate considerations across its operations and decision-making processes. The report provides a comprehensive overview of the Bank's environmental performance, key risk exposures, and progress made in embedding sustainability into its core business functions.

The analysis has enhanced the Bank's understanding of environmental and climate-related risks across sectors, supported the identification of high-risk areas, and established a foundation for continuous monitoring and improvement. It also reflects meaningful progress in integrating environmental and climate considerations into the Environmental and Social Management System (ESMS), credit appraisal processes, and enterprise risk management framework.

While challenges remain, particularly regarding data availability, quality, and evolving methodologies the Bank has made significant strides in strengthening internal capacity, improving data collection, and advancing risk assessment practices

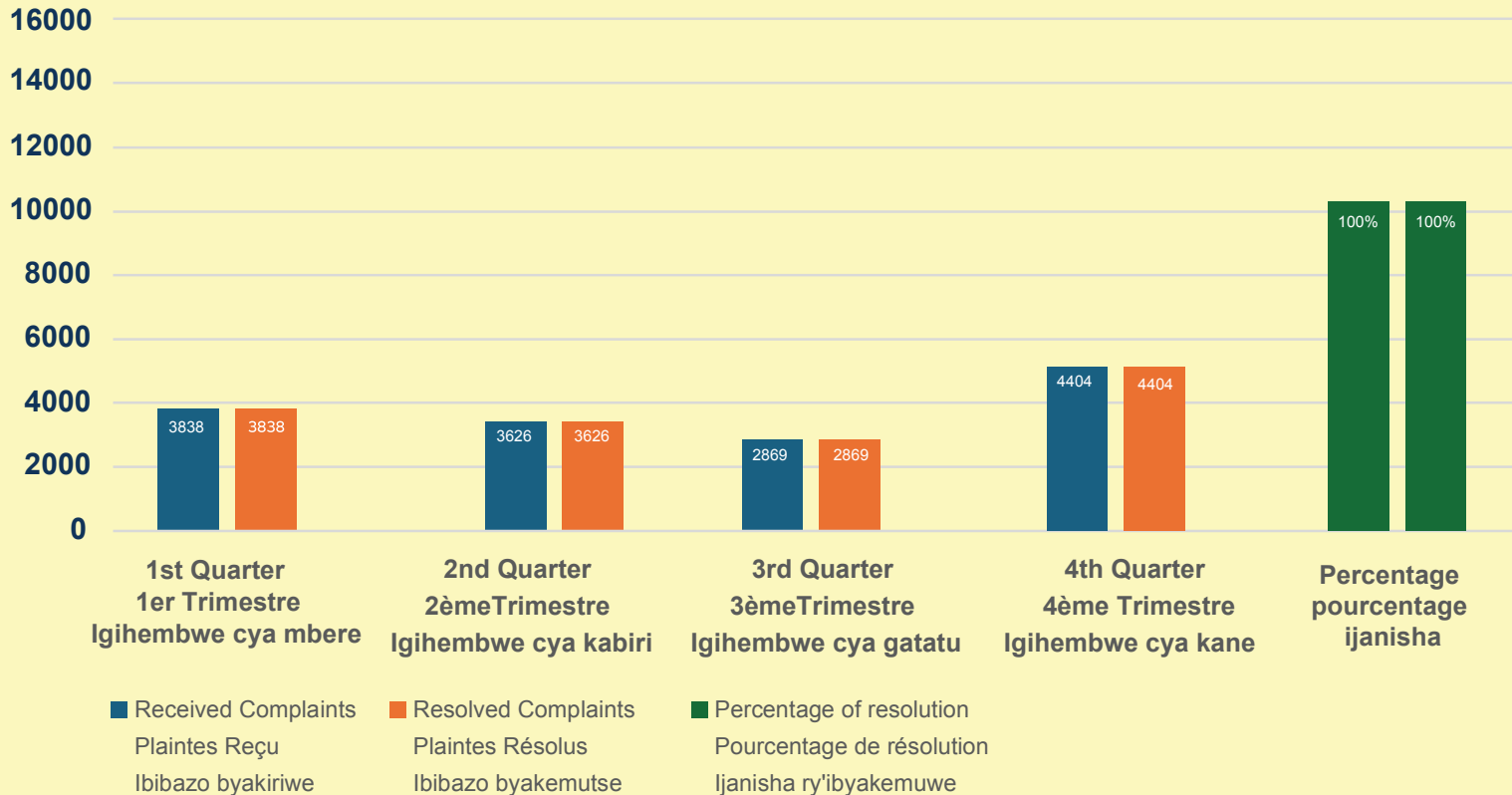
Looking ahead, BPR Bank Rwanda is committed to further enhancing its environmental and climate risk management by improving data systems, expanding scenario analysis, and aligning with international best practices and standards, including IFRS S2. These efforts will support more informed decision-making, strengthen resilience, and enable the Bank to contribute effectively to Rwanda's transition toward a sustainable, low-carbon, and climate-resilient economy.

# CUSTOMER COMPLAINTS

## RESOLUTIONS ANALYSIS 2025

Analyse de résolution de Plaintes des Clients en 2025

Isesengura ry'Imikemukire ry'Ibibazo by'Abakiriya muri 2025



### Complaint Guideline:

You may log your complaint through our branches, call center, email, web or our social media channels.

### Imirongo ngenderwaho:

Watugezaho ikibazo cyawe usuye ishami ryacu, uduhamagaye kuri 1500, utwandikiye imeyili, cyangwa ku mbuga nkoranyambaga zacu

### Les lignes directrices:

Vous pouvez nous envoyer votre plainte en visitant notre branches, en nous appelant sur 1500, par mail ou sur nos réseaux sociaux

Top 3 Complaints/Ibibazo bitatu byagaragaye /3 plaintes plus frequents	
SN	Complaint type/Ubwoko bw'ikibazo/Type de plainte
1	BPR PUSH AND PULL REFUND
2	BPR WRONG ACCOUNT BALANCE COMPLAINT
3	BPR DEBIT CARD PIN RESET REQUEST

### Resolution Time

Complaints Handling Time Analysis   Isesengura ry'igihe cyo gukemura ibibazo /Analyse de temps pour résolution des plaintes			
Quarter / Igihembwe / Trimestre	Average time / Impuzandengo y'igihe / Temps moyenne	to 15 days / ≤ iminsi 15 / ≤ à 15 jrs	> 15 days / > iminsi 15 / > de 15 jours
Q1	2	99%	1%
Q2	2	99%	1%
Q3	1	100%	0%
Q4	2	100%	0%

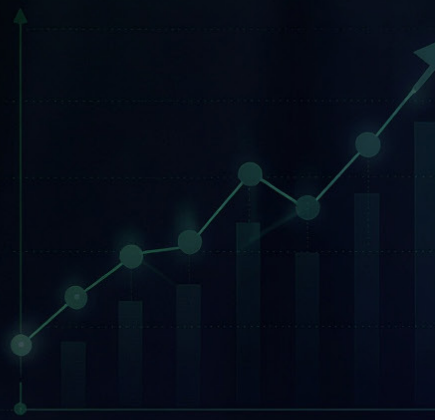


**FORWARD**

**Designed for growth,  
powered by finance.**



ANNUAL REPORT AND  
**FINANCIAL**  
STATEMENTS



# Table of Contents

Corporation information	72-73
Directors' report	74
Corporate governance statement	74
Statement of directors' responsibilities	76
Independent auditor's report	77 – 82
Statement of profit or loss and other comprehensive income	83
Statement of financial position	84
Statement of changes in equity	85
Statement of cash flows	86
Notes to the financial statements	87 – 168
Other regulatory disclosures	169-170
List of branches	171-172

# Corporate information

The directors who served during the year and to the date of this report are shown below:

## Directors

Name	Position	Date of Appointment
George Rubagumya	Chairman (Non-executive)	Appointed on 1 February 2022
Patience Mutesi	Managing Director	Appointed 1 February 2023
Diana Haguma	Board member (Independent Non-executive)	Appointed 2 December 2020
Paul Russo	Board member (Non-executive)	Appointed 25 August 2021
Jean Malic Kalima	Board member (Independent Non-executive)	Appointed 1 April 2022
Alexis Nsengumuremyi	Board member (Independent Non-executive)	Appointed 1 February 2023
Pascal Nyiringango	Board member (Independent Non-executive)	Appointed 17 February 2023
Vanessa Umutoni	Board member (Independent Non-executive)	Appointed 29 January 2024
Agnes Lutukai	Board member (Non-executive)	Appointed 9 April 2025

## Management

No.	Name	Position held
1	Patience Mutesi	Managing Director
2	Xavier Mugisha Shema	Executive Director Commercial Business
3	Vincent Ngirikiringo	Chief Finance Officer
4	Fauqiya Shareef	Head of Human Resources
5	Brice Manzi	Head of Legal Services
6	Innocent Africa	Head of Credit
7	Steven Ndahiro	Head of Compliance
8	Joel Mbyayingabo	Head of Risk
9	Godfrey Kariuki Kamau	Chief Operations Officer
10	Jean Baptiste Ndagijimana	Ag. Head of Internal Audit

## Registered office

The Bank is incorporated and domiciled in the Republic Rwanda as a public limited liability company. The address of its operating office is: BPR Bank Rwanda Plc KN 67 ST 2 P O Box 1348 Kigali, Rwanda

## BANKERS

National Bank of Rwanda  
KG 6 Avenue  
P.O. Box 531  
Kigali, Rwanda

Deutsche Bank Trust Company Americas  
5022 Gate Parkway North, Building 4 00,  
Jacksonville, FL 32256

KCB Bank Kenya Limited  
Kencom House  
Moi Avenue  
P. O. Box 48400 – 00100  
Nairobi, Kenya

KCB Bank Tanzania Limited  
Harambee Plaza, Ali Hassan Mwinyi Road/  
Kaunda Road Junction  
P. O. Box 804  
Dar es Salaam, Tanzania

KCB Bank Burundi Limited  
Boulevard Patrice Lumumba  
P. O. Box 6119  
Bujumbura, Burundi

BHF – Paris  
12 boulevard de la Madeleine  
75440 Paris Cedex 09  
France

BHF - Bank Aktiengesellschaft  
Bockenheimer Landd Strasse 10,  
P.O Box 60323  
Frankfurt AM Main Germany

EBI SA GROUPE ECOBANK  
Les collines de l'Arche, Immeuble Concorde F  
76 Route de la Demi-Lune  
92057 Paris La Défense Cedex-France

KCB Bank Uganda Limited  
Commercial Plaza  
7 Kampala Road  
P. O. Box 7399  
Kampala, Uganda

KCB Bank South Sudan Limited  
KCB Plaza  
Ministry Road  
P. O. Box 47  
Juba, South Sudan

CITIBANK.  
388 Greenwich Street  
New York, NY 10013  
United States of America

## BRANCHES

BPR Bank Rwanda Plc had 73 Branches. Refer to appendix 2 for all list of branches and their addresses

## COMPANY SECRETARY

Brice Manzi  
BPR Bank Rwanda Plc  
KN 67 ST 2  
P O Box 1348  
Kigali, Rwanda

## AUDITOR

KPMG Rwanda Limited  
Certified Public Accountants  
Grand Pension Plaza  
Boulevard de la Révolution  
Kigali, Rwanda

# Directors' Report

The Directors submit their report together with the audited financial statements for the year ended 31 December 2025 which disclose the state of affairs of BPR Bank Rwanda Plc (the "Bank"/ the "Company").

## Principal activities

The principal activity of the Bank is banking and the provision of related services. Banking is a business activity of accepting and securing money owned by individuals and enterprises and provides liquidity needs for businesses and families to invest for the future. The Bank also charges a certain amount of rate of interest on the amount sanctioned.

## Results

The profit for the year is Frw 40,890,969,000 (2024: Frw 29,674,744,000) has been added to the retained earnings of the Bank.

## Dividend

The Directors proposed dividend of Frw 4,319,980,000 for the year ended 31 December 2025 (2024: Frw 4,075,453,000).

## Directors

The Directors who held office during the year and to the date of this report are set out on page 72.

## Auditor

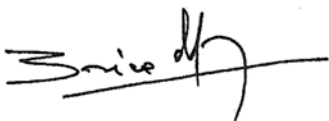
KPMG Rwanda Limited was appointed as Auditor of the Bank during the year and being eligible, has expressed willingness to continue in office in accordance with regulation No 44/2022 of 02/06/2022 determining requirements and other conditions for accreditation of external auditors for regulated institutions.

## Approval of the financial statements

The financial statements of BPR Bank Rwanda Plc were approved and authorised for issue by the Board of Directors on 20th Feb 2026.

## By order of the board

Brice Manzi  
COMPANY SECRETARY



Date: 25<sup>th</sup> March 2026

## Corporate governance statement

BPR Bank Rwanda Plc is committed to world class corporate governance standards as set from time to time by the National Bank of Rwanda and by itself in accordance with international best practice. The Board of Directors is responsible for the long-term strategic direction for profitable growth of the Bank whilst being accountable to the shareholders for compliance and maintenance of the highest corporate governance standards and business ethics.

## The Board of Directors

The Board is currently made up of nine members, eight of whom are non-executive directors including the chairman. The Board is provided with full, appropriate and timely information to enable them to maintain full and effective control over the strategic, financial, operational and compliance issues of the Bank. The day to day running of the business of the Bank is delegated to the Managing Director but the Board is responsible for establishing and maintaining the Bank's system of internal controls so that the objectives of profitable and sustainable growth and shareholders value is realised. The Board also makes recommendations to the shareholders on Board succession planning and annual financial statements.

## Board meetings

The Board of Directors meets quarterly or as required in order to monitor the implementation of the Bank's strategy, review its financial performance and approves decisions of a strategic nature. Specific reviews are also undertaken on business operations and future planning. At the end of each financial year, the Board reviews itself, Board Committees, Senior Management and Managing Director against targets agreed at the beginning of the year.

## 1. Risk Management Committee

The Board Risk Management Committee meets on a quarterly or as required to oversee the Bank's mitigation and appreciation of all risks in the business. It meets quarterly to consider and advise the business on all matters pertaining to credit, market, operations, legal, and environmental and other risks. Business continuity issues are also discussed by this committee.

## 2. Audit Committee

The Board Audit Committee meets quarterly or as required. In accordance with regulatory requirement, the committee comprise non- executive members of the Board who are independent of the day-to-day management of the Bank's operations. The committee deals with all matters relating to the financial statements and internal control systems of the Bank including engagement with independent auditors and National Bank of Rwanda inspectors. All the audits conducted by this committee are risk based.

### 3. Remuneration and Nominations Committee

The committee meets quarterly or as required to review human resource policies and make suitable recommendations to the Board on senior management appointments. This committee also oversees the board nomination functions and senior management performance and remuneration reviews.

### 4. Credit Committee

The committee meets quarterly or as required to review the credit risk profile of the Bank and recommend to the Board for approval policies and standards of credit risk governance and management. The committee also reviews the Bank's credit risk appetite and sectorial concentration.

### 5. IT & digital transformation Committee

The Committee meets at least four times per year as a minimum and otherwise as required and at such other times as the Committee Chairperson shall determine.

The Company's technology programs support the Company's business objectives and strategies; provide appropriate data security and data privacy; and to advise the board on technology-related matters. The Digital Banking business supports the Company's business objectives and strategies, and to advise the board on digital-related matters.

### 6. Strategy & business development committee

The Committee meets at least four times per year as a minimum and otherwise as required and at such other times as the Committee Chairperson shall determine. The purpose of the Committee is to ensure that the Company's strategy is developed and implemented, to monitor the Company's sustainability initiatives, and to review the procurement process.

## Record of Board/ Committee meetings attendance

The following table shows the record of attendance to the Board and Committee meetings for the year ended 31 December 2025.

	Main board	Audit	Credit	REMCO	Risk & Compliance	IT & Digital transformation	Strategy & business dev.
<b>Meetings held</b>	4	4	19	9	4	4	6
George Rubagumya	4	x	1	2	1	3	2
Diana Haguma	4	4	x	9	4	1	x
Patience Mutesi	4	x	18	6	x	4	6
Paul Russo	4	x	10	x	x	2	5
Jean Malic Kalima	4	4	17	9	1	x	x
Alexis Nsengumuremyi	4	4	19	3	4	x	x
Pascal Nyiringango	4	4	x	4	3	4	6
Vanessa Umutoni	4	4	18	x	4	4	6
Agnes Lutukai	3	x	x	8	x	3	5

x - Not part of the committee

## Management committees

The Board has delegated the daily management of the bank to the Managing Director supported by the various management committees. The following key management committees are in place to ensure that the Bank carries out its obligation efficiently and effectively.

- Executive Management Committee (EXCO)
- Assets and Liabilities Committee (ALCO)
- Management Credit and Risk Committee
- Risk and Control Committee
- IT Steering Committee
- Project Steering Committee

## Statement of directors' responsibilities

The Bank's directors are responsible for the preparation of financial statements as set out on pages 83 to 168 that give a true and fair view of BPR Bank Rwanda Plc financial statements, comprising the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including material accounting policies, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), and in the manner required by Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023.

The directors are also responsible for such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

In preparing the financial statements, the directors have assessed the Bank's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of the going concern basis of preparation of the financial statements. Nothing has come to the attention of the directors to indicate that the Bank will not remain a going concern for the next 12 months from the date of this statement.

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the IFRS Accounting Standards and in the manner required by Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023.

## Approval of financial statements

The financial statements of BPR Bank Rwanda Plc, as identified in the first paragraph, were approved and authorised for issue by the Board of Directors on 20<sup>th</sup> February 2026.



Managing Director



Chair - Board Audit Committee



Chair – Board of Directors

Date: 25<sup>th</sup> March 2026



**KPMG Rwanda Limited**  
**Certified Public Accountant**  
5th Floor, Grand Pension Plaza  
Boulevard de la Révolution  
PO Box 6755  
Kigali, Rwanda 6

Telephone +250 788 175 700/ +250 252 579 790  
Email: [info.rw@kpmg.com](mailto:info.rw@kpmg.com)  
Internet: [www.kpmg.com/eastafrica](http://www.kpmg.com/eastafrica)

# — Independent auditor's report

## To the Shareholders of BPR Bank Rwanda Plc

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of BPR Bank Rwanda Plc ("the Bank"), set out on pages 83 to 168, which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the financial statements of public interest entities together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in Rwanda, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**To the Shareholders of BPR Bank Rwanda Plc (Continued)**  
 Report on the Audit of the Financial Statements (Continued)



**Impairment of loans and advances**

The disclosures associated with impairment of loans and advances are set out in the financial statements in the following notes;

- **Note 15 Loans and advances**
- **Note 33 (a) Credit risk**
- **Note 37 Use of judgements and estimates**

Key Audit Matter	How the matter was addressed in our audit
<p>Management exercises significant judgement and applies subjective assumptions when determining both the timing and the amounts of the expected credit loss (“ECL”) for the loans and advances to customers.</p> <p>Key areas of judgement and assumptions included:</p> <ul style="list-style-type: none"> <li>• Assumptions used in the expected credit loss model such as the selection of forward looking macro- economic factors such as inflation, GDP forecasts, balance of trade, unemployment rates and interest rates to derive forecasted probability of defaults as well as the determination of probability weightings and the associated impact on ECL.</li> <li>• The determination of significant increase in credit risk (SICR) which is based on qualitative and quantitative factors such as days past due and adverse economic conditions respectively.</li> <li>• The measurement of expected credit losses is dependent upon key assumptions relating to Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).</li> <li>• Credit risk disclosures are significant as they rely on material data inputs for and disclose management’s judgement applied, estimates and assumptions used in determining the ECL, including management adjustments and sensitivity analyses.</li> </ul>	<p>Our audit procedures in this area included:</p> <ul style="list-style-type: none"> <li>• Performing a retrospective review of the estimate and evaluated the results to identify and assess the predictive capability of the model by comparing the prior period estimate with the actual results of the estimate in the current year;</li> <li>• Obtaining an understanding of the credit management processes and performing end to end process assessments to identify the key systems, applications and controls used in the determination of ECL. This included assessing the design and implementation and operating effectiveness of the management review control over the ECL estimate provision;</li> <li>• Selecting a sample of facilities from the Bank’s loan book and evaluated whether loan facilities sampled are correctly staged/classified by comparing the credit risk information for each facility against the bank’s staging criteria for each stage of the bank;</li> <li>• Assessed the completeness and accuracy of inputs into the expected credit loss models by testing a sample of key data inputs such as the loan books, cost and time to realization of the sale of collateral, recoveries, collateral values to support documentation like facility agreements, loan account statements and valuation reports;</li> <li>• Evaluating the appropriateness of the Bank’s significant increase in credit risk (SICR) criteria by assessing reasonableness of qualitative staging decisions such as the borrower’s financial performance by reviewing latest financial reports submitted to the bank and correspondences between the borrower and the bank, and accuracy of quantitative staging criteria such as days past due by evaluating the repayment history and the last repayment date and re-aging sampled loans;</li> <li>• Testing the accuracy of the historical Probabilities of Default by performing recalculations based on the historical transitions;</li> <li>• Assessing the reasonableness of the LGD assumptions applied such as the value of the collateral and the time to realisation of the collateral by performing recalculations and obtaining evidence for the parameters used in deriving the adjustments;</li> </ul>

**To the Shareholders of BPR Bank Rwanda Plc (Continued)**  
Report on the Audit of the Financial Statements (Continued)



### Impairment of loans and advances

The disclosures associated with impairment of loans and advances are set out in the financial statements in the following notes;  
**Note 15 and 33 (a)**

#### Key Audit Matter

#### How the matter was addressed in our audit

This was an area of focus and considered a key audit matter due to the significant judgement applied by management on the impairment of loans and advances to customers.

- Using our financial risk management specialist, we evaluated the appropriateness of the forward-looking information used to determine the final forecasted PDs by;
- Inspecting of the Forward-Looking Information model data inputs such as historical account data, macro-economic data series, and macro-economic data series defined parameters for completeness and accuracy by comparing with externally published data as well as output for bias;
- Testing the model's mathematical soundness by reperformance of PD and LGD calculations and recalculating the ECL on a sample of loans; and
- Challenging key assumptions made by the Bank in determining forward looking information by involving our internal financial modelling specialist to assess the completeness of the macro-economic variables considered such as inflation rates, GDP forecasts, unemployment rates, interest rates, the relationship and correlation between the bank's probability of default parameters and the macro-economic variables and probability weightings made to the economic scenarios.
- For a sample of credit facilities, reperforming the ECL calculations using the parameters PD, LGD, and EAD and comparing the results with the final audited ECL results;
- Evaluating the adequacy of disclosures in the financial statements, especially whether the credit risk disclosures, appropriately disclose the key assumptions and judgements used in determining the expected credit losses in accordance with IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures.

#### Emphasis of Matter relating to comparative information

We draw attention to Note 31 (c) of the financial statements which indicates that the comparative information presented as at and for the year ended 31 December 2024 has been restated. Our opinion is not modified in this matter.

**To the Shareholders of BPR Bank Rwanda Plc (Continued)**  
Report on the Audit of the Financial Statements (Continued)



#### Other matter relating to comparative information

The financial information of BPR Bank Rwanda Plc as at and for the year ended 31 December 2024 other than adjustments described in note 31(c), were audited by another auditor who expressed an unmodified opinion on those financial statements on 01 April 2025.

#### Other Information

The directors are responsible for the other information. The other information comprises the other Information included in the BPR Bank Rwanda Plc Annual Report and Financial Statements for the year ended 31 December 2025 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of 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 IFRS Accounting Standards and in the manner required by Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023, and for such internal control as the directors determine 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 Bank'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 intend to liquidate the Bank 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. 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.

**To the Shareholders of BPR Bank Rwanda Plc (Continued)**  
Report on the Audit of the Financial Statements (Continued)



#### Auditor's responsibilities for the audit of the financial statements (Continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of 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 Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank 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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on other Legal and regulatory requirements

As required by the Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023 (the Rwandan Companies Act) and Regulation No. 28/2019 of 09/09/2019 relating to publication of financial statements and other disclosures by Banks in Rwanda, we report to you based on our audit, that:

- 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.
- Proper accounting records have been kept by the Bank, so far as appears from our examination

**To the Shareholders of BPR Bank Rwanda Plc (Continued)**  
Report on the Audit of the Financial Statements (Continued)



**Report on other Legal and regulatory requirements (Continued)**

- We have no relationship, interest, or debt with the Bank. As indicated in our report on the financial statements, we comply with ethical requirements. These are the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) which includes comprehensive independence and other requirements.
- We have reported internal control matters together with our recommendations to management in a separate management letter.
- According to the best of the information and the explanations given to us as the auditor, as shown by the accounting and other documents of the company, the annual accounts comply with Article 123 and Article 125 of Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023.

The engagement partner on the audit resulting in this independent auditor's report is CPA Wilson Kaindi [PC/CPA/0642/0123].

A handwritten signature in black ink, appearing to read 'Wilson Kaindi'.

KPMG Rwanda Limited  
Certified Public Accountants  
P.O. Box 6755  
Kigali, Rwanda

Date: 31<sup>st</sup> March 2026

## Statement of profit or loss and other comprehensive income for the year ended 31 December 2025

	Note	2025 Frw'000	2024 Frw'000
Interest revenue calculated using the effective interest method	1	138,362,882	114,508,398
Interest expense calculated using the effective interest method	2	(42,422,394)	(34,209,537)
<b>Net interest income</b>		<b>95,940,488</b>	<b>80,298,861</b>
Fee and commission income	3 (a)	17,967,725	13,398,804
Fee and commission expense	3 (b)	(4,139,668)	(2,358,713)
<b>Net fee and commission income</b>		<b>13,828,057</b>	<b>11,040,091</b>
Net foreign exchange income	4	3,644,292	4,533,409
Other operating income	5	414,977	602,057
<b>Total operating income before impairment charges</b>		<b>113,827,814</b>	<b>96,474,418</b>
Net impairment charge on financial assets	6 (a)	(1,199,638)	(7,775,562)
Impairment losses on non-current assets held for sale	6(b)	(3,635,029)	-
<b>Total operating income after impairment charge</b>		<b>108,993,147</b>	<b>88,698,856</b>
Employee benefits	7	(21,782,501)	(21,817,386)
Other operating expenses	8	(21,536,577)	(15,971,562)
Depreciation and amortization	9	(7,433,355)	(7,821,566)
<b>Total operating expenses</b>		<b>(50,752,433)</b>	<b>(45,610,514)</b>
<b>Profit before income tax</b>		<b>58,240,714</b>	<b>43,088,342</b>
Income tax expense	10	(17,349,745)	(13,413,598)
<b>Profit for the year</b>		<b>40,890,969</b>	<b>29,674,744</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>40,890,969</b>	<b>29,674,744</b>

The notes and accounting policies as set out on pages 87 to 168 form an integral part of these financial statements.

## Statement of financial position as at 31 December 2025

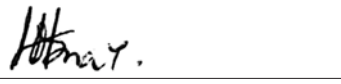
	Note	2025 Frw 000'	2024 Frw 000'
<b>ASSETS</b>			
Cash on hand	11 (a)	38,446,908	30,454,316
Balances with the National Bank of Rwanda	11 (b)	99,285,287	67,439,670
Amounts due from other banks	12	140,480,454	36,957,484
Due from related parties	30 (c)	651,562	506,987
Derivatives	13	936,032	1,659,708
Debt instruments at amortised cost	14	201,960,672	170,265,722
Loans and advances	15	836,522,011	620,647,751
Prepaid income tax	27 (b)	436,911	1,054,630
Non-Current asset held for sale	20	8,481,734	-
Other financial assets	16 (a)	25,116,525	1,061,792
Other non-financial assets	16 (b)	16,545,936	5,156,108
Right-of-use assets	19	2,998,533	3,897,564
Property and equipment	18	22,764,805	24,641,490
Intangible assets	17	8,749,746	7,681,131
Deferred income tax	27 (a)	1,795,778	453,158
<b>TOTAL ASSETS</b>		<b>1,405,172,894</b>	<b>971,877,511</b>
<b>LIABILITIES</b>			
Deposits from other banks	22	139,432,917	104,697,252
Customer deposits	21	874,049,675	574,419,293
Due to related parties	30(d)	7,149,392	7,568,757
Current income tax payable	27(c)	6,588,033	2,331,011
Lease liabilities	28	2,963,993	3,933,948
Credit funds	24	447,617	1,191,885
Borrowings	25	120,946,060	91,190,812
Provisions	23	772,818	616,398
Other financial liabilities	26 (a)	16,893,066	2,779,038
Other non-financial liabilities	26 (b)	23,595,553	7,630,863
<b>TOTAL LIABILITIES</b>		<b>1,192,839,124</b>	<b>796,359,257</b>
<b>EQUITY</b>			
Share capital	29 (a)	81,509,050	81,509,050
Share premium	29 (b)	8,032,565	8,032,565
Retained earnings*	29 (c)	122,792,155	85,976,639
<b>TOTAL EQUITY</b>		<b>212,333,770</b>	<b>175,518,254</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,405,172,894</b>	<b>971,877,511</b>

\*See note 29 (d)

The financial statements on pages 83 to 168 were approved and authorised for issue by the Board of Directors on 20<sup>th</sup> February 2026 and signed on its behalf by:



Managing Director



Chair - Board Audit Committee



Chair - Board of Directors

The notes and accounting policies as set out on pages 87 to 168 form an integral part of these financial statements

## Statement of changes in equity for the year ended 31 December 2025

Year ended 31 December 2025	Note	Share capital Frw'000	Share premium Frw'000	Retained earnings Frw'000	Total Frw'000
At 1 January 2025		81,509,050	8,032,565	85,976,639	175,518,254
<b>Comprehensive income</b>					
• Profit for the year	29	-	-	40,890,969	40,890,969
• Other comprehensive income		-	-	-	-
Transactions with owners in their capacity as owners:					
Dividends paid/payable to equity holders	29	-	-	(4,075,453)	(4,075,453)
<b>At 31 December 2025</b>		<b>81,509,050</b>	<b>8,032,565</b>	<b>122,792,155</b>	<b>212,333,770</b>
At 1 January 2024		81,509,050	8,032,565	56,301,895	145,843,510
<b>Comprehensive income</b>					
• Profit for the year	29	-	-	29,674,744	29,674,744
• Other comprehensive income		-	-	-	-
<b>At 31 December 2024</b>		<b>81,509,050</b>	<b>8,032,565</b>	<b>85,976,639</b>	<b>175,518,254</b>

\*See note 29 (d)

The notes and accounting policies as set out on pages 87 to 168 form an integral part of these financial statements.

## Statement of cashflows for the year ended 31 December 2025

	Note	2025 Frw '000	2024 ** Frw '000
<b>Cash flows from operating activities</b>			
<b>Net cash generated by operating activities</b>	31(b)	<b>145,409,838</b>	<b>35,603,087</b>
<b>Cash flows used in investing activities</b>			
Purchase of property and equipment	18	(4,019,641)	(5,200,926)
Proceeds from sale of property and equipment		461,777	645,505
Acquired non-Current asset held for sale	20	(12,116,763)	-
Purchase of intangible assets	17	(1,342,161)	(1,745,357)
<b>Net cash used in investing activities</b>		<b>(7,016,788)</b>	<b>(6,300,778)</b>
<b>Cash flows from financing activities</b>			
Long term debt paid in the year	25	(4,574,134)	(7,279,941)
Payments of lease liabilities (principal portion)	28	(1,471,136)	(1,244,818)
Repayment of credit fund	24	(744,268)	(2,192,358)
Additional credit funds received	24	-	673,510
Dividend paid during the period		(3,595,531)	-
Long term debt received in the year	25	31,929,000	39,312,450
<b>Net cash generated from financing activities</b>		<b>21,543,931</b>	<b>29,268,843</b>
<b>Net increase in cash and cash equivalents</b>	25	<b>149,936,981</b>	<b>58,571,152</b>
Cash and cash equivalents at 1 January	31(a)	157,838,814	98,809,466
Effects of exchange rate changes on cash and cash equivalents		34,578	458,196
<b>Cash and cash equivalents at 31 December</b>	31(a)	<b>307,810,373</b>	<b>157,838,814</b>

\*\*See note 31 (c)

The notes and accounting policies as set out on pages 87 to 168 form an integral part of these financial statements.

## Notes to the financial statements

### 1. Interest calculated using the effective interest method

	2025 Frw '000	2024 Frw '000
Interest income on loans and advances	113,102,546	97,566,983
Interest on government securities	18,951,640	16,316,498
Interest on placements and bank balances	6,308,696	624,917
	<b>138,362,882</b>	<b>114,508,398</b>

The interest income above is calculated under the effective interest method, that relate to the following financial assets.

	2025 Frw '000	2024 Frw '000
Financial assets measured at amortised cost	1,278,248,424	895,310,627
	<b>1,278,248,424</b>	<b>895,310,627</b>

### 2. Interest expense

	2025 Frw '000	2024 Frw '000
Interest on customer deposits	32,359,351	25,536,667
Interest on deposits from financial institutions	1,588,282	2,364,325
Interest on borrowings	8,226,868	5,993,390
Interest expense on lease liabilities	247,893	315,155
	<b>42,422,394</b>	<b>34,209,537</b>

The interest expense above is calculated under the effective interest method, that relate to the following financial liabilities.

	2025 Frw '000	2024 Frw '000
Financial liabilities measured at amortised cost	1,137,392,645	774,241,305
	<b>1,137,392,645</b>	<b>774,241,305</b>

## Notes to the financial statements (Continued)

## 3. Fees and commissions

## (a) Fees and commissions income

2025 - Frw'000				
Disaggregated revenue information business segments	Corporate	Retail	Mortgage	Total
<b>Fees income earned from services that are provided over time</b>				
Fees on letters of credit and guarantees	5,243,465	239,188	561,750	6,044,403
Fees on loan services	544,086	1,947,279	688,467	3,179,832
Fees for accounts management	13,283	211,505	89,014	313,802
Fees on custody services	480,581	859	1,632	483,072
	<b>6,281,415</b>	<b>2,398,831</b>	<b>1,340,863</b>	<b>10,021,109</b>
<b>Fee income from providing financial services at a point in time</b>				
Commissions on other non-banking services	69,343	2,603,804	482,053	3,155,200
Commissions on funds transfer	296,655	1,278,777	1,194,797	2,770,229
Fees on transactions	55,545	1,252,538	94,821	1,402,904
Fees on cheque book	9,722	135,262	111,617	256,601
Commissions for mobile banking	1,687	327,622	32,373	361,682
	<b>432,952</b>	<b>5,598,003</b>	<b>1,915,661</b>	<b>7,946,616</b>
<b>Total revenue from contracts with customers</b>	<b>6,714,367</b>	<b>7,996,834</b>	<b>3,256,524</b>	<b>17,967,725</b>

The Bank applies the practical expedient of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less or because the Bank has a right to consideration that corresponds directly with the value of the service provided to the client or customer.

2024 - Frw'000				
Disaggregated revenue information business segments	Corporate	Frw '000	Mortgage	Total
<b>Fees income earned from services that are provided over time</b>				
Fees on letters of credit and guarantees	5,243,465	1,838,437	196,958	2,119,258
Fees on loan services	544,086	477,168	603,791	2,788,738
Fees for accounts management	13,283	67,306	451,042	1,590,068
Fees on custody services	480,581	371,984	1,263	373,912
	<b>6,281,415</b>	<b>2,754,895</b>	<b>1,253,054</b>	<b>6,871,976</b>
<b>Fee income from providing financial services at a point in time</b>				
Commissions on other non-banking services	46,150	1,732,923	320,824	2,099,897
Commissions on funds transfer	262,178	1,130,159	1,055,939	2,448,276
Fees on transactions	56,347	1,270,628	96,190	1,423,165
Fees on cheque book	10,388	144,530	119,264	274,182
Commissions for mobile banking	1,312	254,816	25,180	281,308
	<b>432,952</b>	<b>5,598,003</b>	<b>1,915,661</b>	<b>6,526,828</b>
<b>Total revenue from contracts with customers</b>	<b>3,131,270</b>	<b>7,397,083</b>	<b>2,870,451</b>	<b>13,398,804</b>

**Notes to the financial statements (Continued)****3. fees and commissions (Continued)**

The Bank applies the practical expedient of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less or because the Bank has a right to consideration that corresponds directly with the value of the service provided to the client or customer.

**Contract balances**

The following table provides information about contract liabilities from contracts with customers

	2025 Frw '000	2024 Frw '000
Receivables which are included in other assets	-	-
Contract liabilities which are included in other non-financial liabilities	2,382,419	-
	<b>2,382,419</b>	-

The contract liabilities primarily relate to the fees received from customers on execution of a contract with the customer in offering performance guarantees, offer of custody services. This is recognised over the period for which a customer is expected to continue receiving the service. There are no contract assets as at 31 December 2025 (2024: Nil).

**Performance obligations and revenue recognition policies**

Fee and commission income from contracts with customers is measured based on the consideration specified in a contract with a customer. The Bank recognises revenue when it transfers control over a service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Retail and corporate banking service	<p>The Bank provides banking services to Personal, Small and Medium Enterprises and Corporate customers including provision of loan facilities, trade finance services, foreign currency transactions, transaction fees and account management.</p> <p>Account management fees are charged to the customer's account on a monthly basis based on the prevailing tariff guide at the time of fee collection.</p> <p>Transaction-based fees for foreign currency transactions and transaction service and management are charged to the customer's account when the transaction takes place.</p> <p>All the fees are based on the bank's tariff guide at the time of collection of fees. This tariff guide is reviewed at least annually.</p>	<p>Revenue related to transactions is recognised at the point in time when the transaction takes place.</p> <p>Revenue from account service and servicing fees is recognised over time as the services are provided.</p>

## Notes to the financial statements (Continued)

### 3. fees and commissions (Continued)

#### b. Fees and commissions expenses

	2025 Frw '000	2024 Frw '000
Bank charges	764,867	1,091,895
Agency banking charges	1,256,184	567,870
Card management fees	1,976,921	503,452
Other commission fees	141,696	195,496
	<b>4,139,668</b>	<b>2,358,713</b>

#### 4. Net foreign exchange income

	2025 Frw '000	2024 Frw '000
Income from foreign exchange trading	3,447,425	4,991,626
Gains/(losses) on foreign exchange differences	196,867	(458,217)
	<b>3,644,292</b>	<b>4,533,409</b>

#### 5. Other operating income

	2025 Frw '000	2024 Frw '000
Gain on disposal of assets	414,977	602,057
	<b>414,977</b>	<b>602,057</b>

#### 6. (a) Impairment charges on financial assets

	2025 Frw '000	2024 Frw '000
Impairment charge on loans and advances raised during the year (Note 16 (c))	3,497,675	8,444,195
Impairment charge/(release) on investment securities (Note 14)	55,841	(327,760)
Impairment charge/(release) on balances with the National Bank of Rwanda (Note 11 (b))	4,406	(141,807)
Impairment release on amounts due from other banks (Note 12)	(94,826)	(94,119)
Impairment (release)/charge on other assets	(509,359)	421,879
Impairment charge on guarantees and off-balance sheet items (Note 23)	118,964	285,003
Impairment charge on interest for stage 3 impaired loans (Note 16 (c))	1,151,769	1,981,930
Recoveries on previously written off loans	(3,024,832)	(2,793,759)
	<b>1,199,638</b>	<b>7,775,562</b>

#### 6. (b) Impairment losses on non-current assets held for sale

	2025 Frw '000	2024 Frw '000
Impairment losses on non-current assets held for sale (Note 20)	3,635,029	-
	<b>3,635,029</b>	<b>-</b>

## Notes to the financial statements (Continued)

## 7. Employee benefits

	2025 Frw '000	2024 Frw '000
Salaries and wages	18,321,236	15,648,135
Bonus accrual*	(148,174)	3,465,000
Contributions to Rwanda Social Security Board	1,873,475	1,161,545
Medical expenses	1,188,588	968,339
Other staff costs*	547,376	574,367
	<b>21,782,501</b>	<b>21,817,386</b>

\*Other staff costs relate to the amortization on the benefit arising from the low-interest rate employee loans.

\* Bonus accrual expense for the year ended 31 December 2025 is negative primarily due to the release of previously recognised bonus accruals relating to the financial year ended 31 December 2024, where the final bonus paid was lower than the amount originally provided. This was partially offset by bonus accruals recognised for the 2025 financial year in the same general ledger account.

## 8. Other operating expenses

	2025 Frw '000	2024 Frw '000
Software licenses	4,896,712	3,280,421
IT related costs	2,073,368	2,369,365
Repairs and maintenance	2,867,817	2,177,788
Travel and accommodation	830,093	980,681
Other professional fees	677,029	814,330
Board sitting allowances	860,220	797,085
Utilities	754,265	775,068
Printing, stationery and office supplies	504,457	714,306
Security expenses	548,023	688,188
General operating expenses	1,554,442	676,512
Insurance costs	324,330	588,749
Marketing expenses	696,527	521,418
Statutory fees	764,783	519,429
Communication expenses	483,024	449,319
Cash in transit	389,441	444,713
Management fees	1,499,686	416,171
Operational losses	700,804	339,302
Archive services	286,316	335,939
Cleaning	274,214	321,267
Legal expenses & litigations	401,124	298,772
Cost on cheque books	266,975	284,929
Audit fees*	127,920	196,164
Fees for non-audit related services	49,530	36,530
Fine and penalties	136,294	209,023
Subscriptions	194,307	202,500
Donations	199,980	172,364
Staff training	277,305	168,076
Vehicle operating expenses	196,318	38,247
Recoveries on overprovision for past years accruals	(1,298,727)	(2,845,094)
	<b>21,536,577</b>	<b>15,971,562</b>

## Notes to the financial statements (Continued)

\* This amount relates to financial statements audit fee. Within the year, the amounts relating to financial statement audit were split from the other fees for non-audit related services to comply with the requirements of IESBA code for a public interest entity.

### 9. Depreciation and amortisation

	2025 Frw '000	2024 Frw '000
Depreciation charge on property and equipment (Note 18)	4,356,971	4,171,320
Amortisation of intangible assets (Note 17)	1,676,172	2,047,095
Depreciation charge on right-of-use assets (Note 19)	1,400,212	1,603,151
	<b>7,433,355</b>	<b>7,821,566</b>

### 10. Income tax expense

	2025 Frw '000	2024 Frw '000
Current income tax charge	17,917,603	13,007,494
Prior year under provision of corporation income tax	774,762	-
<b>Total current income tax charge</b>	<b>18,692,365</b>	<b>13,007,494</b>
Deferred income tax (credit)/charge (Note 27(a))	(1,342,620)	406,104
	<b>17,349,745</b>	<b>13,413,598</b>

The tax on the Bank's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	Effective Tax rate	2025 Frw'000	Effective tax rate	2024 Frw'000
Profit before income tax		58,240,714		43,088,342
Tax calculated at the statutory income tax rate of 28% (2024: 28%)	28.00%	16,307,400	28.00%	12,064,736
Tax effect of:				
Non- deductible expenses	2.62%	1,526,918	12.79%	5,511,177
Tax exempt income	(2.16%)	(1,259,335)	(9.66%)	(4,162,315)
Prior year under provision of corporation income tax	1.33%	774,762	0.00%	-
<b>Income tax in the statement of comprehensive income</b>	<b>29.79%</b>	<b>17,349,745</b>	<b>31.13%</b>	<b>13,413,598</b>

## Notes to the financial statements (Continued)

**11. Cash on hand and balances with National Bank of Rwanda****(a) Cash on hand**

	2025 Frw '000	2024 Frw '000
Cash on hand local currency (LCY)	16,246,905	11,547,618
Cash on hand foreign currency (FCY)	22,200,003	18,906,698
	<b>38,446,908</b>	<b>30,454,316</b>

Cash on hand relates to the physical cash held by the bank and there is no counterparty exposure thus no Expected Credit Loss was recognised on the cash on hand.

**(b) Balances with National Bank of Rwanda**

	2025 Frw '000	2024 Frw '000
Balances with the National Bank of Rwanda LCY	61,962,519	52,393,292
Balances with the National Bank of Rwanda FCY	37,335,875	15,055,079
Expected credit losses	(13,107)	(8,701)
	<b>99,285,287</b>	<b>67,439,670</b>

**Movement in expected credit losses is as follows:**

<b>Expected credit losses</b>	2025 Frw '000	2024 Frw '000
At beginning of the year	(8,701)	(150,508)
Additional/(release) of provision during the year	(4,406)	141,807
<b>At end of the year</b>	<b>(13,107)</b>	<b>(8,701)</b>

All balances with the National Bank of Rwanda were classified as stage 1 (2024: stage 1).

**12. Amounts due from banks**

	2025 Frw '000	2024 Frw '000
Balances with local banks	118,408	115,810
Placements with foreign banks	140,376,065	36,950,519
	<b>140,494,473</b>	<b>37,066,329</b>
ECL on placements with foreign banks	(14,019)	(108,845)
<b>Net balances due from other banks</b>	<b>140,480,454</b>	<b>36,957,484</b>

**Notes to the financial statements (Continued)**

## Amounts due from banks (continued)

**Movement in expected credit losses is as follows:**

<b>Expected credit losses</b>	<b>2025 Frw '000</b>	<b>2024 Frw '000</b>
At beginning of the year	(108,845)	(202,964)
Additions	-	-
Release during the year	94,826	94,119
<b>At end of the year</b>	<b>(14,019)</b>	<b>(108,845)</b>
<b>Maturity profile of amounts due from banks:</b>		
<b>Maturing as follows:</b>		
Current accounts	25,951,098	33,001,665
Within 90 days from the date of acquisition	110,706,349	-
Within 91 days to 1 year from the date of acquisition	3,837,026	4,064,664
	<b>140,494,473</b>	<b>37,066,329</b>

All amounts due from other banks were classified as stage 1 (2024: stage 1).

Placements with banks are maintained in both USD and Rwandan francs, earning an effective interest rate of 3.6% per annum for USD (2024: 3.4% per annum) and 7.6% per annum for Rwandan francs (2024: 7.2% per annum).

**13. Derivatives**

	<b>2025 Frw '000</b>	<b>2024 Frw '000</b>
Swap receivable from National Bank of Rwanda	29,033,872	6,917,885
Swap payable to National Bank of Rwanda	(27,821,648)	(5,136,775)
Accrued interest receivable	110,595	62,619
Accrued interest payable	(386,787)	(184,021)
	<b>936,032</b>	<b>1,659,708</b>

The Bank uses the following derivative instruments for non-hedging purposes which comprise currency swaps only.

Currency swaps held are commitments to exchange one set of cash flows for another and result in an economic exchange of currencies. The Company's credit risk represents the potential cost to replace the swap contracts if counterparties fail to fulfil their obligation. This risk is monitored on an ongoing basis with reference to the current fair value, a proportion of the notional amount of the contracts and the liquidity of the market. To control the level of credit risk taken, the Company assesses counterparties using the same techniques as for lending activities.

Movement in expected credit losses is as follows:

<b>Expected credit losses</b>	<b>2025 Frw '000</b>	<b>2024 Frw '000</b>
At beginning of the year	(8,701)	(150,508)
Additional/(release) of provision during the year	(4,406)	141,807
<b>At end of the year</b>	<b>(13,107)</b>	<b>(8,701)</b>

**Notes to the financial statements (Continued)**  
Derivatives (continued)

The derivative instruments held become favourable (assets) or unfavourable (liabilities) because of fluctuations in foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which the instruments are favourable or unfavourable, and thus the aggregate fair values of derivative financial assets and liabilities, can fluctuate significantly from time to time. The derivatives held by the Company are classified as financial assets at fair value through the profit or loss. The fair value for the derivatives was determined by discounting the probable cash flows using the market interest rate (8%).

#### 14. Debt instruments at amortised cost

	2025 Frw '000	2024 Frw '000
Treasury bills issued by the Government of Rwanda	113,396,037	87,797,127
Treasury bonds issued by the Government of Rwanda	77,089,731	76,088,757
Development Bank of Rwanda sustainability linked bond (BRD SLB)	5,994,200	1,800,900
Accrued interest receivable	5,900,082	4,942,475
	<b>202,380,050</b>	<b>170,629,259</b>
Loss allowances on treasury bills	(160,218)	(126,428)
Loss allowances on treasury bonds	(239,647)	(231,504)
Loss allowances on BRD SLB	(19,513)	(5,605)
<b>Expected credit loss on securities</b>	<b>(419,378)</b>	<b>(363,537)</b>
	<b>201,960,672</b>	<b>170,265,722</b>
<b>Movement expected credit losses</b>		
At beginning of the year	(363,537)	(691,297)
Additions	(55,841)	-
Release during the year	-	327,760
At end of the year	<b>(419,378)</b>	<b>(363,537)</b>
<b>Maturing as follows:</b>		
Within 90 days from the date of acquisition	33,420,731	26,943,163
Within 91 days to 1 year from the date of acquisition	83,427,982	67,613,233
After 1 year, but within 5 years	16,521,648	27,099,918
After 5 years	69,009,689	48,972,945
	<b>202,380,050</b>	<b>170,629,259</b>

All debt instruments at amortised cost were classified as stage 1 (2024: stage 1).

Treasury bonds have a maturity period of between 3 years and 18 years with effective interest rate of 12.3% per annum (2024: 12.2% per annum). The effective rate for treasury bills is 7.15% per annum (2024: 8.0% per annum). The BRD SLT was issued in 2023 by the Development Bank of Rwanda, It matures in 2030 and has an effective interest rate of 12.85%.

## Notes to the financial statements (Continued)

## 15. Loans and advances

## a) Net loans and advances

	2025 Frw '000	2024 Frw '000
Corporate	475,624,272	365,855,531
Mortgage	133,173,963	103,763,479
Retail	258,536,258	185,747,697
	<b>867,334,493</b>	<b>655,366,707</b>
IFRS alignment adjustments*:		
Low interest loans		
• Corporate	(6,434,133)	(8,204,469)
• Mortgage	(4,673,595)	(3,804,940)
• Retail	(1,449,124)	(2,288,616)
Effective interest impact of negotiation fees	(4,305,100)	(2,215,315)
Effective interest on stage 3 loans	1,151,769	1,981,930
<b>Gross loans and advances</b>	<b>851,624,310</b>	<b>640,835,297</b>
Credit loss allowances		
Corporate	(2,935,984)	(6,426,807)
Mortgage	(1,638,524)	(3,329,447)
Retail	(9,376,022)	(8,449,362)
Provision for interest receivable on stage 3 loans	(1,151,769)	(1,981,930)
<b>Total credit loss allowances for loans and advances</b>	<b>(15,102,299)</b>	<b>(20,187,546)</b>
<b>Net loans and advances</b>	<b>836,522,011</b>	<b>620,647,751</b>

\*IFRS alignment adjustments relate to the fair value on low interest loans given to both customers and staff, effect of the deferral of negotiation fees (integral fees) and the interest income on stage 3 loans computed on the net exposure.

Loans and advances to customers earn an effective interest rate of 16.54% per annum (2024: 15.78% per annum).

**Notes to the financial statements (Continued)**  
Loans and advances(Continued)

**b) Gross loans**

Movements in gross loans and advances are as follows

	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Year ended 31 December 2025				
At start of year	539,791,906	62,544,917	38,498,474	640,835,297
- transfers from stage 1	(28,800,609)	22,113,960	6,686,649	-
- transfers from stage 2	17,575,102	(19,958,007)	2,382,905	-
- transfers from stage 3	1,204,185	597,023	(1,801,208)	-
New financial assets originated or purchased	366,010,314	34,436,124	6,328,509	406,774,947
Loans derecognized	(153,750,475)	(16,090,910)	(26,144,549)	(195,985,934)
	<b>202,238,517</b>	<b>21,098,190</b>	<b>(12,547,694)</b>	<b>210,789,013</b>
<b>At end of year</b>	<b>742,030,423</b>	<b>83,643,107</b>	<b>25,950,780</b>	<b>851,624,310</b>
Year ended 31 December 2024				
At start of year	512,019,857	65,536,412	12,022,593	589,578,862
- transfers from stage 1	(93,440,888)	74,369,777	19,071,111	-
- transfers from stage 2	14,241,159	(33,753,071)	19,511,912	-
- transfers from stage 3	1,132,115	3,275,950	(4,408,065)	-
New financial assets originated or purchased	277,664,715	-	-	277,664,715
Loans derecognized	(171,825,052)	(46,884,151)	(7,699,077)	(226,408,280)
	<b>27,772,049</b>	<b>(2,991,495)</b>	<b>26,475,881</b>	<b>51,256,435</b>
<b>At end of year</b>	<b>539,791,906</b>	<b>62,544,917</b>	<b>38,498,474</b>	<b>640,835,297</b>

## Notes to the financial statements (Continued)

### Loans and advances(Continued)

## Corporate loans and advances

Movements in gross loans and advances are as follows

Year ended 31 December 2025	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Year ended 31 December 2025				
At start of year	317,505,900	33,426,845	14,922,786	365,855,531
- transfers from stage 1	(16,123,584)	16,123,584	-	-
- transfers from stage 2	8,360,427	(8,360,427)	-	-
- transfers from stage 3	-	14,922,786	(14,922,786)	-
New financial assets originated or purchased	173,762,895	9,908,903	-	183,671,798
Loans derecognized	(69,926,309)	(3,976,748)	-	(73,903,057)
	<b>96,073,429</b>	<b>28,618,098</b>	<b>(14,922,786)</b>	<b>109,768,741</b>
<b>At end of year</b>	<b>413,579,329</b>	<b>62,044,943</b>	<b>-</b>	<b>475,624,272</b>
Year ended 31 December 2024	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
At start of year	261,696,844	51,826,996	3,782,089	317,305,929
- transfers from stage 1	(38,099,307)	31,705,751	6,393,556	-
- transfers from stage 2	8,742,690	(16,736,094)	7,993,404	-
- transfers from stage 3	-	-	-	-
New financial assets originated or purchased	145,043,104	-	-	145,043,104
Loans derecognized	(59,877,431)	(33,369,808)	(3,246,263)	(96,493,502)
	55,809,056	(18,400,151)	11,140,697	48,549,602
<b>At end of year</b>	<b>317,505,900</b>	<b>33,426,845</b>	<b>14,922,786</b>	<b>365,855,531</b>

## Mortgages

Movements in gross loans and advances are as follows

Year ended 31 December 2025	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
At start of year	85,681,945	11,674,658	6,406,876	103,763,479
- transfers from stage 1	(8,645,923)	7,797,734	848,189	-
- transfers from stage 2	9,920,390	(10,206,657)	286,267	-
- transfers from stage 3	776,917	2,561,988	(3,338,905)	-
New financial assets originated or purchased	54,118,516	1,230,868	-	55,349,384
Loans derecognized	(24,455,664)	76,314	(1,559,550)	(25,938,900)
	<b>31,714,236</b>	<b>1,460,247</b>	<b>(3,763,999)</b>	<b>29,410,484</b>
<b>At end of year</b>	<b>117,396,181</b>	<b>13,134,905</b>	<b>2,642,877</b>	<b>133,173,963</b>

**Notes to the financial statements (Continued)**  
Loans and advances(Continued)

Year ended 31 December 2024	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
At start of year	94,347,971	5,876,744	4,946,491	105,171,206
- transfers from stage 1	(19,095,547)	16,422,677	2,672,870	-
- transfers from stage 2	2,292,784	(4,046,261)	1,753,477	-
- transfers from stage 3	270,477	1,999,538	(2,270,015)	-
New financial assets originated or purchased	31,389,471	-	-	31,389,471
Loans derecognized	(23,523,211)	(8,578,040)	(695,947)	(32,797,198)
	<b>(8,666,026)</b>	<b>5,797,914</b>	<b>1,460,385</b>	<b>(1,407,727)</b>
<b>At end of year</b>	<b>85,681,945</b>	<b>11,674,658</b>	<b>6,406,876</b>	<b>103,763,479</b>

## Retail loans and advances

Movements in gross loans and advances are as follows

Year ended 31 December 2025	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
At start of year	151,135,471	20,443,414	14,168,812	185,747,697
- transfers from stage 1	(8,847,761)	8,490,880	356,881	-
- transfers from stage 2	6,234,935	(6,545,691)	310,756	-
- transfers from stage 3	7,171,741	2,238,849	(9,410,590)	-
New financial assets originated or purchased	151,208,442	5,176,774	12,765,151	169,150,367
Loans derecognized	(78,020,838)	(18,340,968)	-	(96,361,806)
	<b>77,746,519</b>	<b>(8,980,156)</b>	<b>4,022,198</b>	<b>72,788,561</b>
<b>At end of year</b>	<b>228,881,990</b>	<b>11,463,258</b>	<b>18,191,010</b>	<b>258,536,258</b>

Year ended 31 December 2024	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
At start of year	167,597,497	10,832,672	294,013	178,724,182
- transfers from stage 1	(36,246,034)	26,241,349	10,004,685	-
- transfers from stage 2	3,205,685	(12,429,792)	9,224,107	-
- transfers from stage 3	861,638	735,488	(1,597,126)	-
New financial assets originated or purchased	104,141,095	-	-	104,141,095
Loans derecognized	(88,424,410)	(4,936,303)	(3,756,867)	(97,117,580)
	<b>(16,462,026)</b>	<b>9,610,742</b>	<b>13,874,799</b>	<b>7,023,515</b>
<b>At end of year</b>	<b>151,135,471</b>	<b>20,443,414</b>	<b>14,168,812</b>	<b>185,747,697</b>

**Notes to the financial statements (Continued)**

## Loans and advances(Continued)

**c) Impairment provisions**

improvements in impairment provision are as follows

Year ended 31 December 2025	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
At start of year	4,982,864	950,330	14,254,352	20,187,546
- transfers from stage 1	(220,664)	157,598	63,066	-
- transfers from stage 2	187,421	(271,728)	84,307	-
- transfers from stage 3	189,062	157,158	(346,220)	-
New financial assets originated or purchased	3,386,740	350,106	2,468,302	6,205,148
Loans derecognized	(1,624,458)	(387,670)	(9,278,267)	(11,290,395)
	<b>1,918,101</b>	<b>5,464</b>	<b>(7,008,812)</b>	<b>(5,085,247)</b>
<b>At end of year</b>	<b>6,900,965</b>	<b>955,794</b>	<b>7,245,540</b>	<b>15,102,299</b>

Year ended 31 December 2024	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
At start of year	4,570,126	1,386,837	10,872,427	16,829,390
- transfers from stage 1	(2,514,396)	1,538,561	975,835	-
- transfers from stage 2	1,651,932	(2,795,240)	1,143,308	-
- transfers from stage 3	332,934	1,149,241	(1,482,175)	-
New financial assets originated or purchased	3,560,419	1,110,051	7,474,338	12,144,808
Loans derecognized	(2,618,151)	(1,439,120)	(4,729,381)	(8,786,652)
	<b>412,738</b>	<b>(436,507)</b>	<b>3,381,925</b>	<b>3,358,156</b>
<b>At end of year</b>	<b>4,982,864</b>	<b>950,330</b>	<b>14,254,352</b>	<b>20,187,546</b>

**Movement in expected credit loss for loans and advances**

	2025 Frw'000	2024 Frw'000
At the start of the year	20,187,546	16,829,390
Impairment charge on loans and advances raised during the year	3,497,675	8,444,195
Impairment charge on interest for stage 3 impaired loans	1,151,769	1,981,930
Loans derecognised	(9,734,691)	(7,067,969)
<b>Balance at the end of the year</b>	<b>15,102,299</b>	<b>20,187,546</b>

Within the period, a disclosure for the movement in the expected credit loss for loans and advances has been added with prior period amount to show how the impairment charge under Note 6(a) agrees to the changes in the expected credit loss.

Notes to the financial statements (Continued)  
Loans and advances(Continued)  
Impairment provisions (continued)

### Expected credit loss

The loss allowance recognised in the year was impacted by a variety of factors, as described below:

- Stage transfers remained a major driver of ECL movements. Exposures moved to higher stages where credit risk increased and to lower stages where conditions improved. These shifts resulted in corresponding changes between 12 month and lifetime ECL requirements.
- New loan origination, mainly within Stage 1, contributed to additional ECL as newly advanced facilities were assessed and incorporated into the impairment process. This was partly offset by releases from derecognized loans, including repayments and expiries during the year.
- Regular refreshment of PD, LGD and EAD assumptions, incorporating updated borrower information and macroeconomic expectations, also contributed to the year's impairment movements.
- The closing ECL balance decreased, mainly due to the write off of certain long outstanding Stage 3 assets, which reduced both the gross carrying amount and the related allowance.
- Overall, the year's ECL (loss allowance) movement reflects a combination of portfolio growth, credit risk migration, model updates, loan repayments, and the clean-up of impaired loans through write offs.

### Movements in impairment provision are as follows

#### Corporate loans ECL

Year ended 31 December 2025	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
At start of year	1,799,896	223,189	4,403,722	6,426,807
- transfers from stage 1	(30,200)	30,200	-	-
- transfers from stage 2	8,032	(8,032)	-	-
- transfers from stage 3	-	-	-	-
New financial assets originated or purchased	2,018,512	383,465,153	-	385,483,665
Loans derecognized	(1,265,765)	(383,305,001)	(4,403,722)	(388,974,488)
	<b>730,579</b>	<b>182,320</b>	<b>(4,403,722)</b>	<b>(3,490,823)</b>
<b>At end of year</b>	<b>2,530,475</b>	<b>405,509</b>	<b>-</b>	<b>2,935,984</b>

Year ended 31 December 2024	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
At start of year	1,134,820	828,619	593,636	2,557,075
- transfers from stage 1	(957,925)	590,408	367,517	-
- transfers from stage 2	567,517	(930,532)	363,015	-
- transfers from stage 3	-	-	-	-
New financial assets originated or purchased	1,434,961	570,279	3,231,946	5,237,186
Loans derecognized	(379,477)	(835,585)	(152,392)	(1,367,454)
	<b>665,076</b>	<b>(605,430)</b>	<b>3,810,086</b>	<b>3,869,732</b>
<b>At end of year</b>	<b>1,799,896</b>	<b>223,189</b>	<b>4,403,722</b>	<b>6,426,807</b>

**Notes to the financial statements (Continued)**

## Loans and advances(Continued)

## Impairment provisions (continued)

**Movements in impairment provision are as follows****Mortgage loans ECL**

Year ended 31 December 2025	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
At start of year	600,107	139,149	2,590,191	3,329,447
• transfers from stage 1	(134,336)	74,627	59,709	-
• transfers from stage 2	24,865	(98,373)	73,508	-
• transfers from stage 3	3,487	5,458	(8,945)	-
New financial assets originated or purchased	685,640	39,692	277,304	1,002,636
Loans derecognized	(271,740)	(56,427)	(2,365,392)	(2,693,559)
	<b>307,916</b>	<b>(35,023)</b>	<b>(1,963,816)</b>	<b>(1,690,923)</b>
<b>At end of year</b>	<b>908,023</b>	<b>104,126</b>	<b>626,375</b>	<b>1,638,524</b>

Year ended 31 December 2024	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
At start of year	1,052,720	153,412	1,664,499	2,870,631
- transfers from stage 1	(1,350,088)	834,929	515,159	-
- transfers from stage 2	982,914	(1,688,932)	706,018	-
- transfers from stage 3	109,917	928,861	(1,038,778)	-
New financial assets originated or purchased	782,773	96,052	970,209	1,849,034
Loans derecognized	(978,129)	(185,173)	(226,916)	(1,390,218)
	<b>(452,613)</b>	<b>(14,263)</b>	<b>925,692</b>	<b>458,816</b>
<b>At end of year</b>	<b>600,107</b>	<b>139,149</b>	<b>2,590,191</b>	<b>3,329,447</b>

**Retail loans ECL**

Year ended 31 December 2025	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
At start of year	2,582,860	587,993	5,278,509	8,449,362
- transfers from stage 1	(211,899)	82,546	129,353	-
- transfers from stage 2	124,677	(208,327)	83,650	-
- transfers from stage 3	59,542	78,846	(138,388)	-
New financial assets originated or purchased	2,501,145	315,951	3,230,709	6,047,805
Loans derecognized	(1,505,444)	(410,851)	(3,204,850)	(5,121,145)
	<b>968,021</b>	<b>(141,835)</b>	<b>100,474</b>	<b>926,660</b>
<b>At end of year</b>	<b>3,550,881</b>	<b>446,158</b>	<b>5,378,983</b>	<b>9,376,022</b>

Notes to the financial statements (Continued)  
Loans and advances(Continued)  
Impairment provisions (continued)

**Movements in impairment provision are as follows**

Year ended 31 December 2024	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
At start of year	2,382,585	404,807	6,431,176	9,218,568
- transfers from stage 1	(206,383)	113,224	93,159	-
- transfers from stage 2	101,501	(175,776)	74,275	-
- transfers from stage 3	223,017	220,380	(443,397)	-
New financial assets originated or purchased	1,342,685	443,720	3,272,183	5,058,588
Loans derecognized	(1,260,545)	(418,362)	(4,148,887)	(5,827,794)
	<b>200,275</b>	<b>183,186</b>	<b>(1,152,667)</b>	<b>(769,206)</b>
<b>At end of year</b>	<b>2,582,860</b>	<b>587,993</b>	<b>5,278,509</b>	<b>8,449,362</b>

**16. (a) Other financial asset**

	2025 Frw'000	2024 Frw'000
Clearing and transit accounts	25,208,874	1,313,953
Other receivables*	94,921	444,468
Gross other financial assets	25,303,795	1,758,421
Expected credit losses on other financial assets	<b>(187,270)</b>	<b>(696,629)</b>
	<b>25,116,525</b>	<b>1,061,792</b>

Other receivables relate to VAT control account balances, and immaterial suspense accounts.

**Movements in other financial assets are as follows:**

Year ended 31 December 2025	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
At start of year	249,927	811,865	696,629	1,758,421
- transfers from stage 1	(2,053,119)	2,053,119	-	-
- transfers from stage 2	-	-	-	-
- transfers from stage 3	696,629	-	(696,629)	-
New financial assets originated or purchased	20,054,612	3,490,762	-	23,545,374
Loans derecognized	-	-	-	-
	<b>18,698,122</b>	<b>5,543,881</b>	<b>(696,629)</b>	<b>23,545,374</b>
<b>At end of year</b>	<b>18,948,049</b>	<b>6,355,746</b>	<b>-</b>	<b>25,303,795</b>

## Notes to the financial statements (Continued)

## 16 (a) Other financial assets (Continued)

Year ended 31 December 2024	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
At start of year	7,016,975	674,669	2,954,031	10,645,675
- transfers from stage 1	(1,052,119)	811,865	240,254	-
- transfers from stage 2	-	(456,375)	456,375	-
- transfers from stage 3	-	-	-	-
New financial assets originated or purchased	1,402,825	-	-	1,402,825
Assets derecognized	(7,117,754)	(218,294)	(2,954,031)	(10,290,079)
<b>Net movement for the year</b>	<b>(6,767,048)</b>	<b>137,196</b>	<b>(2,257,402)</b>	<b>(8,887,254)</b>
<b>At end of year</b>	<b>249,927</b>	<b>811,865</b>	<b>696,629</b>	<b>1,758,421</b>

## Impairment movements in other financial assets are as follows:

Year ended 31 December 2025	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
At start of year	-	-	696,629	696,629
- transfers from stage 1	-	-	-	-
- transfers from stage 2	-	-	-	-
- transfers from stage 3	-	-	-	-
New financial assets originated or purchased	115,141	72,129	-	187,270
Loans derecognized	-	-	(696,629)	(696,629)
<b>Net movement for the period</b>	<b>115,141</b>	<b>72,129</b>	<b>(696,629)</b>	<b>(509,359)</b>
<b>At end of year</b>	<b>115,141</b>	<b>72,129</b>	<b>-</b>	<b>187,270</b>

Year ended 31 December 2024	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
At start of year	-	218,294	-	218,294
- transfers from stage 1	-	-	-	-
- transfers from stage 2	-	(218,294)	218,294	-
- transfers from stage 3	-	-	-	-
New financial assets originated or purchased	-	-	478,335	478,335
Loans derecognized	-	-	-	-
<b>Net movement for the period</b>	<b>-</b>	<b>(218,294)</b>	<b>696,629</b>	<b>478,335</b>
<b>At end of year</b>	<b>-</b>	<b>-</b>	<b>696,629</b>	<b>696,629</b>

## Notes to the financial statements (Continued)

## 16 (a) Other financial assets (Continued)

**(b) Other non-financial assets**

	2025 Frw '000	2024 Frw '000
Prepayments	2,872,554	2,808,707
Unamortised staff loan fair value adjustment	14,079,177	3,793,702
Inventory	-	70,571
	<b>16,951,731</b>	<b>6,672,980</b>
	Stage 1 Frw'000	Stage 2 Frw'000
Impairment provision	(405,795)	(1,516,872)
	<b>16,545,936</b>	<b>5,156,108</b>

**Movement analysis for impairment provision:**

At beginning of the year	1,516,872	2,184,178
Additions	347,727	-
Write back during the year	(1,458,804)	(667,306)
At end of the year	<b>405,795</b>	<b>1,516,872</b>

**17. Intangible assets**

Year ended 31 December 2025	Software Frw '000	Work in progress Frw '000	Total Frw '000
<b>Cost</b>			
At beginning of the year	21,970,079	-	21,970,079
Additions	1,296,545	45,616	1,342,161
Transfer from property and equipment*	1,402,626	-	1,402,626
<b>At end of the year</b>	<b>24,669,250</b>	<b>45,616</b>	<b>24,714,866</b>
<b>Accumulated amortisation</b>			
At beginning of the year	(14,288,948)	-	(14,288,948)
Charge for the year	(1,676,172)	-	(1,676,172)
<b>At end of the year</b>	<b>(15,965,120)</b>	<b>-</b>	<b>(15,965,120)</b>
<b>Net book value at end of the year</b>	<b>8,704,130</b>	<b>45,616</b>	<b>8,749,746</b>

Transfer from property and equipment relates to a computer software that had been transferred from work in progress.

**Notes to the financial statements (Continued)**

## Intangible assets (Continued)

Year ended 31 December 2024	Software Frw '000	Work in progress Frw '000	Total Frw '000
<b>Cost</b>			
At beginning of the year	20,260,378	-	20,260,378
Additions	1,745,357	-	1,745,357
Transfer from work in progress	(35,656)	-	(35,656)
<b>At end of the year</b>	<b>21,970,079</b>	<b>-</b>	<b>21,970,079</b>
<b>Accumulated amortisation</b>			
At beginning of the year	(12,241,853)	-	(12,241,853)
Charge for the year	(2,047,095)	-	(2,047,095)
<b>At end of the year</b>	<b>(14,288,948)</b>	<b>-</b>	<b>(14,288,948)</b>
<b>Net book value at end of the year</b>	<b>7,681,131</b>	<b>-</b>	<b>7,681,131</b>

Transfer from property and equipment relates to a computer software that had been transferred from work in progress.

Notes to the financial statements (Continued)  
Other financial assets (Continued)

## 18. Property and equipment

Year ended 31 December 2025	Land Frw '000	Buildings Frw '000	Computet equipment Frw '000	Motor vehicles Frw '000	Equipment, furniture & fittings Frw '000	Leasehold Improvements Frw '000	Work in progress Frw '000	Total Frw '000
<b>Cost</b>								
At beginning of the year	534,917	22,474,010	9,251,233	829,286	22,588,305	7,799,769	1,499,009	64,976,529
Additions	-	343,710	627,280	320,516	942,706	-	1,785,429	4,019,641
Disposals	(43,401)	(349,084)	(3,649)	(215,872)	-	-	-	(612,006)
Reclassifications	-	1,830	-	-	-	-	(1,830)	-
Transfer to expenses*	-	-	-	-	-	-	(89,930)	(89,930)
Transfer to intangibles	-	-	-	-	-	-	(1,402,626)	(1,402,626)
<b>At end of the year</b>	<b>491,516</b>	<b>22,470,466</b>	<b>9,874,864</b>	<b>933,930</b>	<b>23,531,011</b>	<b>7,799,769</b>	<b>1,790,052</b>	<b>66,891,608</b>
<b>Accumulated depreciation</b>								
At beginning of the year	-	(8,042,489)	(5,953,562)	(545,732)	(19,607,330)	(6,185,926)	-	(40,335,039)
Charge for the year	-	(1,512,069)	(1,912,318)	(141,894)	(783,149)	(7,541)	-	(4,356,971)
Disposals	-	346,294	3,041	215,872	-	-	-	565,207
<b>At end of the year</b>	<b>-</b>	<b>(9,208,264)</b>	<b>(7,862,839)</b>	<b>(471,754)</b>	<b>(20,390,479)</b>	<b>(6,193,467)</b>	<b>-</b>	<b>(44,126,803)</b>
<b>Net book value at end of the year</b>	<b>491,516</b>	<b>13,262,202</b>	<b>2,012,025</b>	<b>462,176</b>	<b>3,140,532</b>	<b>1,606,302</b>	<b>1,790,052</b>	<b>22,764,805</b>

Work in progress relates to on-going projects for refurbishment of branches.

\*During the year, an amount of 89 million previously recognised as work in progress was reassessed and reclassified to expenses, as it no longer met the criteria for capitalisation

Year ended 31 December 2024	Land Frw '000	Buildings Frw '000	Computet equipment Frw '000	Motor vehicles Frw '000	Equipment, furniture & fittings Frw '000	Leasehold Improvements Frw '000	Work in progress Frw '000	Total Frw '000
<b>Cost</b>								
At beginning of the year	-	209,508	2,037,166	92,516	510,754	886,991	1,463,991	5,200,926
Additions	(25,450)	(216,714)	-	(314,783)	-	-	-	(556,947)
Disposal	-	93,694	(9,445,372)	-	9,451,963	-	(100,285)	-
Reclassifications	-	-	35,656	-	-	-	-	35,656
Transfer from intangible assets	-	-	-	-	-	-	-	-
<b>At end of the year</b>	<b>534,917</b>	<b>22,474,010</b>	<b>9,251,233</b>	<b>829,286</b>	<b>22,588,305</b>	<b>7,799,769</b>	<b>1,499,009</b>	<b>64,976,529</b>
<b>Accumulated depreciation</b>								
At beginning of the year	-	(6,681,609)	(13,555,670)	(785,333)	(9,737,052)	(5,917,554)	-	(36,677,218)
Charge for the year	-	(1,559,595)	(1,773,581)	(75,183)	(494,589)	(268,372)	-	(4,171,320)
Disposal	-	198,715	-	314,784	-	-	-	513,499
Reclassifications	-	-	9,375,689	-	(9,375,689)	-	-	-
<b>At end of the year</b>	<b>-</b>	<b>(8,042,489)</b>	<b>(5,953,562)</b>	<b>(545,732)</b>	<b>(19,607,330)</b>	<b>(6,185,926)</b>	<b>-</b>	<b>(40,335,039)</b>
<b>Net book value at end of the year</b>	<b>534,917</b>	<b>14,431,521</b>	<b>3,297,671</b>	<b>283,554</b>	<b>2,980,975</b>	<b>1,613,843</b>	<b>1,499,009</b>	<b>24,641,490</b>

Work in progress relates to on-going projects for refurbishment of branches.

## Notes to the financial statements (Continued)

## 19. Right-of-use assets

Right-of-use assets relate to leased branches, equipment and motor vehicles. They represent the bank's right to use the assets over the life of the leases. The right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches. The initial lease liability is the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate of 7.83% per annum. The leases typically run for a period of 2 to 10 years, with an option to renew the lease after that date.

Year ended 31 December 2025	Leasehold premises Frw '000	Leased equipment Frw '000	Motor vehicles Frw '000	Total Frw '000
<b>Cost</b>				
At beginning of the year	7,741,873	641,322	721,254	9,104,449
Additions	980,035	-	-	980,035
Terminations	(3,639,466)	-	(133,809)	(3,773,275)
Remeasurements	-	-	-	-
<b>At end of the year</b>	<b>5,082,442</b>	<b>641,322</b>	<b>587,445</b>	<b>6,311,209</b>
<b>Accumulated depreciation</b>				
At beginning of the year	(4,418,217)	(491,680)	(296,988)	(5,206,885)
Charge for the year	(1,076,133)	(128,264)	(195,815)	(1,400,212)
Terminations	3,160,613	-	133,808	3,294,421
Remeasurements	-	-	-	-
<b>At end of the year</b>	<b>(2,333,737)</b>	<b>(619,944)</b>	<b>(358,995)</b>	<b>(3,312,676)</b>
<b>Net book value at end of the year</b>	<b>2,748,705</b>	<b>21,378</b>	<b>228,450</b>	<b>2,998,533</b>
<b>Year ended 31 December 2024</b>				
<b>Cost</b>				
At beginning of the year	12,223,215	641,322	676,121	13,540,658
Additions	1,007,376	-	587,445	1,594,821
Terminations	(2,310,740)	-	(322,333)	(2,633,073)
Remeasurements	(3,177,978)	-	(219,979)	(3,397,957)
<b>At end of the year</b>	<b>7,741,873</b>	<b>641,322</b>	<b>721,254</b>	<b>9,104,449</b>
<b>Accumulated depreciation</b>				
At beginning of the year	(6,713,117)	(363,416)	(421,394)	(7,497,927)
Charge for the year	(1,281,973)	(128,264)	(192,914)	(1,603,151)
Terminations	2,105,482	-	322,333	2,427,815
Remeasurements	1,471,391	-	(5,013)	1,466,378
<b>At end of the year</b>	<b>(4,418,217)</b>	<b>(491,680)</b>	<b>(296,988)</b>	<b>(5,206,885)</b>
<b>Net book value at end of the year</b>	<b>3,323,656</b>	<b>149,642</b>	<b>424,266</b>	<b>3,897,564</b>

## Notes to the financial statements (Continued)

## 20. Non-current asset held for sale

	2025 Frw '000	2024 Frw '000
As at 01 January	-	-
Additions at fair value	12,116,763	-
Provision for impairment (note 6b)	(3,635,029)	-
Fair value adjustment	-	-
<b>As at 31 December</b>	<b>8,481,734</b>	<b>-</b>

The property was fair valued at the point of acquisition within the year and the unobservable inputs and assumptions used in arriving at the fair value have not significantly changed to warrant a change in the fair value for the property.

During the year, the bank repossessed a factory through auction which was a collateral held as a security under receivership process following the foreclosure on loans that were in default. The factory is measured at the lower of carrying amount and fair value less cost to sell. Management has commenced the disposal processes and it is highly probable that the process will be completed within 12 months from the date of classification as held for sale. In the bank assessment, the amount of Frw 12.1 billion is the best estimate of the amount for which a provision of Frw 3,635,029,209 was booked.

The fair value less cost to sell was determined through valuation which was carried out in accordance with the International Valuation Standards, with regard to relevant local statutes, customs, and market practice. In determining the fair values of the property especially in the case of land, the valuer used the market approach by reference to the open market value which is the best price at which the sale of an interest in a property might reasonably be expected to have been completed unconditionally for cash consideration on the date of assessment. The valuers also utilised the income capitalisation approach by reference to the net cashflows/annual incomes from the property (majorly buildings) and also depreciated cost method.

## Valuation techniques for the property

<b>Land</b>	<p><b>Market Approach</b></p> <p>Land was valued by the sales comparison method taking into account the various categories of existing and potential use. Other factors such as location, services, accessibility, and proximity to suppliers, inputs and markets were also taken into account. Attention was paid to the concept of 'Highest and Best use' of property.</p>
<b>Buildings</b>	<p><i>A combination of approaches was adopted to obtain reasonable estimations of the market values of buildings.</i></p> <p><b>Income capitalisation approach</b></p> <p>The valuers used this approach to estimate the value of buildings under commercial arrangements. It is based on the expectation of future benefits. This method of valuation relates value to the market rent that a property can be expected to earn and to the resale value.</p> <p><b>Cost approach</b></p> <p>The buildings, structures and services were valued at current replacement costs taking into account their depreciation.</p>

**Notes to the financial statements (Continued)****Non-current asset held for sale (continued)**

The fair value measurement for all of the property has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used. Key underlying assumptions in valuation of investment properties included:

- Property and its value is unaffected by any statutory notice or condition of title where title deeds and that neither the property nor its condition, nor its use, nor its intended use, is or will be unlawful.
- No onerous easements, rights of way or encroachments exist by or on the subject properties other than those in favour of statutory bodies, applicable to all such properties, or which could be regarded as customary.
- The market value and any other values referred to in the valuation report exclude Value Added Tax and transfer costs.
- Property is unaffected by environmental issues.
- Property is assumed to be free from any structural fault, rot, infestation or defects of any other nature whether exposed or unexposed, including inherent weaknesses due to the use in construction of deleterious materials. There is also an assumption that there are no unidentified adverse ground or soil conditions and that the load bearing qualities of the site of the property is sufficient to support the building constructed thereon.

**Valuation inputs and relationships to fair value**

Significant unobservable input		Range
Property	Discount rate	9%
Land	Price per square metre	Frw 95,000

**21. Customer deposits**

	2025 Frw'000	2024 Frw'000
Current and demand deposits	597,140,077	353,906,189
Term deposits	175,506,221	152,100,087
Savings accounts	101,403,377	68,413,017
	<b>874,049,675</b>	<b>574,419,293</b>

Customers' deposits only include financial instruments classified as liabilities at amortised cost.

Interest earning fixed and demand deposits are at fixed interest rates. The average weighted effective interest rates on interest earning deposits for the year ended 31 December 2025 was 6.2% per annum (2024: 6.0% per annum).

**22. Deposits from other banks**

	2025 Frw'000	2024 Frw'000
Repurchase agreements with National Bank of Rwanda	23,058,549	-
Money market deposits – local banks	21,804,937	19,822,140
Deposits from local banks	88,866,299	77,904,898
<b>Balances and placements with foreign banks</b>	5,703,132	6,970,214
	<b>139,432,917</b>	<b>104,697,252</b>

Interest earning and demand deposits are at fixed interest rates. The average weighted effective interest rates on interest earning deposits for the year ended 31 December 2025 was 7.9% p.a (2024: 6.3% p.a).

## Notes to the financial statements (Continued)

## 23. Provisions

	2025 Frw'000	2024 Frw'000
Provisions for legal claims	153,828	116,372
Off balance sheet loss allowance (Note 32)	618,990	500,026
<b>As at 31 December</b>	<b>772,818</b>	<b>616,398</b>

## Movement analysis for the off-balance sheet loss allowance as follows:

	2025 Frw'000	2024 Frw'000
<b>Expected credit losses</b>		
At beginning of the year	500,026	215,023
Additions	118,964	285,003
<b>At end of the year</b>	<b>618,990</b>	<b>500,026</b>

Within the year a movement analysis for the off-balance sheet loss allowance with prior period amounts has been presented to comply with the requirements of IFRS 7 Financial Instruments: Disclosure paragraph 35 that requires entities to disclose information that enables users to understand the nature and extent of credit risk arising from financial instruments, including movements in allowances for expected credit losses.

## Provision for legal claims

	2025 Frw'000	2024 Frw'000
As at 1 January	116,372	159,131
Provision charge during the year	95,615	33,281
Release of provision during the year	-	84,441
Payments made during the year	(58,159)	(160,481)
	<b>153,828</b>	<b>116,372</b>

## 24. Credit funds

Credit funds relate to financing received from the Government of Rwanda and its agencies and other public development partners for advancing to defined development projects and economic sectors, including the agricultural sector. The funds are non-interest earning and are measured at their amortised cost.

## The movement in the credit funds during the year was as below

	2025 Frw'000	2024 Frw'000
As at 1 January	1,191,885	2,710,733
Additional funds received	-	673,510
Released during the year	(744,268)	
<b>As at 31 December</b>	<b>618,990</b>	<b>(2,192,358)</b>
Socio Economic Inclusion of Refugees and Host Communities	447,617	1,191,885
	<b>447,617</b>	<b>1,191,885</b>

## Notes to the financial statements (Continued)

## 25. Borrowings

	Rate p.a	2025 Frw' 000	2024 Frw' 000
Rwanda Housing Finance Project (RHFP)- BRD	6.00%	9,354,016	8,617,795
Access to Finance for Recovery and Resilience Project – BRD	3.50%	34,182,911	35,025,926
Export Growth Facility (EGF) – BRD	4.00%	6,922,024	6,922,024
Commercialization and De-Risking for Agricultural Transformation Project-BRD	4.5%	2,000,000	-
Economic Recovery Fund facility - BNR	2.00%	8,117,306	9,742,130
International Financial Corporation (IFC)	11.75%	56,633,847	27,341,870
European Investment Bank (EIB)	8.00%	7,456,529	10,735,119
Accrued interest		3,080,794	330,253
Fair valuation adjustments on borrowings received at below market interest rates		(6,801,367)	(7,524,305)
		<b>120,946,060</b>	<b>91,190,812</b>
Opening balance		91,190,812	59,971,356
Additional debt		31,929,000	39,312,450
Interest expense		8,226,868	3,111,206
Interest and other borrowing costs paid		(6,549,424)	(2,451,652)
Principal repayments		(4,574,134)	(7,279,941)
Fair value adjustment for below market interest rates		722,938	(1,472,607)
<b>Closing balance</b>		<b>120,946,060</b>	<b>91,190,812</b>

**Notes to the financial statements (Continued)**  
 other borrowings (Continued)

The above facilities are not secured.

**Rwanda Housing Finance Project (RHFP)-BRD**

The facility is provided by The Development Bank of Rwanda (“BRD”). The Rwanda Housing Finance Project is centred around the provision of long-term finance to support the development of the mortgage market. The project consists primarily of a line of credit to financial institutions to support the expansion of mortgage lending. The facility was issued in 2022 with a 20 years tenor and is uncollateralised. The financing was issued at the rate of 6%.

**Access to Finance for Recovery and Resilience Project (AFIRR)– BRD**

The facility is provided by The Development Bank of Rwanda (“BRD”). The Access to Finance for Recovery and Resilience (AFIRR) Project was designed to further support the economic recovery fund by increasing access to finance and support recovery and resilience of businesses affected by the COVID-19 pandemic. The facility was issued in 2022 with a 15 years tenor and is uncollateralised. The financing was issued at the rate of 3.5%.

**Export Growth Facility**

The facility is provided by The Development Bank of Rwanda (“BRD”) for funding loans to export oriented small scale and medium enterprises (SMEs) in Rwanda at a preferential rate of 4% for a tenor of 9 years starting from June 2017 and April 2021. The facility is uncollateralised.

**Commercialization and De-Risking for Agricultural Transformation Project-BRD**

The facility is provided by The Development Bank of Rwanda (“BRD”) under the Commercialization and De-Risking for Agricultural Transformation (CDAT) project for funding loans to eligible agribusinesses and agricultural SMEs in Rwanda at a preferential rate of 4.5% in 2025. The facility is uncollateralised.

**Economic Recovery Fund 1 (ERF 1) Facility**

In 2020, The Government of Rwanda established the Economic Recovery Fund to support the recovery of businesses hardest hit by COVID-19 pandemic so they can survive, resume operations and safeguard employment, thereby cushioning the economic effects of the pandemic. The facility draws interest at 0% and 2% and has a tenor between two to fifteen years depending on the tenor of the loan of the ultimate recipient. The facility is uncollateralised.

**Economic Recovery Fund 2 (ERF 2) Facility**

In 2022, The Government of Rwanda established the Economic Recovery Fund 2 to support the recovery of sectors hardest hit by COVID-19 pandemic so they can survive, resume operations and safeguard employment, thereby cushioning the economic effects of the pandemic. The facility draws interest at 0% and 2% and has a tenor between two to fifteen years depending on the tenor of the loan of the ultimate recipient. The facility is uncollateralised.

**European Investment Bank (EIB) facilities**

The Bank has two facilities with the EIB. The first facility relates to the East and Central Africa Private Enterprise Finance Facility to fund qualifying private enterprises. The facility was issued in 2019 and has a tenor of 33 months and draws interest at 7.85% per annum. The facility was fully repaid in 2025. The second facility relates to the East Africa Rapid Response Facility to be extended to small and medium sized entities and middle capitalisation entities. The facility was disbursed in 2021 and has a tenor of 69 months. It attracts interest at 8% per annum and is uncollateralised.

**International Finance Corporation (IFC)**

As of the reporting date, The Bank has entered into a borrowing arrangement with IFC with a principal amount of USD 40,000,000. The total borrowing amount of USD 40,000,000 has been fully disbursed. While the facility amount is USD denominated, it is translated into FRW on the date of disbursement and thereafter denominated in FRW. The loan bears an annual interest rate of 11.75% on the outstanding balance and the loan is to support SME and corporate lending. The facility has a 7-year term with a 2-year moratorium, with interest at 11.75% per annum. The facility is uncollateralised.

**Notes to the financial statements (Continued)****other borrowings (Continued)**

Net debt comprises borrowings, leases and credit funds. The net debt movements for each of the years are disclosed under Note 24, Note 25 and Note 28 respectively.

**26. (a) Other financial liabilities**

	2025 Frw' 000	2024 Frw' 000
Cash guarantees	15,607,173	2,278,810
Transit accounts	805,971	500,228
Dividend payable	479,922	-
	<b>16,893,066</b>	<b>2,779,038</b>

Other payables mainly include the insurance funds collected on new loans facilities that are yet to be paid out to the insurance companies and the advance commission on guarantees.

**(b) Other non-financial liabilities**

	2025 Frw' 000	2024 Frw' 000
Accrued expenses	9,122,292	6,870,953
Employee liabilities	3,510,290	4,171,454
Statutory liabilities	1,154,460	491,716
Other payables	2,948,333	352,795
Unearned Economic Recovery Fund (ERF) benefit	6,860,178	(4,256,055)
	<b>23,595,553</b>	<b>7,630,863</b>

Unearned ERF benefit relates to the opposite entry for the fair value gain on initial recognition of low interest loans and borrowings. It is amortised to the profit or loss account at the same time as the unwinding of the related balance under borrowings.

**27. Income tax****(a). Deferred income tax**

Deferred income tax is calculated using the enacted income tax rate of 28% (2024: 28%). The movement on the deferred income tax account is as follows:

	2025 Frw' 000	2024 Frw' 000
As at start of year	453,158	859,262
Prior year under provision (Note 10)	-	15,315
Credit /(Charge) to profit and loss (Note 10)	1,342,620	(421,419)
	<b>1,795,778</b>	<b>453,158</b>

The deferred income tax liability, deferred income tax charge/(credit) to profit and loss (PL) and deferred income tax charge to other comprehensive income (OCI) are attributable to the following items:

## Notes to the financial statements (Continued)

## Deferred income tax (Continued)

Year ended 31 December 2025	1 Jan Frw'000	Current year credit/(charge) to profit or loss Frw'000	31 Dec Frw'000
<b>Deferred income tax assets:</b>			
Provisions including allowance for ECL	3,410,192	710,205	4,120,397
	<b>3,410,192</b>	<b>710,205</b>	<b>4,120,397</b>
<b>Deferred income tax liabilities:</b>			
Property, equipment, intangible assets and right of use assets	(2,957,034)	632,415	(2,324,619)
	<b>453,158</b>	<b>1,342,620</b>	<b>1,795,778</b>

Year ended 31 December 2024	1 Jan Frw'000	Current year credit/(charge) to profit or loss Frw'000	31 Dec Frw'000
<b>Deferred income tax assets:</b>			
Provisions including allowance for ECL	4,481,533	(1,071,341)	3,410,192
	<b>4,481,533</b>	<b>(1,071,341)</b>	<b>3,410,192</b>
<b>Deferred income tax liabilities:</b>			
Property and equipment	(3,622,271)	665,237	(2,957,034)
	<b>859,262</b>	<b>(406,104)</b>	<b>453,158</b>

**Notes to the financial statements (Continued)**

## Deferred income tax (Continued)

**(b) Prepaid income tax**

	2025 Frw'000	2024 Frw'000
Balance as at 1 January	1,054,630	3,353,728
Withholding tax paid during the year	1,264,208	1,636,948
Utilised during the year	(1,881,927)	(3,936,046)
<b>Balance as at 31 December</b>	<b>436,911</b>	<b>1,054,630</b>

**(c) Current income tax payable**

	2025 Frw'000	2024 Frw'000
Balance as at 1 January	2,331,011	1,424,470
Charge for the year (Note 10)	18,692,365	13,007,494
Paid during the year	(14,435,343)	(12,100,953)
<b>Balance as at 31 December</b>	<b>6,588,033</b>	<b>2,331,011</b>

**28. Lease liabilities**

The Bank leases buildings, motor vehicles and cash counting machines. The leases typically run for a period of 2 to 10 years, with an option to renew the lease after that date.

	2025 Frw'000	2024 Frw'000
<b>At the start of the year</b>	<b>3,933,948</b>	<b>6,281,695</b>
Additions during the year	980,035	1,279,666
Interest expense (included in finance cost)	247,893	315,155
Terminations in the year	(478,854)	(205,258)
Interest payments	(247,893)	(315,155)
Principal lease payments in the year	(1,471,136)	(1,244,818)
Lease remeasurements	-	(2,177,337)
<b>At end of year</b>	<b>2,963,993</b>	<b>3,933,948</b>

The maturity profile captures the undiscounted cashflows of the lease arrangements;

	Up to 1 month Frw '000	1 to 3 month Frw '000	3 to 12month Frw '000	1 to 5 years Frw '000	Over 5 years Frw '000	Total Frw'000
2025	117,884	144,591	989,473	1,915,610	128,726	3,296,284
2024	368,557	847,681	1,842,785	1,142,527	405,413	4,606,963

## Notes to the financial statements (Continued)

## 29. Share capital and share premium

## a) Share capital

	2025 Frw'000	2024 Frw'000
Authorised share capital (85,000,000,000) shares with par value of Frw 1,000 (2024: 85,000,000,000)	85,000,000	85,000,000
Issued and fully paid shares (81,509,050,000 shares)		
As at 1 January	81,509,050	81,509,050
Additional shares	-	-
<b>Balance as at 31 December</b>	<b>81,509,050</b>	<b>81,509,050</b>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Bank. All ordinary shares rank equally with regard to the Bank's residual assets.

The shareholding structure as at 31 December 2025 was as follows:

	No. of Shares	Par Value - Frw	Value- Frw	%
Individual shareholders (Local)	10,139,969	1,000	10,139,969,000	12.44%
KCB Group Plc	71,369,081	1,000	71,369,081,000	87.56%
<b>TOTAL</b>	<b>81,509,050</b>	<b>1,000</b>	<b>81,509,050,000</b>	<b>100.00%</b>

The shareholding structure as at 31 December 2024 was as follows:

	No. of Shares	Par Value - Frw	Value- Frw	%
Individual shareholders (Local)	10,139,969	1,000	10,139,969,000	12.44%
KCB Group Plc	71,369,081	1,000	71,369,081,000	87.56%
<b>TOTAL</b>	<b>81,509,050</b>	<b>1,000</b>	<b>81,509,050,000</b>	<b>100.00%</b>

## b) Share premium

Share premium arises from issue of shares at a price higher than the par value of the shares. This amount is not available for distribution.

	2025 Frw'000	2024 Frw'000
At 1 January	8,032,565	8,032,565
<b>At 31 December</b>	<b>8,032,565</b>	<b>8,032,565</b>

## (c) Retained earnings:

This comprises prior year profits less any appropriation to credit risk plus current year profit.

	2025 Frw'000	2024 Frw'000
As at 1 January	85,976,639	56,301,895
Profit for the year	40,890,969	29,674,744
Dividend paid	(4,075,453)	-
<b>As at 31 December</b>	<b>122,792,155</b>	<b>85,976,639</b>

**Notes to the financial statements (Continued)**

## Share capital and share premium (continued)

**(d) Proposed dividend**

The directors proposed a dividend pay-out of 10.5% (2024:13.7%) of the bank's audited net income in respect of the year 2025 after the reporting date. The total proposed dividend for the year is therefore Frw 4,319,980,000 (2024: 4,075,453,000) for ordinary shareholders.

In the previous period, the proposed dividends had been presented as a separate line item within the statement of changes in equity. Within the period, this was reclassified back to the retained earnings to align with requirements of IAS 1.

**30. Related party transactions**

The parent and the ultimate controlling entity is KCB Group Plc. There are companies which are related to BPR Bank Rwanda Plc through common shareholdings or common Directorships.

The Bank enters into transactions, arrangements, and agreements involving Directors, senior management and their related concerns in the ordinary course of business. Related-party transactions during the year, outstanding balances at the year-end, and relating expense and income recognized during the year are as follows:

**(a) Transactions and balances with directors**

	2025 Frw'000	2024 Frw'000
Deposits from directors	451,828	152,928
Interest expense	(2,221)	(4,027)
Loans and advances to directors	19,190,498	8,330,410
Expected credit loss allowance	76,129	(34,340)
Interest income	2,287,821	1,321,664

**(b) Transactions and balances with senior management**

	2025 Frw'000	2024 Frw'000
Deposits from senior management	407,012	46,603
Interest expense	(1,668)	-
Expected credit loss allowance	2,285	-
Loans and advances to senior management	407,892	297,232
Expected credit loss allowance		
Interest income	21,875	26,315
Benefits expense	2,120,971	2,196,301

Loans and advances to senior management were issued at interest rates of between 7% and 10% and were all performing as at 31 December 2025 and 2024. Therefore, Frw 2,2 million impairment provisions have been recognised in respect of loans given to related parties (2024: nil).

**(c) Amounts due from related parties**

	2025 Frw'000	2024 Frw'000
KCB Bank Kenya Limited	651,562	506,987
KCB Bank Burundi Limited	-	-
KCB Bank Tanzania Limited	-	-
KCB Bank Uganda Limited	-	-
	<b>651,562</b>	<b>506,987</b>

**Notes to the financial statements (Continued)**  
related party transactions(Continued)

**(d) Amounts due to related parties**

	2025 Frw'000	2024 Frw'000
KCB Bank Kenya Limited	6,580,298	4,290,343
KCB Bank Burundi Limited	-	1,268
KCB Bank Tanzania Limited	169,650	24,589
KCB Bank South Sudan Limited	64,952	
KCB Bank Uganda Limited	334,492	3,252,557
	<b>7,149,392</b>	<b>7,568,757</b>

**(e) Directors' remuneration**

	2025 Frw'000	2024 Frw'000
Sitting allowances	<b>860,220</b>	<b>797,085</b>

**31 (a) Analysis of cash and cash equivalents as shown in the cash flow statement**

	2025 Frw'000	2024 Frw'000
Cash on hand (Note 11)	38,446,908	30,454,316
Balances with Central Bank of Rwanda (Note 11)	99,285,287	67,439,670
Amount due from banks (Note 12)	140,480,454	36,957,484
Less: placements with a maturity above 90 days at origination	(3,823,007)	(3,955,819)
	136,657,447	33,001,665
Treasury bills with a maturity within 90 days from origination (Note 14)	33,420,731	26,943,163
	<b>307,810,373</b>	<b>157,838,814</b>

For the purposes of the statement of cash flows, cash and cash equivalents comprise balances with less than 90 days' maturity from the date of acquisition including: cash and balances with Banks, treasury bills and other eligible bills, and amounts due from other banks.

Included within cash and cash equivalents are the cash reserve requirements (CRR) held with the National Bank of Rwanda. Banks are required to maintain a prescribed minimum cash balance with the National Bank of Rwanda that is held for depositors. The amount is determined as 5% (2024: 5%) of the average outstanding customer deposits over a cash reserve cycle period of 15 days. As at 31 December 2025, the CRR was Frw 50,187 million (2024: Frw 30,650 million).

## Notes to the financial statements (Continued)

## 31 (b) Net cash flow from operating activities Year ended 31 December:

	Notes	2025 Frw'000	2024 Frw'000
<b>Cash flows used in operating activities</b>			
Profit after income tax		40,890,969	29,674,744
<b>Adjusted for:</b>			
Amortization charge on intangible assets	17	1,676,172	2,047,095
Depreciation charge on property and equipment	18	4,356,971	4,171,320
Gain on disposal of property and equipment	5	(414,977)	(602,057)
Depreciation charge on right-of-use assets	19	1,400,212	1,603,151
Lease Liability Remeasurements		-	(560,913)
Net Interest Income	1&2	(95,940,488)	(80,298,861)
Impairment loss on financial assets	6(a)	1,199,638	7,775,562
Impairment loss on property held for sale	6(b)	3,635,029	-
Work in progress written off	18	89,930	-
Income tax expense	10	17,349,745	13,413,598
<b>Cash flows used in operating activities before changes in operating assets and liabilities</b>		<b>(25,756,799)</b>	<b>(22,776,361)</b>
Changes in operating assets and liabilities:			
• Placements		347,362	(1,096,090)
• Loans and advances		(215,948,664)	(55,388,838)
• Changes in derivative		723,676	(493,307)
• Government securities		(24,259,776)	(23,589,808)
• Other assets		(34,212,264)	8,802,919
• Customer deposits		299,630,382	66,389,120
• Deposits from financial institutions		34,735,665	(16,406,613)
• Other liabilities		29,479,831	5,891,663
• Due to related parties		(419,365)	5,450,174
• Due from related parties		(144,575)	(291,345)
• Prepaid income tax		617,719	2,299,098
• Legal claims payable		156,420	(42,759)
Interest received		135,640,519	112,533,402
Interest paid		(40,744,950)	(33,577,215)
Income tax paid	27(c)	(14,435,343)	(12,100,953)
<b>Net cash generated by operating activities</b>		<b>145,409,838</b>	<b>35,603,087</b>

## Notes to the financial statements (Continued)

**31 (c) Correction of prior year errors**

During the financial year ended 31 December 2025, the Bank discovered errors and corrected the statement of cashflows for the year ended 31 December 2024. The impact on the statement of cash flows is highlighted below:

	As previously stated Frw '000	Adjustment (i) Frw '000	Adjustment (ii) Frw '000	Adjustment (iii) Frw '000	Adjustment (iv) Frw '000	Adjustment (v) Frw '000	Adjustment (vi) Frw '000	Adjustment (vii) Frw '000	As restated Frw '000
<b>Cash flows from operating activities</b>									
Profit after tax	29,674,744	-	-	-	-	-	-	-	29,674,744
Amortisation charge on intangible assets	2,047,095	-	-	-	-	-	-	-	2,047,095
Depreciation charge on property and equipment	4,171,320	-	-	-	-	-	-	-	4,171,320
Gain on disposal of property and equipment	-	(602,057)	-	-	-	-	-	-	(602,057)
Depreciation charge on right of use assets	1,603,151	-	-	-	-	-	-	-	1,603,151
Lease liabilities remeasurements	(787,773)	-	-	-	226,860	-	-	-	(560,913)
Net interest income	-	-	-	(80,298,861)	-	-	-	-	(80,298,861)
Right of use re-measurements	2,136,837	-	-	-	(2,136,837)	-	-	-	-
Provisions for loans and advances impairment	7,775,562	-	-	-	-	-	-	-	7,775,562
Net exchange differences	(439,297)	-	-	439,297	-	-	-	-	-
Income tax expense	13,413,598	-	-	-	-	-	-	-	13,413,598
Changes in:									
Placements	(1,190,209)	-	-	94,119	-	-	-	-	(1,096,090)
Loans and advances	(55,673,841)	-	-	285,003	-	-	-	-	(55,388,838)
Derivative	(493,307)	-	-	-	-	-	-	-	(493,307)
Government securities	(23,805,256)	-	-	215,448	-	-	-	-	(23,589,808)
Other assets	8,827,447	170,215	-	(916,003)	315,156	406,104	-	-	8,802,919
Customer deposits	64,624,650	-	1,764,470	-	-	-	-	-	66,389,120
Deposits from financial institutions	(14,642,143)	-	(1,764,470)	-	-	-	-	-	(16,406,613)
Other liabilities	7,433,660	-	-	(1,541,997)	-	-	-	-	5,891,663
Due to related parties	5,450,174	-	-	-	-	-	-	-	5,450,174
Due from related parties	(291,345)	-	-	-	-	-	-	-	(291,345)
Prepaid income tax	2,705,202	-	-	-	-	(406,104)	-	-	2,299,098
Legal claim payable	(42,759)	-	-	-	-	-	-	-	(42,759)
Income tax paid	(12,100,953)	-	-	-	-	-	-	-	(12,100,953)
Interest received	-	-	-	112,533,402	-	-	-	-	112,533,402
Interest paid	-	-	-	(30,810,408)	(315,155)	-	(2,451,652)	-	(33,577,215)
<b>Cash flows from operating activities (a)</b>	<b>40,396,557</b>	<b>(431,842)</b>	-	-	<b>(1,909,976)</b>	-	<b>(2,451,652)</b>	-	<b>35,603,087</b>

## Notes to the financial statements (Continued)

## (c) Correction of prior year errors (continued)

	As previously stated Frw '000	Adjustment (i) Frw '000	Adjustment (ii) Frw '000	Adjustment (iii) Frw '000	Adjustment (iv) Frw '000	Adjustment (v) Frw '000	Adjustment (vi) Frw '000	Adjustment (vii) Frw '000	As restated Frw '000
<b>Cash flows in investing activities</b>									
Purchase of property and equipment	(5,200,926)	-	-	-	-	-	-	-	(5,200,926)
Proceeds from sale of property and equipment	213,663	431,842	-	-	-	-	-	-	645,505
Purchase of intangible assets	(1,745,357)	-	-	-	-	-	-	-	(1,745,357)
Right of use acquired	(1,594,821)	-	-	-	1,594,821	-	-	-	-
<b>Cash flows used in investing activities (b)</b>	<b>(8,327,441)</b>	<b>431,842</b>	-	-	<b>1,594,821</b>	-	-	-	<b>(6,300,778)</b>
<b>Cash flows from financing activities</b>									
Long term debt paid in the year	(9,731,593)	-	-	-	-	-	2,451,652	-	(7,279,941)
Payment of lease liabilities	(1,559,973)	-	-	-	315,155	-	-	-	(1,244,818)
Repayment of credit fund	(1,518,848)	-	-	-	-	-	-	(673,510)	(2,192,358)
Additional credit funds received	-	-	-	-	-	-	-	673,510	673,510
Long term debt received in the year	39,312,450	-	-	-	-	-	-	-	39,312,450
<b>Cash flows from financing activities (c)</b>	<b>26,502,036</b>	-	-	-	<b>315,155</b>	-	<b>2,451,652</b>	-	<b>29,268,843</b>
<b>Net increase in cash and cash equivalents (a+b+c)</b>	<b>58,571,152</b>	-	-	-	-	-	-	-	<b>58,571,152</b>
Cash and cash equivalents beginning of period	98,809,466	-	-	-	-	-	-	-	98,809,466
Effect of exchange rate movements on cash held	458,196	-	-	-	-	-	-	-	458,196
<b>Cash and cash equivalents end of period</b>	<b>157,838,814</b>	-	-	-	-	-	-	-	<b>157,838,814</b>

**Notes to the financial statements (Continued)**

## Correction of prior year errors (continued)

**(i) Property and equipment.** The gain from disposal of property and equipment and proceeds from the sale of property and equipment had been presented on a net basis under the investing activities. The sale of property and equipment has been disaggregated to present the gains on the disposal under operating activities and the proceeds under investing activities.

**(ii) Deposits.** An amount of Frw 1,764,470,000 relating to change in customers deposits had been incorrectly classified under deposit from other financial institutions. This was reclassified back to customer deposits within the year.

**(iii) Net interest income.** The previously reported net interest income has been disaggregated, to report on a gross basis the interest income received, and interest income paid.

The new presentation also led to reclassification of the respective amounts that had been presented within changes in financial assets and liabilities (loans and advances, government securities, placements, customer deposits, borrowings).

**(iv) Leases.** Interest expense from lease liability had previously been presented under the financing activities. This has now been presented under the operating activities within the net interest income line. The related interest expense paid which was also previously presented under the cash flows from financing activities as lease interest payments is now presented under the cash flows from operating activities as interest paid.

Right of use acquired had been previously presented under operating activities and the right of use remeasurement lines under investing activities. These have been eliminated from the cashflow as they are not actual cash outflows.

**(v) Prepaid income tax.** The movement in the prepaid income tax had previously been incorrectly calculated. The calculation of the movement has been updated to Frw 2,299,098,000.

**(vi) Borrowings.** In the prior year, the interest paid had been wrongly presented as net amount together with the long-term debt paid. The interest paid has been removed from the long-term debt and is now presented under the interest paid in the restated operating activities.

**(vii) Credit funds.** In the prior year, repayment of credit funds under the financing had been netted off with the additional credit funds received. The additional credit funds received has now been presented separately from the repayment of credit funds in the restated balances.

## Notes to the financial statements (Continued)

## 31 (d). Analysis of changes in financing during the year

Year ended 31 December 2025	Borrowings Frw '000	Credit funds Frw '000	Lease liabilities Frw '000	Retained earnings Frw '000	Total Frw '000
<b>Reconciliation of movements of liabilities to cash flows arising from financing activities</b>					
Balance as at 1 January 2025	91,190,812	1,191,885	3,933,948	85,976,639	182,293,284
<b>Changes from financing cash flows;</b>					
Long term debt paid in the year	(4,574,134)	-	-	-	(4,574,134)
Payments of lease liabilities (principal portion)	-	-	(1,471,136)	-	(1,471,136)
Repayment of credit fund	-	(744,268)	-	-	(744,268)
Dividend paid during the period	-	-	-	(3,595,531)	(3,595,531)
Long term debt received in the year	31,929,000	-	-	-	31,929,000
<b>Total changes from financing cash flows</b>	<b>27,354,866</b>	<b>(744,268)</b>	<b>(1,471,136)</b>	<b>(3,595,531)</b>	<b>21,543,931</b>
<b>Liability related changes</b>					
Interest expense	8,226,868	-	247,893	-	8,474,761
Interest paid	(6,549,424)	-	(247,893)	-	(6,797,317)
<b>Total liability related changes</b>	<b>1,677,444</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,677,444</b>
Other changes	722,938	-	501,181	-	1,224,119
Equity related other changes	-	-	-	40,411,047	40,411,047
<b>Balance as at 31 December 2025</b>	<b>120,946,060</b>	<b>447,617</b>	<b>2,963,993</b>	<b>122,792,155</b>	<b>247,149,825</b>
Year ended 31 December 2024	Borrowings Frw '000	Credit funds Frw '000	Lease liabilities Frw '000	Retained earnings Frw '000	Total Frw '000
<b>Reconciliation of movements of liabilities to cash flows arising from financing activities</b>					
Balance as at 1 January 2024	59,971,356	2,710,733	6,281,695	56,301,895	125,265,679
<b>Changes from financing cash flows;</b>					
Long term debt paid in the year	(7,279,941)	-	-	-	(7,279,941)
Payments of lease liabilities (principal portion)	-	-	(1,471,136)	-	(1,244,818)
Repayment of credit fund	-	(2,192,358)	-	-	(2,192,358)
Additional credit funds received	-	673,510	-	-	673,510
Long term debt received in the year	39,312,450	-	-	-	39,312,450
<b>Total changes from financing cash flows</b>	<b>32,032,509</b>	<b>1,518,848)</b>	<b>(1,244,818)</b>	<b>-</b>	<b>29,268,843</b>
<b>Liability related changes</b>					
Interest expense	3,111,206	-	315,155	-	3,426,361
Interest paid	(2,451,652)	-	(315,155)	-	(2,766,807)
<b>Total liability related changes</b>	<b>659,554</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>659,554</b>
Other changes	(1,472,607)	-	1,102,929)	-	(2,575,536)
Equity related other changes	-	-	-	29,674,744	29,674,744
<b>Balance as at 31 December 2024</b>	<b>91,190,812</b>	<b>1,191,885</b>	<b>3,933,948</b>	<b>85,976,639</b>	<b>182,293,825</b>

In accordance with the requirements of IAS 7 Statement of cash flows paragraph 44A, a reconciliation of movements of liabilities to cash flows arising from financing activities has been added in the current year with prior year comparative amounts.

## Notes to the financial statements (Continued)

**32. Off balance sheet financial instruments, contingent liabilities and commitments**

The Bank conducts business involving acceptances, letters of credit, guarantees, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties.

	2025 Frw'000	2024 Frw'000
<b>Contingent liabilities</b>		
Guarantees and performance bonds	245,438,319	226,821,485
Letter of credit	17,719,646	17,624,707
	<b>263,157,965</b>	<b>244,446,192</b>
Expected credit losses (note 23)	(618,990)	(500,026)
	<b>262,538,975</b>	<b>243,946,166</b>

Movements in the off balance sheet financial instruments are as follows

Year ended 31 December 2025	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
At start of year	244,424,044	17,948	4,200	244,446,192
• transfers from stage 1	(13,850,006)	13,850,006	-	-
• transfers from stage 2	-	-	-	-
• transfers from stage 3	-	-	-	-
New financial assets originated or purchased	73,681,066	77,776	-	73,758,842
Loans derecognized	(55,024,921)	(17,948)	(4,200)	(55,047,069)
	<b>4,806,139</b>	<b>13,909,834</b>	<b>(4,200)</b>	<b>18,711,773</b>
<b>At end of year</b>	<b>249,230,183</b>	<b>13,927,782</b>	<b>-</b>	<b>263,157,965</b>

Year ended 31 December 2024	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
At start of year	87,644,406	2,227,608	43,149	89,915,163
• transfers from stage 1	(4,200)	-	4,200	-
• transfers from stage 2	-	-	-	-
• transfers from stage 3	-	-	-	-
New financial assets originated or purchased	182,027,679	17,948	-	182,045,627
Loans derecognized	(25,243,841)	(2,227,608)	(43,149)	(27,514,598)
	<b>156,779,638</b>	<b>(2,209,660)</b>	<b>(38,949)</b>	<b>154,531,029</b>
<b>At end of year</b>	<b>244,424,044</b>	<b>17,948</b>	<b>4,200</b>	<b>244,446,192</b>

**Notes to the financial statements (Continued)**

## Off balance sheet financial instruments, contingent liabilities (continued)

**Movement in the impairment in the expected credit loss on off balance sheet financial instruments**

<b>Year ended 31 December 2025</b>	<b>Stage 1 Frw'000</b>	<b>Stage 2 Frw'000</b>	<b>Stage 3 Frw'000</b>	<b>Total Frw'000</b>
At start of year	498,983	1,043	-	500,026
- transfers from stage 1	-	-	-	-
- transfers from stage 2	-	-	-	-
- transfers from stage 3	-	-	-	-
New financial assets originated or purchased	403,461	15,740	-	419,201
Loans derecognized	(299,194)	(1,043)	-	(300,237)
	<b>104,267</b>	<b>14,697</b>		<b>118,964</b>
<b>At end of year</b>	<b>603,250</b>	<b>15,740</b>		<b>618,990</b>

**Movements in the off balance sheet financial instruments are as follows**

<b>Year ended 31 December 2024</b>	<b>Stage 1 Frw'000</b>	<b>Stage 2 Frw'000</b>	<b>Stage 3 Frw'000</b>	<b>Total Frw'000</b>
At start of year	215,023	-	-	215,023
- transfers from stage 1	-	-	-	-
- transfers from stage 2	-	-	-	-
- transfers from stage 3	-	-	-	-
New financial assets originated or purchased	383,566	1,043	-	384,609
Loans derecognized	(99,606)	-	-	(99,606)
	<b>283,960</b>	<b>1,043</b>		<b>285,003</b>
<b>At end of year</b>	<b>498,983</b>	<b>1,043</b>		<b>500,026</b>

Within the year a movement analysis for the off-balance sheet loss allowance with a reconciliation for the staging with prior period amounts has been presented to comply with the requirements of IFRS 7 Financial Instruments: Disclosure paragraph 35 that requires entities to disclose information that enables users to understand the nature and extent of credit risk arising from financial instruments, including movements in allowances for expected credit losses.

**Notes to the financial statements (Continued)****Off balance sheet financial instruments, contingent liabilities (continued)****Nature of commitments and contingent liabilities**

An acceptance is an undertaking by a bank to pay a bill of exchange drawn on a customer. The Bank expects most acceptances to be presented, and reimbursement by the customer is normally immediate. Letters of credit commit the Bank to make payments to third parties, on production of documents, which are subsequently reimbursed by customers.

Guarantees are generally written by a bank to support performance by a customer to third parties. The Bank will only be required to meet these obligations in the event of the customer's default.

**Legal proceedings**

There were a number of legal proceedings outstanding against the Bank as at 31 December 2025. Provisions for these legal claims amount to Frw 153 million (2024 Frw 116 million) at the balance sheet date (Note 23). The provisions are in respect of certain legal claims brought against the Bank by various stakeholders and are expected to be utilized in 2025. In the opinion of the directors, after taking appropriate legal advice, the outcome of these legal claims is not expected to give rise to any significant loss beyond the amounts provided as at 31 December 2025.

**Capital commitments**

As at 31 December 2025, the Bank had capital commitments of Rwandan Francs equivalent of Frw 2.2 billion (2024: 2.0 Frw billion). The directors are confident that future net revenues and funding will be sufficient to cover this commitment.

**33 Financial risk management**

The Bank's normal activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. These activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the Bank's business, and the financial risks are an inevitable consequence of being in business. The Bank's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on its financial performance.

Risk management is carried out by the Credit and Risk committees of the Board under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas such as currency risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments.

**(a) Credit risk**

The Bank takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Bank by failing to pay amounts in full when due. Credit risk is the most important risk for the Bank's business: management therefore carefully manages the exposure to credit risk. Credit exposures arise principally in lending

and investment activities. There is also credit risk in off-balance sheet financial instruments, such as loan commitments. Credit risk management and control is centralised in the credit risk management team in the Risk department, which reports regularly to the Board of Directors.

**(i) Credit risk measurement**

(a) Loans and advances (including commitments and guarantees)  
The estimation of credit exposure is complex and requires the use of models, as the value of a product varies with changes in market variables, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties.

In measuring credit risk of loan and advances to customers and to banks at a counterparty level, the Bank reflects three components (i) the 'probability of default' by the client or counterparty on its contractual obligations; (ii) current exposures to the counterparty and its likely future development, from which the Bank derives the 'exposure at default'; and (iii) the likely recovery ratio on the defaulted obligations (the 'loss given default').

**Probability of default**

The Bank assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparty.

For regulatory purposes and for internal monitoring of the quality of the loan portfolio, all the customers are segmented into five rating classes as shown below:

**Notes to the financial statements (Continued)**

## Financial risk management (Continued)

The Bank's internal ratings scale compared to IFRS 9 stages

Description of the grade	Days in arrears	Bank's rating	IFRS 9 staging
Performing	0 – 29	1	1
Watch	30 – 89	2	2
Substandard	90 – 179	3	3
Doubtful	180 – 365	4	3
Loss	366 – 730	5	3

**Exposure at default**

Exposure at default is based on the amounts the Bank expects to be owed at the time of default. For example, for a loan this is the face value. For a commitment, the Bank includes any amount already drawn plus the further amount that may have been drawn by the time of default, should it occur.

- Mortgages over properties;
- Charges over business assets such as premises, plant and equipment; and
- Charges over financial instruments such as receivables.
- Corporate guarantees
- Longer-term finance and lending to corporate entities are generally secured.

**Loss given default**

Loss given default or loss severity represents the Bank's expectation of the extent of loss on a claim should default occur. It is expressed as percentage loss per unit of exposure. It typically varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support.

**(b) Credit related commitments**

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Bank will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are written undertakings by the Bank on behalf of a customer authorising a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions, are cash collateralised and therefore carry less risk than a direct borrowing.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to industry segments. Such risks are monitored on a revolving basis and subject to annual or more frequent review. Limits on the level of credit risk by product, and industry sector are approved annually by the Board of Directors. The Board of Directors also approve individual borrower limits above specified amounts.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

**(ii) Risk limit control and mitigation policies**

The exposure to any one borrower including banks is further restricted by sub-limits covering on and off-balance sheet exposures. Actual exposures against limits are monitored daily.

**(iii) Impairment and provisioning policies**

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing lending limits where appropriate.

The impairment allowance shown in the statement of financial position at year end is derived from each of the five internal rating grades. The bank determines the impairment provision on loans and advances to customers as estimated credit loss over a period of 12 months for Stage 1 and lifetime expected losses for stage 2 and 3.

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

**Notes to the financial statements (Continued)**  
Financial risk management (Continued)

**Total exposure to credit risk**

	2025 Frw'000	2024 Frw'000
Balances with National Bank of Rwanda	99,285,287	67,439,670
Amounts due from banks	140,480,454	36,957,484
Net loans and advances to customers	836,522,011	620,647,751
Debt instruments at amortised cost	201,960,672	170,265,722
Other financial assets	25,116,525	1,061,792
Due from related parties	651,562	506,987
Derivatives	936,032	1,659,708
Off-balance sheet items – guarantees and letters of credit	262,538,975	243,946,166
	<b>1,567,491,518</b>	<b>1,142,485,280</b>

**(iii) Impairment and provisioning policies (continued)**

The above table represents the worst-case scenario of credit risk exposure to the Bank as at 31 December 2025 and 2024, without taking account of any collateral held or other credit enhancements attached. For on-statement of financial position assets, the exposures set out above are based on carrying amounts as reported on the statement of financial position.

Loans and advances to customers are secured by collateral in the form of charges over land and buildings and/or plant and machinery or corporate guarantees.

Within the year, account balances for due from related parties and derivatives with prior period amounts has been presented to comply with the requirements of IFRS 7 Financial Instruments: Disclosure paragraph 35 that requires entities to disclose information that enables users to understand the nature and extent of credit risk arising from all financial instruments exposed to credit risk.

**(iv) Financial risk review**

**Credit quality analysis**

The following table sets out information about the credit quality of financial assets measured at amortised cost. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For Financial guarantee contracts, the amounts in the table represent the amounts guaranteed.

**Loans and advances to customers at amortised cost**

	2025				
	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	POCI Frw'000	Total Frw'000
Gross loans					
Corporate	413,579,329	62,044,943	-	-	475,624,272
Mortgage	117,396,181	13,134,905	2,642,877	-	133,173,963
Retail	228,881,990	11,463,258	18,191,010	-	258,536,258
<b>Total</b>	<b>759,857,500</b>	<b>86,643,106</b>	<b>20,833,887</b>	-	<b>867,334,493</b>
Expected credit losses					
Corporate	(2,530,475)	(405,509)	-	-	(2,935,984)
Mortgage	(908,021)	(104,127)	(626,376)	-	(1,638,524)
Retail	(3,550,881)	(446,158)	(5,378,983)	-	(9,376,022)
	<b>(6,989,377)</b>	<b>(955,794)</b>	<b>(6,005,359)</b>	-	<b>(13,950,530)</b>
<b>Carrying amount</b>	<b>752,868,123</b>	<b>85,687,312</b>	<b>14,828,528</b>		<b>853,383,963</b>

The balances as per the credit quality analysis do not include the IFRS 9 adjustments.

**Notes to the financial statements (Continued)**

## Financial risk management (Continued)

## Credit risk (continued)

2024					
	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	POCI Frw'000	Total Frw'000
<b>Corporate</b>					
Mortgage	255,888,376	49,558,407	5,039,628	-	310,486,411
Retail	92,253,879	5,619,505	6,591,193	-	104,464,577
Retail	163,877,602	10,358,500	391,772	-	174,627,874
<b>Total</b>	<b>512,019,857</b>	<b>65,536,412</b>	<b>12,022,593</b>	<b>-</b>	<b>589,578,862</b>
<b>Expected credit losses</b>					
Corporate	(1,134,821)	(828,618)	(742,782)	-	(2,706,221)
Mortgage	(1,052,720)	(153,412)	(2,082,690)	-	(3,288,822)
Retail	(2,382,585)	(404,807)	(8,046,955)	-	(10,834,347)
	<b>(4,570,126)</b>	<b>(1,386,837)</b>	<b>(10,872,427)</b>	<b>-</b>	<b>(16,829,390)</b>
<b>Carrying amount</b>	<b>507,449,731</b>	<b>64,149,575</b>	<b>1,150,166</b>	<b>-</b>	<b>572,749,472</b>

**Guarantees and letters of credit**

2025				
	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Gross exposure	249,230,183	13,927,782	-	263,157,965
Expected credit losses	(603,250)	(15,740)	-	(618,990)
<b>Carrying amount</b>	<b>248,626,933</b>	<b>13,912,042</b>	<b>-</b>	<b>262,538,975</b>

**Guarantees and letters of credit**

2024				
	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000
Gross exposure	244,424,044	17,948	4,200	244,446,192
Expected credit losses	(494,783)	(1,043)	(4,200)	(500,026)
<b>Carrying amount</b>	<b>243,929,261</b>	<b>16,905</b>	<b>-</b>	<b>243,946,166</b>

**Notes to the financial statements (Continued)**

Financial risk management (Continued)

Credit risk (continued)

**Debt instruments at amortized cost**

	2025 Frw'000	2024 Frw'000
Gross exposure	202,380,050	170,629,259
Expected credit losses	(419,378)	(363,537)
	<b>201,960,672</b>	<b>170,265,722</b>

The expected credit losses have been arrived at by reference to the Government of Rwanda external credit ratings. The issuers are the National Bank of Rwanda and the Development Bank of Rwanda which are both government institutions.

**Balances with National Bank of Rwanda**

	2025 Frw'000	2024 Frw'000
Balances with the National Bank of Rwanda	99,298,394	67,448,371
Expected credit losses	(13,107)	(8,701)
	<b>99,285,287</b>	<b>67,439,670</b>

**Placements with other banks**

	2025 Frw'000	2024 Frw'000
Amounts due from banks	140,494,473	37,066,329
Expected credit losses	(14,019)	(108,845)
	<b>140,480,454</b>	<b>36,957,484</b>

The expected credit losses have been arrived at by reference to the banks' external credit ratings.

**Notes to the financial statements (Continued)**

## Financial risk management (Continued)

## Credit risk (continued)

**Other financial assets**

2025				
ECL STAGING				
	Stage 1 12-month ECL FRW' 000	Stage 2 Lifetime ECL Frw'000	Stage 3 Lifetime Frw'000	Total Frw'000
Gross amount	25,116,525	-	187,270	25,303,795
Expected credit losses	-	-	(187,270)	(187,270)
<b>Carrying amount</b>	<b>25,116,525</b>	<b>-</b>	<b>-</b>	<b>25,116,525</b>

2024				
ECL STAGING				
	Stage 1 12-month ECL FRW' 000	Stage 2 Lifetime ECL Frw'000	Stage 3 Lifetime Frw'000	Total Frw'000
Gross amount	249,927	811,865	696,629	1,758,421
Expected credit losses	-	-	(696,629)	(696,629)
<b>Carrying amount</b>	<b>249,927</b>	<b>811,865</b>	<b>-</b>	<b>1,061,792</b>

All financial guarantees contracts, government bonds and treasury bills and placements with National Bank of Rwanda and other banks are included in stage 1 category in 2025 and 2024.

The following table sets out information about internal grading for assessing the credit quality of loans and advances measured at amortised cost and financial guarantee contracts

**Loans**

At 31 December 2025						
Loans and advances to customers at amortised cost	PD Ranges %	Stage 1 12-month ECL FRW' 000	Stage 2 Lifetime ECL Frw'000	Stage 3 Lifetime ECL Frw'000	Total Frw'000	At 31 December 2024 Frw'000
Performing	0 – 0.9	759,857,500	-	-	759,857,500	512,019,857
Watch	1 – 99	-	86,643,106	-	86,643,106	65,536,412
Non-performing	100	-	-	20,833,887	20,833,887	12,022,593
<b>Total gross carrying amount</b>		<b>759,857,500</b>	<b>86,643,106</b>	<b>20,833,887</b>	<b>867,334,493</b>	<b>589,578,862</b>
<b>Loss allowance</b>		<b>(6,989,377)</b>	<b>(955,794)</b>	<b>(6,005,359)</b>	<b>(13,950,530)</b>	<b>(16,829,390)</b>
<b>Carrying amount</b>		<b>752,868,123</b>	<b>85,687,312</b>	<b>14,828,528</b>	<b>853,383,963</b>	<b>572,749,472</b>

**Financial guarantee contracts**

At 31 December 2025						
Financial guarantee contracts	PD Ranges %	Stage 1 12-month ECL FRW' 000	Stage 2 Lifetime ECL Frw'000	Stage 3 Lifetime ECL Frw'000	Total Frw'000	At 31 December 2024 Frw'000
Performing	0 – 0.9	249,230,183	-	-	249,230,183	244,424,044
Watch	1 – 99	-	13,927,782	-	13,927,782	17,948
Non-performing	100	-	-	-	-	4,200
<b>Total gross carrying amount</b>		<b>249,230,183</b>	<b>13,927,782</b>	<b>-</b>	<b>263,157,965</b>	<b>244,446,192</b>
<b>Loss allowance</b>		<b>(603,250)</b>	<b>(15,740)</b>	<b>-</b>	<b>(618,990)</b>	<b>(500,026)</b>
<b>Carrying amount</b>		<b>248,626,933</b>	<b>13,912,042</b>	<b>-</b>	<b>262,538,975</b>	<b>243,946,166</b>

## Notes to the financial statements (Continued)

Financial risk management (Continued)

Credit risk (continued)

## Collateral held and other credit enhancements

The Bank holds collateral and other credit enhancements against certain of its credit exposures. The following table sets out the principal types of collateral held against different types of financial assets.

31 December 2025 Frw'000	Maximum exposure to credit risk before ECL	Cash	3rd party/ gov guarantees	Property	Other	Total collateral	Net exposure	Associated ECL
Financial assets				-				
Balances with National Bank of Rwanda	99,298,394	-	-	-	-	-	99,298,394	(13,107)
Deposits from other banks	140,494,473	-	-	-	-	-	140,494,473	(14,019)
Debt instruments at amortised cost	202,380,050	-	-	-	-	-	202,380,050	(419,378)
Loans and advances to customers								
- Corporate	475,624,272	44,392,250	91,239,599	278,542,244	727,258,510	1,141,432,603	(665,808,331)	(2,935,984)
- Mortgage	133,173,963	477,225	4,812,196	404,069,570	27,870,247	437,229,238	(304,055,275)	(1,638,524)
- Retail	258,536,258	1,966,688	35,620,906	429,026,632	106,403,864	573,018,090	(314,481,832)	(9,376,022)
	<b>1,309,507,410</b>	<b>46,836,163</b>	<b>131,672,701</b>	<b>1,111,638,446</b>	<b>861,532,621</b>	<b>2,151,679,931</b>	<b>(842,172,521)</b>	<b>(14,397,034)</b>
Balances due from related parties	651,562	-	-	-	-	-	651,562	-
Other financial assets	25,303,795	-	-	-	-	-	25,303,795	(187,270)
<b>Total financial assets at amortised cost</b>	<b>1,335,462,767</b>	<b>46,836,163</b>	<b>131,672,701</b>	<b>1,111,638,446</b>	<b>861,532,621</b>	<b>2,151,679,931</b>	<b>(816,217,164)</b>	<b>(14,584,304)</b>
Derivative	936,032	-	-	-	-	-	936,032	-
<b>Total financial assets at FVTPL</b>	<b>936,032</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>936,032</b>	<b>-</b>
Financial guarantees	263,157,965	13,285,144	89,751,721	18,851,367	177,257,542	299,145,774	(35,987,809)	(618,990)
	<b>263,157,965</b>	<b>13,285,144</b>	<b>89,751,721</b>	<b>18,851,367</b>	<b>177,257,542</b>	<b>299,145,774</b>	<b>(35,987,809)</b>	<b>(618,990)</b>
	<b>1,599,556,764</b>	<b>60,121,307</b>	<b>221,424,422</b>	<b>1,130,489,813</b>	<b>1,038,790,163</b>	<b>2,450,825,705</b>	<b>(851,268,941)</b>	<b>(15,203,294)</b>

**Notes to the financial statements (Continued)**

## Financial risk management (Continued)

## Credit risk (continued)

31 December 2024 Frw'000	Maximum exposure to credit risk before ECL	Cash	3rd party/ gov guarantees	Property	Other	Total collateral	Net exposure	Associated ECL
<b>Financial assets</b>								
Balances with National Bank of Rwanda	67,448,371	-	-	-	-	-	67,448,371	(8,701)
Deposits from other banks	37,066,329	-	-	-	-	-	37,066,329	(108,845)
Debt instruments at amortised cost	170,629,259		-	-	-	-	170,629,259	(363,537)
Loans and advances to customers								
- Corporate	356,983,461	530,000	99,025,900	156,722,472	177,057,692	433,336,064	(76,352,603)	(7,137,984)
- Mortgage	100,299,271	493,582	3,033,293	209,764,546	3,174,713	216,466,134	(116,166,863)	(3,747,749)
- Retail	183,552,565	2,644,396	17,224,958	232,205,799	26,080,019	278,155,172	(94,602,607)	(9,301,813)
	<b>640,835,297</b>	<b>3,667,978</b>	<b>119,284,151</b>	<b>598,692,817</b>	<b>206,312,424</b>	<b>927,957,370</b>	<b>(287,122,073)</b>	<b>(20,187,546)</b>
Balances due from related parties	506,987	-	-		-		506,987	
Other financial assets	1,758,421						1,758,421	(696,629)
<b>Total financial assets at amortised cost</b>	<b>918,244,664</b>	<b>3,667,978</b>	<b>119,284,151</b>	<b>598,692,817</b>	<b>206,312,424</b>	<b>927,957,370</b>	<b>(9,712,706)</b>	<b>(21,365,258)</b>
Derivative	1,659,708							
Total financial assets at FVTPL	1,659,708	-	-	-	-	-	67,448,371	(8,701)
Financial guarantees	<b>244,446,192</b>	<b>12,538,986</b>	<b>295,540,694</b>	<b>207,997,482</b>	<b>129,684,577</b>	<b>645,761,739</b>	<b>(401,315,547)</b>	<b>(500,026)</b>
	<b>1,164,350,564</b>	<b>16,206,964</b>	<b>414,824,845</b>	<b>806,690,299</b>	<b>335,997,001</b>	<b>1,573,719,109</b>	<b>(409,368,545)</b>	<b>(21,865,284)</b>

**Collateral**

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these the taking of security for funds advanced, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential and commercial properties.
- Charges over business assets such as vehicles and plant and equipment financed by the Bank and other business assets.
- Charges over financial instruments such as debt securities and deposit account balances.

Longer-term finance and lending to corporate entities are generally secured. Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Debt securities, treasury and other eligible bills are held with Bank of Uganda and Deposits from other banks are unsecured.

**Notes to the financial statements (Continued)**

## Financial risk management (Continued)

## Credit risk (continued)

## Amounts arising from ECL

### Inputs, assumptions and techniques used for estimating impairment

#### Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical experience and expert credit assessment.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

The Bank uses two criteria for determining whether there has been a significant increase in credit risk:

- quantitative test based on movement in PD;
- qualitative indicators

The assessment of significant deterioration is key in establishing the point of switching between the requirement to measure an allowance based on 12-month expected credit losses and one that is based on lifetime expected credit losses.

Loans in high-risk industry segments (see the section "Restructuring" below) were assessed for significant increase in credit risk.

The Bank sometimes modifies the terms of loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery.

Such restructuring activities may include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Bank monitors the subsequent performance of modified assets. The Bank may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more.

Generally, restructuring is a qualitative indicator of default and credit impairment, and expectations of restructuring are relevant to assessing whether there is a significant increase in credit risk. Following restructuring, a customer needs to demonstrate consistently good payment behavior over a period of time before the exposure is no longer considered to be in default/credit-impaired or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to 12-month ECLs.

**Notes to the financial statements (Continued)**

## Financial risk management (Continued)

Corporate exposures	Retail exposures	All exposures
Information obtained during periodic review of customer files -e.g., audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, senior management change	Internally collected data on customer behaviour.	Payment record - this includes overdue status as well as a range of variables about payment ratios
Data from credit reference agencies and press articles	Affordability metrics	Utilisation of the granted limit
Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities	External data from credit reference agencies, including industry-standard credit scores	Requests for and granting of forbearance -
		Existing and forecast changes in business, financial and economic conditions

**Generating the term structure of PD**

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The bank collects performance and default information about its credit risk exposures analysed by segment (wholesale and retail) and by type of product and borrower as well as by credit risk grading. For some portfolios, information purchased from external credit reference agencies is also used.

The Bank employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

**Determining whether credit risk has increased significantly**

The Bank assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower, and the segment. What is considered significant differs for different types of lending, in particular between wholesale and retail segments.

**Notes to the financial statements (Continued)**

## Financial risk management (Continued)

## Amounts arising from ECL(continued)

As a general indicator, credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Bank's quantitative modelling:

When days in arrears increase between 29 and 90 days, the Bank's IFRS stages are aligned to the days in arrears as follows;

Days in arrears	BPR Credit Classification	IFRS Stages
0 - 29	1	1
30 - 89	2	2
90 - 179	3	3
180 - 365	4	3
366 - 730	5	3

The credit risk may also be deemed to have increased significantly since initial recognition based on qualitative factors linked to the Bank's credit risk management processes that may not otherwise be fully reflected in its quantitative analysis on a timely basis. This will be the case for exposures that meet certain heightened risk criteria, such as placement on a watch list. Such qualitative factors are based on its expert judgment and relevant historical experiences.

As a backstop, the Bank considers that a significant increase in credit risk occurs no later than when an asset is more than 29 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument return to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Bank determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

The Bank monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- The criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- The criteria align with the point in time when an asset becomes 30 days past due;
- The average time between the identification of a significant increase in credit risk and default appears reasonable;
- Exposures are not generally transferred directly from 12-month ECL measurement to credit impaired; and
- There is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

**Definition of default**

The Bank considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the bank in full, without recourse by the Bank to actions such as realising security (if any is held);
- The borrower is more than 89 days past due on any material credit obligation to the Bank. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding; or
- It is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

In assessing whether a borrower is in default, the Bank considers indicators that are:

- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Bank; and
- based on data developed internally and obtained from external sources.

On a quarterly basis, the Bank carries out stress testing of more extreme shocks to calibrate its determination of the upside and downside representative scenarios. A comprehensive review is performed at least annually on the design of the scenarios by a panel of experts that advises the Bank's senior management.

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

**Modified financial assets**

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan in accordance with the accounting policy.

When the terms of a financial asset are modified and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- its remaining lifetime PD at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data on initial recognition and the original contractual terms.

When modification results in derecognition, a new loan is recognised and allocated to Stage 1 (assuming it is not credit-impaired at that time).

## Notes to the financial statements (Continued)

### Financial risk management (Continued)

The Bank renegotiates loans to customers in financial difficulties to maximise collection opportunities and minimise the risk of default. Under the Bank's forbearance policy, loan forbearance is granted on a selective basis if the debtor is currently in default on its debt or if there is a high risk of default, there is evidence that the debtor made all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the revised terms.

The revised terms usually include extending the maturity, changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans are subject to the forbearance policy. The Bank Credit Committee regularly reviews reports on forbearance activities.

For financial assets modified as part of the Bank's forbearance policy, the estimate of PD reflects whether the modification has improved or restored the Bank's ability to collect interest and principal and the Bank's previous experience of similar forbearance action. As part of this process, the Bank evaluates the borrower's payment performance against the modified contractual terms and considers various behavioural indicators.

Generally, forbearance is a qualitative indicator of a significant increase in credit risk and an expectation of forbearance may constitute evidence that an exposure is credit-impaired. A customer needs to demonstrate consistently good payment behaviour over a period of time before the exposure is no longer considered to be credit-impaired/in default or the PD is considered to have decreased such that the loss allowance reverts to being measured at an amount equal to Stage 1.

#### Measurement of ECL

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

The methodology of estimating PDs is discussed above under the heading 'Generating the term structure of PD'.

LGD is the magnitude of the likely loss if there is a default. The Bank estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For loans secured by retail property, LTV ratios are a key parameter in determining LGD. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The bank derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Bank measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Bank considers a longer period. The maximum contractual period extends to the date at which the Bank has the right to require repayment of an advance or terminate a loan commitment or guarantee.

However, for certain retail exposures, the Bank measures ECL over a period longer than the maximum contractual period if the Bank's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank's exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Bank can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Bank becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Bank expects to take, and that serve to mitigate ECL. These include a reduction in limits, cancellation of the facility and turning the outstanding balance into a loan with fixed repayment terms.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are Banked on the basis of shared risk characteristics that include:

- instrument type;
- credit risk gradings;
- collateral type;
- Loan to value ratio for retail mortgages;
- date of initial recognition;
- remaining term to maturity;
- industry; and
- geographic location of the borrower.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

**Notes to the financial statements (Continued)**  
Financial risk management (Continued)

### Incorporation of forward-looking information

The Bank incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL. This is done by taking into account forecasted economic conditions by applying both expert judgement and also deploying models that link the performance of the macro economy to the probability of default (PD) exposure at default (EAD), and loss given default (LGD). Forecasts are developed using a probability weighted scenario-based approach to ensure that the asymmetry of the various economic outcomes is captured in the estimation of ECL.

The Bank has concluded that three (3) scenarios appropriately capture the non-linearities. The three scenarios that were applied as at 31 December 2025 are:

- Base line scenario;
- Upside scenario;
- Downside scenario

A base case is the central scenario, developed internally based on consensus forecasts, and two less likely scenarios, one upside and one downside scenario. The central scenario is aligned with the available macro-economic information. External information considered includes economic data and forecasts published by governmental.

The scenario probability weightings applied in measuring ECL are as follows.

Days in arrears	31 December 2025			31 December 2024		
	Upside	Base	Downside	Upside	Base	Downside
Scenario probability weighting	3.32%	78.52%	18.16%	3.21%	76.79%	20.00%

The Bank has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses

The scenario weightings are determined by a combination of statistical analysis and expert judgement, taking account of the range of possible outcomes each chosen scenario is representative of. The assessment of SICR is performed using the Lifetime PD under each of the scenarios multiplied by the associated scenario weighting above. The Bank measures ECL as either a probability weighted 12-month ECL (Stage 1), or a probability weighted lifetime ECL (Stages 2 and 3). These probability weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting.

### Sensitivity analysis

The most significant assumptions affecting the ECL allowance are as follows:

- Collateral haircuts, and
- Period to recovery of collateral

Set out below are the changes to the ECL as at 31 December 2025 that would result from reasonably possible changes in these parameters from the actual assumptions used in the Bank's economic variable assumptions.

**Time to realization:** The directors have assumed a time to realization of 2 years both for commercial properties and 2 years for residential properties. If time to realisation increased to 3 years, overall ECL would increase in the range of Frw 2.1 million and Frw 3.8 billion.

**Collateral haircuts:** The directors have assumed collateral haircuts of 50% for commercial and 70% residential properties on the open market values of these properties to arrive at the forced sale values.

The detailed force sale values haircuts are tabulated below:

Collateral Type	Forced Sale Haircut
Cash	0%
Business Assets	70%
Government Securities	0%
Residential Property/Mortgage	70%
Local Bank Guarantees	0%
Foreign Bank Guarantees	0%
Stock	70%
Others	70%
Commercial Property/Mortgage	50%
Motor Vehicle/Machines	70%

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Bank considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearity within the loan portfolio to establish that the chosen scenarios are appropriately representative of the range of possible scenarios. A comprehensive review is performed at annually on the design of the scenarios by experts that advises the Bank senior management.

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. This will be reviewed and monitored for appropriateness on an annual basis.

Notes to the financial statements (Continued)  
Financial risk management (Continued)

V) Concentrations of risk

Collateral coverage

Type of facility	Collateral cover %	Principle type of collateral held
Mortgages	100%	Property
Equipment loans	100%	Property and equipment
Overdrafts	100%	Business assets
Consumer loans	36%	Property
Others	100%	Business assets

Economic sector risk concentrations within the gross customer loans and advances portfolios were as follows: 31

	2025														
	Gross loans					Expected credit losses					ECL coverage				
	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000	Stage 1 %	Stage 2 %	Stage 3 %	Total %			
Corporate	413,579,329	62,044,943	-	475,624,272	(2,530,475)	(405,509)	-	(2,935,984)	0.61%	0.65%	N/A	0.62%			
Mortgage	117,396,181	13,134,905	2,642,877	133,173,963	(908,023)	(104,126)	(626,375)	(1,638,524)	0.77%	0.79%	23.70%	1.23%			
Retail	228,881,990	11,463,258	18,191,010	258,536,258	(3,550,881)	(446,158)	(5,378,983)	(9,376,022)	1.55%	3.89%	29.57%	3.63%			
<b>Total</b>	<b>759,857,500</b>	<b>86,643,106</b>	<b>20,833,887</b>	<b>867,334,493</b>	<b>(6,989,379)</b>	<b>955,793</b>	<b>(6,005,358)</b>	<b>(13,950,530)</b>	<b>0.92%</b>	<b>1.10%</b>	<b>28.82%</b>	<b>1.61%</b>			

	2024														
	Gross loans					Expected credit losses					ECL coverage				
	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000	Stage 1 Frw'000	Stage 2 Frw'000	Stage 3 Frw'000	Total Frw'000	Stage 1 %	Stage 2 %	Stage 3 %	Total %			
Corporate	308,902,647	31,896,894	16,183,921	356,983,462	(1,799,897)	(223,188)	(5,114,899)	(7,137,984)	0.58%	0.70%	31.60%	2.00%			
Mortgage	82,210,638	11,140,307	6,948,325	100,299,270	(600,107)	(139,149)	(3,008,493)	(3,747,749)	0.73%	1.25%	43.30%	3.74%			
Retail	148,678,621	19,507,716	15,366,228	183,552,565	(2,582,860)	(587,993)	(6,130,960)	(9,301,813)	1.74%	3.01%	39.90%	5.07%			
<b>Total</b>	<b>539,791,906</b>	<b>62,544,917</b>	<b>38,498,474</b>	<b>640,835,297</b>	<b>(4,982,864)</b>	<b>(950,330)</b>	<b>(14,254,352)</b>	<b>(20,187,546)</b>	<b>0.92%</b>	<b>1.52%</b>	<b>37.03%</b>	<b>3.15%</b>			

**Notes to the financial statements (Continued)**  
Financial risk management (Continued)

	2025 Frw'000	2024 Frw'000
Personal/household	90,772,745	73,500,634
Real estate	123,635,120	97,820,468
Manufacturing	140,874,993	109,651,724
Building and construction	144,368,329	87,578,498
Trade	122,628,877	122,564,117
Financial services	286	148,823
Transport and communication	67,549,428	66,858,548
Tourism, restaurants and hotels	9,375,467	10,152,564
Energy and water	75,799,746	35,479,370
Agriculture	18,682,046	22,952,590
Others (education, social community & others, human health, credit cards and social work activities)	73,647,456	28,659,371
	<b>867,334,493</b>	<b>655,366,707</b>

The Bank prevents excessive concentration of exposures to any single sector by setting sector limits. Once a sector limit is reached, lending to that sector ceases. Lending to the sector will only resume once lending to that sector falls below its limit or there are exceptional circumstances. In such instances, approval will be required from the Board Risk Committee.

**vi) Write-off**

The bank writes off financial assets, in whole or in part, when there is no reasonable expectation of recovery of a financial asset in its entirety or a portion thereof. This is generally the case when a financial asset has been classified as a loss for more than 360 consecutive days. Recoveries of amounts previously written off are recognized when cash is received and are included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

Financial assets that have been written off could still be subject to enforcement activities in line with applicable laws. Recoveries resulting from the Bank's enforcement activities will result in impairment gains, which will be presented in 'impairment charge on financial assets' in the statement of profit or loss and other comprehensive income.

**b) Liquidity risk**

Liquidity risk is the risk that the Bank is unable to meet payment obligations associated with its financial liabilities as they fall due and to replace funds when they are withdrawn.

The Bank is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, and calls on cash settled contingencies. The Bank does not maintain cash resources to meet all of these needs as experience shows that a minimum level of reinvestment of maturing funds can be predicted with a high level of certainty. The National Bank of Rwanda requires that the Bank maintains a cash reserve ratio. In addition, the Board sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of inter-bank and other borrowing facilities that should be in place to cover withdrawals at unexpected levels of demand. The Treasury department monitors liquidity ratios on a daily basis. Sources of liquidity are regularly reviewed by a separate team in the Treasury department to maintain a wide diversification by provider, product and term.

**Notes to the financial statements (Continued)**

## Financial risk management (Continued)

The tables below analyses the Bank's financial liabilities into relevant maturity groupings based on their contractual maturities for which the contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at 31 December 2025	Up to 1 month Frw '000	1 to 3 months Frw '000	3 to 12 months Frw '000	1 to 5 years Frw '000	Over 5 years Frw '000	Total Frw '000
	38,446,908	-	-	-	-	38,446,908
Balances National Bank of Rwanda	99,298,394	-	-	-	-	99,298,394
Balances due from other banks	138,334,429	3,988,745	-	-	-	142,323,174
Government securities at amortised cost	7,917,875	51,346,513	74,025,574	45,583,262	96,146,497	275,019,721
Balances due from related parties	-	-	651,562	-	-	651,562
Loans and advances to customers	31,011,442	65,744,256	275,381,601	653,825,625	262,068,496	1,288,031,420
Derivatives	-	-	936,032	-	-	936,032
Other financial assets	-	-	25,303,795	-	-	25,303,795
<b>Total financial assets</b>	<b>315,009,048</b>	<b>121,079,514</b>	<b>376,298,564</b>	<b>699,408,887</b>	<b>358,214,993</b>	<b>1,870,011,006</b>
Balances due to other banks	139,808,151	-	-	-	-	139,808,151
Borrowings	2,567,148	5,326,832	22,911,795	86,860,250	52,148,664	169,814,689
Credit funds	-	-	447,616	-	-	447,616
Customer deposits	232,858,520	238,638,442	173,735,722	237,045,293	-	882,277,977
Other financial liabilities	-	-	20,460,389	-	-	20,460,389
Lease liabilities	117,884	144,591	989,473	1,915,610	128,726	3,296,284
Balances due to related parties	-	-	7,149,392	-	-	7,149,392
<b>Total financial liabilities</b>	<b>375,351,703</b>	<b>244,109,865</b>	<b>225,694,387</b>	<b>325,821,153</b>	<b>52,277,390</b>	<b>1,223,254,498</b>
<b>Net liquidity gap</b>	<b>(60,342,655)</b>	<b>(123,030,351)</b>	<b>150,604,177</b>	<b>373,587,734</b>	<b>305,937,603</b>	<b>646,756,508</b>

The Bank maintains a diversified and stable funding base supported by a range of liquidity management tools. These strategies include:

- Mobilising call and short-term deposits from institutional clients and corporates.
- Drawing on established interbank credit lines to manage short term liquidity needs.
- Using the government securities portfolio to obtain secured funding through horizontal and vertical repos.

**Notes to the financial statements (Continued)**  
Financial risk management (Continued)

The tables below analyses the Bank's financial liabilities into relevant maturity groupings based on their contractual maturities for which the contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at 31 December 2024	Up to 1 month Frw '000	1 to 3 months Frw '000	3 to 12 months Frw '000	1 to 5 years Frw '000	Over 5 years Frw '000	Total Frw '000
Cash on hand	30,454,316	-	-	-	-	30,454,316
Balances National Bank of Rwanda	67,439,670	-	-	-	-	67,439,670
Balances due from other banks	37,414,272	-	-	-	-	37,414,272
Government securities at amortised cost	7,336,253	20,156,909	74,478,601	36,247,337	109,530,985	247,750,085
Balances due from related parties	-	-	506,987	-	-	506,987
Loans and advances to customers	36,648,602	47,785,964	331,336,818	207,690,845	313,558,231	937,020,460
Derivatives	-	-	1,659,708	-	-	1,659,708
Other financial assets	-	-	1,758,421	-	-	1,758,421
<b>Total financial assets</b>	<b>179,293,113</b>	<b>67,942,873</b>	<b>409,740,535</b>	<b>243,938,182</b>	<b>423,089,216</b>	<b>1,324,003,919</b>
Balances due to other banks	106,462,452	-	-	-	-	106,462,452
Borrowings	-	-	317,087	15,706,571	133,789,681	149,813,339
Credit funds	-	-	1,191,885	-	-	1,191,885
Customer deposits	101,207,626	124,283,361	214,227,678	224,169,179	-	663,887,844
Other financial liabilities	-	-	7,085,705	-	-	7,085,705
Lease liabilities	368,557	847,681	1,842,785	1,142,527	405,413	4,606,963
Balances due to related parties	-	-	7,568,757	-	-	7,568,757
<b>Total financial liabilities</b>	<b>208,038,635</b>	<b>125,131,042</b>	<b>232,233,897</b>	<b>241,018,277</b>	<b>134,195,094</b>	<b>940,616,945</b>
<b>Net liquidity gap</b>	<b>(28,745,522)</b>	<b>(57,188,169)</b>	<b>177,506,638</b>	<b>2,919,905</b>	<b>288,894,122</b>	<b>383,386,974</b>

**Notes to the financial statements (Continued)**

## Financial risk management (Continued)

Reconciliation of the carrying amounts expected to be recovered or settled after more than 12 months for each asset and liability line is as follows;

2025	Expected to be recovered or settled in less than 12 months Frw'000	Expected to be recovered or settled in more than 12 months Frw'000	Total Frw '000
<b>Assets</b>			
Cash on hand	38,446,908	-	38,446,908
Balances with the National Bank of Rwanda	99,285,287	-	99,285,287
Amounts due from other banks	140,480,454	-	140,480,454
Due from related parties	651,562	-	651,562
Derivatives	936,032	-	936,032
Debt instruments at amortised cost	101,971,763	99,988,909	201,960,672
Loans and advances	415,771,384	420,750,627	836,522,011
Prepaid income tax	436,911	-	436,911
Non-Current asset held for sale	8,481,734	-	8,481,734
Other financial assets	25,116,525	-	25,116,525
Other non-financial assets	2,872,554	13,673,382	16,545,936
Right-of-use assets	-	2,998,533	2,998,533
Property and equipment	-	22,764,805	22,764,805
Intangible assets	-	8,749,746	8,749,746
Deferred income tax	-	1,795,778	1,795,778
<b>Total assets</b>	<b>834,451,114</b>	<b>570,721,780</b>	<b>1,405,172,894</b>
<b>Liabilities</b>			
Deposits from other banks	139,432,917	-	139,432,917
Customer deposits	645,232,684	228,816,991	874,049,675
Due to related parties	7,149,392	-	7,149,392
Current income tax payable	6,588,033	-	6,588,033
Lease liabilities	1,251,948	1,712,045	2,963,993
Credit funds	447,617	-	447,617
Borrowings	30,805,775	90,140,285	120,946,060
Provisions	772,818	-	772,818
Other financial liabilities	19,841,399	-	19,841,399
Other non-financial liabilities	20,647,220	-	20,647,220
<b>Total liabilities</b>	<b>872,169,803</b>	<b>320,669,321</b>	<b>1,192,839,124</b>
<b>Net amount</b>	<b>(37,718,689)</b>	<b>250,052,459</b>	<b>212,333,770</b>

**Notes to the financial statements (Continued)**  
Financial risk management (Continued)

Reconciliation of the carrying amounts expected to be recovered or settled after more than 12 months for each asset and liability line is as follows;

2024	Expected to be recovered or settled in less than 12 months Frw'000	Expected to be recovered or settled in more than 12 months Frw'000	Total Frw '000
<b>Assets</b>			
Cash on hand	30,454,316	-	30,454,316
Balances with the National Bank of Rwanda	67,439,670	-	67,439,670
Amounts due from other banks	36,957,484	-	36,957,484
Due from related parties	506,987	-	506,987
Derivatives	1,659,708	-	1,659,708
Debt instruments at amortised cost	101,971,763	68,293,959	170,265,722
Loans and advances	415,771,384	204,876,367	620,647,751
Prepaid income tax	1,054,630	-	1,054,630
Other financial assets	1,061,792	-	1,061,792
Other non-financial assets	2,879,278	2,276,830	5,156,108
Right-of-use assets	-	3,897,564	3,897,564
Property and equipment	-	24,641,490	24,641,490
Intangible assets	-	7,681,131	7,681,131
Deferred income tax	-	453,158	453,158
<b>Total assets</b>	<b>659,757,012</b>	<b>312,120,499</b>	<b>971,877,511</b>
<b>Liabilities</b>			
Deposits from other banks	104,697,252	-	104,697,252
Customer deposits	439,718,665	134,700,628	574,419,293
Due to related parties	7,568,757	-	7,568,757
Current income tax payable	2,331,011	-	2,331,011
Lease liabilities	3,059,023	874,925	3,933,948
Credit funds	1,191,885	-	1,191,885
Borrowings	317,087	90,873,725	91,190,812
Provisions	616,398	-	616,398
Other financial liabilities	3,131,833	-	3,131,833
Other non-financial liabilities	7,278,068	-	7,278,068
<b>Total liabilities</b>	<b>569,909,979</b>	<b>226,449,278</b>	<b>796,359,257</b>
<b>Net amount</b>	<b>89,847,033</b>	<b>85,671,221</b>	<b>175,518,254</b>

**Notes to the financial statements (Continued)**

## Financial risk management (Continued)

**c) Market risk**

Market risk is the risk that changes in market prices, which include currency exchange rates and interest rates, will affect the fair value or future cash flows of a financial instrument. Market risk arises from open positions in interest rates and foreign currencies, both of which are exposed to general and specific market movements and changes in the level of volatility. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while optimizing the return on risk. Overall responsibility for managing market risk rests with the Management Assets and Liabilities Committee (MALCO). The Treasury department is responsible for the development of detailed risk management policies (subject to review and approval by MALCO) and for the day-to-day implementation of those policies.

**(i) Currency risk**

The Bank takes on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure by currency and in total for both overnight and intra-day positions, which are monitored daily.

The table below summarises the Bank's exposure to foreign currency exchange rate risk at 31 December 2025 and 2024. Included in the table are the Bank's financial instruments, categorised by currency:

The Bank had the following significant foreign currency positions (all amounts expressed in thousands of Rwandan Francs):

As at 31 December 2025	USD Frw '000	Euro Frw '000	GBP Frw '000	Other Frw '000	Total Frw '000
<b>Financial assets</b>					
Cash in hand	20,640,401	307,544	1,074,084	177,974	22,200,003
Balances with National Bank of Rwanda	35,450,012	9,892	1,382,741	493,230	37,335,875
Amounts due from other banks	130,755,875	324,478	4,042,940	1,391,361	136,514,654
Other financial assets	52,135,113	-	136,901	-	52,272,014
Loans and advances to customers	129,890,484	-	-	-	129,890,484
<b>Total financial assets</b>	<b>368,871,885</b>	<b>641,914</b>	<b>6,636,666</b>	<b>2,062,565</b>	<b>378,213,030</b>
<b>Financial liabilities</b>					
Deposit from customers	384,125,921	673,457	7,068,948	32,510	391,900,836
Deposits from banks	767	-	-	2,705	3,472
Other financial liabilities	4,905,497	52,894	3,033	1,821,399	6,782,823
<b>Total financial liabilities</b>	<b>389,032,185</b>	<b>726,351</b>	<b>7,071,981</b>	<b>1,856,614</b>	<b>398,687,131</b>
<b>Net position</b>	<b>(20,160,300)</b>	<b>(84,437)</b>	<b>(435,315)</b>	<b>205,951</b>	<b>(20,474,101)</b>

**Notes to the financial statements (Continued)**  
Financial risk management (Continued)

As at 31 December 2024	USD Frw '000	Euro Frw '000	GBP Frw '000	Other Frw '000	Total Frw '000
<b>Financial assets</b>					
Cash and balances with National Bank of Rwanda	17,941,659	759,472	74,436	142,045	18,917,612
Balances with National Bank of Rwanda	12,154,758	2,598,659	56,231	246,007	15,055,655
Amounts due from other banks	25,770,782	3,219,443	320,917	4,031,501	33,342,643
Other financial assets	8,819,778	627	-	5,502	8,825,907
Loans and advances to customers	77,454,404	21,499	85	150	77,476,138
<b>Total financial assets</b>	<b>142,141,381</b>	<b>6,599,700</b>	<b>451,669</b>	<b>4,425,205</b>	<b>153,617,955</b>
<b>Financial liabilities</b>					
Deposit from customers	153,281,011	6,566,504	594,879	27,427	160,469,821
Deposits from banks	3,166,358	-	-	1,376	3,167,734
Other financial liabilities	4,212,187	13,004	36,670	4,249,519	8,511,380
<b>Total financial liabilities</b>	<b>160,659,556</b>	<b>6,579,508</b>	<b>631,549</b>	<b>4,278,322</b>	<b>172,148,935</b>
<b>Net position</b>	<b>(18,518,175)</b>	<b>20,192</b>	<b>(179,880)</b>	<b>146,883</b>	<b>(18,530,980)</b>

The table below shows the foreign exchange rate risk sensitivity of the Bank's reported profit to a change in exchange rates at the year-end date, assuming all other variables remain unchanged. The sensitivity represents the directors' assessment of a reasonably possible change, based on historic volatility. Foreign exchange rate risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. The symmetric basis assumes that an increase or decrease in foreign exchange movement would result in the same amount.

**Impact on profit or loss**

	2025 Frw '000	2024 Frw '000
10 basis points	20,474	(185,310)
50 basis points	(102,370)	(926,549)
100 basis points	<b>(204,741)</b>	<b>(1,853,098)</b>

**Impact on equity**

	2025 Frw '000	2024 Frw '000
10 basis points	(15,970)	(144,542)
50 basis points	(79,849)	(722,708)
100 basis points	<b>(159,698)</b>	<b>(1,445,416)</b>

Within the period the sensitivity analysis showing the impact of the foreign exchange movement was added with comparative prior period amounts in compliance with IFRS 7 Financial Instruments: Disclosure paragraph 40 that requires showing the sensitivity analysis for each type of market risk to which the entity is exposed at the end of the reporting period, showing how profit or loss and equity would have been affected by changes in the relevant risk.

**ii) Interest rate risk**

The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise.

## Notes to the financial statements (Continued)

## Financial risk management (Continued)

As at 31 December 2025	Average interest rate	Up to 1 month Frw '000	1 to 3 months Frw '000	3 to 12 months Frw '000	1 to 5 years Frw '000	Over 5 years Frw '000	Non-interest bearing Frw '000	Total Frw '000	Carrying amount Frw '000
Cash and Balances with BNR	0.00%	-	-	-	-	-	137,732,195	137,732,195	137,732,195
Balances due from other banks	6.50%	114,661,783	-	-	-	-	25,832,690	140,494,473	140,480,454
Loans and advances to customers	16.54%	6,320,987	18,534,634	102,361,170	266,045,563	474,072,139	-	867,334,493	836,522,011
Due from related parties	0.00%	-	-	-	-	-	651,562	651,562	25,116,525
Other financial assets	0.00%	-	-	-	-	-	25,116,525	25,116,525	25,116,525
Government securities	10.22%	-	33,420,731	83,427,982	16,521,648	69,009,689	-	202,380,050	201,960,672
Off balance sheet		-	-	-	-	-	263,157,965	263,157,965	263,157,965
<b>Total financial assets</b>		<b>120,982,770</b>	<b>51,955,365</b>	<b>185,789,152</b>	<b>282,567,211</b>	<b>543,081,828</b>	<b>452,490,937</b>	<b>1,636,867,263</b>	<b>1,630,086,347</b>
Deposits from banks	8.32%	44,863,486	-	8,829,982	-	-	85,739,449	139,432,917	
Deposits from customers	6.21%	83,573,501	89,353,423	16,222,402	87,760,274	-	597,140,075	874,049,675	874,049,675
Lease liability	7.83%	86,482	10,800	62,150	2,483,680	380,880	-	3,023,992	2,963,993
Credit Funds	0.00%	-	-	-	-	-	447,617	447,617	447,617
Payables and accrued expenses	0.00%	-	-	-	-	-	12,550,549	12,550,549	12,550,549
Borrowings	4%	-	-	-	7,831,535	112,316,500	7,929,345	128,077,380	120,946,060
Related parties Balances	0.00%	-	-	-	-	-	7,149,392	7,149,392	7,149,392
<b>Total financial liabilities</b>		<b>128,523,469</b>	<b>89,364,223</b>	<b>25,114,534</b>	<b>98,075,489</b>	<b>112,697,380</b>	<b>710,956,427</b>	<b>1,164,731,522</b>	<b>1,157,540,203</b>
<b>Interest rate sensitivity gap</b>		<b>(7,540,699)</b>	<b>(37,408,858)</b>	<b>160,674,618</b>	<b>184,491,722</b>	<b>430,384,448</b>	<b>(258,465,490)</b>	<b>472,135,741</b>	<b>472,546,144</b>

**Notes to the financial statements (Continued)**  
Financial risk management (Continued)

As at 31 December 2024	Average interest rate	Up to 1 month Frw '000	1 to 3 months Frw '000	3 to 12 months Frw '000	1 to 5 years Frw '000	Over 5 years Frw '000	Non-interest bearing Frw '000	Total Frw '000	Carrying amount Frw '000
Cash and Balances with BNR	0.00%	-	-	-	-	-	97,893,986	97,893,986	97,893,986
Balances due from other banks	6.50%	-	4,065,240	-	-	-	33,349,032	37,414,272	36,957,484
Loans and advances to customers	15.78%	36,596,235	47,764,754	49,605,059	207,658,413	313,558,231	184,015	655,366,707	620,647,751
Due from related parties	0.00%	-	-	-	-	-	506,987	506,987	506,987
Other financial assets	0.00%	-	-	-	-	-	1,061,792	1,061,792	1,061,792
Government securities	10.22%	7,265,529	19,677,634	67,613,233	27,099,918	48,972,945	-	170,629,259	170,265,722
Off balance sheet		-	-	-	-	-	244,446,193	244,446,193	244,446,193
<b>Total financial assets</b>		<b>43,861,764</b>	<b>71,507,628</b>	<b>117,218,292</b>	<b>234,758,331</b>	<b>362,531,176</b>	<b>377,442,005</b>	<b>1,207,319,196</b>	<b>1,171,779,915</b>
Deposits from banks	8.32%	78,864,562	-	-	-	-	25,832,690	104,697,252	104,697,252
Deposits from customers	4.61%	10,866,123	22,995,390	144,241,555	3,169,339	-	393,146,886	574,419,293	574,419,293
Lease liability	7.83%	-	-	499,611	3,434,337	-	-	3,933,948	3,933,948
Credit Funds	0.00%	-	-	-	-	-	1,191,885	1,191,885	1,191,885
Payables and accrued expenses	0.00%	-	-	-	-	-	14,894,463	14,894,463	14,894,463
Borrowings	8.97%	-	-	260,371	12,089,183	69,832,662	9,008,596	91,190,812	91,190,812
Related parties Balances	0.00%	-	-	-	-	-	7,568,757	7,568,757	7,568,757
<b>Total financial liabilities</b>		<b>89,730,685</b>	<b>22,995,390</b>	<b>145,001,537</b>	<b>18,692,859</b>	<b>69,832,662</b>	<b>451,643,277</b>	<b>797,896,410</b>	<b>797,896,410</b>
<b>Interest rate sensitivity gap</b>		<b>(45,868,921)</b>	<b>48,512,238</b>	<b>(27,783,245)</b>	<b>216,065,472</b>	<b>292,698,514</b>	<b>(74,201,272)</b>	<b>409,422,786</b>	<b>373,883,505</b>

The above analysis does not consider the impact of future interest on the contractual amounts in assessing the interest rate risk

## Notes to the financial statements (Continued)

### Financial risk management (Continued)

The management of interest rate risk against the interest rate gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100, 50 and 10 basis point (bp) parallel fall or rise in yields. The following is an analysis of the Banks' sensitivity to an increase or decrease in market interest rates, assuming no asymmetrical movement in yield curves and a constant financial position.

Within the period the sensitivity analysis showing the impact of the interest rate movement was added with comparative prior period amounts in compliance with IFRS 7 Financial Instruments: Disclosure paragraph 40 that requires disclosing the sensitivity analysis for each type of market risk to which the entity is exposed at the end of the reporting period, showing how profit or loss and equity would have been affected by changes in the relevant risk.

#### Impact on profit or loss

	2025 Frw '000	2024 Frw '000
10 basis points	171,879	166,873
50 basis points	859,396	834,366
100 basis points	1,718,792	1,668,732

#### Impact on equity

	2025 Frw '000	2024 Frw '000
10 basis points	134,066	130,161
50 basis points	670,329	650,805
100 basis points	1,340,658	1,301,611

Within the period the sensitivity analysis showing the impact of the interest rate movement was added with comparative prior period amounts in compliance with IFRS 7 Financial Instruments: Disclosure paragraph 40 that requires disclosing the sensitivity analysis for each type of market risk to which the entity is exposed at the end of the reporting period, showing how profit or loss and equity would have been affected by changes in the relevant risk.

## d) Capital management

The primary objective of the Bank's capital management policies and processes is to ensure that the Bank complies with capital requirements and maintains healthy capital ratios in order to support its business and to maximize shareholders' value.

The Bank maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the National Bank of Rwanda. The National Bank of Rwanda sets and monitors capital requirements for the Banking industry as a whole.

In implementing current capital requirements, the National Bank of Rwanda requires the Bank to maintain a prescribed ratio of total capital to total risk-weighted assets.

The Bank's regulatory capital is analyzed into two tiers:

- Core Capital (Tier 1) capital, which includes ordinary share capital, share premium, retained earnings, after deductions for intangible assets, and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes; and
- Supplementary Capital (Tier 2) includes the revaluation reserve at 25% of the total amount.

Various limits are applied to elements of the capital base.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognized and the Bank recognizes the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Bank's regulatory capital position as at 31 December was as follows:

	2025 Frw '000	2024 Frw '000
<b>Core Capital (Tier 1):</b>		
Ordinary share capital	81,509,050	81,509,050
Share premium	8,032,565	8,032,565
Retained earnings/(losses)	122,792,155	85,976,639
Proposed dividend	(4,319,980)	(4,075,453)
Deductions		
- Deferred income tax assets	(1,795,778)	(453,158)
- Intangible assets	(8,749,746)	(7,681,131)
<b>Total Tier 1 Capital</b>	<b>197,468,266</b>	<b>163,308,512</b>
Supplementary Capital (Tier 2):		
Revaluation reserve	-	-
Total Tier 2 Capital		
<b>Total capital</b>	<b>197,468,266</b>	<b>163,308,512</b>
<b>Risk weighted assets</b>	<b>958,118,671</b>	<b>774,766,355</b>

#### Capital

Total capital expressed as a percentage of total risk-weighted assets	20.61%	21.08%
Core capital expressed as a percentage of total risk-weighted assets	20.61%	21.08%

**Notes to the financial statements (Continued)**  
**Financial risk management (Continued)**

The minimum capital funds unimpaired by losses of a licensed Bank shall, at any one time, not be less than Rwandan Francs five billion. Unless a higher minimum ratio has been set by the Central Bank for an individual Bank, every Bank, shall, at all time, maintain a total capital ratio of 15% of its total weighted assets of which at least 12.5% is core capital or as prescribed by the Central Bank in the case of Systemically Important bank.

### **(e) Fair values**

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Bank determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

#### **Valuation models**

The Bank measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments. The Bank does not hold any level 3 financial instruments. Valuation techniques include net present value and discounted cash flow models, and comparison with similar instruments for which market observable prices exist.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other inputs used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received by selling the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date

The Bank uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, such as interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

Financial instruments not measured at fair value were as follows:

#### **i. Cash and short-term funds**

Placements with other banks include inter-bank placements and items in the course of collection. The fair value of floating rate placements and overnight deposits is their carrying amount. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using prevailing money market interest rates for debts with similar credit risk and remaining maturity. All placements are fixed rate placements.

Valuation models

#### **ii. Loans and advances**

The value of variable rate instruments is determined with reference to the estimated future cash flows discounted back at the market rate prevailing for such instruments.

#### **iii. Government securities and other bonds**

Government securities and other bonds include only interest-bearing assets at amortized cost.

#### **iv. Derivatives**

The fair value for the derivatives was determined by discounting the probable cash flows using the market interest rate (8%). The input used in the determination of the fair value which is the market interest rate are observable as they are obtained from the central bank and can easily be accessed by everyone.

#### **v. Deposits; borrowed funds and intercompany payables**

The estimated fair value of deposits borrowed funds and creditors and accruals with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits and other borrowings not quoted in an active market is based on discounted cash flows using contractual interest rates and the remaining maturity. at fixed for less than three months.

**Notes to the financial statements (Continued)**

## Financial risk management (Continued)

The tables below show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

2025	Carrying amount				Fair value			
	FVOCI Frw'000	FVTPL Frw'000	At amortised cost Frw'000	Total Frw'000	Level 1 Frw'000	Level 2 Frw'000	Level 3 Frw'000	Total Frw'000
<b>Financial assets</b>								
Balances with National Bank of Rwanda	-	-	99,285,287	99,285,287	-	99,298,394	-	99,298,394
Deposits from other banks	-	-	140,480,454	140,480,454	-	114,516,779	-	114,516,779
Amortised cost investments	-	-	201,960,673	201,960,673	-	204,170,788	-	204,170,788
Loans and advances to customers	-	-	836,522,010	836,522,010	-	-	899,794,150	899,794,150
Balances due from related parties	-	-	651,562	651,562	-	651,562	-	651,562
Derivative	-	936,032	-	936,032	-	936,032	-	936,032
Other financial assets	-	-	25,116,525	25,116,525	-	25,116,525	-	25,116,525
<b>Total financial assets</b>	-	<b>936,032</b>	<b>1,304,016,511</b>	<b>1,304,952,543</b>	-	<b>444,690,080</b>	<b>899,794,150</b>	<b>1,344,484,230</b>
<b>Financial liabilities</b>				-	-	-		
Balances due to other Banks	-	-	139,432,917	139,432,917	-	139,401,912	-	139,401,912
Customer deposits	-	-	874,049,675	874,049,675	-	873,106,942	-	873,106,942
Other financial liabilities	-	-	19,841,399	19,841,399	-	19,841,399	-	19,841,399
Balances due to related parties	-	-	7,149,392	7,149,392	-	7,149,392	-	7,149,392
Long term borrowing	-	-	120,946,060	120,946,060	-	134,322,505	-	134,322,505
Credit funds	-	-	447,617	447,617	-	447,617	-	447,617
<b>Total financial liabilities</b>	-	-	<b>1,161,867,060</b>	<b>1,161,867,060</b>	-	<b>1,174,269,767</b>	-	<b>1,174,269,767</b>

**Notes to the financial statements (Continued)**  
Financial risk management (Continued)

2024	Carrying amount				Fair value			
	FVOCI Frw'000	FVTPL Frw'000	At amortised cost Frw'000	Total Frw'000	Level 1 Frw'000	Level 2 Frw'000	Level 3 Frw'000	Total Frw'000
<b>Assets</b>								
<b>Financial assets</b>								
Balances with National Bank of Rwanda	-	-	67,439,670	67,439,670	-	67,448,371	-	67,448,371
Deposits from other banks	-	-	36,957,484	36,957,484	-	36,949,268	-	36,949,268
Amortised cost investments	-	-	170,629,259	170,629,259	-	175,279,595	-	175,279,595
Loans and advances to customers	-	-	620,647,751	620,647,751	-	-	665,828,843	665,828,843
Balances due from related parties	-	-	506,987	506,987	-	506,987	-	506,987
Derivative	-	1,659,708	-	1,659,708	-	1,659,708	-	1,659,708
Other financial assets	-	-	1,626,536	1,626,536	-	1,626,536	-	1,626,536
<b>Total financial assets</b>	-	<b>1,659,708</b>	<b>897,807,687</b>	<b>899,467,395</b>	-	<b>283,470,465</b>	<b>665,828,843</b>	<b>949,299,308</b>
<b>Financial liabilities</b>								
Balances due to other Banks	-	-	104,697,252	104,697,252	-	104,464,013	-	104,464,013
Customer deposits	-	-	574,419,293	574,419,293	-	573,219,909	-	573,219,909
Other financial liabilities	-	-	5,290,833	5,290,833	-	5,290,833	-	5,290,833
Balances due to related parties	-	-	7,568,757	7,568,757	-	7,568,757	-	7,568,757
Long term borrowing	-	-	91,190,812	91,190,812	-	114,007,145	-	114,007,145
Credit funds	-	-	1,191,885	1,191,885	-	1,191,885	-	1,191,885
<b>Total financial liabilities</b>	-	-	<b>784,358,832</b>	<b>784,358,832</b>	-	<b>805,742,542</b>	-	<b>805,742,542</b>

With the period the following adjustments were made to the fair value disclosure to align with requirements of IFRS 13 Fair Value Measurement:

- balances with National Bank of Rwanda were transferred from level 1 to level 2. This is because they have some unobservable inputs like ECL. The fair value amounts for the financial assets and financial liabilities were updated as these do not equal to the carrying amounts.
- Disclosures of the determination of the fair values were updated to disclose the how the fair values are determined and the assumptions and inputs used in the fair value determination.

**Notes to the financial statements (Continued)****Financial risk management (Continued)**

The valuation hierarchy, and types of instruments classified into each level within that hierarchy, is set out below:

	Level 1	Level 2	Level 3
Fair value determined using	Unadjusted quoted prices in an active market for identical assets and liabilities	Valuation models with directly or indirectly market observable inputs	Valuation models using significant non-market observable inputs
Types of financial assets	Actively traded government and other agency securities and cash on hand Listed derivative instruments Listed equities	Corporate and other government bonds and loans Over-the-counter (OTC) derivatives	Highly structured OTC derivatives with unobservable parameters. Corporate bonds in illiquid markets.
Types of financial liabilities	Listed derivative instruments -	Over-the-counter (OTC) derivatives -	Highly structured OTC derivatives with unobservable parameters

**Financial instruments not measured at fair value****(i) Loans and advances**

The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows for loans are discounted at the year-end prime lending rate to determine fair value. The year end prime lending rate used was 16%. Input into the valuation techniques includes expected lifetime credit losses and interest rates. For collateral dependent impaired loans, the fair value is measured based on the value of the underlying collateral. The Expected credit losses were derived using a Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) as per note 33 (a).

**(ii) Government securities**

The fair value for government securities is estimated by discounting the future cashflows to the present value. The discount rates are estimates using the yields 12.3% for treasury bonds and 7.15% for treasury bills from the central bank. The Expected credit losses were derived using a Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) as per note 33 (a).

**(iii) Deposits due to customers and other banks**

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand and this is the carrying amount. The estimated fair value of interest-bearing deposits not quoted in an active market is based on discounted cash flows using weighted average rate (7.6%) of the bank's deposits.

**(iv) Due from other banks and cash balances with the central bank**

The estimated value fair value of balances due from other banks and the balances with the central bank include non-interest bearing amount and the amounts are repayable on demand. The estimated fair value of interest-bearing deposits not quoted in an active market is based on discounted cash flows using weighted average rate of the bank's deposits.

**(v) Borrowings**

The interest rates charged on borrowings held by the Bank are based on the average borrowing rate of the Bank of 6.5%, which reflects its credit risk. The interest rates are variable and in line with market rates for similar facilities. The fair values of such interest-bearing borrowings not quoted in an active market is based on discounted cash flows using market interest rates.

**Notes to the financial statements (Continued)**  
Financial risk management (Continued)

**Comparison of carrying amounts and fair values for assets and liabilities not held at fair value:**

The following tables show the breakdown of carrying amounts and fair values of financial assets and financial liabilities by class and category of financial instrument measured at amortised cost. All these financial instruments are in level 2 except cash on hand in level 1 and are carried at amortized cost.

**Financial assets measured at amortised cost**

2025	FVOCI Frw'000	FVTPL Frw'000	Carrying amount Frw '000	Fair Value Frw '000
<b>Assets</b>				
Balances with National Bank of Rwanda	-	-	99,285,287	99,298,394
Deposits from other banks	-	-	140,480,454	114,516,779
Amortised cost investments	-	-	201,960,673	204,170,788
Loans and advances to customers	-	-	836,522,010	899,794,150
Balances due from related parties	-	-	651,562	651,562
Other financial assets	-	-	25,116,525	25,116,525
<b>Total financial assets</b>	-	-	<b>1,304,016,511</b>	<b>1,343,548,198</b>
<b>Liabilities</b>				
Balances due to other Banks	-	-	139,432,917	139,401,912
Customer deposits	-	-	874,049,675	873,106,942
Other financial liabilities	-	-	19,841,399	19,841,399
Balances due to related parties	-	-	7,149,392	7,149,392
Long term borrowing	-	-	120,946,060	134,322,505
Credit funds	-	-	447,617	447,617
<b>Total financial liabilities</b>	-	-	<b>1,161,867,060</b>	<b>1,174,269,767</b>
2024	FVOCI Frw'000	FVTPL Frw'000	Carrying amount Frw '000	Fair Value Frw '000
<b>Assets</b>				
Cash and balances with central Bank	-	-	67,439,670	67,448,371
Balances due from other Banks	-	-	36,949,268	36,949,268
Amortised cost investments	-	-	170,265,722	175,279,595
Loans and advances to customers	-	-	620,647,751	665,828,843
Balances due from related parties	-	-	506,987	506,987
Other assets	-	-	1,626,536	1,626,536
<b>Total financial assets</b>	-	-	<b>897,435,934</b>	<b>947,639,600</b>
<b>Liabilities</b>				
Balances due to other Banks	-	-	104,697,252	104,464,013
Customer deposits	-	-	574,419,293	573,219,909
Other liabilities	-	-	5,290,833	5,290,833
Balances due to related parties	-	-	7,568,757	7,568,757
Long term borrowing	-	-	91,190,812	114,007,145
Credit funds	-	-	1,191,885	1,191,885
<b>Total financial liabilities</b>	-	-	<b>784,358,832</b>	<b>805,742,542</b>

## Notes to the financial statements (Continued)

### Financial risk management (Continued)

#### 34. Reporting entity

BPR Bank Rwanda Plc (the 'Bank') is domiciled in the Republic of Rwanda. The Bank's registered office is at:

BPR Bank Rwanda Plc  
P.O Box 1348  
KN 67 ST 2  
Kigali, Rwanda

The Bank's core business is commercial banking.

#### 35. Basis of preparation

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Law No. 007/2021 of 05/02/2021 Governing Companies as amended by Law No. 019/2023 of 30/03/2023. The measurement basis applied is historical cost basis, except where otherwise stated in the accounting policies below.

The financial statements are prepared on a going concern basis, as directors are satisfied that the Bank has adequate resources to continue as a going concern for the foreseeable future. In making this assessment, directors have considered a wide range of information including projections of profitability, regulatory capital requirements and funding needs. The assessment also includes consideration of reasonably possible downside economic scenarios and their potential impacts on the profitability, capital and liquidity of the Bank.

#### 36. Functional and presentation currency

These financial statements are presented in Rwanda Franc (Frw), which is the company's functional and presentation currency and all values are rounded to the nearest thousand (Frw'000) except where otherwise stated.

In preparing the financial statements, transactions in currencies other than the Bank's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

#### 37. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Bank's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

#### Judgements

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment in the year is set out in the following notes;

#### Property and equipment

Property and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Notes to the financial statement (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as under note 17.

Freehold land is not depreciated as it is deemed to have an indefinite life.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Bank policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

**Notes to the financial statements (Continued)**  
Financial risk management (Continued)

### Expected credit losses

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in note 33. (a). (iv), which also sets out key sensitivities of the ECL to changes in these elements.

Several significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing Banks of similar financial assets for the purposes of measuring ECL.

Detailed information about the judgements and estimates made by the Bank in the above areas is set out in note 33. (a). (iv).

### Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

### Accounting for leases

#### i) Right-of-use assets

The Bank recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

#### ii) Lease liabilities

At the commencement date of the lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payment (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Bank and payments of penalties for terminating the lease, if the lease term reflects the Bank exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Bank uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

## 38. Material accounting policies

### (a) Fees and commission income

Fees and commissions are generally recognised on an accrual basis when the service has been provided. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognised as an adjustment to the effective interest rate on the loan.

Other fees and commissions expense relate mainly to transaction and service fees which are expenses as they are received.

The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. The Bank's revenue contracts do not include multiple performance obligations.

When the Bank provides a service to its customers, consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time.

Performance obligations satisfied over time include letters of credit and performance guarantees, where the customer simultaneously receives and consumes the benefits provided by the Bank's performance as the Bank performs.

## Notes to the financial statements (Continued)

### Financial risk management (Continued)

#### (b) Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognised within 'interest income' or 'interest expense' in the statement of comprehensive income using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest that was used to discount the future cash flows for the purpose of measuring the impairment loss.

#### (c) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### (d) Financial assets and liabilities

##### Measurement methods

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired ('POCI') financial assets — assets that are credit-impaired at initial recognition — the Bank calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When the Bank revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

##### Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

(a) POCI financial assets, for which the original credit-adjusted effective interest rate is applied to the amortised cost of the financial asset.

(b) Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

#### (i) Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Bank becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Bank commits to purchase or sell the asset.

At initial recognition, the Bank measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

(b) In all other cases, the difference is deferred, and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

**Notes to the financial statements (Continued)**  
**Financial risk management (Continued)**

**(ii) Classification and subsequent measurement**

The Bank classifies its financial assets in the following measurement categories:

- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below: Debt instruments.

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:

- The Bank's business model for managing the asset; and
- The cash flow characteristics of the asset.

Based on these factors, the Bank classifies its debt instruments into one of the following three measurement categories:

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI):** Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Net Investment income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

**Business model:** the business model reflects how the Bank manages the assets in order to generate cash flows. That is, whether the Bank's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL.

Factors considered by the Bank in determining the business model for a Bank of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

**SPPI:** Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Bank assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the Bank considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Bank reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period.

**Equity instruments**

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Bank subsequently measures all equity investments at fair value through profit or loss, except where the Bank's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Bank's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Bank's right to receive payments is established.

Gains and losses on equity investments at FVPL are included in the 'Net trading income' line in the statement of profit or loss.

**(i) Impairment**

The Bank assesses on a forward-looking basis the expected credit loss ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Bank recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

## Notes to the financial statements (Continued)

### Financial risk management (Continued)

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note 33. (a). (iv) provides more detail of how the expected credit loss allowance is measured.

#### (ii) Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Bank renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened, and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants. The Bank has an established forbearance policy which applies for corporate and retail lending.

When a financial asset is modified the Bank assesses whether this modification results in derecognition. In accordance with the Bank's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Bank considers the following:

Qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or when rights to cash flows between the original counterparties expire because a new debtor replaces the original debtor (unless both debtors are under common control), the extent of change in interest rates, and maturity. If these do not clearly indicate a substantial modification, then a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original effective interest. If the difference in present value is greater than 10% the Bank deems the arrangement is substantially different leading to derecognition. When performing a quantitative assessment of a modification or renegotiation of a

credit-impaired financial asset or a purchased or originated credit-impaired financial asset that was subject to a write-off, the Bank considers the expected (rather than the contractual) cash flows before modification or renegotiation and compares those with the contractual cash flows after modification or renegotiation.

In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition.

The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated- credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par-amount because there remains a high risk of default which has not been reduced by the modification. The Bank monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Bank determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified as part of the Bank's forbearance policy, where modification did not result in derecognition, the estimate of PD reflects the Bank's ability to collect the modified cash flows taking into account the Bank's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. If a forborne loan is credit impaired due to the existence of evidence of credit impairment (see above), the Bank performs an ongoing assessment to ascertain if the problems of the exposure are cured, to determine if the loan is no longer credit impaired. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Bank calculates the modification loss by comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Modification losses for financial assets are included in the profit or loss account in 'Losses on modification of financial assets. Then the Bank measures ECL for the modified asset, where

**Notes to the financial statements (Continued)**  
**Financial risk management (Continued)**

the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Bank derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Bank neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Bank recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Bank retains substantially all the risks and rewards of ownership of a transferred financial asset, the Bank continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

**(iii) Derecognition other than on a modification**

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) The Bank transfers substantially all the risks and rewards of ownership, or (ii) the Bank neither transfers nor retains substantially all the risks and rewards of ownership and the Bank has not retained control.

The Bank enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Bank:

- (i) Has no obligation to make payments unless it collects equivalent amounts from the assets;
- (ii) Is prohibited from selling or pledging the assets; and
- (iii) Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the Bank under standard repurchase agreements and securities lending and borrowing transactions are not derecognised because the Bank retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Bank retains a subordinated residual interest.

**(iv) Classification and subsequent measurement**

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost, except for:

Financial liabilities at fair value through profit or loss: this classification is applied to derivatives. Gains or losses on derivatives are recognised in profit or loss.;

- Financial liabilities arising from the transfer of financial assets which did not qualify for derecognition, whereby a financial liability is recognised for the consideration received for the transfer. In subsequent periods, the Bank recognises any expense incurred on the financial liability; and

- Financial guarantee contracts and loan commitments.

**(v) Derecognition**

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Bank and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment.

If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortized over the remaining term of the modified liability.

**Financial guarantee contracts and loan commitments**

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

## Notes to the financial statements (Continued)

### Financial risk management (Continued)

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Bank are measured as the amount of the loss allowance. The Bank has not provided any commitment to provide loans at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Bank cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognised as a provision.

#### (e) Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition, including: notes and coins on hand, unrestricted balances deposited with the National Bank of Rwanda and highly liquid assets, subject to insignificant risk of changes in their fair value.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

#### (f) Property and equipment

##### (i) Initial recognition and measurement

An item of property, plant and equipment are initially recorded at cost which includes all costs necessary to bring the asset to working condition for its intended use. This includes not only its original purchase price but also costs of site preparation, delivery and handling, installation, related professional fees for architects and engineers, and the estimated cost of dismantling and removing the asset and restoring the site. Where purchased software is integral to the functionality of the related equipment, it is capitalized as part of that equipment. If significant parts of an item of property or equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment. In case of deferred payment for an item of property, plant, and equipment, interest at a market rate is recognized as part of the asset cost.

##### (ii) Subsequent cost

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably.

The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to statement of comprehensive income during the financial period in which they are incurred.

##### (iii) Depreciation

Freehold land is not depreciated. Depreciation on other assets is calculated on the straight-line basis to allocate their cost less their residual values over their estimated useful lives, as follows:

Buildings	50 years
Leasehold improvements	10 years
Equipment, furniture and fittings	10 years
Motor vehicles	4 years
Computer equipment	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

The Bank assesses at each reporting date whether there is any indication that any item of property and equipment is impaired. If any such indication exists, the Bank estimates the recoverable amount of the relevant assets. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are Banked at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining profit/loss.

##### (g) Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three years).

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Bank, are recognised as intangible assets, when the following criteria have been met:

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

**Notes to the financial statements (Continued)**  
Financial risk management (Continued)

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Computer software development costs recognised as assets are amortised over their estimated useful lives, not exceeding five years.

**(h) Income tax expense**

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the taxation authority will accept an uncertain tax treatment. The Bank measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The Deferred income tax in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Bank is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the Bank has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**(i) Leases**

At inception of a contract, the Bank assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed when the customer has the right to direct the identified asset's use and to obtain substantially its economic benefits from that use.

At commencement or on modification of a contract that contains a lease component, the Bank allocates consideration in the contract to each lease component on the basis of its relative standalone price. However, for leases of branches and office premises the Bank has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Bank recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove any improvements made to branches or office premises.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank's incremental borrowing rate. The Bank determines its incremental borrowing rate by analysing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

**Notes to the financial statements (Continued)****Financial risk management (Continued)**

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Bank is reasonably certain to exercise, lease payments in an optional renewal period if the Bank is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Bank is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Bank's estimate of the amount expected to be payable under a residual value guarantee, if the Bank changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Bank remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate

	31 December 2025	1 January 2025
	Frw '000	Frw '000
Leasehold premises	2,748,705	3,323,656
Leased equipment	21,378	149,642
100 basis points	228,451	424,266
<b>Total</b>	<b>2,998,534</b>	<b>3,897,564</b>

The Bank has chosen to present the interest expense from lease liabilities under the operating activities in the statement of cashflows.

**(j) Employee benefits****(i) Short term employee benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided and include monthly salary payments. A liability is recognised for the amount expected to be paid under short term cash bonus if the Company has a present legal or constructive obligation to pay this amount because of past services provided by the employee and the obligation can be estimated reliable. The Bank pays its employees performance based short term bonus which is recognised as an expense in the period to which it relates. However, payments are made only after obtaining relevant approvals.

The Bank and all its employees contribute to the Rwanda Social Security Board, which is a defined contribution plan. The Bank has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Bank's contributions to the defined contributions schemes are charged to profit or loss in the year in which they relate.

The estimated monetary liability for employees accrued annual leave entitlement at the Statement of financial position date is recognised as an expense accrual.

**(ii) Other entitlements**

The estimated monetary liability for employees accrued annual leave entitlement at the Statement of financial position date is recognised as an expense accrual.

**(k) Share capital**

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

**(l) Dividends payable**

Dividends on ordinary shares are charged to equity in the period in which they are declared. Proposed dividends are shown as a separate component of equity until declared.

**(m) Guarantees**

Guarantees are accounted for as off Statement of financial position transactions and disclosed as contingent liabilities.

**(n) Impairment of non-financial assets**

The carrying amounts of the Bank's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (Bank of units) on a pro-rata basis.

**Notes to the financial statements (Continued)**  
Financial risk management (Continued)

### 39. Changes in accounting policy and disclosures

#### (i) New and amended standards applicable from 1 January 2025

The following new or revised standards, amendments and interpretations are effective for the year ended 31 December 2025 and have been applied in preparing these financial statements where applicable

Description	Effective date
New and amended standards and interpretations January to December 2025	
Lack of Exchangeability-Amendments to IAS 21	1 January 2025

#### Lack of Exchangeability-Amendments to IAS 21

The Board amended IAS 21 to clarify:

- when a currency is exchangeable into another currency; and
- how a company estimates a spot rate when a currency lacks exchangeability

A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate.

A company's objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements for estimating a spot rate. Therefore, when estimating a spot rate a company can use:

- an observable exchange rate without adjustment; or
- another estimation technique.

A company can use an observable rate if that rate meets the estimation objective – i.e. the rate reflects that at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. When making this assessment, a company needs to consider:

- whether several observable exchange rates exist;
- the purpose for which the currency is exchangeable;
- the nature of the exchange rate; and
- the frequency with which exchange rates are updated.

When estimating a spot rate, a company may use any observable exchange rate and adjust it as necessary. This includes using rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations. However, the technique used needs to meet the estimation objective.

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the

financial statements. These disclosures might include: the nature and financial impacts of the currency not being exchangeable;

- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

The amendments did not have a material impact on the Bank as the Bank did not have transactions in currencies where there is lack of exchangeability.

#### (ii) New and amended standards issued but not yet effective

The Bank has not applied the following new and revised IFRS Standards which have been issued but are not yet effective:

Description	Effective date
<b>New and amended standards and interpretations issued but not yet effective</b>	
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards – Amendments to: <ul style="list-style-type: none"> <li>• IFRS 1 First-time Adoption of International Financial Reporting Standards;</li> <li>• IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;</li> <li>• IFRS 9 Financial Instruments;</li> <li>• IFRS 10 Consolidated Financial Statements; and</li> <li>• IAS 7 Statement of Cash flows.</li> </ul>	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Translation to a Hyperinflationary Presentation Currency-Amendments to IAS 21	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture -Amendments to IFRS 10 and IAS 28	To be determined

## Notes to the financial statements (Continued)

### Financial risk management (Continued)

The following new International Financial Reporting Standards together with their Interpretations had been published at the date of preparation of the accompanying Financial Statements but are not mandatory as of December 31, 2025. Although in some cases the International Accounting Standards Board ("IASB") allows early adoption before their effective date, the Bank has not proceeded with this option for any such new standards.

#### Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The Board has amended IFRS 9 Financial Instruments following its post-implementation review of the classification and measurement requirements. The amendments include guidance on the classification of financial assets, including those with contingent features. The Board has also amended IFRS 7 Financial Instruments: Disclosures. Companies will now be required to provide additional disclosures on financial assets and financial liabilities that have certain contingent features.

Under IFRS 9, it was unclear whether the contractual cash flows of some financial assets with Environmental, Social and Governance linked features represented solely payments of principal and interest, which is a condition for measurement at amortised cost. This could have resulted in financial assets with Environmental, Social and Governance linked features being measured at fair value through profit or loss.

Although the new amendments are more permissive, they apply to all contingent features, not just Environmental, Social and Governance linked features. While the amendments may allow certain financial assets with contingent features to meet the solely payments of principal and interest criterion, companies may need to perform additional work to prove this. Judgement will be required in determining whether the new test is met.

The amendments introduce an additional solely payments of principal and interest test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs – e.g. where the cash flows change depending on whether the borrower meets an Environmental, Social and Governance target specified in the loan contract. Under the amendments, certain financial assets including those with Environmental, Social and Governance linked features could now meet the solely payments of principal and interest criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature.

The amendments also include additional disclosures for all financial assets and financial liabilities that have certain contingent features that are:

- not related directly to a change in basic lending risks or costs; and
- are not measured at fair value through profit or loss.

amendments clarify the key characteristics of contractually linked instruments and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test). The amendments require additional disclosures for investments in equity instruments that are measured at fair value with gains or losses presented in other comprehensive income.

The amendments address the recognition and derecognition of financial assets and financial liabilities, including an exception relating to the derecognition of financial liabilities that are settled using an electronic payment system.

The amendments apply for reporting periods beginning on or after 1 January 2026. Earlier application is permitted separately from the amendments for the recognition and derecognition of financial assets and financial liabilities.

The amendments will not have a material impact on the Bank as the Bank currently does not have supplier financing arrangements.

#### Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7

The International Accounting Standards Board (IASB) issued targeted amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). The IASB acted swiftly in the light of the increased use of these contracts.

Nature-dependent electricity contracts help companies to secure their electricity supply from sources such as wind and solar power. The amount of electricity generated under these contracts can vary based on uncontrollable factors such as weather conditions. Current accounting requirements may not adequately capture how these contracts affect a company's performance.

To allow companies to better reflect these contracts in the financial statements, the IASB has made targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. The amendments include:

- Clarifying the application of the 'own-use' requirements;
- Permitting hedge accounting if these contracts are used as hedging instruments; and
- Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

These amendments are required to be applied for annual reporting periods beginning on or after 1 January 2026. Companies can apply the amendments earlier.

The amendments will not have a material impact on the Bank as the Bank currently does not have power purchase agreements.

## Notes to the financial statements (Continued)

### Financial risk management (Continued)

#### Annual Improvements to IFRS Accounting Standards

The annual improvements process aims to improve the clarity and internal consistency of IFRS Accounting Standards. In this volume of improvements, The Board made minor amendments to IFRS 9 Financial Instruments and to a further four accounting standards. The amendments to IFRS 9 address:

- A conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables; and
- How a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9.

The amendment on trade receivables may require some companies to change their accounting policy. The Board's amendments remove the conflict between IFRS 9 and IFRS 15 over the amount at which a trade receivable is initially measured. Under IFRS 15, a trade receivable may be recognised at an amount that differs from the transaction price – e.g. when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. The Board has amended IFRS 9 to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15.

If a lease liability is derecognised, then the derecognition is accounted for under IFRS 9. However, when a lease liability is modified, the modification is accounted for under IFRS 16 Leases. The Board's amendment states that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss. However, the amendment does not address how to distinguish between derecognition and modification of a lease liability. The IASB has indicated that it may consider this issue as part of a future project.

The amendments apply for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. The amendment on derecognition of lease liabilities applies only to lease liabilities extinguished on or after the beginning of the annual reporting period in which the amendment is first applied. The amendment will not have a significant impact on the financial statements of the Bank.

#### Presentation and Disclosure in Financial Statements – IFRS 18

IFRS 18 promotes a more structured income statement, as set out below. In particular, it introduces a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be classified into three new distinct categories based on a company's main business activities.

All companies are required to report the newly defined 'operating profit' subtotal – an important measure for investors' understanding of a company's operating results – i.e. investing and financing results are specifically excluded. This means that the results of equity-accounted investees are no longer part of operating profit and are presented in the 'investing' category.

IFRS 18 also requires companies to analyse their operating expenses directly on the face of the income statement – either by nature, by function or on a mixed basis. Under the new standard, companies need to choose the presentation method that provides the 'most useful structured summary' of those expenses. If any items are presented by function on the face of the income statement (e.g. cost of sales), then a company provides more detailed disclosures about their nature.

Companies often use 'non-GAAP' information to explain their financial performance because it allows them to tell their own story and provides investors with useful insight into a company's performance. IFRS 18 now requires some of these 'non-GAAP' measures to be reported in the financial statements. It defines management performance measures as a subtotal of income and expenses that:

- Is used in public communications outside the financial statements; and
- Communicates management's view of financial performance.

For each management performance measures presented, companies will need to explain in a single note to the financial statements why the measure provides useful information and how it is calculated, and to reconcile it to an amount determined under IFRS Accounting Standards. Such disclosure will enhance transparency and will afford users better information on companies' financial performance.

To provide investors with better insight into financial performance, the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether material information is included in the primary financial statements or is further disaggregated in the notes. Companies are discouraged from labelling items as 'other' and will now be required to disclose more information if they continue to do so.

The implementation of the new standard is expected to have a significant impact on the preparation and disclosure of financial statements. The standard will be implemented when it becomes effective.

#### IFRS 19 Subsidiaries without Public Accountability

IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date:

- it does not have public accountability; and
- its parent produces consolidated financial statements under IFRS Accounting Standards.

A subsidiary applying IFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with IFRS Accounting Standards that IFRS 19 has been adopted. The Board intends to update IFRS 19 on an ongoing basis as new or amended disclosure requirements in IFRS Accounting Standards are issued.

**Notes to the financial statements (Continued)**

## Financial risk management (Continued)

Eligible subsidiaries can choose to apply the standard for reporting periods beginning on or after 1 January 2027. Earlier application is permitted. The amendments are not expected to have a material impact on the Bank because they do not have subsidiaries.

**40. Custody services**

The Bank offers custody services to customers trading on the Rwanda Stock Exchange. Customers' investments in the capital markets are managed separately from the Bank's assets and investments. As at 31 December, the Bank was in custody of certificates of titles of custody customers' investments with following values;

	<b>31-Dec-25</b>	<b>31-Dec-24</b>
	<b>Frw '000</b>	<b>Frw '000</b>
Government bonds	49,553,100	107,259,000
Cash	3,134,434	10,222,330
Fixed deposits	3,340,000	10,000,000
Equities	104,337,057	86,274,988
Corporate bonds	4,934,596	4,170,300
Treasury bills	125,000	130,000
<b>Total assets</b>	<b>165,424,187</b>	<b>218,056,618</b>

**41. Subsequent events**

There were no events after the balance statement of financial position date for the year ended 31 December 2025.

# APPENDIX I

## Other regulatory disclosures

	31-Dec-25	31-Dec-24
	Amount Frw '000	Amount Frw '000
<b>I. Capital Strength</b>		
a) Core capital (Tier 1)	197,468,266	163,308,512
b) Supplementary capital (Tier 2)	-	-
c) Total capital	197,468,266	163,308,512
d) Total risk weighted assets	958,118,671	774,766,355
e) Core capital/ Total risk weighted assets ratio (Tier 1 ratio)	20.61%	21.08%
f) Tier 2 ratio	-	-
g) Total capital/total risk weighted assets ratio	20.61%	21.08%
h) Leverage Ratio	11.08%	13.75%
<b>II. Credit risk</b>		
<b>1. Total gross credit risk exposure: after accounting offsets and without taking into account credit risk mitigation</b>	1,333,808,541	1,072,101,866
<b>2. Average gross credit exposure, broken down by major types of credit exposure:</b>		
a) Loans, commitments, and other non-derivatives off-balance sheet exposure	1,130,492,458	899,812,899
b) Debt securities	202,380,051	170,629,259
c) OCT derivatives	936,032	1,659,708

### 3. Regional or geographic distribution of exposures, broken down in significant areas by major types of credit exposure;

	Loans & Commitments	Loans & Commitments
a) Kigali	1,144,653,737	929,415,324
b) Northern Region	39,023,920	25,288,519
c) Southern Region	56,921,309	44,914,412
d) Eastern Region	44,697,037	35,100,432
e) Western Region	48,512,538	37,383,179

### 4. Sector distribution of exposures, broken down by major types of credit exposure and aggregated:

	Loans & Commitments	Loans & Commitments
a) Government	202,380,051	172,288,967
b) Financial	-	148,823
c) Manufacturing	140,874,993	109,651,724
d) Infrastructure and construction	268,003,449	154,437,046
e) Services and Commerce	275,353,519	196,828,315
f) Others	184,038,564	194,300,798
<b>5. Off-balance sheet items</b>	263,157,965	244,446,193

**Appendix (Continued)**  
Other regulatory disclosures (Continued)

	31-Dec-25		31-Dec-24	
Item	Amount		Amount	
	Frw '000		Frw '000	
<b>6. Non-performing loans indicators</b>				
a) Non-performing loans (NPL)	23,780,940		35,498,474	
b) NPL ratio	2.74%		5.42%	
<b>7. Related parties</b>				
a) Loans to Directors, shareholders and subsidiaries	19,725,516		13,003,523	
b) Loan to employees	16,350,049		14,126,459	
<b>8. Restructured loans as at 31 December</b>				
a. No. of borrowers	273		385	
b. Amount outstanding (Frw '000)	26,957,194		56,670,317	
c. Provision thereon (Frw '000) (regulatory):	803,986		1,413,357	
d. Restructured loans as % of gross loans	3.11%		8.65%	
<b>III. Liquidity Risk</b>				
a) Liquidity Coverage Ratio	169.15%		206.84%	
b) Net Stable Funding Ratio	183.61%		229.19%	
<b>IV. Operational risk</b>				
<b>Type</b>	<b>Number</b>	<b>31 Dec 2025 Frw '000</b>	<b>Number</b>	<b>31 Dec 2024 Frw '000</b>
a) Fraud cases	6	533,311	8	72,998
b) Forged documents	-	-	39	359,441
c) Account Manipulation	-	-	-	-
d) Error	1	3,500	-	-
e) Corruption	-	-	-	-
<b>V. Market risk</b>				
a) Interest rate risk	-		-	
b) Equity position risk	-		-	
c) Foreign exchange risk	20,444,317		28,874,734	
<b>VI. Country Risk</b>				
a) Credit exposure abroad	29,186,114		-	
b) Other asset held abroad	141,027,627		33,342,643	
<b>c) Liabilities to abroad</b>	73,038,300		12,500,233	
<b>VII. Management and board composition</b>				
a) Number of Board members	9		8	
b) Number of independent Directors	6		5	
c) Number of non-independent Directors	3		3	
d) Number of female Directors	4		3	
e) Number of male Directors	5		5	
f) Number of senior managers	10		14	
g) Number of female senior managers	2		4	
h) Number of male senior managers	8		10	

## APPENDIX II: LIST OF BRANCHES

No.	Branch Name	Region	District
1	BPR BUGESERA	Bugesera	EASTERN
2	BPR RUHUHA	Bugesera	EASTERN
3	BPR BUNGWE	Burera	EASTERN
4	BPR BURERA	Burera	EASTERN
5	BPR CYANIKA	Burera	EASTERN
6	BPR GAKENKE	Gakenke	NORTHERN
7	BPR RULI	Gakenke	NORTHERN
8	BPR RUSHASHI	Gakenke	NORTHERN
9	BPR KABUGA	Gasabo	KIGALI
10	BPR KBC	Gasabo	KIGALI
11	BPR GISOZI	Gasabo	KIGALI
12	BPR KIMIRONKO	Gasabo	KIGALI
13	BPR MTN CENTRE	Gasabo	KIGALI
14	BPR REMERA	Gasabo	KIGALI
15	BPR KIRAMURUZI	Gatsibo	EASTERN
16	BPR MUHURA	Gatsibo	EASTERN
17	BPR NGARAMA	Gatsibo	EASTERN
18	BPR KABARORE	Gatsibo	EASTERN
19	BPR GICUMBI	Gicumbi	NORTHERN
20	BPR KINYAMI	Gicumbi	NORTHERN
21	BPR RUTARE	Gicumbi	NORTHERN
22	BPR GIKONKO	Gisagara	SOUTHERN
23	BPR RUSATIRA	Huye	SOUTHERN
24	BPR HUYE	Huye	SOUTHERN
25	BPR KAMONYI	Kamonyi	SOUTHERN
26	BPR GASHARI	Karongi	WESTERN
27	BPR KARONGI	Karongi	WESTERN
28	BPR RUBENGERA	Karongi	WESTERN
29	BPR KAYONZA BRANCH	Kayonza	EASTERN
30	BPR KABARONDO	Kayonza	EASTERN
31	BPR RUKARA	Kayonza	EASTERN
32	BPR GIKONDO	Kicukiro	KIGALI
33	BPR KICUKIRO	Kicukiro	KIGALI
34	BPR KIREHE	Kirehe	EASTERN
35	BPR MUHANGA	Muhanga	SOUTHERN
36	BPR BUSOGO	Musanze	NORTHERN
37	BPR MUSANZE	Musanze	NORTHERN
38	BPR NGOMA	Ngoma	EASTERN
39	BPR SAKE	Ngoma	EASTERN
40	BPR KABAYA	Ngororero	WESTERN

## Appendix II : List of Branches (Continued)

No.	Branch Name	Region	District
41	BPR NGORORERO	Ngororero	WESTERN
42	BPR BIGOGWE	Nyabihu	WESTERN
43	BPR MUKAMIRA BRANCH	Nyabihu	WESTERN
44	BPR MATIMBA	Nyagatare	EASTERN
45	BPR NYAGATARE	Nyagatare	EASTERN
46	BPR RUKOMO	Nyagatare	EASTERN
47	BPR GASARENDA	Nyamagabe	SOUTHERN
48	BPR NYAMAGABE	Nyamagabe	SOUTHERN
49	BPR KIBOGORA	Nyamasheke	WESTERN
50	BPR SHANGI	Nyamasheke	WESTERN
51	BPR NYANZA	Nyanza	SOUTHERN
52	Advantage branch	Nyarugenge	KIGALI
53	BPR BPF	Nyarugenge	KIGALI
54	BPR MIC	Nyarugenge	KIGALI
55	BPR NYAMIRAMBO	Nyarugenge	KIGALI
56	BPR TROPICAL PLAZA	Nyarugenge	KIGALI
57	BPR HOF BRANCH SERVICES (premium)	Nyarugenge	KIGALI
58	BPR NYABUGOGO	Nyarugenge	KIGALI
59	BPR NYARUGURU	Nyaruguru	SOUTHERN
60	BPR KANAMA	Rubavu	WESTERN
61	BPR KINIHIRA	Rubavu	WESTERN
62	BPR RUBAVU	Rubavu	WESTERN
63	BPR BUHANDA	Ruhango	SOUTHERN
64	BPR RUHANGO	Ruhango	SOUTHERN
65	BPR BASE	Rulindo	NORTHERN
66	BPR KAJEVUBA	Rulindo	NORTHERN
67	BPR CITE	Rusizi	WESTERN
68	BPR RUSIZI	Rusizi	WESTERN
69	BPR KAYOVE	Rutsiro	WESTERN
70	BPR RUTSIRO	Rutsiro	WESTERN
71	BPR FUMBWE	Rwamagana	EASTERN
72	BPR GISHARI/MUHAZI	Rwamagana	EASTERN
73	BPR RWAMAGANA	Rwamagana	EASTERN



5  
FORWARD

***Started with purpose,  
driven to uplift  
generations.***



**FORWARD**

## Contacts

---

**Call:** 1500 | +250 788 140 000

**Email:** [contactus@bpr.rw](mailto:contactus@bpr.rw) [info@bpr.rw](mailto:info@bpr.rw)

**website:** [www.bpr.rw](http://www.bpr.rw)